

# Food Stamp Employment & Training Program

## Section 6 and 16(h) of the Food Stamp Act of 1977

### Reauthorization Recommendations

#### **About the Program**

The Food Stamp program has included employment and training requirements since the 1970s. Those requirements, however, have changed over time. Currently, all able-bodied adult Food Stamp recipients between the ages of 16 and 60, with some exceptions, must register for work, accept suitable employment, or take part in an employment and training program to which they are referred by their local Food Stamp office.

The distinct Food Stamp Employment and Training (FSE&T) program, administered by the Food and Nutrition Services (FNS) within the U.S. Department of Agriculture (USDA), was created by the Food Security Act of 1985 to help Food Stamp recipients gain skills, training, or experience and increase their ability to obtain regular employment.

In 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) imposed a time limit on able-bodied adults without dependents (ABAWDs). Since then, ABAWDs have been limited to receiving Food Stamps for three months out of each three-year period, except in months when they work at least 20 hours per week or participate in an employment or training activity.

In 1997, the Balanced Budget Act significantly increased FSE&T funding in fiscal years 1998 through 2002. It also required that most (80 percent) FSE&T money be spent on services that help ABAWDs meet their work requirements. Subsequent legislation – the Farm Security and Rural Investment Act of 2004 – eliminated the spending requirements and reduced annual 100 percent FSET funding to \$110 million.

The FSE&T program provides critical employment and training services to Food Stamp recipients, and is a key component of our federal workforce development and nutrition assistance systems. As Congress considers reauthorizing the FSE&T program as part of the nutrition title in the Farm Bill, we urge you to recognize the vital role the program plays both in helping Food Stamp recipients enter and remain in the labor market and as a potential outreach tool to find eligible low-wage individuals (and their families) already in the workforce development system and enroll them in the Food Stamp program as well.

**With this in mind, we urge Congress to consider the following recommendations to improve the FSE&T program as part of the upcoming Farm Bill reauthorization:**



1. Do not eliminate or reduce funding for FSE&T 100 percent federal grants, nor cap FSE&T 50-50 match funding.

**Current Law:**

FSE&T funding falls into three categories:

- *100 Percent Federal Funds:* FNS allocates these funds authorized by Congress (\$90 million in FY07) to states based each states' percentage of mandatory work registrants, including ABAWDs. Each state is statutorily required to administer an FSE&T program, and is guaranteed to receive at least \$50,000.
- *ABAWD Only 100 Percent Federal Funds:* Additional 100 percent federal funding (\$20 million in FY07) is available for states – known as “Pledge” states – that promise to offer all “at-risk” ABAWDs qualifying education, training, or workfare opportunities that allow them to remain eligible for Food Stamps beyond the federal three month eligibility time limit.
- *Federal 50-50 Match Funds:* States may access additional federal funding for FSE&T program operation costs at a 50-50 federal match rate. These funds are uncapped, and can be matched with state, local, or private funds. Federal matching funds may be used to provide FSE&T services to both mandatory work registrants and volunteers. States are required to fund FSE&T program participation expenses such as transportation and dependent care, and must pay for these support services with 50-50 match funds.

**The Problem:**

FSE&T funding has faced deep funding cuts in past Congresses. Although there are 27 million food stamp recipients nationwide, approximately 5 million of whom are ABAWDs, the 100 percent federal funding stream is currently less than \$100 million for all 50 states plus Guam, the U.S. Virgin Islands, and the District of Columbia. Many states receive considerably less than \$1 million in funding through this program, and no state receives more than \$10 million, a level of investment considerably below what states need to actually provide adequate employment and training services for Food Stamp recipients. Furthermore, the signaling effect to states when these funds are cut again and again is that this is not a program that the federal government sees as important – a position that many states then similarly adopt.

**The Solution:**

Maintain existing funding levels for the 100% federal funds and leave the 50-50 match funds uncapped. Do not eliminate separate funding stream for pledge states.



## 2. Clarify maximum allowable hours of participation in an FSE&T E&T component.

### **Current Law:**

“The total hours of participation in an E&T component for any household member individually, in a month, together with any hours worked in a workfare program carried out under paragraph (m) of this section and any hours worked for compensation (in cash or in kind) must not exceed 120.” (7 CFR 273.7(3)(ii))

“The hours of participation or work of a volunteer may not exceed the hours required of E&T mandatory participants...” (7 CFR 273.7(e)(4)(iii))

### **The Problem:**

Some states have interpreted the regs to mean that FSE&T participants are limited to 120 hours per month in any single or combination of **E&T components**, such as education and/or subsidized employment. These states have designed FSE&T programs to serve, among others, working individuals and families that remain food stamp recipients. *In doing so, they have assumed the unsubsidized work for pay – outside of an FSE&T program – does not count toward the 120 hours maximum, since this clearly is not an FSE&T E&T component.* An example of someone who might be served under this scenario is a Food Stamp recipient who is working part-time (30 hours per week) at McDonald’s – who in an effort to get a better job – is also participating in an FSE&T computer training class 2 hours a night, 2 nights a week.

However, the most recent interpretation from USDA is that any employment in or outside the scope of an FSE&T program counts toward the maximum hours limitation. Unfortunately, this interpretation effectively bars states from providing FSE&T education and training services to food stamp recipients working in very low-wage jobs.

Additionally, just as the 120 maximum hours regulation makes it difficult for low-wage workers to receive FSE&T training and services, it also makes it difficult for unemployed food stamp recipients to participate in full-time FSE&T training programs. Many programs run by CBOs and community colleges are intentionally designed to resemble as closely as possible a full-time work week (i.e. 40 hours per week). Yet because this would mean participating for more than 120 per month, FSE&T program participants are ineligible for such programs – even if they want to participate in a particular training program and are doing so on a voluntary basis.

### **The Solution:**

Lift the maximum hours restriction for volunteer FSE&T participants.



### 3. Clarify allowable provision of Support Services.

#### **Current Law:**

“The purpose of the FSE&T program is to assist [Food Stamp] recipients in gaining skills, training, work or experience that will increase their ability to obtain regular employment.” (FNS: the purpose of FSE&T) Service components of state plans must support this purpose in accordance with sec. 6(d)(4)(A)(i) of the Food Stamp Act of 1977.

#### **The Problem:**

Support Services are recognized as a necessary part of most Food Stamp recipients’ ability to obtain work. However, the interpretation of the rules governing the provision of support services to FSE&T program participants is inconsistent and illogical.

For example, an individual participating in a FSE&T **Job Search component** is offered a job as a mechanic at a local gas station, but needs her own tools as a condition of employment. Current interpretation of the rules would prohibit an FSE&T program from purchasing the tools for this participant – even if it means she cannot take the job since she cannot otherwise afford to purchase the tools herself – on the assumption that the client did not lack employment skills or experience since she was offered a job without the necessity of training (i.e. she was already “employable”).

At the same time, another individual is participating in an FSE&T **Vocational Training component** (“Auto Mechanic”) that offers a Job Search & Placement component at completion. This client, is offered the same job as a mechanic at a local gas station, again with the caveat that she provide her own tools as a condition of employment. In this instance, however, the rules allow the FSE&T program to purchase the tools for her (if she cannot afford them herself) under the Vocational Training component, assuming that this enhances the client’s employability.

#### **The Solution:**

Recognize that one time costs such as the purchase of tools, certification fees, etc. can present significant obstacles to employment for Food Stamp recipients. Clarify that such one time or short-term expenses should be allowed for FSE&T participants who don’t necessarily require additional training, too.



4. Allow for the provision of job retention services for FSE&T participants.

**The Problem:**

FSE&T is focused on employability and employment. Job retention services therefore are not currently permitted. Nevertheless, research clearly demonstrates that the provision of a time-limited amount of job retention services is an economical alternative to the cost of unemployment support, retraining and reemployment.

**The Solution:**

Allow the provision of job retention services for FSE&T participants for 90 days post-employment.

5. Simplify FSE&T administration at the provider level.

**The Problem:**

FSE&T programs can be administratively burdensome for local CBOs, agencies, and other organizations to run. In particular, the need to monitor and track Food Stamp eligibility of FSE&T program participants can require extremely high levels of staff involvement and time.

**The Solution:**

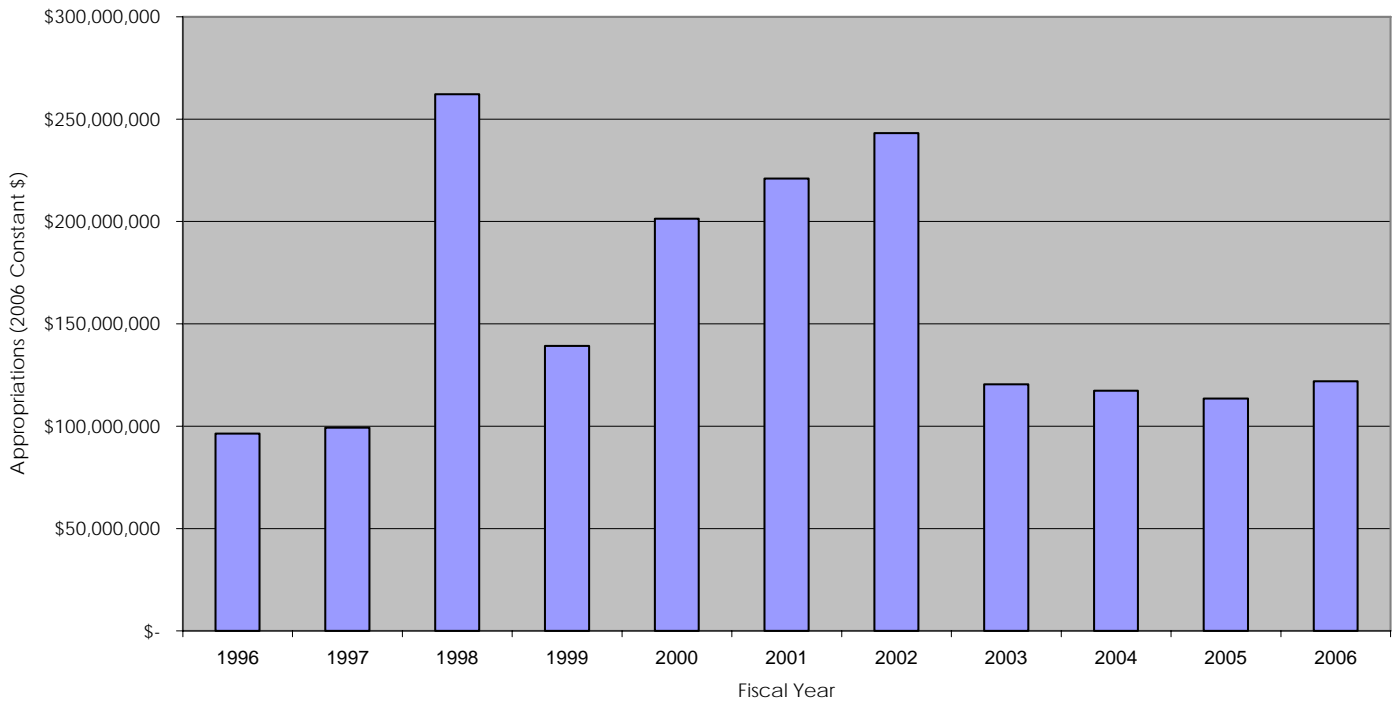
Match FSE&T certification period to Food Stamp program reporting period (quarterly/semiannually) rather than monthly;

***OR***

Consider FSE&T eligibility on the first and last day of the program component, rather than continuously monitor across the program component.



# Food Stamp Employment and Training Program Funding, 1996-2006



## FSET Funding & Food Stamp Work Registrants

State	100% Funds, 2006	50% Federal Match, 2005	50% State Match, 2005	Work Registrants, 2004
Alabama	1,813,589	0	0	108,075
Alaska	282,181	11,301	11,301	16,837
Arizona	2,888,777	0	0	176,965
Arkansas	1,978,251	0	0	119,522
California	9,943,877	18,917,808	18,917,808	339,049
Colorado	926,224	429,191	429,191	55,792
Connecticut	1,088,323	0	0	7,708
Delaware	288,919	43,051	43,052	14,467
District of Columbia	631,191	246,051	246,051	18,935
Florida	7,943,594	490,881	490,880	198,039
Georgia	2,650,888	0	0	155,358
Hawaii	344,931	217,573	217,574	11,695
Idaho	260,185	164,647	164,647	15,445
Illinois	4,201,188	4,479,786	4,479,787	234,284
Indiana	1,408,064	4,133,608	4,133,608	81,897
Iowa	529,582	34,350	34,349	30,149
Kansas	670,860	0	0	39,762
Kentucky	2,513,632	0	0	150,387
Louisiana	1,730,023	0	0	57,763
Maine	499,599	0	0	28,695
Maryland	1,052,293	2,322	2,321	61,063
Massachusetts	2,118,820	1,102,963	1,102,963	130,939
Michigan	4,831,323	0	0	221,490
Minnesota	1,135,794	236,975	236,975	40,571
Mississippi	1,215,769	0	0	74,915
Missouri	2,987,812	0	0	177,506
Montana	256,568	174,882	174,881	14,503
Nebraska	382,418	58,095	58,094	22,948
Nevada	465,798	0	0	28,019
New Hampshire	139,390	136,072	136,072	8,271
New Jersey	1,227,468	9,222,220	9,222,219	37,149
New Mexico	659,416	402,420	402,419	38,653
New York	6,184,667	46,695,736	46,695,736	241,700
North Carolina	3,052,315	4,403,112	4,403,111	184,554



## FSET Funding & Food Stamp Work Registrants, cont'd

State	100% Funds, 2006	50% Federal Match, 2005	50% State Match, 2005	Work Registrants, 2004
North Dakota	123,376	0	0	6,694
Ohio	3,009,855	3,069,715	3,069,715	144,202
Oklahoma	960,920	0	0	2,967
Oregon	2,323,306	775,715	775,715	128,243
Pennsylvania	1,414,814	6,200,576	6,200,576	293,902
Rhode Island	168,066	0	0	3,951
South Carolina	2,538,251	0	0	154,615
South Dakota	263,217	178,402	178,402	15,671
Tennessee	4,617,408	0	0	278,239
Texas	7,452,606	3,515,847	3,515,847	462,625
Utah	880,152	1,229,010	1,229,009	55,546
Vermont	270,337	2,212,195	2,212,194	11,106
Virginia	2,174,420	1,426,773	1,426,774	137,429
Washington	1,714,950	0	0	94,185
West Virginia	1,508,118	0	0	77,077
Wisconsin	1,187,410	3,764,562	3,764,561	70,446
Wyoming	110,272	0	0	3,917
<b>Total, US</b>	<b>99,021,207</b>	<b>113,975,839</b>	<b>113,975,832</b>	<b>5,083,920</b>

\* Table does not include allocations for US territories

\* Source of FY06 100% allocations and work registrants data: July 19, 2005, Memo from FNS to State Program directors, <http://www.fns.usda.gov/fsp/rules/Memo/05/071905.pdf>

\* Source of 50-50% match data: E-mail correspondence with FNS, 3/30/07

