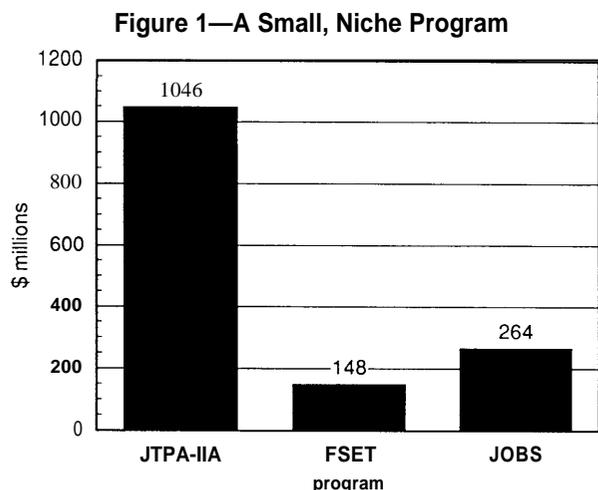


## History and Context of FSET



Total FY 1990 Federal expenditures for three employment and training programs.

SOURCES: U.S. General Accounting Office, *Training Programs: Information on Fiscal Years 1989 and 1990 Appropriations*, pp. 7, 9, 11, and Congressional Budget Office, OTA, 1991.

FSET has evolved out of a 20-year effort to reduce food stamp dependency by encouraging food stamp recipients to work. Congress amended the Food Stamp Act in 1970 (Public Law 91-671) to require all able-bodied adult recipients to register for work with their local Employment Service office, and to accept employment if offered. During the 1970s and early 1980s, USDA helped some States and localities operate demonstration programs involving work experience and job search training for those food stamp recipients who were required to register for work ('work registrants'). In the Food Security Act of 1985 (Public Law 99-198) Congress required all States to create employment and training programs for work registrants, and provided funding for the new Food Stamp Employment and Training programs. These funds include both a basic grant and additional Federal matching funds (on a dollar-for-

dollar basis) for States that invest their own money in supportive services such as transportation and child care for FSET participants.

Today, FSET occupies a niche between two, much larger, federally funded employment and training programs (see figure 1). The Job Opportunities and Basic Skills training program, or JOBS,<sup>7</sup> is targeted to mothers and unemployed fathers receiving Aid to Families with Dependent Children (AFDC), while Title IIA of the Job Training Partnership Act of 1982, or JTPA,<sup>8</sup> is available on a voluntary basis to a broad range of economically disadvantaged adults and youth. Total fiscal year (FY) 1990 Federal outlays for FSET (including both basic grants to the States and Federal outlays to match State funds) were \$148 million,<sup>9</sup> compared to \$1.04 billion for JTPA Title II-A<sup>10</sup> and \$264 million for JOBS.<sup>11</sup> Both JOBS and FSET emerged from welfare reform, requiring welfare recipients to either work (in unpaid "workfare" public service jobs) or look for work as a condition of receiving benefits. Although the concept that welfare recipients owe a reciprocal obligation in exchange for their benefits has not changed, most State and local JOBS and FSET programs now require participation in employment and training programs, rather than in workfare.

Because FSET and JOBS are "mandatory" programs, the States are required to enroll a large fraction of those eligible and to sanction those who do not enroll by reducing their welfare benefits. To meet the required participation rate, the States spread a total Federal budget of \$148 million across 1.35 million FSET participants in FY 1990, leading to an average of only \$110 per participant.<sup>12</sup> Federal expenditures for JOBS averaged \$692 per person

<sup>7</sup>Family Support Act of 1988 (FSA), Public Law 100485.

<sup>8</sup>Public Law 97-300.

<sup>9</sup>U.S. Office of Management and Budget, "Budget of the United States Government, FY 1992," Washington DC, February 1991, Appendix.

<sup>10</sup>*Ibid.*

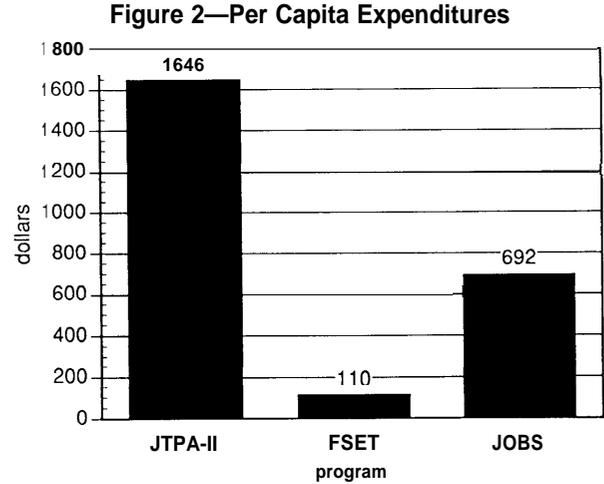
<sup>11</sup>U.S. Treasury estimate, reported by Janice Peskin, Congressional Budget Office, personal Communication% Sept. 19, 1991.

<sup>12</sup>FNS data cited by Julie Isaacs, Congressional Budget Office, personal communication, Sept. 23, 1991. When State matching funds are included, total spending for FY 1990 was \$221 million, or \$164 per participant.

that year.<sup>13</sup> JTPA Title II-A, which is voluntary, enrolled 632,000 persons<sup>14</sup> with a budget of \$1.04 billion, resulting in an average expenditure of \$1,646 per participant (see figure 2).

There is little overlap between the populations served by JOBS and FSET—most mothers of young children are not required to, and in fact, do not, participate in FSET. Among FSET participants in FY 1988, 74 percent lived in one- or two-person households without children.<sup>15</sup> However, there is a greater overlap between the FSET and JTPA populations. Food stamp recipients are automatically considered ‘economically disadvantaged’ and hence eligible for free employment and training services under JTPA.<sup>16</sup>

JTPA’s existence does not obviate the need for employment and training services for food stamp recipients. Although JTPA has much more funding than FSET, it serves only a small fraction of those eligible for its services—2.3 percent in 1986.<sup>17</sup> During the first half of program year 1990, 38 percent of the 632,000 JTPA Title IIA participants received food stamps. Of these, about half were able-bodied work registrants targeted by FSET.<sup>18</sup> Assuming these trends held through the year, JTPA



Average Federal expenditure per participant for three employment and training programs, FY 1990.

SOURCE: OTA, 1992.

served about 120,000 food stamp work registrants. Creation of FSET with a congressional mandate to serve up to 50 percent of those eligible has provided employment and training services to many additional food stamp recipients—about 1.35 million in FY 1990.<sup>19</sup> However, as discussed below, FSET has had little impact on the much larger group it serves.<sup>20</sup>

<sup>13</sup>FY 1990 was a transition year for JOBS. The States were not required to begin operating JOBS programs until FY 1991, when fully operational, JOBS is projected to require an average of \$1,500 to \$1,700 per participant—U.S. Congressional Budget Office, “Work and Welfare: The Family Support Act of 1988,” Washington DC, CBO Staff Working Paper, January 1989, p. 14.

<sup>14</sup>Estimated program year 1990 enrollment, based on enrollments in the first half of the year—U.S. Department of Labor, Employment and Training Administration, Office of Strategic Planning and Policy Development, “Job Training Quarterly Survey: JTPA Title IIA and III Enrollments and Terminations During the First Half of Program Year 1990 (July-December 1990),” Washington, DC, July 1991, p. 5.

<sup>15</sup>Michael J. Puma, et al., *Evaluation of the Food Stamp Employment and Training Program Final Report: Volume I* (Bethesda, MD: Abt Associates, Inc., June 1990), pp. 3-33-3-34.

<sup>16</sup>Section 4(8) of JTPA Title IIa defines “economically disadvantaged” eligible individuals to include individuals in families receiving food stamps.

<sup>17</sup>This is the most recent— which estimate participation as a fraction of those legally eligible for JTPA. It is from Steven H. Sandell and Kalman Rupp, *Who Is Served in JTPA Programs: Patterns of Participation and Intergroup Equity* (Washington, DC: National Commission for Employment Policy, 1988), p. 50.

<sup>18</sup>U.S. Department of Labor, Division of Performance Management and Evaluation, Office of Strategic Planning and Policy Development “JTPA Title IIA and III Enrollments and Terminations During the First Half of Program Year 1990 (July-December 1990),” unpublished document, February 1991, p. 29.

<sup>19</sup>This total includes 1.2 million work registrants and 150,000 volunteers.

<sup>20</sup>FNS’ proposed new participation standard of 10 percent could reduce total national enrollments to as low as 240,000 (one-fifth the number served under the current 50 percent participation standard).