

FSS Partnerships

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Expanding Asset-Building Opportunities for Low-Income Families through FSS

by Jeff Lubell

Imagine a funding stream for “asset-building” programs that had:

- No competitive application process;
- No limit to the number of families that could be enrolled;
- No local cash match requirement;
- Maximum asset-building potential for the lowest-income families; and
- A proven ability to help low-income families build assets, increase their earnings, and become homeowners.

That funding stream is called the Family Self-Sufficiency (FSS) program – a little-known HUD program designed to help low-income families in public housing and the Section 8 housing voucher program make progress towards self-sufficiency. Administered by state and local public housing agencies, FSS has the potential to provide asset-building opportunities to tens of thousands of additional low-income families. This paper discusses how to take advantage of this resource to expand asset-building opportunities for families in your community.

Brief Summary of FSS

FSS is a holistic approach to helping low-income families build assets and make progress towards self-sufficiency that combines (a) stable affordable housing with (b) case management to help families access the services they may need to increase their earnings and (c) a strong financial incentive (in the form of an escrow account) for families to increase their earnings. FSS has proven to be very successful in helping low-income families build assets, substantially increase their earnings and become homeowners.

FSS is a voluntary program open to adults residing in public housing or the housing voucher program. Upon enrollment, the individual meets with a case manager who helps the individual develop a five-year training and services plan that charts the steps he or she needs to take to become and stay employed, increase his or her earnings, become independent of welfare assistance, and achieve other individual goals (such as homeownership). As the family’s earnings increase, the family’s rent also goes up (families in subsidized housing are generally expected to pay 30 percent of their income for rent). However, an amount roughly equal to the increase in rent due to the family’s increase in earnings goes into an escrow account which the family receives upon successful graduation from FSS.

Successful FSS graduates can use their escrow accounts for homeownership, education, a reliable car, to start a business or for any other purpose. FSS participants also have the opportunity to obtain interim disbursements of FSS escrow deposits prior to graduation, if needed to achieve the objectives of their training and services plans. Common uses of interim disbursements include the purchase or repair of a car needed to enable the individual to work and tuition for community college or other training needed to help an individual qualify for a particular type of employment.

A recent survey of 19 local FSS programs illustrates the great potential of this model:¹

- Most programs reported earnings gains among graduates of 100% or more;
- The typical program reported average asset accumulation of around \$6,000 per FSS graduate.
- About one-third of FSS graduates became homeowners.

Expanding FSS programs

Many state and local housing agencies already have an FSS program, and those that do not yet have an FSS program have the option of starting one. Moreover, HUD places no limit on the number of FSS participants. Since HUD funds the FSS escrow accounts for everyone in FSS, there is in effect a virtually unlimited stream of HUD funding for asset-building through FSS.

One of the principal barriers to expansion of local FSS programs is the shortage of funding for FSS coordinators to provide case management and other necessary services. While HUD covers the costs of FSS escrow accounts, HUD provides funding for only a limited number of FSS coordinators,² and most PHAs have little discretionary income to fund additional coordinators.

The key to taking advantage of FSS as a resource for expanding asset-building opportunities for low-income families is to build partnerships between (a) state or local housing agencies and (b) organizations or agencies that can provide the case management services necessary to support an expansion of FSS. If sufficient supportive services are already available in the community to meet the service needs of participants, such partnerships may be enough in and of themselves to permit significant expansion of the number of families benefiting from FSS. In some cases, the necessary case management can be provided simply by improving the coordination of local FSS programs and existing case management services funded by other agencies.

The balance of this paper explores the key issues involved in taking advantage of this asset-building opportunity, including: (a) the opportunity for different types of organizations to play a role in building partnerships around FSS between housing agencies and agencies that can provide or fund case management services; (b) potential sources of case management services or funding; (c) strategies for fostering the necessary partnerships; and (d) different partnership models.

What types of organizations can play a role in building partnerships around FSS?

To build a successful partnership between a state or local housing agency and an agency that can provide or fund the case management services necessary to start or expand an FSS program, someone needs to persuade them to work together on this opportunity. That “someone” can be an individual inside a housing agency or an agency that provides case management services, such as a TANF agency or a community action agency. Or that individual can be another actor that serves as a third-party convener, bringing the two parties together. There is no one way for these partnerships to get off the ground.

Organizations committed to expanding asset-building opportunities for low-income families should not shy away from this resource simply because they are neither a housing agency nor an agency with the resources to provide case management for FSS. Partnership building requires dedication, passion, and a commitment to the value of the ultimate outcome – critical assets that a third-party convener can bring to the table. Among other roles, third-party conveners can work: (a) to educate senior-level management at the housing agency about the value of expanding FSS; (b) to identify partners for the housing agency that can provide or fund case management services and to educate these partners about the benefits of expanding FSS (most potential partners will not be aware of FSS); and (c) to educate city council

members and other key officials about the value of these types of partnerships and enlist their assistance in bringing the parties together.

Potential partners that can provide or fund case management services

As noted above, the key ingredient needed to expand the number of families benefiting from FSS is “case management.” Since HUD provides only limited funding for FSS coordinators, agencies that wish to expand the number of families in their FSS programs must identify additional case management resources in the community.

FSS case management principally involves the following elements: (a) assessment of the services needs of new FSS participants; (b) referrals of FSS participants to appropriate work-promoting services; (c) regular follow-up with FSS participants to ensure they have access to whatever services they may need to make progress towards self-sufficiency; and (d) evaluation of FSS participants’ requests for disbursements from their FSS escrow accounts. (In many agencies, FSS coordinators are also asked to track participants’ escrow balances and periodically notify participants of their current balances, but those administrative responsibilities can be handled by the housing authority.)

With the exception of element (d), FSS case management is substantially the same as the case management that other agencies use to help unemployed or underemployed adults obtain employment, build their job-related skills, and access higher paying jobs. Accordingly, one key source of potential partners to supply case management for FSS programs is the group of agencies that are already engaged in work-promoting case management. These agencies include: TANF agencies, community action agencies, agencies administering Head Start programs, and workforce development agencies.

The HOPE VI public housing revitalization program is another potential source of case management funding or services to expand FSS programs, as is the Community Development Block Grant (CDBG) program. While the case management provided through Individual Development Account (IDA) programs is not generally focused on promoting employment, in some communities it may be capable of being adapted to meet the needs of FSS.

Some of these agencies may already be serving families in public housing or the Section 8 voucher program, in which case it may be possible for these agencies to assume the FSS case management role for these families with minimal additional work. In other cases, the partner agencies may have flexibility to target their case management services in a particular way; they thus could choose to give FSS participants priority for their services. In still other cases, the agencies have discretion to use their funding in a variety of ways, which can (but does not necessarily have to) include case management. In these situations, it will be necessary to convince these agencies that FSS case management is a worthwhile use of their discretionary funds.

An overview of each of these potential resources for case management services to expand FSS programs is provided in the Appendix.

Strategies for building partnerships to expand FSS programs

As noted above, there is no one way to build partnerships to expand FSS programs. But most successful approaches will likely have some elements in common. The following are some thoughts to consider as you plan a strategy for building partnerships that expand asset-building opportunities through FSS:

1. A partnership to expand FSS must advance the mutual goals of both agencies. Successful partnerships are built on reciprocity. Each side must derive benefit from the partnership in order for the two sides to be willing to work together. Whether you are inside one of the agencies interested in

building the partnership or a third-party, it is vital that you understand the goals and objectives of each of the potential partners so you can articulate how FSS advances those goals. If you can persuade key decision-makers at each agency of the value of working together on this project, you've overcome the biggest initial hurdle toward collaboration.

2. Use data on FSS outcomes to demonstrate the value of expanding FSS. The available data suggest that well-run FSS programs lead to substantial earnings gains, asset growth, and rates of homeownership attainment. These data represent a powerful argument for collaboration, as do stories about individual FSS graduates. Data from a survey of FSS programs are available at: <http://www.fsspartnerships.org/results.htm>; illustrative success stories are available at: <http://www.fsspartnerships.org/success.htm>. Your local FSS program may also have data on local FSS results and success stories.

3. Engaging public housing agencies. Most public housing agencies focus the bulk of their attention on successfully administering their core programs of public housing and/or the Section 8 voucher program, and more generally, on expanding affordable housing opportunities for low-income families. While many housing agencies have an FSS program, FSS likely represents only a small part of what they do and is unlikely to be a principal focus of attention. Accordingly, when working to expand a local FSS program, you may need to persuade the housing agency that it is worthwhile to do so.

Among other benefits for housing agencies, an expanded FSS program will help more families in subsidized housing make progress towards self-sufficiency and become homeowners – freeing up scarce rental subsidies for other needy families and possibly increasing the mix of incomes of families in public housing (creating more stable communities). FSS also helps to “prime the pump” for Section 8 homeownership – an option that allows Section 8 voucher-holders to use their voucher to purchase a home rather than for rent – expanding the pool of voucher holders with sufficient incomes and savings to take advantage of this option. Another benefit of FSS for housing agencies is the potential of FSS to generate significant positive press and recognition for the agency; FSS success stories can be extremely compelling. Finally, FSS allows the public housing agency to draw down additional funding from HUD as compensation for deposits to FSS escrow accounts.

Some tips for addressing potential obstacles to housing agency participation:

- Some housing agencies experienced a shortfall in Section 8 subsidy payments from HUD in 2004 due to the imposition by HUD of a “cap” on subsidy increases. Agencies affected by the cap may be justifiably concerned that they will not be fully reimbursed by HUD for FSS escrow deposits on behalf of Section 8 voucher-holders. (Section 8 programs not affected by the cap are fully reimbursed for FSS escrow deposits.) For affected agencies, it may make sense to focus initially on setting up or expanding a *public housing* FSS program,³ or to wait until the FY 2005 funding situation for Section 8 vouchers is clearer (probably later this year or early 2005).
- Some housing agencies may be concerned that the establishment or expansion of an FSS program will have costs beyond simply case management. One option for these agencies is to use the FSS coordinator funded by HUD – they're generally entitled to at least one FSS coordinator position for each of their public housing and Section 8 FSS programs – to handle these additional costs of running an FSS program – e.g., overall program management, administration of a program coordinating committee, escrow tracking and disbursement, , etc. – and leave the bulk of case management to the partners. The 2005 SuperNOFA includes significant additional funding for public housing FSS coordinator staff, with agencies entitled to apply for up to two positions. For more information on this funding opportunity, for which applications are due June 20, 2005 see <http://www.hud.gov/offices/adm/grants/fundsavail.cfm>.

NOTE: Agencies that take this route should read HUD's Notices of Funding Availability (NOFA) for coordinator funding carefully. The NOFAs change every year and it is important to clearly satisfy the requirements. For example, the 2005 NOFA for public housing FSS coordinator funding states that the funding *cannot be used for administrative costs*. Rather, the funds are for staff costs for a FSS coordinator. When one looks at the responsibilities of the FSS coordinator, however, the position description is broad enough to include managing relations with partners that provide services, interacting with the PCC, ensuring that escrow is calculated appropriately, etc. The best bet may be to simply apply for funding for a FSS Coordinator who will perform *all* of the functions specified in the NOFA – including case management – and leave the precise allocation of that person's time among the responsibilities permitted under the NOFA to later refinement once you receive the funds.

4. Attracting partners that can provide or fund case management for FSS. Partner agencies are most likely to participate if they understand that FSS helps them achieve their mission. For agencies whose mission includes helping families make progress towards self-sufficiency, a strong argument can be made that the combination of stable, affordable housing, case management, and an earnings incentive offered by FSS represents a strong model for achieving this goal. These agencies may also be attracted by the fact that HUD funds the earnings incentive for FSS participants. Their participation thus helps leverage HUD funds to reinforce the message that “work pays.” Many agencies may also be attracted by the fact that FSS contributes significantly to asset growth among low-income families – a promising approach to breaking the cycle of poverty that helps families “get ahead” rather than merely staying afloat.

As noted above and in the appendix, many potential partner agencies are already providing case management services, including to some families in public housing and the Section 8 voucher program. Where there is an actual overlap in caseloads, the argument is easiest: “You’re doing almost all the work already; if you work with the housing agency to ensure that the case management you are already providing meets the requirements of FSS, you will leverage significant HUD funding for an earnings incentive and asset-building tool that will help you better achieve your goals.” Even where there is no or minimal overlap in existing caseloads, a partner agency may determine that the type of family that would be a good candidate for enrollment in FSS – e.g., a family with an unemployed or underemployed head of household with a total family income below the poverty line – represents the kind of family they *wish* to serve. They thus may be willing to target case management services on such families.

Finally, it is important to recognize that collaboration around FSS may lead to additional benefits for both agencies. For example, collaboration between a public housing agency and a TANF agency around FSS could lead to agreements to share data on participant incomes – thus improving both agencies’ income determinations. It could also lead to better housing agency support for TANF sanctions.⁴ Partner agencies may also be interested in discussing with housing agencies the potential to help more of their clients take advantage of Section 8 homeownership.

Some tips for addressing potential obstacles to the participation of potential partners:

- Some agencies may be concerned that FSS will require significant retraining of staff or significant new responsibilities. One way to address this concern is to ensure that the housing agency handles as much of the FSS-specific work as possible, leaving the partner to do what they do best: work-promoting case management. While there will still be a need for training on the joint venture, this approach will minimize the extent to which the partners’ staff need to assume new responsibilities.
- Some agencies may be concerned with the length of FSS’ five-year timeline. The five-year FSS program provides an opportunity to work to build families’ human capital, helping to maximize families’ long-term earnings potential. However, most families appear to graduate from the program in less than five years. Among 22 FSS programs in Oregon and Vancouver, WA, for example, FSS graduates require an average of 34 months to complete their contracts.⁵ So part of the answer is that

most families do not require the full 60 months (though some will, and a small minority may request further extensions of up to two years). Another part of the answer is that case management services do not constitute “assistance” under the federal TANF rules; the receipt of case management alone thus does not count against a family’s federal time clock for receipt of TANF. So TANF agencies could choose to provide case management services throughout the five-year FSS program period, if they wished to. Finally, as discussed in the next section, it may be possible to bifurcate case management responsibilities to limit the duration of partners’ time commitments.

5. *Initiating Contact.* One of the hardest parts of partnership building is knowing where to start. Who do you call to get the process going? There is no one answer to this question – it will obviously vary with the organization and your existing contacts.

If you are a third-party trying to explore the potential for a partnership around FSS, it is generally a good idea to start at the top or near the top. If you know someone on the Board or in a senior leadership position, try setting up a meeting to get their views on whether their organization would be interested in setting up a partnership around FSS and enlist their support in promoting the concept within their organization and introducing you to the right staff. If you do not know anyone in the organization, try sending a letter to the Executive Director requesting a meeting with him or her or a member of his or her staff to discuss the agency’s potential interest in this concept. Offer to help work to identify another partner to handle the other side of the equation and to help them work through the mechanics of setting up the partnership. By making it easier for them to build the necessary partnerships, you will add value and increase the chances that the partnership will be successful. Still another approach is to work with City Council members or other key political leaders who might be interested in helping to bring the parties together to create a community asset. \

If you’re already within one of the organizations whose collaboration is needed to build a partnership around FSS, you may want to start by educating your supervisors and leadership about the potential of these partnerships to contribute to your agency’s goals and seeking their help in reaching out to their counterparts at the potential partner agency. If you at a housing agency and are unsure of which agencies to approach, you may wish to contact your local United Way for advice as they deal with a wide variety of agencies. Local coalitions working on family strengthening issues – such as Earned Income Tax Credit Outreach campaigns – may also be good networking opportunities for identifying prospective partners.

Alternative Partnership Models

Partnerships to expand FSS can take virtually any form desired by the parties. Here are a few variations to consider:

1. *Basic Model.* The simplest approach is for public housing agency to handle all of the administrative work associated with FSS – e.g., calculation of FSS escrow payments, periodic notification to FSS participants of their FSS escrow balances, physical handling of the FSS escrow deposits and disbursements, HUD paperwork, etc. – and for the partner agency to handle the work-promoting case management for an agreed-upon number of FSS participants.

While fairly straightforward, there are a number of issues to consider:

- *Who will be responsible for recruitment of new participants?* Some partner agencies may wish to offer FSS as a service to families they are already serving or to new families that come into their system that live in public housing or have a Section 8 voucher. In this case, the partner may wish to be involved in or completely handle program recruitment. Other partner agencies may view this as additional work they don’t want to handle and may prefer that the housing agency identify and enroll

eligible families.

- *Where will the case management staff be housed?* Under some existing FSS partnerships, the partner agency pays for the salaries of one or more FSS case managers housed at, and supervised by, the FSS supervisor at the housing agency. Under other partnerships, the partner uses its existing case management staff to handle case management under FSS, continuing to supervise them as before.
- *Who will make the decisions regarding disbursement of FSS escrow funds?* Someone needs to evaluate FSS participants' requests for interim disbursements. In addition, someone needs to decide if a participant has met the requirements for final disbursement of FSS escrow funds (i.e., has become employed, has become independent of welfare assistance for at least 12 months, and has substantially achieved the other goals of the participant's contract). This responsibility can be handled either by the housing agency or the partner agency. It could also be handled jointly.

2. Bifurcated case management. Some partner agencies may be willing to provide case management for FSS participants while they are in their system (e.g., while they are receiving TANF cash assistance or while they are receiving case management through a community action agency) but unwilling or unable to commit to providing case management throughout the five-year term of FSS. One option in such cases is for the partner to provide case management for as long as they are willing and then have the housing agency (or another partner) take over the case management responsibilities at that point. This is the system used in a FSS collaboration between the state housing finance agency and TANF agency in the State of Alaska.

This approach has the advantage of expanding the range of agencies willing to partner to expand FSS programs. At the same time, however, it introduces some level of discontinuity into the case management process and likely reduces the maximum number of families that can be served. The first few years of FSS participation are generally the most demanding for case managers. Once a family is employed and on an upwardly mobile path, the family will need less intensive case management. So if a partner agency handles the first few years, helps the head of household get employed, and then turns the client over to the housing agency's FSS case management staff, that person should be able to handle a significantly larger caseload than if that person were handling the full five years of participation. Nevertheless, the need to have everyone funnel through the housing agency's limited FSS staff places a limitation on the number of families that can benefit from the program.

For this model to work, the housing agency must have some existing case management capacity (and ideally more than one person) to handle the families passed back from the partner agency. While some housing authorities have such capacity – particularly for their Section 8 FSS programs – others do not. In particular, few housing agencies have more than one case manager for families in a public housing FSS program. So agencies that wish to partner to establish a FSS program for public housing families may have particular difficulty using the bifurcated approach.

Agencies that pursue a bifurcated case management model should consider some overlap or transition period to ensure that the hand-off is handled successfully.

3. Admissions preference for families being served by the partner agency. Housing agencies have substantial discretion to vary their admissions policies to give a preference for families meeting certain criteria. While they are prohibited by current HUD regulations from giving an admissions preference to families that agree to enroll in FSS, they are permitted to give a preference to families referred to the housing agency by a partner organization willing to provide that family with services.⁶

Many housing agencies have moved away from special admissions preferences toward a lottery system that they view to be simpler and easier to administer. Nevertheless, the offer to provide an admissions

preference to a certain number of families being provided with services by a partner agency may be a strong enticement to encourage a partner to provide complementary services, such as FSS case management. Remember that FSS is by law a voluntary program; so you cannot require families that receive the preference to enroll in FSS. One way to handle this issue is for the two agencies to agree that the partner agency will handle case management for a set number of FSS participants – say 100 participants – with first preference going to families referred by the partner. Under this approach, if 20 of the 100 participants referred choose not to enroll in FSS, the housing agency would select the remaining 20 families from existing families in public housing or the Section 8 voucher program.

Conclusion

There is much to be gained by all parties from a partnership to start or expand a local FSS program. While there are logistical obstacles to establishing these partnerships, the final product is well worth the effort. Agencies interested in more information about FSS and FSS Partnerships are invited to visit our website at www.fsspartnerships.org or to contact the author at jlubell@fsspartnerships.org.

Appendix: Potential Sources of Case Management Services to Support Expansion of FSS Programs

Temporary Assistance for Needy Families (TANF)

Welfare reform has given states considerable discretion to tailor their federal TANF funding and matching state funds (called Maintenance of Effort or MOE funds) to meet the needs the states identify. All states provide case management services in one form or another as part of their TANF/MOE programs. In most states, that case management is designed to encourage unemployed or underemployed adults to go to work and increase their earnings. Many states also fund complementary services, including employment training, employment search, child care, and transportation assistance.

While the national decline in welfare caseloads has reduced the number of families in public housing or the Section 8 voucher program that are receiving TANF/MOE cash assistance, there is still considerable overlap in caseloads. As of August 31, 2004, approximately 24 percent of households in the Section 8 voucher program (about 440,000 households) and 17 percent of public housing households (about 175,000 households) reported receiving welfare cash assistance. (If we assume that only families with children receive welfare income, this would represent approximately 40 percent of families with children in each housing program – a considerable overlap in caseloads.)

For TANF agencies, FSS provides a strong earnings incentive and asset-building resource (funded by HUD) to encourage families receiving TANF or MOE cash assistance to move to work or increase their earnings. The FSS escrow accounts provide a strong incentive for TANF agencies to partner with housing agencies to serve as FSS case managers for families already on their caseloads. Some TANF agencies may also be willing to provide case management services to poor households that are unemployed or underemployed but not receiving TANF cash income for one reason or another. Most TANF agencies recognize that there are many individuals who have dropped off the roles but are still struggling. While they often lack the resources to deal comprehensively with this population, they may be willing to do so for special projects, such as FSS – especially if they believe in asset-building as a strategy for helping low-income families get ahead.

TANF policy is generally set at the state level, but some states have delegated substantial discretion to local officials at the county, region or city levels.⁷

Community Action Agencies

Community action agencies are nonprofit private and public organizations that provide a wide variety of services to low-income individuals and families. Originally established under the Economic Opportunity Act of 1964, community action agencies receive core support from HHS through the Community Services Block Grant (CSBG). Many agencies have also secured funding from other sources, including Head Start, state and local government, and private foundations. While each community action agency has a somewhat different array of programs, most are involved in providing emergency services (i.e., food pantries, energy assistance, homeless shelters, etc.), meeting basic food and nutrition needs (i.e., Meals on Wheels, food banks, etc.), providing educational services (i.e., Head Start, youth mentoring, adult basic education, etc.), and providing information and services referrals. About two-thirds are involved in providing employment training and/or counseling and about half provide budget counseling.⁸

Many Community action agencies provide work-promoting case management services to poor families that seek assistance, either through their employment training or counseling work, their work with the families of children in Head Start or as part of a comprehensive approach to helping their clients. Because Community action agencies tend to target poor families and individuals, they are likely to provide services to significant numbers of families in the public housing and Section 8 voucher programs.

Community action agencies are governed by boards composed of representatives from low-income communities, and the public and private sectors. There are also state and regional community action agency associations, as well as state-level officials with responsibility for administering the CSBG program. Links to directories of community action agencies and CSBG officials are provided in the endnotes.⁹

Head Start Programs

While best known as a program to help young children of low-income families get ready for school, Head Start now includes a case management component for the adults of young children designed to help them identify their goals (including but not limited to increased employment) and access services in the community that may help them achieve those goals. Head Start agencies are also encouraged to form partnerships with community groups to facilitate access to services that may be beneficial to their clients.¹⁰ For both these reasons, Head Start programs may be promising partners for FSS collaborations.

There are a number of different points of entry into the Head Start system. One approach is simply to contact the local agency administering Head Start (often, but not always, a community action agency). An alternative approach is to contact a Head Start - State Collaboration Office, whose mission is to foster partnerships between head start agencies and other agencies in the state that can be helpful to families in the Head Start system. Contact information is provided in the endnotes.¹¹

Workforce Development System

Through the Workforce Investment Act (WIA) and other funding sources, the Department of Labor's Employment and Training Administration provides funding to support the nation's workforce development system. This system includes a variety of job training, education and counseling programs, generally administered through local "One Stop" career centers. Case management designed to help unemployed or underemployed individuals access quality job opportunities is a key component of the workforce development system.

WIA funds are controlled by State and local Workforce Investment Boards, which have substantial discretion over their use. Key points of contacts for the workforce development system include individual Board members, as well as the Boards' professional staff.¹²

The HOPE VI public housing revitalization program

HOPE VI is a HUD grant program that provides funds to public housing agencies to revitalize distressed public housing developments. Up to 15 or 20 percent of a HOPE VI revitalization grant (depending on the year awarded) may be used for Community and Supportive Services (CSS) to help original and new residents of the site. Many HOPE VI sites use CSS funds to provide case management services to help promote self-sufficiency among residents. Only some HOPE VI sites, however, routinely enroll HOPE VI residents in FSS.

With minimal additional work, HOPE VI sites could structure their case management services to fulfill the responsibilities of FSS case management, thus leveraging additional public housing operating funds for FSS escrow accounts that provide residents with a strong financial incentive to increase their earnings and make progress towards self-sufficiency.

The Community Development Block Grant (CDBG) program

CDBG is a highly flexible source of HUD funding for community development that is provided directly to large cities and urban counties (entitlement communities) and to states for distribution to non-entitlement communities. Up to 15 percent of each year's CDBG grant may be spent on "public services," a broad category that would include case management services for FSS participants. Each state and CDBG entitlement community is responsible for developing an annual Consolidated Plan (and a more detailed Consolidated Plan every five years) summarizing its priorities for spending a variety of HUD funds, including CDBG. Providing public input during the annual Consolidated Plan process is one avenue for encouraging the use of CDBG funds to expand FSS programs. Another approach would be to meet directly with staff of the agency that administers CDBG funds (usually some variant of "housing and community development" department with the city, county, or state governments) to educate them about FSS. City Council members may also be helpful in influencing CDBG priorities.

Individual Development Account (IDA) programs

Individual Development Accounts (IDAs) are matched savings accounts that help low-income families accumulate savings to purchase a home, start a business, pursue post-secondary education or (for certain types of IDAs) purchase a car. IDAs typically provide participants with financial education to help them better understand the nature of the financial system as well as asset-specific education – such as small business development – to help them take advantage of their savings to meet their asset objectives. Many IDA programs provide "case management" as part of the package of services provided to participants, but the precise nature of these case management services may vary from program to program.

IDA programs that are providing holistic case management to meet the full range of needs of their clients may already be performing much of the same tasks as an FSS case manager. (Other IDA programs, however, may be focusing their case management exclusively or nearly exclusively on financial education, in which case FSS would likely involve an expansion of scope.) Some IDA case managers may also have excess capacity that could be applied to case manage some number of FSS participants. For example, a community development corporation that has started an IDA program for a rental housing development it manages may have some families in that development that receive Section 8 vouchers and may be interested in taking advantage of FSS to expand asset-building opportunities for those families. To the extent they are willing to handle the FSS case management responsibilities and can convince the housing agency to enroll those families in FSS, this could be a good match.

IDA programs may also be interested in enrolling some of their existing IDA clients in FSS. They may see FSS as a strategy for helping their clients build more savings to increase their chances of achieving their individual asset goals, such as homeownership.¹³

Other sources of case management resources

The above list of potential partners to provide or fund case management services is by no means exhaustive. There are many additional types of agencies that could be interested or willing to handle this responsibility. Examples include charitable foundations and community development corporations with an interest in building assets among community residents. United Way agencies may be useful in identifying potential partners to provide or supply case management services for FSS participants. Local coalitions working on family strengthening issues – such as Earned Income Tax Credit Outreach campaigns – may also be good networking opportunities for identifying prospective partners.

Endnotes

¹ For more information on FSS results, see Jeff Lubell. 2004. *A Diamond in the Rough: the Remarkable Success of HUD's FSS Program*. Available on the Internet at: <http://www.fsspartnerships.org/includes/fssresults.pdf>.

² Traditionally, HUD has made funding available for at least two FSS coordinators at each PHA: one to serve Housing Choice Voucher (HCV) residents and one to serve public housing residents. Each FSS program (i.e., an HCV FSS program or a public housing FSS program) must have at least 25 approved FSS slots to qualify for coordinator funding. (Small PHAs can submit joint applications to meet the threshold.) In some past competitions, HUD has allowed PHAs to apply for funding for additional coordinators. For FY 2004, HUD funded public housing FSS coordinators through the Resident Opportunity and Self-Sufficiency (ROSS) programs NOFA, rather than through the public housing operating fund. In FY 2004, the NOFAs for both ROSS and Housing Choice Voucher FSS coordinators were included in HUD's SuperNOFA. The SuperNOFA typically comes out somewhere between March and May. Links are available at: <http://www.fsspartnerships.org/Funding.htm>.

³ HUD policies on reimbursement of public housing FSS escrow deposits are described at: http://www.hud.gov/offices/pih/divisions/ffmd/faq/fm_of.cfm#5. In short, PHAs are authorized to exclude FSS escrow contributions from the monthly "rent roll" reported to HUD, generating additional public housing operating subsidy. HUD also provides public housing agencies with extra housing assistance payments to compensate them for Section 8 FSS escrow deposits. For more details, see <http://www.hud.gov/offices/pih/programs/hcv/wtw/faq/fssfaq.cfm#7>.

⁴ Under 24 CFR 5.615, housing agencies are not supposed to lower the rent of households receiving TANF cash assistance that have been sanctioned for fraud or work-related reasons. To enforce this policy, however, housing agencies need to have a working relationship with the TANF agency to ensure they have the ability to verify the nature of a particular sanction.

⁵ FSS Annual Progress Report Summary through 9/30/2003, prepared by Joy McCray of HUD. This data summary covers both Section 8 and public housing FSS programs. The average time to complete the FSS contract was 35 months among Section 8 voucher FSS graduates and 33 months among public housing FSS graduates.

⁶ This is how HUD suggests that agencies with welfare-to-work voucher programs might continue to run these programs now that the formal welfare-to-work voucher demonstration has ended. See questions 23 to 26 in this HUD Q&A: <http://www.hud.gov/offices/pih/programs/hcv/wtw/qa.pdf>.

⁷ Links to state TANF agencies are available at: <http://www.aphsa.org/home/StateContacts.asp>.

⁸ Source: Community Action Partnership, "About Community Action Agencies," http://www.communityactionpartnership.com/about/about_caas/default.asp. Accessed September 8, 2004.

⁹ A comprehensive list of community action agencies funded through the CSBG program is available at: <http://www.acf.dhhs.gov/programs/ocs/csbg/documents/8c.htm>. State agency officials and contacts for the CSBG program are available at: <http://www.acf.dhhs.gov/programs/ocs/csbg/html/8.htm>. For links to the websites of a number of community action agencies and state and regional community action agency associations, see <http://www.communityactionpartnership.com/about/links/map.asp>.

¹⁰ A useful discussion of the objectives of Head Start programs in building partnerships with Head Start families and community groups may be found in this excerpt from the HHS guidance on the Head Start performance standards: http://www2.acf.dhhs.gov/programs/hsb/pdf/1304_c_A.pdf.

¹¹ Contact information for local Head Start programs, Head Start – State Collaboration Offices, and regional HHS staff responsible for overseeing Head Start programs are available at: <http://www2.acf.dhhs.gov/programs/hsb/contacts/index.htm>.

¹² A directory of state and local workforce investment boards is available at: <http://www.nawb.org/asp/wibdir.asp>. Contact information for Senior Workforce Investment Act officials in each state is provided at: <http://www.doleta.gov/usworkforce/statecon.cfm>.

¹³ For a list of IDA programs in your state, visit <http://www.idanetwork.org> and click on "State Pages."