

## **DOLLARS AND SENSE**

### **A RESOURCE GUIDE: Funding Reentry Employment Programs for Returning Offenders**

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## Introduction

Over the past 25 years, there has been a dramatic increase in the number of people incarcerated in the nation's prisons and jails. By 2005, the prison population had risen to 2.2 million, a fourfold increase since 1980.<sup>1</sup> As this population has increased, so has the number of inmates being released from prison, which is, as of 2008, more than 650,000 each year.

Reentry—the transition from prison to community—presents overwhelming challenges for newly released offenders, limiting their chances for success. Research shows that two-thirds of ex-offenders are rearrested and one-half re-incarcerated within three years of their release.<sup>2</sup> While many factors affect recidivism, there is a growing consensus that employment plays an important role in helping ex-offenders successfully reintegrate into their communities.

This guide provides information on funding for work-preparation services and for financial incentives promoting the employment and retention of ex-offenders. The target audience is government and community agencies and other organizations with an interest in reentry initiatives that incorporate work-preparation and retention services.

## Reentry and Employment

Policy makers and researchers agree that employment is a key factor in reducing recidivism.<sup>3</sup> In addition to providing a paycheck, work can enhance self-esteem and build self-confidence as well as provide structure for daily life. However, ex-offenders confront many obstacles to finding and keeping a job, including lack of job skills and education, limited work experience, and the reluctance of employers to hire them.

Because employment-preparation strategies implemented as a result of the 1996 Federal welfare reform legislation were successful at transitioning people from welfare to work, many reentry programs have incorporated these work-related strategies. (For a discussion of two of these programs, New York City's innovative effort using a welfare-to-work model and Texas's Project RIO, see Appendix A.) Although certain programs seem to have shown some encouraging results for ex-offenders, the evidence that these strategies are effective in improving employment outcomes and reducing recidivism is inconclusive.<sup>4</sup>

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1. U.S. Department of Justice, Bureau of Justice Statistics, *Federal Justice Statistics*.

2. Langan and Levin, *Recidivism of Prisoners Released in 1994*.

3. Baer et al., *Understanding the Challenges of Prisoner Reentry*.

4. MDRC, *Policy and Research Recommendations*.

Ex-offenders confront many challenges when they return home, including housing, health, mental health, legal, and substance-abuse problems—all of which affect employability. Therefore, the key to successful reentry programming may lie in the integration of employment preparation with the other services needed to address an ex-offender's full range of challenges.

## **Funding Strategies for Services**

This section describes strategies to access funding and resources for reentry employment-preparation services.

### **Collaboration**

One of the most important tasks in developing reentry programs is ensuring adequate funding. To maximize access to funding, collaborative partnerships are essential. In addition to criminal justice, other government agencies have resources and access to funding streams that can support employment-preparation services. These include state and local social service districts, departments of labor, workforce boards, state vocational rehabilitation providers, and substance abuse and mental health agencies. An example of an effective collaborative reentry program follows.

In 2001, the New York State Departments of Parole and Corrections operated an employment program to help newly released inmates find work. Because the Departments had limited funds and could only serve a small number of individuals, state officials recognized the benefits of collaborating with New York City's Human Resource Administration (HRA), the agency that administers the City's welfare, Medicaid, and Food Stamp programs. With this partnership, the State was able to serve many more individuals by using federal and State monies available through HRA for pre-release case management and to have better access to post-release services including drug treatment, employment and training programs, and public benefits such as Medicaid and food stamps. The partnership resulted in the Prisoner Reentry Project, a joint program involving the New York State Departments of Parole and Corrections and HRA, formalized through a Memorandum of Understanding, which specified the responsibilities of each agency.

The Prisoner Reentry Project provided services early in the reentry period, when ex-offenders are most vulnerable. HRA-funded substance-abuse counselors were stationed at a State pre-release facility and parole office to assess inmates and recent parolees for their need for drug treatment and when indicated, refer them to an appropriate drug treatment program. The treatment referral became a condition of parole and thus was monitored by the parole officer. In addition, applications for food stamps and Medicaid were submitted while the inmates were still incarcerated so that the benefits were available upon release.

## **Public Benefits: Welfare, Medicaid and Food Stamps**

Assisting inmates in applying for public benefits before their release ensures an important safety net for newly released prisoners during the initial reentry phase. These benefits, including welfare, [Medicaid](#), [food stamps](#), [SSI/SSDI](#), [disabled Medicaid](#), and [Veterans benefits](#) provide a degree of stability, allowing the ex-prisoner an opportunity to connect with family and community resources and to look for work. Welfare is available to families with dependent children through the [Temporary Aid to Needy Families \(TANF\)](#) program and in some states, such as [New York](#) and [New Jersey](#), to single adults through a General Assistance program. Medicaid and food stamps are available to families and single adults who meet income and resource guidelines. In addition, receiving welfare or food stamps makes the individual eligible for a number of the employment services discussed below.

Collaboration between correction departments and social service agencies can result in the latter accepting and processing the applications (in some cases on-line) while the inmates are still incarcerated, or even in the agencies placing eligibility staff at the correction facilities. Generally, for benefits to be available at the time inmates return to the community, the applications must be submitted 30-45 days before an inmate's release. The cost of staff to assist with the application process can be covered, at least in part, through the Medicaid and Food Stamp programs and by TANF outreach or administrative funds.

## **Employment and Training Services**

In every state there are employment-preparation services available, funded by a number of government programs, including food stamps, TANF and other welfare programs, and Workforce Investment Act (WIA) assistance. These are described below.

### ***Food Stamp Employment and Training Services***

Authorized in 1977 by federal legislation, the Food Stamp program, called the Supplemental Nutritional Assistance Program, or SNAP, since 2008, helps millions of low income Americans purchase food. As part of the Food Stamp program, federal law provides funds for states to operate [Food Stamp Employment and Training \(FSET\)](#) programs. Each state receives a specific appropriation for FSET that provides 100% federal funding including administrative costs.

In addition, states and their designated local agencies can be reimbursed 50% of the cost of other employment and training programs serving food stamp recipients. The remaining 50% of the cost must be paid by the state, local agency or other community partner administering the program. There is no limit to the amount of federal matching funds available for 50-50 FSET services.

FSET programs offer a wide range of employment and related services, including employability assessments, work-readiness training, job placement, job retention, counseling, housing, drug testing, and drug-treatment referrals. Other supportive services such as transportation, child care, tools, licenses, and work clothes can also be covered.

FSET is an important funding source for employment services for populations who are predominately single adults. Food stamp recipients between the ages of 18 and 50 who are employable and without children in the household are required by the Food Stamp program to participate in employment services. If they fail to do so, they will only be eligible for food stamps for three months every three years. (Some states have this rule waived because of a high unemployment rate.) In addition, in some states FSET programs can serve individuals who are not required by Food Stamp program rules to participate in employment preparation.

Newly released offenders will be able to access FSET services soon after release if the food stamp application is submitted and approved while they are incarcerated. The ex-offender will be referred to an employment provider through the local Food Stamp office. If a collaborative agreement with the local agency administering the Food Stamp program calls for the agency to station staff at the correctional facility, a pre-release employment plan can connect the inmate with a specific FSET program immediately upon release.

To aid with the application process, the Food Stamp program has made an [on-line screening tool](#) for food stamp eligibility available. Information on the requirements for a Food Stamp application is included in Appendix B.

State and local funds being used for employment preparation programs can be leveraged to access FSET matching funds on a 50-50 basis. Criminal justice agencies or other organizations serving ex-offenders can match their existing expenditures for employment and training programs and supportive services, such as transportation, with FSET funds, enabling a greater number of ex-offenders to receive services. There are two basic requirements to leverage the matching funds: the existing employment program must serve eligible food stamp recipients and the employment-service provider must become an approved FSET contractor based on current state or local policies either directly, or indirectly through the agency that holds its existing employment contract. A detailed example of how the leveraging approach works is presented in Appendix C.

### ***TANF and Other Welfare Programs***

Many state and local social service districts make employment-preparation programs similar to the FSET programs available to welfare recipients in either the TANF or General Assistance (for single adults) program. If an ex-offender is receiving welfare and is employable, the local social service agency makes the connection with the employment-service provider.

### ***Workforce Investment Act (WIA)***

Funded by the U.S. Department of Labor and administered by local workforce boards, WIA services are available for a wide group of job seekers including ex-offenders. WIA services, often available at [One-Stop Centers](#), include referrals for skills training, employment preparation, and placement. WIA can serve individuals who are not receiving welfare or food stamps, or who are employed and seeking to upgrade their job skills. Further information on WIA services is available on the U.S. Department of Labor website at [www.doleta.gov](http://www.doleta.gov).

## **Employer Incentives**

Wage subsidies and tax credits are available to encourage employers to hire qualified individuals. These incentives may help overcome employer resistance to hiring ex-offenders.

### **Wage Subsidy**

Wage subsidies are available to employers under several of the funding sources previously discussed, namely, FSET, TANF or other welfare programs, and WIA.

An employer who hires a qualified ex-offender will receive a wage subsidy directly from the funding entity to cover all or part of the employee's wages, thereby reducing payroll costs. Wages must be at or above the applicable federal or state minimum-wage requirements. Additionally, the employer can be reimbursed for costs associated with training a less-skilled worker. There is generally a limit to the number of subsidized positions that one employer can claim.

With the wage-subsidy programs, there is an expectation that the employer will offer permanent employment at the end of the subsidy period. Since hiring is contingent upon job performance, there is no fixed rule that every individual will be hired. However, the funding agencies monitor whether the employer shows good faith in hiring satisfactory candidates and may exclude the employer from further participation in the program for failure to do so.

In the Food Stamp program, the value of the employee's food stamps is paid to the employer as a subsidy rather than to the employee as a benefit. If the subsidy is lower than the food stamp benefit, a supplemental benefit is issued to the employee. An employer may offer full or part time employment, and the duration of the subsidy is not restricted by the Food Stamp program but must be defined in each state's plan approved by the U.S. Department of Agriculture.

In TANF, and in General Assistance programs when available, employers are paid the wage subsidy with funds that the employee would otherwise have received as a welfare payment. The duration of the subsidy is generally set between three and 12 months. The advantage to the employee is that he or she continues to receive Medicaid coverage, and possibly a partial welfare grant and food stamps, while being paid a salary and receiving on-the-job training and work experience.

The WIA system funds wage subsidies through its On-the-Job Training (OJT) program. These subsidies are available for employers to hire and train a broad group of disadvantaged job seekers, which can include eligible ex-offenders. The OJT subsidy provides reimbursement of up to 50% of wages, which is for the costs associated with training and additional supervision. The subsidy is limited to a timeframe appropriate for training for the employee's occupation.

To qualify to receive wage subsidy payments under any of these funding sources, the employer must enter into a formal written agreement with the funding agency, which is generally done through a contract or a Memorandum of Understanding. In addition, the employer must submit regular invoices for reimbursement that include the employee's payroll information. The funding agency will identify and refer qualified individuals for subsidized positions.

Despite the benefits of wage subsidies, many businesses have little interest in taking advantage of the program because of the administrative requirements, which include the initial contract and the ongoing payroll reports. However, with the Food Stamp program and welfare funding streams, there is an alternative approach that may overcome employer resistance. If a community-based employment and training agency becomes the employer of record during the subsidy period, that agency would assume the administrative responsibilities. The community-based agency would place workers in work-subsidy positions with employers and charge the funding entity for the allowable cash value of the worker's food stamp or welfare benefit, and then reimburse the employer for the applicable part of the wages. This not only allows the employer to obtain the subsidy but also shifts the responsibility to the community-based agency to identify appropriate employees, prepare them for the job, and work with them after hiring to ensure satisfactory job performance.

### **Employer Tax Credit**

Employers who hire qualified individuals can claim a federal tax credit, the [Work Opportunities Tax Credit \(WOTC\)](#), for each employee. The WOTC is available for employees who fall into one of the targeted groups, including ex-felons, current or recent recipients of TANF, current or recent recipients of food stamp benefits between the ages of 18 and 24, and SSI recipients.<sup>5</sup> (Ex-felons are defined as individuals who were convicted of a felony and who are hired within one year after the conviction or release from prison.)

For most targeted groups, the WOTC is worth up to \$2400 for the first year of employment for each new qualified employee. However, for disabled veterans, the credit is worth up to \$4800 and for long-term TANF recipients, up to \$9000 over a two-year period. Under WOTC, there is no cap on the number of new hires that an employer can claim for the credit.<sup>6</sup>

The first step in the WOTC process is either government precertification of eligible candidates or for the employer to request certification from the state workforce agency that the new employee qualifies as a member of one of the WOTC target groups. To do this, the employer must complete IRS Form 8850 and a one-page U.S. Department of Labor form and forward them to their state workforce agency's WOTC coordinator within 28 days of hiring the employee. The credit for certified employees is taken against the employer's federal tax liability, therefore reducing the amount of federal tax that the employer has to pay. Further information on the WOTC process and on state workforce

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5. U.S. Department of Labor, Employment & Training Administration, *Work Opportunity Tax Credit*.

6. Ibid.

agency coordinators is available from the U.S. Department of Labor website at [www.doleta.gov/business/incentives/opptax/](http://www.doleta.gov/business/incentives/opptax/).

## **Employee Incentives**

Many ex-offenders, with few job skills and limited work experience, obtain jobs paying at or near the minimum wage. To enhance their income, there are several financial incentives available. Agencies working with ex-offenders should educate them about and assist them to apply for these incentives.

### **Federal Earned Income Tax Credit**

In 1975, Federal legislation was enacted providing an [Earned Income Tax Credit \(EITC\)](#) as an employment incentive for lower paid workers. For workers who are eligible, the EITC reduces the amount of federal income tax owed. The amount of the tax credit is determined by the worker's income and family size. In addition, the EITC credit is refundable, which means that the full EITC credit is paid to the worker even if it exceeds the amount of federal income tax owed.

The Internal Revenue Service reports that the number of people taking advantage of the EITC has steadily increased, with 22.5 million taxpayers claiming more than \$43 billion in EITC in 2006, enabling millions of low-income individuals and families to rise above the poverty level.

Eligibility for EITC depends on earned income and the modified gross income for each family size. In 2006, the income limit for a family of three was \$36,348 and for a single adult, \$12,120. The maximum EITC benefit was \$4,536 for a family of three and \$412 for a single adult. (The maximum income levels are higher for married couples filing a joint income tax return.)

For eligible workers, the amount of the EITC can represent a significant increase to their annual income. Yet the IRS reports that less than 40% of taxpayers who are eligible for the EITC take advantage of it.

### **Advance Earned Income Tax Credit**

Workers eligible for the EITC who have at least one qualifying child may receive part of the EITC in their paychecks throughout the year rather than claiming the total benefit when filing their annual tax return. Thus, they are able to increase take-home pay throughout the year, making it easier for them to manage financially. Employees can determine if they are eligible for the advanced EITC by completing the questions on the [W-5, Earned Income Credit Advance Payment Certificate](#), available through their employer or from the IRS. If they qualify, they complete the W-5 and give it to their employer, who adds the additional money to their take-home pay.

## **State Earned Income Tax Credit**

As an additional employment incentive, 23 of the 42 states with a state income tax (including the District of Columbia) offered a State Earned Income Tax Credit in fiscal year 2008. The maximum income levels and the maximum amount of the tax credit vary by state. Twenty-three states offer their EITC to single adults.

Many of the states set their maximum EITC amounts at a specific percentage of the Federal EITC. For example, Massachusetts and Kansas set it at 15% of the Federal credit, New York at 30%, and the District of Columbia, the most generous, at 40%. Twenty-one of the states provide a fully refundable credit allowing the taxpayer to receive the full amount of the credit they are eligible for even if it exceeds the amount of the state income tax due.

Since it is necessary to file an income tax return to take advantage of the EITC, low-income employees should be informed about the tax credit and about the availability of income-tax-filing assistance through the [Voluntary Income Tax Assistance \(VITA\)](#) program that is supported by the IRS.

## **Child Tax Credit**

The Economic Growth and Tax Relief Reconciliation Act of 2001 made available a [Child Tax Credit \(CTC\)](#) for low- and moderate-income families. The 2003 changes to the Federal tax law increased the CTC to a maximum of \$1,000 per child.

The CTC is only partially refundable, however, which means that if the amount of the CTC is greater than the amount of income tax due, the family may not receive the full \$1,000 per child. For 2006, the refundable portion of the credit was set at 15% of earnings in excess of \$11,300, a refund threshold that is indexed annually for inflation. Considering that many low-income families owe little, if any, federal tax after all deductions and exemptions are factored in, limiting the refundable portion of the CTC has the effect of limiting the actual amount of the credit they will receive. Nevertheless, for low-earning families, the CTC can be another valuable supplement to employment earnings.

## **Child Care and Dependent Care Tax Credit**

[The Child and Dependent Care Tax Credit \(CDCC\)](#) is available to families or individuals who pay someone to care for a child under age 13 or for a qualifying spouse or dependent in order to work or look for work. The credit is a variable percentage of the amount of child and dependent care expenses paid to a qualified provider.

The child and dependent care expenses must be work-related to qualify for the credit. The maximum amount of expenses eligible for the credit is \$3,000 for one dependent, \$6,000 for two dependents. The tax credit on these expenses will range from 20% to 35%, depending on income. Therefore, for low-income families, the maximum credit is \$1,050 for one dependent or \$2,100 for two or more dependents.

To claim the CTC and/or the CDCC, the applicant must file an income tax return. As mentioned above, the employee should be educated about these credits and made aware of the availability of free tax-filing assistance from VITA.

For information on federal tax credits, refer to the Internal Revenue Service website at [www.irs.gov](http://www.irs.gov).

### **Earned Income Disregard**

The earned income disregard is an incentive for welfare recipients to go to work. The benefit is only available to families with dependent children.

This incentive allows a certain percentage of employment earnings to be disregarded, or excluded, from the amount being budgeted toward the welfare grant. This results in the family receiving a higher cash benefit than they would without the disregard. In some cases, this difference can mean that the welfare case will not be closed, and as a result, the Medicaid and food stamp benefits will also continue.

### **Transitional Benefits**

Available only to families on public assistance, transitional benefits are designed to support the transition from welfare to work by providing Medicaid and child care for one year and food stamps for six months after the welfare case closes due to employment earnings.

### **Supports for Offenders Unable to Work**

Although the main focus of this guide has been on employment services as a means to improve reentry outcomes, not every released inmate is employable. Those over 65 years of age, or with a serious health or mental health problem that substantially limits their ability to work, may be eligible for federal disability benefits from the Social Security Administration (SSA). They may also be eligible for blind, elderly, or disabled Medicaid. Veterans may be eligible for cash and/or medical benefits from the Veterans Administration especially if they are disabled or elderly.

If the inmate was receiving Social Security Disability (SSDI) or Supplemental Security Income (SSI) before incarceration, the federal government would have suspended those benefits, since the SSA provides a payment to criminal justice agencies when they notify them that a SSDI/SSI recipient is incarcerated. In these cases, correction department staff should notify the SSA before the inmate's release to determine if a new application or a review is required to reinstate benefits.

However, if an inmate is identified as not employable due to age or disability and had not received Federal benefits before incarceration, it is important for correction department staff to work with him or her to complete and submit the necessary application to the SSA. The application process for SSI and SSDI can be lengthy, so it is important that it be started in sufficient time—at least six months—before release to allow SSA to review and make a decision. In many cases, the application process continues at the time of re-

lease, which makes it important that the inmate be connected with a resource in the community for assistance with the process. Developing a collaborative agreement with the regional office of SSA can facilitate the processing of the applications.

It is important to note that SSA has a policy of presumptive disability for applicants where the evidence in the SSA record strongly suggests that the person will be found disabled. A determination of presumptive disability means that the applicant is able to receive Federal disability benefits—for up to six months—until the SSA determination is finalized.

If approved for SSI/SSDI, the individual will automatically be covered and receive comprehensive medical insurance through Medicaid. After two years, SSDI recipients will receive Medicare. Individuals should always apply separately for blind, elderly, or disabled Medicaid at the designated Local Social Service Agency, as this is available normally within 30 days of application versus SSI, which requires a lengthy approval process. Excellent technical assistance is available from SSI/SSDI Outreach, Access and Recovery ([SOAR](#)).

## Appendix A

### Examples of Employment-Focused Reentry Initiatives

#### *New York City—The Human Resources Administration and America Works*

Subsequent to the 1996 federal welfare reform law, New York City's Human Resource Administration (HRA) contracted with a number of community agencies to provide employment-preparation and placement services to help transition public-assistance recipients from welfare to work. Because of the success of these employment efforts, HRA decided to extend similar employment services to noncustodial fathers of children on welfare, especially those being released from NYC's local jail, the Riker's Island Correctional Facility.

To develop an employment program for inmates being released from Riker's Island, HRA entered into an agreement with the New York State Department of Corrections, New York State Department of Parole, and the New York State Governor's Council on Criminal Justice. With that agreement in place, HRA and the New York State Department of Labor funded [America Works](#), one of HRA's employment contractors at the time, to provide employment services for the Riker's Island program. America Works had been successful in placing the welfare population in jobs and had indicated a willingness to work with ex-offenders.

America Works had developed an approach to moving unskilled, hard-to-employ populations with little work experience into competitive employment. Their approach focused on short-term intensive work-readiness training, emphasizing basic job skills, rapid job placement, and ongoing support to help with retention. The initial week of work-readiness training focused on resume preparation, interviewing techniques and appropriate workplace attitudes and behavior. This was followed by several weeks of practical job readiness training with participants practicing common job tasks in simulated work settings. Job search skills were stressed, and job interviews were set up as soon as possible.

The reluctance of employers to hire ex-offenders was an obstacle that America Works addressed on several levels. To help prepare the participants for job interviews, they incorporated training on how to deal with criminal records and explain gaps in work history. In addition, they took into account legal restrictions that precluded the ex-offenders from working in certain occupations and assisted them in obtaining suspended driver's licenses when necessary.

Establishing and maintaining long-term relationships with employers was a priority for America Works. The program targeting ex-offenders began with America Works staff preparing employers to hire this population and then matching the employers with workers prepared to meet the demands of their particular workplaces. After an offender was hired, the program continued with regular support for both employee and employer, aimed at ensuring satisfactory job performance.

According to William Eimicke and Steven Cohen of Columbia University, who evaluated the program, 891 inmates released from Riker’s Island were referred to America Works for employment services, with 501 completing the first-day orientation. Of the 501 eligible workers, 389 (78%) were placed in jobs, with 173 (44.4%) retaining the job for three months and 90 (23%) retaining the job for six months. Of the 90 who had retained their jobs for six months or more, 51% were in manual labor occupations, 19% in sales or service jobs, 13% in administrative jobs, and 11% in food service.<sup>7</sup>

***Texas—Project Reintegration of Offenders (RIO)***

Another reentry initiative demonstrating an effect on employment outcomes for ex-offenders was conducted in Texas. [Project RIO](#) was designed to reduce recidivism through employment by providing pre- and post-release skills training, education, and job placement. Although not an experimental design, an evaluation of Project RIO compared the employment and re-incarceration rates for two comparable groups of high-risk parolees. One group participated in Project RIO and received education and employment services, while the other group did not.<sup>8</sup>

Data from the 1992 independent evaluation of first-year post-release data showed that of the group receiving RIO’s services, almost 70% found employment while only 36% of those not receiving services found employment. In addition, the ex-offenders who participated in Project RIO had a 23% recidivism rate compared with a 38% rate among a group of non-participating ex-offenders over the first year post-release. The evaluation also estimated a cost savings of \$15 million over the year by comparing the estimated costs of incarceration to the cost of the program.<sup>9</sup>

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7. Eimicke and Cohen, “America Works’ Criminal Justice Program.”

8. Finn, “Texas Project RIO (Re-Integration of Offenders).”

9. Ibid.

## Appendix B

### Food Stamp Application Process

Step 1: Contact the local Food Stamp office. In the telephone book, the office should be listed under “Food Stamps,” “Social Services,” “Human Services,” “Public Assistance,” or a similar title. Each state has a “Food Stamp Hotline” telephone number offering information on the program including the local application sites.

Prescreening eligibility tools are available for most states and can be found on the following Supplemental Nutrition Assistance Program (formerly the Food Stamp program) web site: <http://www.snap-step1.usda.gov/fns/>.

Step 2: The application requires providing several pieces of information proving identity, income, rent, etc. The most important information is as follows:

- Proof of employment status: If employed, provide the last four pay stubs or a letter from the employer stating gross and net wages for the past month. If unemployed, provide proof that employment was terminated and identification and claim cards for unemployment benefits.
- Proof of fixed income: Provide all award letters or copies of checks for all pensions including VA, SSI, and Social Security benefits. Support payments must be verified through court order or divorce papers.
- Proof of resources: Provide all savings-account passbooks or statements (parents’ and children’s) and all checkbooks in addition to the last checking-account statement and cancelled checks. All stocks, bonds, savings certificates, annuity funds, and credit union membership must be reported and verified.
- Proof of income: Provide a copy of the income tax return for the past year. A profit-and-loss statement is required from the self-employed for the current calendar quarter.
- Proof of household expenses: Provide receipts for rent/mortgage payments, tax payments, and bills due in the current month for gas, heat, electricity, water, and telephone.
- Proof of college student expenses: Provide proof of education expenses (tuition) and proof of income (loans, scholarships, contributions, earnings).
- Social Security number: Provide the Social Security number for each member of the household. If a member of the household does not have a Social Security number, the Food Stamp certifier will assist in obtaining one.

Alien immigrants are not eligible for food stamps unless they meet the new criteria established by the Federal PRWORA (Personal Responsibility and Work Opportunity Reconciliation Act–“Welfare Reform”) legislation. Individuals who have 40 quarters of work history may be eligible. Alien immigrants who are American veterans, and their depen-

dents, may be eligible. Refugees/asylees must have been granted refugee/asylee status within the past five years.

Step 3: Federal law says that once the head of the household submits the application form, the Food Stamp Certification Office must interview the applicant and notify him or her within 30 days whether he or she qualifies. After an application is received, an eligibility worker will conduct an interview, usually on the same day if the application is filed in person, with the client, another member of the household, or a household’s authorized representative to gather information and explain the Food Stamp program. After all required verifications are completed, the household will be notified by mail whether or not it is eligible and, if so, it will be informed of the benefit amount, certification period, and issuance procedure.

The maximum allotment levels for the continental United States in effect from October 1, 2008 to September 30, 2009 are given in Table 1.

**Table 1—Maximum Allotment Levels for Continental US (10/1/08 to 9/30/09)**

Household Size	Maximum Allotment Level (\$)
1	176
2	323
3	463
4	588
5	698
6	838
7	926
8	1,058
Each additional member	+132

For more information, please go to the SNAP (Food Stamp) program’s FAQ website at <http://www.fns.usda.gov/fsp/faqs.htm>.

## Appendix C

### Hypothetical Example of Leveraging FSET 50-50 Funds

A hypothetical organization entitled “Employment Now” has a job-training and placement grant to enroll 200 individuals a year for \$227,750. These individuals are parolees through the state parole office. The grant provides for developing an employment and training plan for each enrollee with job-readiness training. It prepares each enrollee to perform a job search, engages enrollees in structured group job search, and refers them to GED, ESL, substance-abuse, and other related services and programs that address barriers to long-term employment. Developed with selected employers, it matches related short-term job-skill training with available jobs and the job history, skills, and job interest of enrollees. The program has a goal of placing 100 individuals a year in entry-level jobs. The program operates on a “work first” basis with quick job entry for the individuals and support services once employed to sustain the employment placement. The funds cover a half-time director, three case managers, a job developer, \$10,000 for purchase of specific job-skills training, and a support person.

The budget breaks down as shown in Table 2 and Table 3.

**Table 2—Personnel Budget for “Employment Now”**

Staff Position	Salary (\$)	Percent of Time on Project	Current Contract (\$)	Increased Contract as Result of FSET (\$)	New Contract Level as Result of Leveraging FSET (\$)
Case Manager (3)	30,000	100%	90,000	90,000	180,000
Job Developer	30,000	100%	30,000	30,000	60,000
Director	50,000	50%	25,000	25,000	50,000
Support Staff Administration	20,000	100%	20,000	20,000	40,000
	Fringe Benefits for Personnel 25%		41,250	41,250	82,500
	<b>Sub-Total Personnel Expenses</b>		<b>206,250</b>	<b>206,250</b>	<b>412,500</b>

**Table 3— Program Expenses/Administration and Total Expenses**

<b>Line Item</b>	<b>Current Contract (\$)</b>	<b>Increased Contract as a Result of FSET (\$)</b>	<b>New Contract Level as a Result of Leveraging FSET (\$)</b>
Consultant/ Professional Services	2,000	2,000	4,000
Travel	500	500	1,000
Space Cost & Rental	8,000	8,000	16,000
Consumable Supplies	1,000	1,000	2,000
Purchased Services	10,000	10,000	20,000
<b>Sub-Total Program Expenses/Administration</b>	<b>21,500</b>	<b>21,500</b>	<b>43,000</b>
<b>Sub-Total Personnel Expenses (Table 2)</b>	<b>206,250</b>	<b>206,250</b>	<b>412,500</b>
<b>Total Expenses</b>	<b>227,750</b>	<b>227,750</b>	<b>455,500</b>

The program costs are allowable under the Food Stamp Employment and Training Program since all the participants are enrolled in the Food Stamp program.

The first step would be for the hypothetical Employment Now program to be a contractor authorized to accept referrals from the local Food Stamp program for employment and training services. Since this would potentially allow the state probation agency to double the number of people served under the program, that agency is in the best position to approach the local Food Stamp agency. In the example of the New York Prisoner Reentry Project discussed above (in the “Collaboration” section), both HRA and the State Departments of Parole and Corrections were interested in expanding employment opportunities. HRA wanted ex-offenders to have a job so that they were less likely to be on welfare, stay in the local homeless shelter system, or return to abusing drugs that could lead to their requiring long-term medical services from the Medicaid program. The State Departments of Parole and Corrections wanted to reduce recidivism. Employment was thought to be a key factor in a successful reentry, but the State agencies had limited funds for employment programs so could only service a small percentage of the paroles that needed, wanted, and could benefit from these services.

The steps that were followed in the New York Prisoner Reentry Project can serve as an example of how to use a collaborative partnership to leverage FSET funds. In general terms, the following steps would be completed. A state parole agency signs a Memorandum of Understanding with the local Food Stamp agency to provide employment and training services to their participants. The state corrections agency is also a partner and signs the agreement to act as the food stamp application facilitators. The corrections agency, working with the parole agency as part of pre-release planning, assists interested inmates in completing the food stamp application within 30 days of release. The local Food Stamp office processes the applications so that eligibility is established concurrent-

ly with release. This ensures that all of the individuals referred to the employment provider are enrolled in the Food Stamp program. The agreement between the local Food Stamp agency and state parole agency provides that the Food Stamp agency would reimburse 50% of the costs for the employment program for all individuals receiving food stamps.

In the hypothetical example described here, the Employment Now program provides the local Food Stamp program with required information such as who were the individuals enrolled, their Employment Plan, specific activities they were enrolled in, attendance, and job placement. As in the past, the Employment Now program bills the state parole office each month on the basis of actual expenditure. Now, however, the state parole office bills the local Food Stamp agency, which in turn claims the 50% Federal funds and passes those funds back to the state parole office. As a result of these funds, the state parole office increases the grant to Employment Now to \$444,500, enabling them to double the number of ex-offenders the program served.

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