

December 27, 2022

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

**EXECUTIVE SUMMARY**

**ALL COUNTY LETTER NO. 22-99**

The purpose of this All County Letter is to provide all entities responsible for the administration of the CalFresh Employment and Training (E&T) program and stakeholders with consolidated policy guidance through the release of the CalFresh E&T Handbook.



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DIRECTOR

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December 27, 2022

ALL COUNTY LETTER NO. 22-99

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY CALFRESH SPECIALISTS  
ALL QUALITY CONTROL COORDINATORS  
ALL CALFRESH EMPLOYMENT AND TRAINING  
REPRESENTATIVES  
ALL CONSORTIA REPRESENTATIVES

SUBJECT: CALFRESH EMPLOYMENT AND TRAINING HANDBOOK

REFERENCE: [TITLE 2 CODE OF FEDERAL REGULATIONS \(CFR\) 200.1; 2 CFR 200.303; 2 CFR 200.306; 2 CFR 200.313; 2 CFR 200.421; 2 CFR 200.423-424; 2 CFR 200.426; 2 CFR 200.429; 2 CFR 200.439; 2 CFR 200.445; 2 CFR 200.469; 2 CFR 200.475; 2 CFR 415.2; 2 CFR 200.330-333; 2 CFR 200.403-405; 2 CFR 200.412-414; 2 CFR 200.430-438; 2 CFR 200.441-442; 2 CFR 200.449-451; 2 CFR 200.453-454; 2 CFR 200.464-467; 2 CFR APPENDIX V to PART 200; 7 CFR 273.24; 7 CFR 273.7; 7 CFR 275.5; 7 CFR 275.16; 7 CFR PART 277 APPENDIX A; 20 CFR 618.110; 20 CFR 680.190; 20 CFR 680.720; 20 CFR 680.730; 34 CFR 463.31; 34 CFR 463.35; 45 CFR PART 75 SUBPART E; 45 CFR 98.43; ALL COUNTY LETTER \(ACL\) NO. 19-93; ACL NO. 20-10; ACL NO. 21-48; ACL NO. 22-38; ACL NO. 22-67; ACL NO. 22-74; ALL COUNTY INFORMATION NOTICE \(ACIN\) I-57-21; ALL COUNTY WELFARE DIRECTORS LETTER \(ACWDL\) JULY 14, 2021; COUNTY FISCAL LETTER \(CFL\) NO. 19/20-05; CFL NO. 20/21-48; CFL NO. 20/21-105; CFL NO. 20/21-106; CFL NO. 21/22-115; FNS INSTRUCTION 113-1, SECTION IX; FOOD AND NUTRITION ACT OF 2008; INTERIM FINAL RULE: SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM \(SNAP\) EMPLOYMENT AND TRAINING \(E&T\) PROGRAM MONITORING, OVERSIGHT, AND REPORTING MEASURES; PUBLIC LAW \(P.L.\) SECTION 134\(c\)\(2\)\(A\)\(xii\)\(II\); SNAP CLARIFICATION OF E&T OUTCOME REPORTING REQUIREMENTS Q&A PART II; 29 UNITED STATES CODE \(U.S.C.\) 3102 SECTION 3; APPRENTICESHIP.GOV](#)

The purpose of this All County Letter (ACL) is to provide all entities responsible for the administration of the CalFresh Employment and Training (E&T) program and stakeholders with consolidated policy guidance through the release of the CalFresh E&T Handbook.

The California Department of Social Services (CDSS) is committed to providing all CalFresh applicants and recipients with high quality employment and training services, that increase participant employment and earning capacity, by providing the support needed to obtain skills and credentialing.

## **BACKGROUND**

Over time, policy guidance has been released regarding the CalFresh E&T program via ACLs, All County Information Notices (ACINs), All County Welfare Director Letters (ACWDLs) and County Fiscal Letters (CFLs). The CDSS has developed the CalFresh E&T Handbook to consolidate policy guidance.

The CalFresh E&T Handbook is intended to provide a comprehensive narrative encompassing federal and state laws, regulations, and other instructional documents in order to guide program development, administration, and expansion. The information presented in this handbook is organized in five sections:

- I. Program Model: This section provides guidance on the basics of CalFresh E&T program design and structure.
- II. Partnerships: This section provides guidance on strategies for partnerships.
- III. Fiscal: This section provides guidance on fiscal policy and regulations related to the CalFresh E&T grant.
- IV. Data and Reporting: This section provides guidance regarding the reporting requirements for both the state and federal reports.
- V. Management Evaluations: This section describes the process and requirements for monitoring the fiscal and programmatic compliance of the CalFresh E&T program.

The CalFresh E&T Handbook can also be found on the [CalFresh E&T webpage](#). If you have any questions or need additional guidance regarding the information in this letter, contact the CalFresh E&T Section at [CalFreshEandT@dss.ca.gov](mailto:CalFreshEandT@dss.ca.gov).

Sincerely,

### ***Original Document Signed By***

JENNIFER TROIA  
Chief Deputy Director  
California Department of Social Services

Attachment



# **CALFRESH EMPLOYMENT AND TRAINING HANDBOOK**

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# TABLE OF CONTENTS

<b>INTRODUCTION.....</b>	<b>6</b>
<b>PART I: PROGRAM MODEL .....</b>	<b>6</b>
ANNUAL PLAN.....	7
CONSULTATION WITH LOCAL WORKFORCE DEVELOPMENT BOARDS .....	7
ELIGIBILITY AND ENROLLMENT .....	8
CERTIFICATION AND SCREENING .....	8
PARTICIPANT REFERRAL .....	10
CASE MANAGEMENT .....	11
COMPONENTS AND ACTIVITIES.....	13
<b>PART II: PARTNERSHIPS.....</b>	<b>21</b>
INTERMEDIARY.....	21
TRIBAL ORGANIZATIONS.....	22
STATE PARTNERS.....	22
PARTNER CONSIDERATIONS .....	23
PROVIDER DETERMINATION .....	25
STRATEGIC CO-ENROLLMENT.....	26
<b>PART III: FISCAL POLICY.....</b>	<b>27</b>
FUNDING CONTINGENCIES.....	27
REALLOCATION OF FEDERAL FUNDS .....	27
FUNDING BASICS.....	27
ALLOWABLE COSTS.....	30
UNALLOWABLE COSTS.....	31
SUPPLANTATION.....	32
TIME RECORDS .....	33
PASS-THROUGH ENTITIES.....	33
SUBRECIPIENTS.....	34
CONTRACTS AND PROCUREMENT .....	34
COST PRINCIPLES.....	35
COST ALLOCATION PLAN.....	41
<b>PART IV: DATA AND REPORTING .....</b>	<b>43</b>
DEFINITIONS .....	43
PARTICIPANT OUTCOMES REPORT .....	44
CALFRESH WORK REGISTRANTS, ABLE-BODIED ADULTS WITHOUT DEPENDENTS, QUARTERLY STATISTICAL REPORT .....	46
PROGRESS REPORT.....	47
<b>PART V: MANAGEMENT EVALUATION .....</b>	<b>48</b>
BACKGROUND .....	48
MANAGEMENT EVALUATION REVIEW .....	48
CORRECTIVE ACTION PLAN.....	53
<b>ACRONYMS AND DEFINITIONS .....</b>	<b>54</b>

## INTRODUCTION

In accordance with the [Food and Nutrition Act of 2008](#), each state must offer a Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) program. In California, the program is called CalFresh E&T.

The purpose of the CalFresh E&T program is to increase the employment and earning capacity of CalFresh recipients by providing participants with the support needed to obtain skills and credentialing. CalFresh E&T provides participants with case management services and access to basic education, work experience, training, and job search assistance, as well as supportive services to assist with expenses related to finding and retaining work.

CalFresh E&T has five strategic goals:

1. Increase job placement, retention, and wages;
2. Increase CalFresh E&T participation across a dynamic mix of people, communities and cultures;
3. Increase employability by removing barriers to employment;
4. Increase skills attainment and credentialing; and
5. Lead an efficient and effective customer focused CalFresh E&T program.

## PART I: PROGRAM MODEL

The United States Department of Agriculture (USDA), Food and Nutrition Service (FNS) is the entity responsible for federal oversight of SNAP and E&T services. The California Department of Social Services (CDSS) is the entity responsible for state oversight of CalFresh and E&T services, which are administered locally through County Welfare Departments (CWDs). The CWDs are not mandated to offer a CalFresh E&T program but may choose to do so voluntarily. Tribal organizations may also choose to offer a CalFresh E&T program.

The CWDs and tribal organizations have the autonomy to design programs around CalFresh E&T components and activities, population characteristics, in-demand occupations, service providers, and available funding sources. Services may be provided directly by the CWD or tribal organization, or through partner entities in which they have an agreement.

The CDSS also enters into agreements with partner entities, known as state partners, to provide targeted CalFresh E&T services throughout the state with coordination and approval of the CWDs and tribal organizations.

## ANNUAL PLAN

The CDSS is required to submit the CalFresh E&T Annual Plan to the FNS by August 15 of each calendar year. The CDSS receives the authority and funding to administer the CalFresh E&T program upon approval of the CDSS CalFresh E&T Annual Plan by the FNS, as outlined in [Title 7 of the Code of Federal Regulations \(CFR\), Part 273.7\(c\)\(8\)](#). The CDSS CalFresh E&T Annual Plan is considered a legal agreement between the CDSS and the FNS.

The CalFresh E&T Annual Plan is comprised of all locally administered and state partner plans. All plans must include the program components to be offered, detailed estimations of participant counts, and associated administrative and supportive service costs. All entities responsible for the administration of the CalFresh E&T program must submit an Annual Plan to the CDSS in order to secure funds for the following Federal Fiscal Year (FFY).

After approval of the CDSS CalFresh E&T Annual Plan, all program changes must be submitted via an amendment to alter program components, add/remove partnerships, amend budgets, or request additional funds. All entities responsible for the administration of CalFresh E&T must submit plan amendments to the CDSS 60 days prior to implementation, and before May 31 of each calendar year to be considered.

## CONSULTATION WITH LOCAL WORKFORCE DEVELOPMENT BOARDS

CWDs are required to design their CalFresh E&T programs in consultation with Local Workforce Development Boards (LWDBs), as described in [All County Letter \(ACL\) No. 21-48](#). CWDs have the flexibility to consult with private employers or employer organizations in lieu of LWDBs, if they can demonstrate it is more effective or efficient, per [7 CFR 273.7\(c\)\(5\)](#). Tribal organizations and state partners should also design their CalFresh E&T programs in consultation with the LWDBs.

CWDs are encouraged to partner with the LWDBs, community-based organizations (CBOs), adult education centers, employers, and other existing workforce providers to leverage resources, braid funding, and respond to community needs with access to quality training and supportive services. The CalFresh E&T program aligns with the Workforce Innovation and Opportunity Act (WIOA) to increase coordination between CalFresh E&T and other workforce development programs within the state. CWDs must include in their Annual Plan submission the extent to which CalFresh E&T activities will be carried out in coordination with the activities under WIOA.

## ELIGIBILITY AND ENROLLMENT

Enrollment and participation in the CalFresh E&T program are voluntary for eligible CalFresh recipients. CalFresh recipients are not required to enroll in the CalFresh E&T program to keep their CalFresh benefits, and participants cannot have their CalFresh benefits sanctioned for failure to participate. All entities providing CalFresh E&T services are responsible for confirmation of a participant's eligibility each month. CalFresh E&T participants must be:

- At least 16 years of age (Note: A person aged 16 or 17 who is not the head of household, or who is attending school, or enrolled in an employment and training program on at least a half-time basis cannot participate);
- In receipt of federally funded CalFresh food assistance benefits; and
- Not subject to any work requirement under Title IV of the Social Security Act, such as through the Temporary Assistance for Needy Families (TANF) program, known in California as the California Work Opportunity Responsibility to Kids (CalWORKs) program.

### Target Populations

The CalFresh E&T program serves diverse populations whose characteristics may differ between counties. All entities responsible for the administration of services are encouraged to design their programs to meet the needs of their local populations and economies. Some examples of target populations are:

- Able-Bodied Adults Without Dependents (ABAWDs);
- English language learners (ELL)/those who speak English as a second language (ESL);
- Formerly incarcerated;
- General Assistance/General Relief (GA/GR) participants/recipients;
- Homeless individuals and families;
- Students; and
- Timed-out CalWORKs participants.

## CERTIFICATION AND SCREENING

In accordance with [7 CFR 273.7\(c\)](#), the CWDs are responsible for the following during the certification of CalFresh benefits:

- Registering each non-exempt household member for work;
- Screening for ABAWD exemptions;
- Providing written and oral notification, of the CalFresh work rules, to all CalFresh recipients as described in [ACL No. 22-74](#);



- Notifying individuals of available employment services;
- Referring CalFresh recipients to appropriate workforce partnerships; and
- Referring appropriate individuals to CalFresh E&T, if available.

## Work Registration

The CWDs assume responsibility for the work registration process. As part of the initial application and recertification interview, the CWDs must determine which individuals in the household are work registrants. This information must be noted in the case record. In accordance with [ACL No. 20-10 and 7 CFR 273.7\(b\)\(1\)](#), all CalFresh recipients are subject to work registration unless they qualify for an exemption. Individuals are exempt from work registration if they are:

- Under 16 or over 59 years of age (A person aged 16 or 17 who is not the head of household, or who is attending school, or enrolled in an employment and training program on at least a half-time basis is also exempt);
- Physically or mentally unfit for employment;
- Subject to and complying with any work requirement under Title IV of the Social Security Act, including CalWORKs;
- A parent of, or responsible for the care of, a dependent child under age six (The child does not have to be a CalFresh recipient or living in the home);
- Responsible for the care of an incapacitated person (The incapacitated person does not have to be a CalFresh recipient or living in the home);
- Receiving, or have applied for, unemployment insurance benefits;
- A regular participant in a drug or alcohol treatment and rehabilitation program;
- Employed or self-employed at least 30-hours per week or receiving weekly earnings at least equal to the federal minimum wage multiplied by 30-hours; or
- Enrolled in a school, training program or institution of higher education on at least a half time basis.

Regulations at [7 CFR 273.7\(a\)](#) establish the following requirements for work registrants. All work registrants must:

- Register for work or be registered by the CWD at the time of application and every 12-months thereafter;
- Participate in mandatory E&T, if assigned by the CWD (CalFresh E&T is a voluntary program in all participating CWDs);
- Provide enough information to determine employment status or availability for work;
- Report to an employer when referred by the CWD or its designee;
- Accept a bona fide offer of suitable employment; and
- Not voluntarily quit a job of 30 or more hours a week or reduce work hours to

fewer than 30-hours a week in accordance with regulations as defined in [7 CFR 273.7\(i\)](#).

## **Able-Bodied Adults Without Dependents**

An ABAWD, as defined in [7 CFR 273.24](#), is a CalFresh recipient, age 18 through 49, who is able-bodied without dependent children and does not meet the criteria for an exemption from the ABAWD time limit. ABAWD eligibility for CalFresh is time-limited to any three full months of benefits in a 36-month period unless the individual:

- Satisfies the ABAWD work requirement (CalFresh E&T components may satisfy the ABAWD hourly requirement, but enrollment of ABAWDs into CalFresh E&T remains voluntary);
- Is exempt from the ABAWD time limit;
- Qualifies for an additional three consecutive month period of eligibility; or
- Lives in a county or area with an ABAWD time limit waiver.

More detailed information about ABAWD policy is in the ABAWD Handbook 2.0 as published in [ACL No. 19-93](#).

## **PARTICIPANT REFERRAL**

Individuals who have been certified for CalFresh benefits and screened for work registration and ABAWD exemptions may participate in the CalFresh E&T program upon referral by the CWD. In accordance with [7 CFR 273.7\(c\)\(2\)](#), the CWD is responsible for determining whether it is appropriate, based on the CWD's criteria, to refer the individual to CalFresh E&T.

### **Criteria for Referral**

The CDSS criteria for referral to the CalFresh E&T program is inclusive of all CalFresh applicants and recipients whom are interested in services. The CDSS referral criteria includes, but is not limited to, work registrants and non-work registrants, recent work history, individuals proficient in English, English-language learners, individual interest in programs offered, access to technology if program related, and participant reimbursement needs.

The CWD has the flexibility and responsibility to develop CWD criteria to determine who will be referred to the CalFresh E&T program. The CDSS encourages CWDs to consider the following when developing their criteria for referral:

- Availability of participant reimbursements;
- Criteria for participation in the activities offered;
- Accessibility of services where participants live; and
- Participant needs and preferences.

## Direct Referral

The CWD eligibility worker is responsible for the referral of CalFresh applicants and/or recipients to the CalFresh E&T program after screening for work registration and appropriateness for participation. The referral takes place during the certification process, at either application or recertification. As part of the referral process, the eligibility worker must provide information about the next steps for accessing the CalFresh E&T program. The CWD eligibility worker must be familiar with services offered by the CalFresh E&T program to ensure appropriateness of the referral.

## Reverse Referral

If an individual has not been screened and referred to the CalFresh E&T program by the CWD during the certification process, but subsequently learns about a CalFresh E&T provider program on their own, the provider may ask the CWD to screen and refer the individual to that specific program. The CWD remains responsible for determination of CalFresh benefit eligibility, work registration status, ABAWD exemptions, and appropriateness for referral to the CalFresh E&T program as required by [7 CFR 273.7\(c\)\(2\)](#).

## CalFresh Confirm Tool

The CalFresh Confirm tool allows CalFresh E&T providers to confirm CalFresh E&T eligibility for the current and previous 12 months. To streamline administrative responsibilities, the CalFresh Confirm tool provides an alternative method to screen for initial and ongoing eligibility in accordance with [7 CFR 273.7\(c\)\(2\)](#). CalFresh E&T eligibility must be confirmed for each month of participation for reporting and invoicing purposes. More information regarding the CalFresh Confirm tool is located in the [All County Welfare Directors Letter \(ACWDL\) July 14, 2021](#).

## CASE MANAGEMENT

In addition to providing at least one component, all CalFresh E&T programs must provide case management services, as described in [7 CFR 273.7\(e\)\(1\)](#). The purpose of case management services is to guide a participant toward appropriate components and activities based on the participant's needs and interests, support the participant in the program, and provide activities and resources that help the participant achieve program goals. Case management may include comprehensive intake assessments, employability assessments, individualized service plans, progress monitoring, and coordination with service providers.

## **Comprehensive Intake Assessment**

A comprehensive intake assessment is the initial meeting with the participant during which the case manager gathers information to address the participant's immediate needs to encourage engagement in CalFresh E&T services. This includes collecting and evaluating information to identify a participant's employment capabilities, interests, barriers, and supportive service needs.

## **Employability Assessment**

An employability assessment examines an individual's readiness for employment; assesses skills such as applied academic skills, interpersonal skills, critical thinking skills, and communication skills; identifies barriers to work; and highlights past work experience. Job skills assessments, which determine whether an individual has the skills appropriate for a specific job, may be included in the employability assessment.

## **Individualized Service Plan**

An individualized service plan is developed jointly by the participant and CalFresh E&T provider as an ongoing strategy to identify employment goals, achievement objectives, and an appropriate combination of services for the participant to achieve their education and/or employment goals.

## **Progress Monitoring**

Progress monitoring includes tracking participant progress in the form of, at minimum, monthly case notes. CalFresh E&T providers must track participant activities and supportive service delivery in order to ensure appropriate services are provided to eligible participants.

## **Coordination with Service Providers**

Coordination amongst service providers is intended to help participants locate, access, and coordinate a network of supports and services that will help them to succeed. Service coordination includes assistance to participants in planning, developing, choosing, gaining access to, coordinating, and monitoring the provision of needed services and supports. Service coordination responsibilities include, but are not limited to, developing, implementing and monitoring the participant; establishing and maintaining a case record; and providing general oversight of services and supports. Entities administering the CalFresh E&T program that refer or co-enroll participants with multiple service providers should ensure providers do not provide duplicate services.

## COMPONENTS AND ACTIVITIES

A CalFresh E&T component is defined as a service, activity, or program designed to help CalFresh recipients gain skills, training, or work experience. Multiple activities may exist under each component. One or more components may be offered based on regional need, capacity, and funding availability. A participant may enroll in multiple components simultaneously or in sequence, when available. In accordance with [7 CFR 273.7\(c\)\(11\)\(iii\)](#), an individual is considered a CalFresh E&T participant upon attending at least one part of the program, including an orientation, assessment, case management, or a component.

Orientation and assessment are CalFresh E&T activities that inform participants about available services. Individuals who attend orientation and/or assessment must be tracked to meet federal and state reporting requirements. Orientation and/or assessment are typically the first activities participants engage in prior to starting a component. Of note, orientation and assessment are initial participation activities, *not* components.

In accordance with [7 CFR 273.7\(e\)\(2\)](#), all components must require a certain level of effort by participants. The level of effort should be comparable to spending approximately 12 hours per month for two months making job contacts (less in workfare or work experience components if the household's benefit divided by the minimum wage is less than this amount).

CalFresh E&T components include:

- Education;
- Job Retention;
- Self-Employment Training (SET);
- Supervised Job Search;
- Work Experience; and
- Workfare.

### Education

The education component includes a wide range of activities that improve basic skills, literacy, and employability. All education activities must have a direct link to employment and help participants move promptly into employment, as specified in [7 CFR 273.7\(e\)\(2\)\(vi\)](#). Allowable education program components include, but are not limited to:

- Adult Basic Education (ABE) and/or Foundational Skills Instruction;
- Career and Technical Education (CTE) and/or Vocational Training;

- English Language Acquisition (ELA);
- Integrated Education and Training (IET) or Bridge Programs; and
- Work Readiness Training (WRT).

### **Adult Basic Education and/or Foundational Skills Instruction**

ABE programs serve adults working toward a High School Diploma (HSD), a General Education Diploma (GED), and/or improving basic literacy skills. Foundational skills instruction improves basic literacy, numeracy, and transferrable skills.

### **Career and Technical Education and/or Vocational Training**

Allowable educational programs or activities under a CTE and/or Vocational Training program may include, but are not limited to, courses or programs of study that are part of a program of career and technical education as defined in [Section 3 of the Carl D. Perkins Act of 2006](#).

### **English Language Acquisition**

In accordance with [34 CFR 463.31](#), the ELA component must be :

- Designed to help eligible individuals who are English language learners achieve competence in reading, writing, speaking, and comprehension of the English language; and
- Leads to attainment of a secondary school diploma or its recognized equivalent; and transition to postsecondary education and training; or employment.

Examples of ELA include, but are not limited to ESL, ELL and vocational English as a second language.

### **Integrated Education and Training or Bridge Programs**

The IET component combines occupational skills training and basic academic skills instruction to increase and expedite the educational and career advancement of participants. As described in [34 CFR 463.35](#), IET is a service approach that provides adult education and literacy activities concurrently and contextually with workforce preparation activities and training for a specific occupation or occupational cluster for the purpose of educational and career advancement.

Bridge programs prepare adults to enroll in postsecondary education and training and provide a combination of academic and occupational instruction, career guidance, and support services. These programs combine basic skill instruction in reading, math, writing, English language, and GED test preparation with occupational content, employment skills, and college success strategies.

## **Work Readiness Training**

The WRT component includes educational programs or activities designed to improve basic skills, build work readiness, or otherwise improve employability and includes educational programs determined to expand the job search abilities or employability of participants. WRT can include instruction of topics such as general skills building, developing good work habits, and building a work history. Work readiness skills are often referred to as soft skills.

## **Job Retention**

The job retention component provides case management and supportive services to participants for a minimum of 30 days and a maximum of 90 days after employment is secured. As described in [7 CFR 273.7\(e\)\(2\)\(viii\)](#), the start date for job retention services may be determined utilizing the date hired provided that the individual received CalFresh benefits in the month of or the month prior to beginning job retention services. Only individuals who received employment and training services under another qualifying CalFresh E&T component prior to obtaining new or improved employment are eligible for job retention services. Supportive services may include assistance with transportation, childcare, or ancillary items such as uniforms and tools.

## **Self-Employment Training**

The SET component improves participant employability by providing training in opening and operating a small business or other self-employment venture. SET is an option for workers in many career fields and industries. It can help participants start, advance, or enhance their career. Self-employment options include but are not limited to:

- Gig employment, defined as a single project or task for which a worker is hired, often through a digital marketplace, to work on demand;
- Freelance work, which is often used to apply to more skilled and long-term projects. Freelancers apply their skills or talent on a pay-for-service basis, outside of a regular employer-employee relationship. Examples of freelance work may include web design, writing, repair services, landscaping, accounting, photography, or personal fitness coaching; and
- Starting a business with a physical location and/or employing others to make or sell goods or provide services.

## **Supervised Job Search**

As defined in [7 CFR 273.7\(e\)\(2\)\(i\)](#), supervised job search must occur at approved locations where the activities of participants are directly supervised and tracked.

Approved locations include any location deemed suitable by the entity responsible for



the administration of the CalFresh E&T program where the participant has access to the tools and materials needed to perform supervised job search. Tools used in the supervised job search program may include virtual tools, such as websites, portals, or web applications. Entities responsible for administering the CalFresh E&T program are encouraged to offer a variety of locations and formats to best meet participant needs and, to the extent practicable, allow participants to choose their preferred location.

Supervision can occur separately with respect to the participant's job search activities, but must be provided by skilled staff, either remotely or in-person, who provide meaningful guidance and support with at least monthly check-ins. Supervision must be provided in a manner that best supports the participant.

Supervised job search activities must demonstrate a direct link to increasing the employment opportunities of individuals engaged in the activity. Job search that does not meet the definition of supervised job search is allowed as a subsidiary activity of another component, if the job search activity comprises less than half of the total time spent in the component.

All entities responsible for administration of the CalFresh E&T program may establish a supervised job search period that will provide participants a reasonable opportunity to find suitable employment. However, they should not establish a continuous, year-round supervised job search component. If a reasonable period of supervised job search does not result in employment, placing the individual in a training or education component to improve job skills will likely be more productive. Individuals may participate in supervised job search from the time a CalFresh application is filed.

In accordance with the [Food and Nutrition Act of 2008 and 7 CFR 273.24](#), a supervised job search program is not a qualifying activity relating to the participation requirements necessary to maintain CalFresh eligibility for ABAWDs. However, a job search program, supervised or otherwise, when operated under Title I of the WIOA, under section 236 of the Trade Act, or a program of employment and training for veterans operated by the Department of Labor (DOL) or the Department of Veterans Affairs, is considered a qualifying activity relating to the participation requirements necessary to maintain CalFresh eligibility for ABAWDs. Services and activities under this component may include, but are not limited to:

- Job search training;
- Master application;
- Mock interviews; and
- Resume development.

## **Workfare**

Participants may work off the value of their household's monthly CalFresh benefit



allotment through a workfare assignment at a public or private non-profit organization. Participants cannot complete workfare at for-profit organizations or employers.

Participants in this component gain valuable work experience and increase employability by participating in a variety of workfare activities. In lieu of wages, workfare participants receive compensation in the form of their household's monthly CalFresh benefit allotment.

In accordance with [7 CFR 273.7\(m\)\(5\)\(ii\)](#), the maximum number of hours of work each month must be determined using the following formula:

$$\frac{\text{Household's CalFresh monthly allotment}}{\text{Local, state, or federal minimum wage, whichever is highest}} = \text{Number of hours}$$

In accordance with [7 CFR 273.7\(e\)\(5\)\(iii\)](#), voluntary participants are not subject to hourly restrictions, as long as they are paid a wage for all hours spent in workfare at a rate at least equal to the local, state, or federal minimum wage, whichever is highest.

## Work Experience

The work experience component is designed to improve the employability of participants through actual work experience or training, or both, and to enable individuals employed or trained under such programs to move promptly into regular public or private employment. Work experience is defined as a planned, structured learning experience that takes place in a workplace for a limited period.

Work experience may be paid or unpaid, as appropriate and consistent with other laws. In accordance with 7 CFR 273.7(m)(5)(ii), a participant's unpaid work experience hours must not exceed the household's CalFresh monthly allotment divided by the local, state or federal minimum wage, whichever is highest. In accordance with [7 CFR 273.7\(e\)\(5\)\(iii\)](#), voluntary participants are not subject hourly restrictions, as long as they are paid a wage for all hours spent in a CalFresh E&T work program at a rate at least equal to the local, state or federal minimum wage, whichever is highest. The work experience component may include a work activity or a work-based learning program, as described below.

## Work Activity

In accordance with [7 CFR 273.7\(e\)\(2\)\(iv\)\(A\)\(1\)](#), work activities may be performed in exchange for CalFresh benefits that provide the participant with an opportunity to acquire the general skills, knowledge, and work habits necessary to obtain employment. The purpose of work activity is to improve the employability of those who cannot find

unsubsidized full-time employment.

In accordance with [7 CFR 273.7\(m\)\(5\)\(ii\)](#), the maximum total number of hours of work each month must be determined using the following formula:

$$\frac{\text{Household's CalFresh monthly allotment}}{\text{Local, state, or federal minimum wage, whichever is highest}} = \text{Number of hours}$$

## **Work-Based Learning**

Work-based learning activities are sustained interactions with industry or community professionals in real world settings to the extent practicable, or simulated environments at an educational institution that fosters in-depth, firsthand engagement with the tasks required in a given career field, that are aligned to curriculum and instruction. Work-based learning emphasizes employer engagement, includes specific training objectives, and leads to regular employment. Allowable activities under this component include apprenticeships/pre-apprenticeships, customized training, internships, on-the-job training (OJT), and transitional jobs. Work-based learning activities may be subsidized or unsubsidized.

Work-based learning activities must comply with the Fair Labor Standards Act and all other applicable labor laws in accordance with [7 CFR 273.7\(e\)\(2\)\(iv\)](#). Labor standards apply in any work experience setting where an employee/employer relationship exists. Labor standards include but are not limited to:

- Participants must receive the same benefits and working conditions as non-CalFresh E&T participants doing comparable work for comparable hours including holidays, sick pay, vacation, and medical insurance;
- The employer or CalFresh E&T provider must provide worker's compensation coverage;
- Participants must be paid the same amount as other comparable workers;
- Participants must be paid a wage at least equal to the local, state or federal minimum wage, whichever is highest;
- Participants must not displace or replace existing employment of individuals not participating in CalFresh E&T;
- An employer is not permitted to lay off workers or fill openings that were previously held by unsubsidized workers and replace them with subsidized work-based learning (SWBL) participants; and
- SWBL participants must not be used to cross strike lines as this would have the effect of replacing existing workers.

Further guidance regarding work-based learning activities, including wage subsidies, time limits, and allowable expenses, is in [ACL No. 22-38](#).

## **Apprenticeships**

Apprenticeships, as defined by the United States DOL, are industry-driven, high quality career pathways where employers can develop and prepare their future workforce, and individuals can obtain paid work experience, classroom instruction, and a portable, nationally recognized credential. More information about apprenticeships can be found on the DOL's dedicated apprenticeship, [website](#).

## **Customized Training**

Customized training may be performed at any private or public employer with which the CalFresh E&T provider has entered an acceptable agreement. Employers must provide actual training and a plan to move participants into unsubsidized employment as a result of the experience. Customized training is one type of work-based learning that can be used to target specific job seeker and employer needs. It is an effective strategy that provides additional opportunities for participants and employers in both finding quality work and developing a quality workforce.

As defined in the [20 CFR 618.110](#), customized training is designed to meet the specific requirements of an employer (including a group of employers); is conducted with a commitment by the employer to employ an individual upon successful completion of the training; and requires that the employer pay a significant portion (but no less than 50 percent) of the cost of such training.

## **Internships**

An internship is a professional learning experience that offers meaningful, practical work related to an individual's field of study or career interest. An internship gives the participant the opportunity for career exploration and development, and to learn new skills.

## **On-The-Job Training**

OJT is a strategic employment service that supports the business community in the hiring process by adding staff capacity, productivity and training at reduced costs to the employer. OJT is a way for participants to build skills and re-establish employment status. OJT benefits employers by reducing the cost of training new employees. The employer designs the on-site training, which is aligned with the skills required for the job and is a long-term investment in the company. OJT benefits participants by providing an opportunity to "earn as they learn" in a hands-on environment, acquire job and career advancement skills, and by providing opportunities for long-term employment.

The purpose of OJT is to encourage public, private non-profit, or private employers to hire an individual or upgrade an eligible employed worker who would not otherwise

qualify for the job, and to teach the skills requisite to perform the job. CalFresh E&T funds can be used to reimburse the employer for the training period in exchange for the commitment by the employer to retain the participant, upon successful completion.

As described in [20 CFR 680.720](#), the OJT employer may receive reimbursement for allowable training costs up to 50 percent of the OJT participant's wage rate. In rare circumstances, in accordance with [20 CFR 680.730](#), the employer can be reimbursed, for up to 75 percent of the OJT participant's wage rate due to the employer's extraordinary costs of providing training and additional supervision. In accordance with [20 CFR 680.730\(b\)](#), CalFresh E&T providers must document the factors used when deciding to increase the wage reimbursement levels above 50 percent.

## **Pre-Apprenticeships**

A pre-apprenticeship is a program or set of strategies designed to prepare individuals to enter and succeed in an Industry-Recognized Apprenticeship Program (IRAP). An IRAP is a proven model of apprenticeship that has been validated by the DOL or a State Apprenticeship Agency. Pre-apprenticeship programs should have a documented partnership with at least one IRAP.

## **Transitional Jobs**

Transitional jobs, in accordance with [20 CFR 680.190](#), provide a time-limited work experience in the public, private, or non-profit sectors that is paid and subsidized for individuals with barriers to employment who are chronically unemployed or have inconsistent work history. Transitional jobs are designed to enable an individual to establish a work history, demonstrate work success, and develop skills that lead to unsubsidized employment.

Transitional jobs provide individuals with paid work experience and an opportunity to develop important workplace skills within the context of an employee-employer relationship, in which the program provider generally acts as the employer, and with an opportunity to develop important workplace skills. Unlike OJT, with transitional jobs the training provider may be the employer of record and there is no requirement that the employer retains the individual upon completion of the transitional job; however, job retention is an ideal outcome.

Target populations include:

- Long-term unemployed individuals;
- Formerly incarcerated individuals; and
- Individuals with disabilities.

## PART II: PARTNERSHIPS

Entities responsible for administering the CalFresh E&T program may choose to incorporate partner services. Partnerships can increase the capacity of a program to serve eligible individuals by leveraging funding, culturally competent engagement, and workforce development expertise. Strategic use of partnerships can boost service access and capacity, enhance service delivery, and serve broader populations. Partner entities typically include:

- Community and technical colleges;
- Employers;
- LWDBs;
- Non-profit and CBOs;
- Social enterprises; and
- WIOA service providers.

Entities responsible for the administration of the CalFresh E&T program who engage in partnerships for the delivery of CalFresh E&T services to participants must enter into a formal agreement, such as memoranda of understanding (MOU) or subrecipient agreement.

The CWDs may dedicate their allocated 100 percent funds for the provision of the partner's services and/or seek 50 percent reimbursement for eligible costs. Due to funding limitations, many CWDs enter partnerships with entities who agree to provide CalFresh E&T program services to participants using their own non-federal funding (e.g. grants, revenue, or philanthropic donations). The CWDs then submit these expenditures for reimbursement to the CDSS as their own. The CDSS reimburses the CWD, who then pass reimbursement on to their partner. The CDSS has historically referenced partnerships funded this way as "third-party partnerships."

Partner services may include administration of components and case management. Other responsibilities may include essential program activities such as orientation, assessment, issuance of supportive services to participants, participant tracking, and any other mutually agreed upon responsibilities.

## INTERMEDIARY

An intermediary can provide support to entities responsible for the administration of the CalFresh E&T program by centralizing and performing several required and essential administrative tasks. Intermediaries increase capacity and support the CalFresh E&T program by leveraging established leadership roles, key partnerships, and expertise within the workforce and employment and training arena. Intermediaries may not perform certification tasks such as screening for work registration exemptions and

issuing CalFresh notices.

The CWD remains responsible for the administration of the CalFresh E&T program and must be significantly involved in monitoring the work of the intermediary. When choosing an intermediary, the CWD should consider that an effective intermediary needs strong knowledge of CalFresh E&T policy, federal funding, and the local workforce development system. The CWD should establish clear roles, responsibilities, and levels of authority with an intermediary to ensure programs are well-managed.

## TRIBAL ORGANIZATIONS

The CDSS may enter into agreements with tribal organizations to administer the CalFresh E&T program.

The CDSS is responsible for administrative and fiscal oversight of the CalFresh E&T program operated by the tribal organization, including the payment for eligible expenses directly to the tribal organization. A tribal organization administering the CalFresh E&T program must:

- Complete a CalFresh E&T Annual Plan;
- Follow all federal and state rules and regulations pertaining to CalFresh E&T including federal fiscal guidelines as defined in [2 CFR Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#);
- Submit invoices directly to the CDSS for reimbursement of allowable CalFresh E&T expenditures; and
- Comply with federal and state data reporting requirements.

## STATE PARTNERS

Entities that hold a direct subrecipient agreement with the CDSS to administer the CalFresh E&T program are known as state partners.

State partners can provide CalFresh E&T services to participants that reside in counties with which they have a formal agreement, such as an MOU. State partners must include language in their agreements with the CWDs to share relevant CalFresh E&T participant data to verify participant eligibility and complete required federal and state reporting. In addition, state partners and CWDs must mutually agree to the CalFresh E&T services provided and outline those services in their respective Annual Plans.

The CDSS is responsible for the administrative and fiscal oversight of the CalFresh E&T program operated by the state partner. This includes the payment for eligible expenses directly to the state partner. A state partner must:

- Complete a CalFresh E&T Annual Plan;
- Follow all federal and state rules and regulations pertaining to CalFresh E&T including federal fiscal guidelines as defined in [2 CFR Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#);
- Submit invoices directly to the CDSS for reimbursement of allowable CalFresh E&T expenditures; and
- Comply with federal, state and county data reporting requirements.

## PARTNER CONSIDERATIONS

When evaluating whether to work with potential partners, entities administering the CalFresh E&T program should obtain enough information to determine whether the potential partner:

- Serves one or more CalFresh E&T target population(s);
- Provides allowable services under CalFresh E&T; and
- Provides a program with objectives that align with the goals of the CalFresh E&T program.

CalFresh E&T goals include increased:

- Participation;
- Job placement, retention, and living wages; and
- Employability of participants through skills attainment and credentialing via effective and customer focused program design.

An ideal partner program:

- Works to help participants reach economic independence through employment and training strategies/supportive services;
- Is “job-driven,” responsive to employer demand, places ready-to-work participants in good, available jobs, and/or provides skills training and credentials to help participants obtain employment;
- Connects participants with supportive services to facilitate program success;
- Effectively assesses participants to ensure program fit; and
- Tailors services to meet individual needs and goals.

## Partner Assessment

Partner assessments seek the detailed information needed to determine whether potential providers could be effective CalFresh E&T partners. Information such as outcomes, staffing capacity, non-federal revenue sources available for reimbursement,



fiscal and contract compliance capacity should be evaluated.

Some useful questions for determining service capacity may include:

- Does the partner currently offer activities that are appropriate and allowable under the CalFresh E&T program, or will it have to create new activities for participants?
- Does the partner already serve an identified CalFresh E&T target population?
- Does the partner have the capacity to verify participant eligibility monthly?
- Can the partner assess and place participants in appropriate CalFresh E&T activities?
- What supportive services can the partner provide?
- Can the partner monitor and report on participant progress?

Some useful questions for determining financial capacity may include:

- Does the partner have the cash-flow to support the CalFresh E&T program?
- Will the partner be able to handle potential delays between expenditures paid and receiving reimbursement?
- Does the partner have federal grant experience?
- Will the partner be able to track federal funds and guarantee allowable non-federal funding sources?
- Does the partner already allocate costs to other federal, state or local grants?
- Does the cost allocation plan charge grants in a consistent manner?
- Does the partner have the capacity to track staff time and resources spent on the CalFresh E&T program versus other programs in which it may participate?
- Can the partner store documents/records for the CDSS audits and reviews?

## Agreements

Formal agreements must be in place between entities responsible for the administration of the CalFresh E&T program and their partners. These agreements must include all relevant responsibilities of partners providing services and must be included in the Annual Plan. Agreements with partners should include the following key elements:

- Detailed description of services provided;
- Target population and anticipated number of participants to be served for each CalFresh E&T activity provided;
- Outcome data tracking, including the number of participants expected to complete each activity and the number that become employed;
- Budget and budget narrative that includes costs and funding sources; and
- Compliance with [2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#).



## Best Practices

Partnerships can facilitate CalFresh E&T program growth by extending services to more eligible individuals. Outcomes can be improved by tapping into existing high-quality providers within the community. Best practices for maintaining strong partnerships include:

- Thoughtful onboarding that may include orientation activities to review program administration, or a partner handbook for reference throughout the partnership;
- Streamlined referral processes to increase participant enrollment and track outcomes; and
- Regular communication with partners about program goals, efficiencies, and problem resolution.

## PROVIDER DETERMINATION

As outlined in [ACL No. 21-48](#), a provider determination is a decision by a CalFresh E&T partner entity that a participant is not a good fit (i.e., is ill-suited) for a component. This may occur if the assigned component or activity does not meet a participant's individual needs and/or skill level, or if a participant otherwise fails to benefit from the program. A provider determination can be made from the time a participant is referred to the component until completion. The partner entity must notify the CWD of the provider determination as well the reason for the determination within ten (10) days of the decision.

Upon receipt of the provider determination, the CWD is required to determine whether the individual should continue to participate in CalFresh E&T. If the partner entity offers another, more suitable component, the CWD has the option to either:

- Require the partner entity to refer the individual back to the CWD before switching the individual to the other component; or
- Allow the partner entity to shift the individual to the other component without referral back to the CWD.

In accordance with [7 CFR 273.7\(c\)\(18\)\(i\)\(A\)](#), once the CWD receives a provider determination, and the CalFresh E&T participant is not exempt from the work requirement, the CWD must:

- Notify the CalFresh E&T participant of the provider determination within ten (10) days of receipt;
- Explain to the participant in writing or verbally what a provider determination is, how to contact the CWD, and the next steps the CWD is taking;
- Notify the participant that they are not being sanctioned as a result of the

- provider determination; and
- Notify the individual if they are an ABAWD, subject to the time limit, that they will begin to accrue countable months the next full benefit month following the month the provider determination is made, unless the ABAWD satisfies the work requirement, has good cause, lives in a waived area, or is otherwise exempt.

Once a provider notification has been received, the CWD must select one of the following four options no later than the participant's next recertification, as required by [7 CFR 273.7\(c\)\(18\)\(i\)\(B\)](#):

1. Refer the individual to another appropriate component.
2. Refer the individual to an appropriate workforce partnership.
3. Reassess the physical and mental fitness of the individual.
4. Coordinate with other federal, state, or local workforce or assistance programs to identify other work opportunities or assistance.

## STRATEGIC CO-ENROLLMENT

Strategic co-enrollment is a holistic service approach that utilizes multiple program offerings to support participants and meet workforce development goals. This strategy gives CWDs, state partners, and tribal organizations the opportunity to enhance and leverage local partnerships with entities that share similar resources, outcomes, and goals.

All activities operated under the WIOA are allowable within the CalFresh E&T program, as outlined in [7 CFR 273.7\(e\)\(2\)\(v\)](#). Activities offered through state or local programs often align with allowable CalFresh E&T components. Individuals may co-enroll in both WIOA-funded and CalFresh E&T-funded services. Providers of CalFresh E&T services and other workforce development networks often serve overlapping populations; strategic co-enrollment ensures services are not duplicated, nor opportunities missed. More information about co-enrollment can be found in [All County Information Notice \(ACIN\) I-57-21](#).

## PART III: FISCAL POLICY

The FNS annually provides the CDSS with federal grant money to operate the CalFresh E&T program. These funds are known as “100 percent funds” and require no state fund match, in accordance with [7 CFR 273.7\(d\)\(1\)\(i\)](#).

In accordance with [7 CFR 273.7\(d\)\(1\)\(i\)\(B\)\(1-2\)](#), California’s E&T grant is calculated based on the statewide number of work registrants (90 percent) and the number of ABAWDs (10 percent), compared to the most recent nationwide statistics. Funding for CalFresh E&T is not dependent on the number of individuals participating in the CalFresh E&T program.

### FUNDING CONTINGENCIES

The CDSS receives funding for the CalFresh E&T program contingent upon congressional approval of the annual SNAP E&T grant and FNS approval of the CDSS CalFresh E&T Annual Plan. All entities responsible for the administration of the CalFresh E&T program are reliant on the FNS approval of the state plan as well as the CDSS approval of their individual CalFresh E&T plans.

### REALLOCATION OF FEDERAL FUNDS

If a state does not obligate or expend all of the funds allocated by the FNS for a fiscal year, those funds may be reallocated to other states’ agencies during the same fiscal year or the subsequent fiscal year, in accordance with [7 CFR 273.7\(d\)\(1\)\(iii\)](#). The FNS will allocate carryover funding based on requests as appropriate and equitable, as described in [7 CFR 273.7\(d\)\(1\)\(iii\)\(A-B\)](#).

### FUNDING BASICS

There are three categories of funding available for CalFresh E&T:

- 100 percent funds for administrative costs;
- 50 percent reimbursement funds for administrative costs; and
- 50 percent reimbursement funds for participant reimbursements.

Tribal organizations that offer a CalFresh E&T program are eligible for a higher federal reimbursement of expenditures made using non-federal funds for allowable CalFresh E&T costs. The federal reimbursement rate for tribal organizations is 75 percent, rather than 50 percent, as outlined in [7 CFR 281.9\(b\)](#). This includes both administrative costs and participant reimbursements.

### 100 Percent Funds for Administrative Costs

The CWDs are allocated 100 percent funds based on the number of Non-Assistance CalFresh (NACF) households within the county, in accordance with [7 CFR 273.7\(d\)\(1\)\(i\)](#). NACF is defined as a CalFresh household in which all members do not receive some type of public assistance in addition to CalFresh, including CalWORKs, Tribal TANF, Supplemental Security Incomes/State Supplementary Payment, and GA/GR.

These funds may only be used for the administration of the CalFresh E&T program, which includes the planning, implementation, and operation of the program. These funds may not be used to provide participant reimbursements. Administrative costs paid with 100 percent funds must be reasonable, necessary, and directly related to an allowable CalFresh E&T component or service.

## **50 Percent Funds for Administrative Costs**

All entities responsible for administering the CalFresh E&T program are eligible to receive 50 percent reimbursement for allowable non-federal funds spent to administer the program, in accordance with [7 CFR 273.7\(c\)\(6\)\(iii\)](#). To be eligible for 50 percent reimbursement, these non-federal funds may only be used for the administration of the program, which includes the planning, implementation, and operation of the program. These funds may not be used to provide participant reimbursements. Administrative costs reimbursed with 50 percent funds must be reasonable, necessary, and directly related to an allowable component or service.

## **50 Percent Funds for Participant Reimbursements**

All entities responsible for the administration of a CalFresh E&T program are required to provide reimbursement to participants for expenses that are reasonable, necessary, and directly related to participation in the CalFresh E&T program, in accordance with [7 CFR 273.7\(d\)\(4\)](#).

Participant reimbursements, also known as supportive services, include transportation, dependent care, and ancillary services. Non-federal funds must be expended for all allowable E&T costs prior to reimbursement. Non-federal funds used to provide allowable supportive services are eligible for 50 percent reimbursement by the CDSS.

All entities responsible for administering the CalFresh E&T program may establish a limit on supportive services offered, in accordance with [7 CFR 273.7\(d\)\(4\)](#). Participants must be informed that allowable expenses will be reimbursed upon presentation of appropriate documentation.

The CalFresh E&T Annual Plan must include information about the supportive services offered to participants. Plans must specify the types of supportive services offered, whether supportive services are distributed as reimbursements or allowances, as well as the methods used to administer and track the supportive services.

Verification of cost and need for a supportive service is required prior to issuance. The verification must demonstrate that the supportive service is necessary, reasonable, and directly related to participation in CalFresh E&T. When documenting a supportive service, the component(s) in which a participant is enrolled must be tracked. Records and/or copies of receipts for all supportive services issued, along with justification for each issuance, must be kept. The CDSS can provide technical assistance regarding the types of supportive services allowable and eligible for reimbursement; however, each administering entity is ultimately responsible for providing supportive services that are reasonable, necessary, and directly related to participation in their CalFresh E&T program.

In accordance with the [Supplemental Nutrition Assistance Program \(SNAP\) E&T Financial Policy](#) supportive services may not be:

- Used for the purpose of overcoming barriers which exempt individuals from federal work registration;
- Available through another government program or available at no cost to the participant through a private source (e.g., charitable donations);
- Used to support a participant's regular employment unless the participant is enrolled in the job retention component and the supportive service is linked to participation in that component; or
- Used to pay bad debt such as outstanding fines or fees or make on-going regular payments.

## Internal Controls

In accordance with [2 CFR 200.303](#), all entities receiving CalFresh E&T funds must establish and maintain effective internal control over the grant that provides reasonable assurance that the entity is managing the CalFresh E&T funds in compliance with federal statutes, regulations, and the terms and conditions of the program.

Costs must be supported by documented policies and fiscal controls to approve and administer funds. Establishing documented policies and segregating duties are two examples of internal controls which can help an entity ensure they establish and maintain effective internal control of the award.

## Transportation

Participants must be reimbursed for the costs of transportation determined to be reasonable, necessary and directly related to participation in the CalFresh E&T program as outlined in [7 CFR 273.7\(d\)\(4\)\(ii\)](#).

Such costs must be the actual costs incurred unless the entity responsible for administering CalFresh E&T has an approved method to provide allowances rather than reimbursements. Participants must be provided an opportunity to claim actual

expenses up to the maximum level of reimbursement established by the responsible entity.

### **Dependent Care**

In accordance with [7 CFR 273.7\(d\)\(4\)\(i\)](#), participants must be reimbursed for the cost of dependent care that is determined to be necessary and directly related to participation in CalFresh E&T, up to the actual cost of dependent care or the applicable payment rate for childcare, whichever is lower. The payment rates for childcare are established in accordance with the Child Care and Development Block Grant provisions and are based on the Regional Market Rate Survey. More information on childcare payment rates is located on the [CDSS Child Care and Development Fund State Plan](#) webpage.

Dependent care reimbursement must be provided to participants for all dependents requiring care unless otherwise prohibited. Reimbursement for a dependent age 13 or older may not be provided unless the dependent is physically and/or mentally incapable of caring for themselves or is under court supervision. Verification of the physical and/or mental incapacity for dependents age 13 or older must be obtained if the physical and/or mental incapacity is not readily apparent.

A CalFresh E&T participant is not entitled to the dependent care reimbursement if a member of their household provides the dependent care services. Dependent care expenses beyond what is required for participation in CalFresh E&T activities are not eligible for 50 percent reimbursement. Verification of the cost and the participant's need for dependent care is required prior to the issuance of the supportive service. The verification must include the name and address of the dependent care provider, cost, and the hours of service.

In lieu of providing reimbursements for dependent care expenses, arrangements can be made for dependent care with providers through service contracts, vouchers, or other means. A participant may refuse available dependent care if the participant can make other arrangements, per [7 CFR 273.7\(d\)\(4\)\(i\)](#).

### **Ancillary Expenses**

Ancillary expenses are costs incurred by the participant that are directly related to participation in the CalFresh E&T program. Examples include uniforms, personal safety items, other necessary equipment, books or training manuals, internet costs, and housing subsidies.

## **ALLOWABLE COSTS**

While the Office of Management and Budget (OMB) regulations define what is allowable, costs covered by FNS for CalFresh E&T activities must meet a "necessary and reasonable" test, as outlined by [2 CFR 200.403](#) and [2 CFR 200.404](#). To be allowable, administrative costs for CalFresh E&T products and services must be:

- Directly related to an approved CalFresh E&T component or service;
- Necessary and reasonable;
- Not for the purpose of overcoming barriers to work registration (i.e., drug or alcohol treatments and rehabilitation programs); and
- Not a general expense required to carry out the overall responsibilities of a state or local government, such as a state's funding for education provided for by statute.

## Reasonable Costs

A cost is reasonable if, in its nature and amount, it does not exceed what a prudent person would pay under the circumstances prevailing at the time the decision was made to incur the cost. To be considered reasonable, a cost must:

- Provide a program benefit generally proportionate with the cost incurred;
- Not be higher than the cost charged to the general public for the same service; and
- Be within the scope of CalFresh E&T.

## Necessary Costs

Necessary costs are incurred to carry out essential functions which cannot be avoided without adversely affecting program operation and do not duplicate existing efforts. To be considered necessary, a cost must be:

- Incurred to carry out essential functions of CalFresh E&T;
- Unavoidable without adversely affecting program operations; and
- Not duplicative of existing efforts.

## Outreach

CalFresh E&T funds may be used to conduct outreach directed toward CalFresh recipients to inform them about the CalFresh E&T program, in accordance with [7 CFR 277.4\(b\)\(5\)](#). Recruitment activities designed to persuade an individual to apply for CalFresh benefits are not allowable.

A CalFresh E&T provider may conduct outreach to CalFresh recipients for the CalFresh E&T program via radio, television, social media, websites or billboard advertisements. However, they cannot promote CalFresh benefits or enrollment.

## UNALLOWABLE COSTS

The following administrative costs are unallowable:



- Advertising and public relations unless used for staff recruitment, acquisition of material for the grant, or publishing the results of the grant as outlined in [2 CFR 200.421](#);
- Alcoholic beverages as outlined in [2 CFR 200.423](#);
- Alumni activities as outlined in [2 CFR 200.424](#);
- Bad debt (includes late fees and penalties) as outlined in [2 CFR 200.426](#) and [2 CFR 200.441](#);
- Commencement and convocation costs as outlined in [2 CFR 200.429](#);
- Entertainment costs as outlined in [2 CFR 200.438](#);
- Fines, violations or penalties for failure to comply with Federal, State or Local laws as outlined in [2 CFR 200.441](#);
- Fundraising costs as outlined in [2 CFR 200.442](#);
- Goods and services for personal use as outlined in [2 CFR 200.445](#);
- Housing and personal living expenses as outlined in [2 CFR 200.445\(b\)](#);
- Interest fees, with certain exceptions as outlined in [2 CFR 200.449](#);
- Legal fees that result for a failure to follow federal, state or local laws. If certain conditions are met, the FNS may allow some legal fees in accordance with [2 CFR 200.435](#);
- Legislative expenses as outlined in [2 CFR 200.450\(c\)\(1\)\(iii\)](#);
- Lobbying costs as outlined in [2 CFR 200.450](#);
- Losses on other awards or contracts in accordance with [2 CFR 200.451](#);
- Membership costs, such as country club, social or dining as outlined in [2 CFR 200.454](#);
- Political party expenses as outlined in [2 CFR 200.450\(c\)\(1\)\(ii\)](#);
- Scholarships and student aid (except for Institutes of Higher Education) as outlined in [2 CFR 200.466](#). Does not apply to tuition costs related to the CalFresh E&T education component;
- Relocation costs of employees as outlined in [2 CFR 200.464](#);
- Selling and marketing, unless approved and necessary for the performance of the grant as outlined in [2 CFR 200.467](#); and
- Student activity costs as outlined in [2 CFR 200.469](#).

## SUPPLANTATION

In accordance with [7 CFR 273.7\(d\)\(1\)\(ii\)\(C\)](#), CalFresh E&T funds must not be used to supplant non-federal funds for existing educational activities. Education expenses are approvable to the extent that the component costs exceed the normal cost of services provided to persons not participating in CalFresh E&T.

The CalFresh E&T program cannot be charged more than what the participant, as a member of the general public, would pay if they were not enrolled in CalFresh E&T for any educational activity. CalFresh E&T funds may be used to supplement (i.e.



enhance), rather than supplant (i.e. replace), state or local funding for existing education services or activities. For example, CalFresh E&T funds may be used to pay for some education and additional supportive services offered through community colleges, if these services are above and beyond those offered to non-CalFresh E&T participants.

## TIME RECORDS

Time and effort reporting (timesheets) and/or time studies are required for staff paid through CalFresh E&T funds and those contributing to this work through cost share. The CDSS recommends keeping all records for a minimum of five years, as fiscal records must be produced in the event of a federal, state, county, single audit, CDSS Fiscal Monitoring Review (refer to [County Fiscal Letter \(CFL\) No. 19/20-05](#)), or CalFresh E&T Management Evaluation (ME).

Time records are required for all CalFresh E&T staff and volunteers devoting less than 100 percent of their time to the program unless a federally approved random moments time study is used to allocate the time spent on allowable activities. For counties and tribal organizations, substitute processes or systems for allocating salaries and wages to CalFresh E&T may be used in place of, or in addition to, the records previously noted, if approved by the CDSS. Such systems may include, but are not limited to: random moment sampling; “rolling” time studies; case counts; or other quantifiable measures of work performed, as outlined in [2 CFR 200.430\(i\)\(5\)](#).

## PASS-THROUGH ENTITIES

In accordance with [2 CFR 200.1](#), a pass-through entity is a non-federal entity that receives federal funds and passes along those funds to subrecipients that carry out all or part of a federal program’s services. The CDSS is the pass-through entity for SNAP E&T and receives federal E&T funds that are passed through to the entities responsible for the administration of the program.

Once an entity responsible for CalFresh E&T administration establishes an agreement with another entity to carry out all or part of the program’s services, they assume the role of a pass-through entity, including applicable accountability. The entity receiving CalFresh E&T funds through the pass-through entity likewise becomes a subrecipient of the organization that has provided those funds.

### Requirements for Pass-Through Entities

In accordance with [2 CFR 200.332](#), entities responsible for the administration of a CalFresh E&T program that establish an agreement with another entity to provide all or part of the program services must:

- Ensure that every subaward is clearly identified to the subrecipient as such;
- Evaluate each subrecipient's risk of noncompliance with federal statutes,

regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring; and

- Monitor the activities of the subrecipient as necessary to ensure that CalFresh E&T funds are used for authorized purposes; in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that performance goals are achieved.

## SUBRECIPIENTS

As the direct recipient of the SNAP E&T grant, the CDSS is the primary pass-through entity for federal E&T funds. Once a CWD, tribal organization, or state partner receives federal E&T funds from the CDSS, it becomes a "first tier" subrecipient.

CWDs, tribal organizations, and state partners may pass federal E&T funds to their partners through a subaward. These subaward partners become "second tier" subrecipients, as referenced in [CFL No. 21/22-115](#). In the same way that CDSS is responsible for providing oversight over its subrecipients; CWDs, tribal organizations, and state partners are responsible for providing proper oversight over their subrecipients.

All first tier subrecipients must ensure that partners providing CalFresh E&T services are treated as subrecipients of the CalFresh E&T grant (rather than being treated as contractors) and are provided the appropriate degree of oversight.

### Subrecipient Characteristics

In accordance with [2 CFR 200.330\(a\)](#), a non-federal entity is classified as a subrecipient if they are responsible for the following:

- Determination of who will receive CalFresh E&T services;
- Measurement of their performance through successful completion of CalFresh E&T program objectives;
- Programmatic decision-making;
- Adherence to applicable federal program requirements specified in CalFresh E&T; and
- Delivery of program services with CalFresh E&T funds as defined in statute.

## CONTRACTS AND PROCUREMENT

Any solicitation for goods and/or services paid with CalFresh E&T funds and related to the operation and support of the program must be procured according to federal and state regulations. All procurements must be reasonable and necessary to the operation of the program. The OMB clarifies several points regarding the updated procurement rules as part of the implementation of [2 CFR Part 200](#), also known as the "Uniform

Guidance.” All recipients of CalFresh E&T funds must adhere to these guidelines for procurement accordingly.

## Contractor Characteristics

In accordance with [2 CFR 200.330\(b\)](#), a contract is for the purpose of obtaining goods and services for the non-federal entity's own use and creates a procurement relationship with the contractor. In a procurement relationship, the contractor:

- Provides the goods and services within normal business operations;
- Provides similar goods or services to many different purchasers;
- Normally operates in a competitive environment;
- Provides goods or services that are ancillary to the operation of the federal program; and
- Is not subject to compliance requirements of the federal program as a result of the agreement, though similar requirements may apply for other reasons.

For more information on making the distinction between subrecipients and contractors, refer to [CFL No. 21/22-115](#).

## COST PRINCIPLES

Costs are classified as either direct or indirect. In accordance with [2 CFR 200.412](#), a universal rule classifying certain costs as direct or indirect does not exist; however, costs incurred for the same or similar purpose should be charged consistently as either direct or indirect across an accounting system.

In accordance with [2 CFR 200.413\(a\)](#), direct costs are those identified specifically with a final cost objective, such as a federal award or other internally or externally funded activity, or that can be directly assigned to such activities with a high degree of accuracy. These costs must be directly tied to the production of specific goods or the provision of specific services. Examples of direct costs include direct labor and direct materials.

Indirect costs are those not readily identified with a specific project or organizational activity but are incurred for the joint benefit of more than one project or activity. Indirect costs are usually grouped into common pools and charged to benefiting objectives through an allocation process as part of a cost allocation plan (typically for public assistance agencies) or calculated through the application of an indirect cost rate (ICR) that has been developed in coordination with an awarding agency (for non-public assistance agencies). Indirect costs include overhead expenses (e.g., rent and utilities) and general and administrative expenses (e.g., accounting and personnel department costs) (refer to [2 CFR 200.414](#)).

In accordance with [2 CFR Appendix VII to Part 200 A.4](#), the types of costs which may

be classified as indirect cannot be specified in all situations. However, typical examples of indirect costs include the following:

- Certain state/local-wide central service costs;
- Costs associated with program administration, such as accounting, and personnel services;
- Depreciation of buildings and equipment; and
- Facility operation and maintenance costs.

Indirect costs are allocated to multiple cost objectives after direct costs have been determined and charged to an award. An indirect cost cannot be allocated to a final cost objective (i.e., a program) if other costs incurred for the same purpose, or similar circumstances, have been included as a direct cost of that objective, or another final cost objective (i.e., another program). This ensures that costs are allocated equitably across the programs for which an entity may perform activities and incur other costs.

Salaries of administrative and clerical staff who work on multiple projects, for example, are generally classified as indirect costs, in accordance with [2 CFR 200.413\(c\)](#). It would be inappropriate to consider clerical staff divided between multiple projects to be direct costs under one project and indirect costs under another.

In accordance with [2 CFR 200.403\(d\)](#), all costs must be afforded consistent treatment. A cost may not be assigned to CalFresh E&T as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to CalFresh E&T as an indirect cost.

## Salaries/Wages

Staff positions are accounted for in full time equivalents and time spent on CalFresh E&T. All positions must be attributed to staff who directly recruit, train, place, support, coordinate, or supervise CalFresh E&T participants, or who develop materials used in such activities.

As outlined in [2 CFR 200.430\(i\)\(1\)](#), charges to CalFresh E&T for salaries and wages must be based on official records that accurately reflect the work performed and compensated. These records must:

- Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- Be incorporated into the official records of the entity responsible for the administration of the CalFresh E&T program;
- Reasonably reflect the total activity for which the employee is compensated, not exceeding 100 percent of compensated activities;
- Encompass federally assisted and all other activities compensated on an integrated basis but may include the use of subsidiary records as defined in

written policy;

- Comply with established accounting policies and practices; and
- Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one federal award; a federal award and non-federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

## **Fringe Benefits**

Fringe benefits must be allocated in a manner consistent with salary/wage costs as outlined in [2 CFR 200.431](#). Examples of fringe benefits eligible for reimbursement include:

- Social Security tax;
- Medicare tax;
- State Unemployment Insurance;
- Health insurance;
- Dental insurance;
- Life insurance;
- Long-term disability;
- Short-term disability;
- Accidental death & dismemberment;
- Workers Compensation;
- 403(b) Retirement plans;
- Retirement;
- Vacation pay; and
- Sick pay.

## **Materials/Supplies**

In accordance with [2 CFR 200.453](#), costs incurred for materials and supplies necessary to carry out the CalFresh E&T program are allowable. Purchased materials and supplies must be charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms must be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Materials and supplies used for the performance of the CalFresh E&T program may be charged as direct costs.

## **Travel Costs**

In accordance with [2 CFR 200.475](#), travel costs are allowable expenses for

transportation, lodging, subsistence, and related items incurred by employees who are on official business directly related to the CalFresh E&T program. Such costs may be charged on an actual cost basis, per diem or mileage basis in lieu of actual costs incurred, or a combination of the two. The method used must be applied to an entire trip and not to selected days, and result in charges consistent with those normally allowed in like circumstances and in accordance with the entity's written travel reimbursement policies. Travel expenses do not include participant reimbursements for transportation.

## **Building Space**

As outlined in [CFL No. 20/21-106](#), one allowable method for calculating the value of publicly owned space is depreciation. Fair market rates may not be used for publicly owned space regardless of whether they are direct billed or donated. The cost of space owned by a public agency is the acquisition cost of that space, plus maintenance and utilities. Administering entities must describe the method used to calculate space value in the budget narrative submitted with the CalFresh E&T Annual Plan.

Depreciation is the method for allocating costs of fixed assets to periods benefitting from asset use, as explained in [2 CFR 200.436](#). Some assets, such as buildings, are always considered capital assets, while other assets, such as equipment, have a threshold for being considered capital assets.

## **Leases/Rentals of Real Property**

As explained in [2 CFR 200.465\(a\)](#), rental costs are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the property leased.

Rental arrangements should be reviewed periodically to determine if circumstances have changed and other options are available.

## **Non-Short-Term Leases**

According to [2 CFR 200.465\(c\)\(5\)](#), rental costs under leases which are required to be treated as capital leases under generally accepted accounting principles are allowed only up to the amount that would be allowed had the non-federal entity purchased the property on the date the lease agreement was executed (an amount that would include expenses such as depreciation, maintenance, taxes, and insurance.)

Interest fees related to capital leases are allowable to the extent that they meet the criteria in [2 CFR 200.449](#). Unallowable costs include amounts paid for profit, management fees, and taxes that would not have been incurred had the non-federal entity purchased the property.

## Equipment and other capital expenditures

In accordance with [2 CFR 200.1, \*Equipment\*](#) means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established financial statement purposes, or \$5,000.

In accordance with [2 CFR 200.1, \*Capital Expenditures\*](#) means expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

In accordance with [2 CFR 200.439](#), the following rules of allowability must be applied to equipment and other capital expenditures.

- Receive approval from the CDSS prior to purchase of any assets or tangible property valued at more than \$5,000, as per [7 CFR Part 277 Appendix A](#);
- Maintain a physical inventory every two years for any assets or tangible property that is paid for in full, or in part, with E&T funds; and
- Adhere to the federal cost principles regarding the disposition of assets and tangible property in accordance with [2 CFR 200.313\(e\)](#).

## Participant Subsidized Wage Costs

Participant subsidized wage costs include wage subsidies, payroll taxes and workers compensation costs paid by the CalFresh E&T provider and/or employer for eligible participants as part of an approved work-based learning activity, within the work experience component. To receive reimbursement, the methodology for how costs were determined, including the number of participants, the hourly wage amount, the portion of the wage to be subsidized with E&T funds, and the number of hours must be included.

## Other Direct Costs

Other direct costs to administer the CalFresh E&T program may include participant training and/or certifications, program development, and participant tuition costs.

## In-Kind Contributions

In accordance with [7 CFR 277.4\(e\)](#), in-kind contributions are non-cash contributions which benefit the CalFresh E&T program and are contributed by a governmental entity, without charge, to another governmental entity. Only governmental entities may receive reimbursements for in-kind contributions from other governmental entities.

Entities that may not receive reimbursement for in-kind contributions include private



entities, private universities, private non-profits, and public/private organizations.

## Indirect Costs

In accordance with [2 CFR 200.414](#), for entities such as non-profits that do not use public assistance cost allocation plans (PACAPs) to determine their indirect costs, the following guidance regarding indirect cost rates (ICRs) applies.

An ICR is a device for fair and expeditious determination of the proportion of general (non-direct) expenses that each project will bear. It is the ratio between the total indirect costs and a direct cost base.

$$\frac{\text{Indirect Cost Pool}}{\text{Direct Cost Base}} = \text{Indirect Cost Rate}$$

The ICR Proposal must:

- Be used to obtain reimbursement of organizational operational costs;
- Be prepared from audit financial statements and adjusted for unallowable costs;
- Identify all direct and all indirect costs;
- Select a direct cost base (DCB); and
- Divide the indirect cost pool by the DCB.

The ICR is expressed as a percentage. The ICR multiplied by the DCB equals the indirect cost that may be charged to each program. Indirect cost rates apply only to third parties acting as subrecipients of CalFresh E&T funds, not to contractors whose compensation should equal the contractually stipulated price of the goods and/or services they provide.

Most nonprofit organizations have four options to recover costs expended in the process of managing federal awards:

1. Federal award recipients may apply for a federally negotiated ICR from their cognizant agency.
2. Subrecipients may use a negotiated ICR with the pass-through entity.
3. Eligible non-federal entities may elect to use a flat de minimis rate of ten percent of modified total direct costs.
4. Non-federal entities may charge costs that might otherwise be considered indirect costs directly (direct charge) if those costs are charged the same consistently across all federal awards. The salaries of administrative and clerical staff should normally be treated as indirect. Direct charging of these costs may be appropriate only if the conditions as outlined in [2 CFR 200.413](#) are met. A reasonable basis for determining and allocating costs between programs/cost objectives must be developed and utilized, as explained in [2 CFR 200.405](#).



## COST ALLOCATION PLAN

A cost allocation plan (CAP) is a narrative description of the procedures used by an entity to identify, accumulate, and distribute allowable costs of program administration together with the allocation methods used, in accordance with [7 CFR Appendix A to Part 277 \(B\)](#).

### Central Service Cost Allocation Plan

As described in [2 CFR Appendix V to Part 200 \(A\)\(1\)](#), most governmental entities provide certain services, such as motor pools, computer centers, purchasing, accounting, etc., to operating agencies on a centralized basis. Since federally supported awards are performed within the individual operating agencies, there must be a process whereby these central service costs can be identified and assigned to benefitted activities on a reasonable and consistent basis. The central service CAP provides that process.

In accordance with [2 CFR Appendix V to Part 200 \(D\)\(1\)](#), the state of California must submit a plan to the Department of Health and Human Services (HHS) for each year in which it claims central service costs under Federal awards. The plan includes:

- A projection of the next year's allocated central service cost (based either on actual costs for the most recently completed year or the budget projection for the coming year); and
- A reconciliation of actual allocated central service costs to the estimated costs used for either the most recently completed year or the year immediately preceding the most recently completed year.

Each major local government is also required to submit a plan to its cognizant agency for indirect costs annually. In California, all counties utilize CAPs as approved by the [State Controller's Office](#), which is recognized as the federally cognizant agency. The countywide CAPs include all costs to administer county services such as the county park district, animal control, and law enforcement costs.

### Public Assistance Cost Allocation Plan

As described in [2 CFR Appendix VI to Part 200\(A\)](#), federally financed programs administered by public assistance agencies are funded predominately by the HHS. The HHS publishes requirements for the development, documentation, submission, negotiation, and approval of PACAPs. All administrative costs (direct and indirect) are normally charged to Federal awards by implementing the PACAP.

In California, all CWDs utilize the PACAP to account for and distribute costs for federally financed programs such as In-Home Supportive Services, CalWORKs and CalFresh. The CDSS' methodology for allocation of these costs is by use of the County Expense

Claim (CEC) in the County Expense Claim Reporting Information System (CECRIS) (formerly the CEC in FoxPro) and time study hours recorded by county workers as defined in the Fiscal Year County Cost Allocation Plan, located on the CDSS Budget and Fiscal News [webpage](#). These costs are calculated by taking indirect cost pools within the PACAP, such as the support operating pool, and allocating a percentage of the amount in those cost pools to the CalFresh E&T program based on a ratio of CalFresh E&T time study hours to total time study hours.

## **County Claim Process**

California's welfare programs are state-supervised and county-administered. Under this state-supervised arrangement, the CDSS issues regulations to the CWDs on how the programs are to be administered. The CDSS sets standards for obtaining state and federal reimbursement for costs incurred for the administration of county welfare programs. Conversely, the CDSS enters into agreements directly with tribal organizations and state partners for the provision of CalFresh E&T services and issues reimbursement for allowable E&T expenditures in accordance with the terms outlined in the agreement.

The CECRIS is used by counties to request reimbursement for costs to the CalFresh E&T program by submitting their claims for reimbursement through CECRIS in accordance with state claiming instructions contained in the relevant CFLs. These claiming instructions may be found on the [CFL page of CDSS' public website](#).

CalFresh E&T funding is available to the CWDs based on reimbursement through the claiming structures the CDSS has established in CECRIS. Funds for allowable activities must first be expended by the CWD to be eligible for reimbursement. Upon receipt of a claim through CECRIS, the CDSS reimburses CWDs for the appropriate percentage (100 percent or 50 percent) of allowable expenditures.

## PART IV: DATA AND REPORTING

Federal and state regulations require all entities responsible for the administration of CalFresh E&T to report participant and program data to the CDSS. To meet these requirements, the following reports must be submitted by specified deadlines within the FFY:

- Participant Outcomes Report;
- CalFresh Work Registrants, Able-Bodied Adults Without Dependents (ABAWDs), Employment and Training (E&T) Program Quarterly Statistical Report (STAT 47); and
- CalFresh Employment & Training (E&T) Progress Report.

## DEFINITIONS

### Participant

In accordance with [7 CFR 273.7\(c\)\(11\)\(iii\)](#), the definition of a CalFresh E&T participant is a CalFresh applicant or recipient who engages in at least one part of the program; including orientation, assessment, case management, or a component.

Therefore, all individuals who engage in any CalFresh E&T activity, even if they do not engage in further component activities, are categorized as CalFresh E&T participants and must be captured for reporting purposes. An individual who is referred to case management, assessment, or orientation, but fails to attend is not considered a participant for reporting purposes.

### Component

A CalFresh E&T component is defined as a service, activity, or program designed to help CalFresh recipients gain skills, training, or work experience. Components include but are not limited to education, job retention, self-employment training, supervised job search, workfare, and work experience.

### Component Completion

As explained in [SNAP Clarification of E&T Outcome Reporting Requirements Q&A Part II, #13](#), the definition of “component completion” for the measure outlined in [7 CFR 273.7\(c\)\(17\)\(iv\)](#) requires all entities responsible for the administration of the CalFresh E&T program to determine whether the participant completed all requirements of the component.

If an individual is enrolled in multiple components, each component must be assessed for completion. If there is a component end date, there must be a corresponding completion status.

## Program Completion

As outlined in [SNAP Clarification of E&T Outcome Reporting Requirements Q&A Part II, #8](#), the definition of “completion of participation” for the measures in [7 CFR 273.7\(c\)\(17\)\(i\)-\(iii\)](#), must be determined using a 90 day “look back” period.

The CalFresh E&T program completion date or “exit date” is the last date of service. The last day of service cannot be determined until 90 days have elapsed since the participant last received services (not including job retention services). If a participant reengages in the CalFresh E&T program 90 days or more since their previous program completion date, they are considered a new participant for reporting purposes. This principle is referred to as the “90 day look back” rule.

## PARTICIPANT OUTCOMES REPORT

The CDSS is required to submit the Participant Outcomes Report to the FNS by January 1 of each year, in accordance with [7 CFR 273.7\(c\)\(17\)](#).

The federal reporting requirements were established by the [Interim Final Rule: Supplemental Nutrition Assistance Program \(SNAP\) Employment and Training Program Monitoring, Oversight, and Reporting Measures, Volume 81 of the Federal Register, page 15613](#). The reporting requirements are comprised of outcome measures based on the employment and earnings of current and former CalFresh E&T participants to monitor the effectiveness of the CalFresh E&T program and services.

The report must include a unique line of data for each individual and the CalFresh E&T activity and/or component in which the individual participated. For example, if an individual participated in orientation/assessment and supervised job search, there would be two lines of data for that individual with relevant dates.

The CDSS matches the CalFresh E&T participant and former participant information against wage data provided by the California Employment Development Department (EDD). The CDSS has an MOU with the EDD, which allows the CDSS to access wage data for all CalFresh recipients.

## Data Elements

The following data elements are required for each participant:

<b>DATA ELEMENT</b>	<b>DEFINITION</b>
<b>SOCIAL SECURITY NUMBER</b>	Numerical identifier used to track a person's identification.
<b>COUNTY CODE</b>	Unique number used to identify a specific county in California.
<b>DATE OF BIRTH</b>	Date of participant's birth.
<b>SEX</b>	Sex of participant indicated on record, as reported.
<b>CALFRESH E&amp;T COMPONENT</b>	A service, activity, or program designed to help CalFresh recipients gain skills, training, or work experience. Components include but are not limited to supervised job search, workfare, work experience, self-employment training, education, and job retention.
<b>PROGRAM START DATE</b>	The date the participant begins participation in a CalFresh E&T program.
<b>COMPONENT START DATE</b>	The date a participant begins a CalFresh E&T component.
<b>COMPONENT END DATE</b>	The date in which the CalFresh E&T component ended for the participant.
<b>COMPONENT COMPLETION STATUS</b>	The status of whether the participant completed all the component requirements.
<b>PROGRAM END DATE</b>	The date the participant ended participation in the CalFresh E&T program.

DATA ELEMENT	DEFINITION
<b>ABAWD STATUS</b>	An ABAWD is a CalFresh recipient, age 18 through 49, who is able-bodied without dependent children and does not meet the criteria for an exemption from the ABAWD time limit. For more information regarding ABAWDs, refer to the <a href="#">ABAWD Handbook</a> .
<b>HSD OR GED PRIOR TO CALFRESH E&amp;T SERVICES</b>	Participants can self-report whether they have received an HSD or GED prior to starting CalFresh E&T services.
<b>ENGLISH AS A SECOND LANGUAGE</b>	CalFresh E&T participants who speak English as a second language. This is meant to capture all participants who speak a language other than English as their first language, regardless of whether they also speak English or because this poses a barrier to employment. Participants can self-report this information.
<b>MANDATORY OR VOLUNTARY</b>	In California, all entities responsible for the administration of CalFresh E&T and participants, are voluntarily participating. Therefore, all participants must be reported as voluntary.

## CalFresh Work Registrants, Able-Bodied Adults Without Dependents, Quarterly Statistical Report

The CDSS is required to submit the “Supplemental Nutrition Assistance Program

(SNAP) Employment and Training (E&T) Activity Report”, known as the FNS-583, no later than 45 days after the end of each federal fiscal quarter, as outlined in [7 CFR 273.7\(c\)\(9\)](#). In California, this report is known as the “CalFresh Work Registrants, Able-Bodied Adults Without Dependents (ABAWD), Employment and Training (E&T) Program Quarterly Statistical Report” (STAT 47). Data from the FNS-583 is used by the FNS to establish funding levels for CalFresh E&T each year. This report provides county, state, and federal entities with the information needed for program administration. More information on the STAT 47 form, instructions and validations is located in [ACL No. 22-67](#).

All CWDs must submit the STAT 47 report to the CDSS, regardless of whether they administer a CalFresh E&T program. Only CWDs that administer a CalFresh E&T program must report data related to CalFresh E&T participation. The CWDs are responsible for incorporating the CalFresh E&T participants served by their partners and the CDSS state partners into the STAT 47. The report must contain monthly figures for:

- New CalFresh work registrants;
- ABAWD applicants and recipients participating in qualifying CalFresh E&T components;
- Applicants and recipients (including ABAWDs involved in non-qualifying activities) participating in CalFresh E&T components; and
- ABAWDs subject to the 3-month time limit imposed in accordance with [7 CFR 273.24\(b\)](#) who are exempt under the CDSS’ discretionary exemptions under [7 CFR 273.24\(g\)](#).

The CDSS must submit the following information on the FNS 583 report each fiscal year:

- The number of work registrants in California;
- CalFresh E&T components offered; and
- The number of ABAWDs and non-ABAWDs who participated the CalFresh E&T program and in each component.

## PROGRESS REPORT

The CDSS requires all entities responsible for the administration of a CalFresh E&T program to submit a “CalFresh E&T Progress Report” on a quarterly basis. This report includes participant data, expenditure data, and narrative information on program growth and challenges throughout the quarter. This report is intended for entities administering the CalFresh E&T program to effectively communicate areas of continuous improvement and convey technical assistance opportunities.

## PART V: MANAGEMENT EVALUATION

The CDSS conducts MEs of all entities responsible for the administration of the CalFresh E&T program. The purpose of the ME is to determine compliance with CalFresh E&T rules, regulations, and approved Annual Plan; identify and document effective practices in places that could be helpful to other programs; identify technical assistance needs; and provide an opportunity for feedback to the CDSS on areas for continuous improvement.

### BACKGROUND

The CDSS is mandated by the FNS, to monitor the programmatic and fiscal administration of the CalFresh E&T program as specified in [7 CFR 275.5](#).

Objectives of the ME review are to provide:

- A systematic method of monitoring and assessing the administration of the CalFresh E&T program;
- A basis to improve and strengthen program operations by identifying and correcting deficiencies; and
- Continuous flow of program information between all entities responsible for the administration of the CalFresh E&T program, including the CDSS and FNS.

The CDSS conducts MEs based on the following schedule:

- Annually in large counties;
- Every two years in medium sized counties; and
- Every three years in small counties.

The CDSS determines the size of the county based on the number of reported CalFresh E&T participants served in the previous fiscal year. Tribal organizations and state partners are reviewed on an annual basis. MEs may be conducted on a more frequent basis if there is an identified risk.

### MANAGEMENT EVALUATION REVIEW

The ME review includes the following elements:

- Documentation Review;
- Entrance Conference;
- Interviews;
- Case File Review;
- Data Collection Review;



- Civil Rights Review;
- Fiscal Review; and
- Exit Conference.

## Documentation Review

The CDSS ME team will request and review both programmatic and fiscal documentation prior to the ME. The list below identifies documents that will be requested by the CDSS prior to the scheduled review. Additional documents may be requested either prior to or during the ME, if needed. Documents with Personally Identifiable Information or other confidential information must be sent to the CDSS securely, either through email or through secure transfer sites.

Documents requested will be tailored to the program being reviewed. These documents include, but are not limited to:

- Handbook, certification manual, training materials, and/or other instructional or policy materials;
- Documents regarding CalFresh work registration requirements;
- Copies of notices and forms provided to CalFresh E&T participants;
- Documents used to construct required reports, including instructions used to identify and count work registrants;
- Encrypted lists of CalFresh E&T participants;
- Documentation of billing for all reimbursements and all source financial documentation for the selected month of review, including documentation for selected partner(s), when applicable;
  - General ledger and chart of accounts for all expenses;
  - Copy of the single audit report for partners receiving federal grants over \$750,000;
  - Time records;
- Copies of contracts and/or MOU between the entity under review and selected partner(s);
  - Partner budget documentation;
  - Partner budget narrative;
  - Partner job descriptions for CalFresh E&T;
  - Cost allocation plan/cost methodology;
- Materials and activities the entity uses to monitor and review their CalFresh E&T partner(s);
  - Monitoring/review schedule, tools, and reports; and
  - Corrective action documents.

## Entrance Conference

An entrance conference is held with the CDSS ME team and the staff of the CalFresh E&T program under review. This session includes:

- Introduction of staff;
- An opportunity for clarification of roles and responsibilities;
- Collection of entrance conference attendees' names, and titles to be included in the final report;
- Outline of the structure of the ME, including an agenda, relevant logistics, and areas of review; and
- Review of prior ME Corrective Action Plan (CAP), if applicable.

## Interviews

The CDSS ME team conducts interviews with staff responsible for the delivery of the CalFresh E&T program and services, and participants. Interview questions specifically address the implementation of the CalFresh E&T program as specified in the approved CalFresh E&T Annual Plan, including program compliance, participation trends, fiscal policies and procedures, and data validation methodologies.

Participant interviews focus on program effectiveness from a participant's perspective. This includes how clearly a participant understands the conditions of program enrollment and available services, including supportive services.

## Case File Review

The CDSS ME team reviews case files in order to determine compliance with state and federal regulations. Case files are selected at random from the complete list of participants for the FFY in review. The team uses a case file review protocol to ensure each case is assessed consistently and that all areas of state and federal requirements are considered. Case files may be paper, electronic, or both.

The CDSS requests staff be present at case file reviews to assist with any questions and navigate the computer system if electronic files are used. Items that should be included in a case file include:

- CalFresh E&T eligibility verification;
- Program start and end dates;
- Case management documentation; this may include comprehensive intake assessment, employability assessment, individualized service plans, participant progress monitoring, and coordination with service providers;
- Component start and end dates;
- Provider determination (if applicable);

- Provider referral form and date (if applicable);
- Supportive service documentation; this should include why the service is needed, as well as a receipt/affidavit confirming the supportive service was used for its intended purpose;
- USDA Funding and Non-Discrimination Statement; and
- Work registrant status and documentation.

## Data Review

The CDSS is responsible for data analysis, including the study of trends, significant characteristics, and their relationships. The CDSS ME review includes data collection and validation methodologies for the “CalFresh Work Registrants, Able-Bodied Adults Without Dependents (ABAWDs), and Employment and Training (E&T) Program Quarterly Statistical Report (STAT 47)”, and the “CalFresh E&T Participant Outcomes Report”.

## Civil Rights Review

All programs and services funded by the FNS must include a public notification system. The purpose of this system is to inform applicants, participants, and potentially eligible persons of the program availability, rights and responsibilities, policy of nondiscrimination, and the procedure for filing a complaint.

All handouts, forms, and informational materials provided to CalFresh E&T participants must include the FNS funding statement and the nondiscrimination statement according to [FNS Instruction 113-1, Section IX and 2 CFR 415.2\(b\)](#).

The nondiscrimination statement is as follows:

*In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, religion, political beliefs, or disability.*

*To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TTY). USDA is an equal opportunity provider and employer.*

If the material is too small to permit the full statement to be included the material will at minimum include the statement, in print size no smaller than the text:

*This institution is an equal opportunity provider.*

The funding statement is as follows:

*This project has been funded at least in part with federal funds from the United*

*States Department of Agriculture (USDA). The contents of this publication do not necessarily reflect the view or policies of the USDA, nor does mention of the trade names, commercial products, or organizations imply endorsement by the U.S. Government.*

For publications with minimal text or limited space, grantees may use one of the following abbreviated statements:

- *Funding provided by USDA;*
- *Funding for research provided by USDA; or*
- *Funding for this project was provided by the USDA.*

## **Fiscal Review**

The purpose of the fiscal review is to determine if costs charged to the CalFresh E&T program match the approved CalFresh E&T Annual Plan Budget and are allowable, reasonable, necessary, and allocable in accordance with [7 CFR 273.7](#) and [2 CFR 200.403](#).

The CDSS ME team will review fiscal policies and accounting records, including time records, to ensure documentation is maintained in a manner that permits verification of all costs charged to the CalFresh E&T program. The CDSS ME team will evaluate the fiscal systems and safeguards in place to ensure fiscal integrity. Additionally, the CDSS ME team will evaluate the methodology used for allocating costs to the CalFresh E&T program in accordance with federal guidance.

## **Exit Conference**

An exit conference will be conducted upon completion of the ME visit to provide a summary of the review and to discuss any additional documentation needed. During this exit conference, the CDSS CalFresh E&T ME team will discuss program highlights, observations, and/or findings discovered during the ME.

## **Highlights**

One of the objectives of the CalFresh E&T ME is to identify, describe, and document effective practices. These best practices may inform future program development across the state.

## **Observations**

Any policy, procedure or practice identified by the CDSS ME team as a program weakness or area needing improvement is considered an observation. Observations have the potential to become findings if program policies, procedures, and/or practices are not strengthened or improved upon. The CDSS will provide a recommendation for

each observation identified.

## **Findings**

Any policy, procedure, or practice identified by the CDSS ME team that is not in compliance with federal or state regulations, FNS instructions, and/or policy memos is a finding. All findings included in the report require corrective action.

## **CORRECTIVE ACTION PLAN**

A finalized ME report will be submitted to the entity responsible for the administration of the CalFresh E&T program within 60 days following the conclusion of the ME. In accordance with [7 CFR 275.16](#), a written response is required identifying actions that are proposed or taken in response to all observation(s) and finding(s) of noncompliance with federal regulations. The term “Required Corrective Action” is the element of the ME report that conveys the action(s) that must be taken to correct the noncompliance with federal regulations, FNS instructions, and/or policy memoranda prescribed by the FNS and/or the CDSS.

A CAP must be submitted to the CDSS within 60 calendar days after receipt of the ME report. The CAP must address all findings and show evidence of the following:

- Evaluation of the finding(s);
- Identification of the root cause(s) of the finding(s);
- Magnitude and geographic extent of deficiency;
- Determination of the corrective action(s) necessary to address the root cause(s) and correct the finding in a sustainable manner;
- Identification of the timeframes related to each corrective action (i.e. major milestone dates, target completion date);
- Identification of the staff responsible or the point of contact for each corrective action;
- Basis for the development of the plan, implementation, and evaluation of the corrective actions;
- Description of how the entity will monitor the corrective action;
- Description of how the entity will determine whether the corrective action is successful in addressing the root causes; and
- Documentation/evidence for any corrective action that has been implemented.

The CDSS will determine whether the corrective actions proposed in the CAP are adequate to resolve any findings. Once acceptable corrective actions have been implemented and adequate verification has been provided, the CDSS will issue a closeout letter to confirm the finding(s) have been closed. The CDSS will support all entities responsible for administration of the CalFresh E&T program in aligning their program and services with all federal and state regulations and policies.

## ACRONYMS AND DEFINITIONS

ACRONYM	DEFINITION
<b>ABAWD</b>	Able Bodied Adults Without Dependents
<b>ABE</b>	Adult Basic Education
<b>ACIN</b>	All County Information Notice
<b>ACL</b>	All County Letter
<b>ACWDL</b>	All County Welfare Directors Letter
<b>CalWORKs</b>	California Work Opportunity and Responsibility to Kids
<b>CAP</b>	Corrective Action Plan
<b>CAP</b>	Cost Allocation Plan
<b>CBO</b>	Community-Based Organization
<b>CDSS</b>	California Department of Social Services
<b>CEC</b>	County Expense Claim
<b>CECRIS</b>	County Expense Claim Reporting Information System
<b>CFL</b>	County Fiscal Letter
<b>CFR</b>	Code of Federal Regulations
<b>CTE</b>	Career and Technical Education

ACRONYM	DEFINITION
<b>CWD</b>	County Welfare Department
<b>DCB</b>	Direct Cost Base
<b>DOL</b>	Department of Labor
<b>E&amp;T</b>	Employment and Training
<b>EDD</b>	California Employment Development Department
<b>ELA</b>	English Language Acquisition
<b>ELL</b>	English Language Learner
<b>ESL</b>	English as a Second Language
<b>FFY</b>	Federal Fiscal Year
<b>FNS</b>	Food and Nutrition Service
<b>GA/GR</b>	General Assistance/General Relief
<b>GED</b>	General Education Diploma
<b>HHS</b>	Department of Health and Human Services
<b>HSD</b>	High School Diploma
<b>ICR</b>	Indirect Cost Rate
<b>IET</b>	Integrated Education Training

ACRONYM	DEFINITION
<b>IRAP</b>	Industry-Recognized Apprenticeship Program
<b>LWDB</b>	Local Workforce Development Board
<b>ME</b>	Management Evaluation
<b>MOU</b>	Memorandum of Understanding
<b>NACF</b>	Non-Assistance CalFresh
<b>OJT</b>	On-the-Job Training
<b>OMB</b>	Office of Management and Budget
<b>PACAP</b>	Public Assistance Cost Allocation Plan
<b>SET</b>	Self-Employment Training
<b>SNAP</b>	Supplemental Nutrition Assistance Program
<b>STAT 47</b>	CalFresh ABAWD, Employment and Training Program Quarterly Statistical Report
<b>SWBL</b>	Subsidized Work Based Learning
<b>TANF</b>	Temporary Assistance for Needy Families
<b>USDA</b>	United States Department of Agriculture
<b>WIOA</b>	Workforce Innovation and Opportunity Act
<b>WRT</b>	Work Readiness Training