

New Legislation Improves Access to Employment and Training Services for Low-Income Adults

By Jessica Bartholow and Aimee Chitayat

The federal Food Stamp Employment & Training (FSET) program is designed to help Food Stamp recipients meet the program's work registration requirements and gain the skills they need to succeed in the labor market. Yet until now, complicated policies have limited the ability of program administrators to fully meet this stated program goal. The Federal Farm Bill of 2008 made several changes to the Food Stamp Program that will benefit recipients, including two important changes in the FSET program.

About the FSET Program

FSET is a funding mechanism to increase employment and training services for eligible food stamps recipients. The FSET program is administered by the U.S. Department of Agriculture (USDA) and the state Department of Social Services (DSS). In states such as California, the program is also administered by county Food Stamp offices. FSET funds are offered in two forms: a capped 100% federal FSET grant from the USDA's Nutrition Service (FNS), and uncapped 50%-50% grants that require a non-federal match. FSET can fund almost any service along the continuum of employment and training services, from assessment through job placement and now retention services. FSET funds can also reimburse participants for miscellaneous job or training-related expenses such as transportation, dependent care, uniforms, books and training manuals. Many community-based training programs are already providing FSET allowable activities to Food Stamp recipients or Food Stamp-eligible participants, but may not be drawing down FSET funding.

Changes to the FSET Program

The changes in the nutrition title of the Farm Bill will allow low-wage workers and those in full-time employment and training programs to participate fully in FSET-funded programs. The changes will also help newly hired food stamp recipients to stay employed. These changes will take effect on October 1, 2008 and are as follows:

- **Removal of the 120-Hour Cap on Critical Employment and Training Services:** Currently, FSET participants are limited to 120 hours of work and/or employment and training services each month. As a result of this cap, working food stamp recipients are either ineligible for FSET services or are eligible for fewer hours of service than those who are not working. Those in full-time community college vocational programs or similar full-time employment and training programs are also ineligible for FSET. The 2008 Farm Bill clarifies that any individual voluntarily electing to participate in an FSET program is not subject to the 120-hour limitation. When the new Farm Bill takes effect in October, FSET participants will be able to receive the employment and training services they need to

become economically self-sufficient.

- **Addition of Job Retention Services to Help Participants Keep Jobs:** Under current law, FSET participants become immediately ineligible once they obtain employment. Language included in the Federal Farm Bill will allow FSET recipients to receive up to 90 days of post-employment job retention services.

Revisiting FSET Program Requirements in Your State

The 120-hour cap removal provides new opportunities for FSET volunteers, and encourages states and counties to revisit the need for mandatory FSET programs. Some administrators have found that all-voluntary FSET programs are simpler and more cost effective to implement while also ensuring program integrity and fairness to the participant.

Current policy states that food stamp recipients ages 16 to 59 must register for work unless they are employed or otherwise exempt from work requirements. Food stamp agencies may choose, but are not obligated, to assign these individuals to participate in mandatory FSET activities in order to continue to receive food stamps. Under such a mandatory program, individuals who fail to participate in activities for even one month can lose their food stamp benefits for up to six months. Mandatory programs also carry an increased administrative burden of tracking participant compliance. As an alternative, all FSET-eligibles may be allowed to voluntarily participate in an FSET program. Under a voluntary program, failure to participate does not result in the loss of food stamp benefits, and hourly limits are not applied in the same way as with mandatory participants.

Additional Changes to the Food Stamp Program

The 2008 Farm Bill makes several policy reforms to the Food Stamp Program that benefits individuals and families.

- **Overall Program Allotment Value Increased:** The standard deduction has been increased and tied to inflation. As a result, all Food Stamp recipients will benefit from more reasonable benefit allotments.
- **Support for Working Families with High Child Care Expenses:** The cap on the deduction for dependent care expenses has been eliminated, allowing working families with children to deduct the entire amount of child care expenses when calculating eligibility and benefit levels. According to the USDA, 57% of Food Stamp participants currently work.
- **Education and Retirement Accounts Exempted:** Asset limits have been tied to inflation, and most education and retirement accounts have been excluded as countable resources in determining eligibility.
- **Telephone Application Option:** Application signatures can now be captured through a recorded verbal assent over the telephone, allowing low-income, working families to apply without taking time off work to go into the Food Stamp office or mail complicated application forms.

The Farm Bill legislation also changes the name of the Food Stamp Program to the Supplemental Nutrition Assistance Program (SNAP). This name is not required for states that prefer to assign a unique name to the program.

About the FSET Expansion Initiative

The FSET Expansion Initiative, a project of the Insight Center for Community Economic Development, works with community colleges, community organizations and FSET program administrators to launch improved and expanded FSET programs. The Initiative is currently funded to provide this support in California by the Bay Area Workforce Funding Collaborative and the Walter S. Johnson Foundation. For more information on the FSET Expansion Initiative and other FSET resources, please visit www.fsetexpansion.org or contact Aimee Chitayat at 510-251-2600 x133.