

Food Stamp Employment and Training (FSET)

Section 4108 of the Food, Conservation, and Energy Act of 2008

What is FSET?

The Food Stamp Employment and Training (FSET) program provides job training and employment services for food stamp recipients. FSET was first established in the 1980s and was substantially revised in 1996 as part of the welfare reform legislation. The program is administered by the Food and Nutrition Service of the U.S. Department of Agriculture.

Each state is required by federal law to operate an FSET program—which may include a broad range of work, training, and job search components—although some states programs are extremely limited. States are required to submit a state FSET plan to the FNS each year describing expected activities under their FSET program. The annual state plans may be amended to include changes anticipated throughout the year.

Who may be served under FSET?

The 1996 revisions to the program established a category of food stamp recipients called “able-bodied adults without dependents,” or ABAWDs. ABAWDs are subject to mandatory work requirements, meaning they can only receive food stamps for three months in any 36 month period in which they do not work or participate in training for an average of at least 20 hours a week.

Although FSET was created primarily to serve this population, in 2002 the program was changed so that FSET funds may now also be used to provide training and other employment services for interested food stamp recipients not otherwise subject to work requirements. As such, the program provides an often overlooked source of funding for serving individuals who are frequently disadvantaged or disconnected from the labor market. It can also serve as an outreach tool to help eligible individuals already engaged with the workforce development system enroll in the Food Stamp Program.

How is FSET funded?

FSET has five funding streams. Two are funded entirely by the federal government: the larger of the two is a state program administration grant allocated to the states by formula each year. In recent years, this program has been funded at around \$90 million per year. Another smaller grant program is available for states that pledge to offer and provide a work or training opportunity for ABAWDs in their third and last month of eligibility, funded at around \$20 million per year.



There are three additional funding streams, popularly referred to as “50-50 Match” programs. Under these programs, the federal government will reimburse states for 50 percent of actual expenses for:

- administrative costs that exceed the state’s funding under the 100 percent grant
- dependent care expenses for FSET participants, and
- FSET participant expenses directly related to participation in the program such as transportation, safety equipment, and supplies and books.

Annual federal funding for these programs is not capped. States are required to match federal portion with non-federal funds that are not being used to support other federal match requirements. There are a number of additional restrictions on how FSET funds can be spent, and it is important that organizations interested in participating in a state FSET program thoroughly understand what activities can and cannot be reimbursed.

Until recently, the FSET program has been largely overlooked by non-governmental workforce development providers as a potential funding source. However, an innovative model pioneered in the State of Washington¹ demonstrated that third-party workforce development providers may leverage their own resources to meet non-Federal match requirements, and receive the 50 percent reimbursement under a cooperative agreement or contract with the state.

I understand that the law recently changed. What can you tell about that?

Previously, federal law prohibited voluntary FSET participants from participating in an FSET program for more than 120 hours per month. This limitation included time spent working for unsubsidized pay, meaning that individuals who worked 30 hours a week or more were ineligible to receive additional FSET services (or if receiving services, education and training providers could not be reimbursed under the 50-50 match for providing them). The recently passed farm bill removed this restriction, meaning that education and training organizations can serve food stamp recipients participating on a voluntary basis in an FSET program for more than 120 hours per month.

A second change to the law clarifies that FSET funds may be used for the provision of post-employment job retention services for up to 90 days for individuals who gain employment. Previously, post-employment job retention services were not considered eligible for 50-50 matching funds, which may have impacted the ability of some recipients to maintain employment.

¹ <http://www.fsetexpansion.org/>



Both of these changes will take effect on October 1, 2008.

How can our program get involved with FSET?

Workforce development programs currently serving or interested in serving food stamp recipients should explore whether there is opportunity to work with your state FSET program. Because FSET program vary significantly from state to state, it is important to contact the state or local agency responsible for administering the FSET program in your area.

To learn more about the FSET program, please visit our website at www.workforcealliance.org.

