
Chapter 1

Introduction

The Balanced Budget Act of 1997 (BBA) increased funding to States for the Food Stamp Employment and Training (E&T) Program and mandated that State food stamp agencies spend the bulk of this funding on certain E&T activities for food stamp recipients classified as “able-bodied adults without dependents” (ABAWDs). The changes under BBA stemmed from concerns that the new time limit and work requirement imposed on ABAWDs by provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) might have a negative effect on these individuals. While PRWORA is best known for replacing the Aid to Families with Dependent Children (AFDC) Program with the Temporary Assistance for Needy Families (TANF) Program, it also imposed the first time limit on participation in the Food Stamp Program. ABAWDs are now limited to receipt of 3 months of food stamp benefits in each 36-month period, unless they meet a work requirement that involves finding employment or engaging in a qualifying activity (workfare, education, or vocational training) within an E&T program.

To address concerns that large numbers of ABAWDs were leaving the program as a result of the time limit and that most State Food Stamp E&T Programs had historically not been providing qualifying work activities for ABAWDs, BBA required the U.S. Department of Agriculture (USDA) to produce a report on how States used the new BBA funding. The U.S. Congress was specifically interested in how States used the new monies to increase employment and training slots for ABAWDs “in the most efficient and effective manner possible.” To meet this mandate, in October 1998, the Economic Research Service (ERS) of USDA awarded a contract to Health Systems Research, Inc. (HSR) to conduct research and to prepare a report on changes in the Food Stamp E&T Program since BBA. This report was developed to fulfill that congressional mandate.

The report has three major components:

- ***A Review of Food Stamp Employment and Training Policies.*** The first component is a brief history of

the work-related requirements and employment and training activities in the Food Stamp Program prior to Federal welfare reform and of the legislative changes in this policy area that were implemented through PRWORA in 1996 and BBA in 1997.

- ***Summary of Past Studies on ABAWDs and Similar Populations.*** The second component is a summary of findings from previous studies on the characteristics of the ABAWD population and of findings on program outcomes from evaluations of the Food Stamp E&T Program and other E&T programs that have served childless adult populations.
- ***Summary of New Research Findings Conducted for this Study.*** The third, and most important, component of this report is a review of the findings of new research conducted in 1999 by HSR on State Food Stamp E&T Programs at the State and local program levels.

Research Objectives

The purpose of this study is to provide information that will enable policymakers to assess whether States have used the additional funds provided under BBA to target their Food Stamp E&T Programs to ABAWDs and provide the kinds of E&T opportunities that will allow ABAWDs to meet their work requirement. Congress also requested information on whether States used the Federal dollars provided by BBA in an “effective and efficient” manner to reach ABAWDs. However, key data to address the issue of efficiency and effectiveness were unavailable. States do not collect information on costs per available work slot, ABAWD-specific program participation, or program outcomes. The implications of the lack of available data for addressing the efficiency and effectiveness question are further discussed in the “Limitations of the Available Data” section of this chapter. Though the lack of these data made it impossible to address some of the issues raised by Congress, the report provides detailed findings on the extent to which States effectively changed

the targeting and types of Food Stamp E&T services for ABAWDs under the new BBA funding and authority.

The study addresses five research objectives, each of which focuses on changes to the Food Stamp E&T Program since Federal fiscal year (FY) 1997.

Objective 1: Measure How States Changed the Focus of Their Food Stamp E&T Program To Target ABAWDs

This objective is central to the question of how effective States were in meeting the demands of BBA. To meet this objective, the study focused on the following research questions that compared State E&T programs prior to and after implementation of BBA:

- Were more States restricting their food stamp E&T services to only ABAWDs?
- Have States expanded the number of geographic areas where they serve ABAWDs in the Food Stamp E&T Program, particularly to areas not waived from the ABAWD time limit?
- Are more States now offering E&T components that serve as qualifying activities for ABAWDs?
- How many States require their local offices to offer a qualifying E&T slot to ABAWDs when they enter the program and/or to those who have been cut off due to the time limit but want to regain food stamp eligibility?

Objective 2: Measure Changes in State Expenditures of Federal and State Funds for Food Stamp E&T

To understand whether the new food stamp E&T funding was in fact being used by States and some of the factors that may have been affecting State spending, the analysis addressed three research questions:

- How did State-specific grant allocations change as a result of BBA?
- How much did State expenditures of the available Federal food stamp E&T grant funds change after increased funding became available in FY 1998 and FY 1999, and what factors may be affecting State spending behavior?
- What were the trends in State expenditures of program matching funds after BBA?

Objective 3: Examine Trends in the Food Stamp E&T Program Participation Overall and in the Specific E&T Activities That Can Fulfill the Work Requirement for ABAWDs

Since most States were not tracking the participation of ABAWDs in the Food Stamp Program prior to the BBA, and even fewer States were keeping track of the number of ABAWDs participating in Food Stamp E&T, this study could not analyze trends in ABAWD E&T participation. However, data were available on trends in overall Food Stamp E&T Program participation and specifically on participation in those components that allow ABAWDs to meet their work requirement (i.e., workfare and education and training components).¹ As a result, analyses of the changes in Food Stamp E&T Program participation were organized around the following research questions:

- How did participation in the Food Stamp E&T Program change, as measured by the number of individuals beginning each E&T component?
- How do the declines in the overall Food Stamp Program participation correlate with changes in States' Food Stamp E&T Program participation after BBA?
- After the BBA, how did the number of participants beginning specific food stamp E&T components change and to what extent were they ABAWD qualifying activities?
- What do we know about overall food stamp E&T participation, including clients continuing in the program over a period of months?
- Of the ABAWD qualifying activities, were more ABAWDs participating in workfare or in education and training?

¹Ideally, to assess whether States were reaching more ABAWDs after the BBA and its targeting requirements, food stamp E&T participation would need to be broken down by ABAWDs and non-ABAWDs and analyzed over time. Comparable data on the number of ABAWDs in the Food Stamp Program in FY 1997 and subsequent years would also be needed to determine the size of the potentially eligible population. However, these types of participation data were not tracked, collected, or reported by the States during the period of this study.

Objective 4: Summarize State Managers' Views on Challenges in Serving ABAWDs and Their Views on Ways To Improve Food Stamp E&T Program Operations

The study also sought States' views on the challenges associated with redesigning their Food Stamp E&T Programs to effectively serve the ABAWD target population as well as their experience in overcoming those challenges and their suggestions for ways to improve program operations. Caution is required when interpreting the views of State officials. This study was not intended to collect comprehensive information on how changes in the Food Stamp E&T Program are viewed by other interested groups, such as ABAWDs themselves, community service providers, or advocates. The perspective of State officials is clearly influenced by their role in implementing Federal programs and their desire to avoid limitations on their flexibility in the use of funds. State officials may resist mandates that others view as necessary to meet policy goals.

Objective 5: Assess What Can Be Learned From Local E&T Programs About Promising Approaches To Serving ABAWDs

Five sites were visited to take a closer look at local offices that Federal and State contacts identified as having made an especially ambitious effort to provide E&T services to ABAWDs. These case studies describe how local officials view the challenges of serving ABAWDs and how they have tried to address those challenges. The site visits were conducted in the following rural, urban, and medium-sized locales: Belle Glade, Florida; Chicago, Illinois; San Francisco, California; Colorado Springs, Colorado; and Greenville, South Carolina. The five local programs are highlighted in full case study reports in Appendix B.

Research Approach

The study is designed to provide a comprehensive analysis of changes in State Food Stamp E&T Programs since BBA. To meet this goal, the study used a three-pronged approach to information collection:

- A literature review of past studies;
- An analysis of State-level data from State quarterly E&T Program reports to the Food and Nutrition

Service (FNS) and a survey of State E&T Program managers; and

- Case studies to collect information on promising local Food Stamp E&T Programs.

The literature review was designed to assess and summarize published information on the characteristics of the ABAWD population, past employment and training efforts in the Food Stamp Program, and employment and training programs serving populations similar to ABAWDs. The State and local-level data collection activities are discussed in detail.

State-Level Research

Assessing changes in State Food Stamp E&T Programs since BBA entailed a review of data contained in State reports to FNS, a State telephone survey, and an analysis of data collection forms submitted by the States.

Review of State Reports to FNS

States report information on program operations and financial data for the Food Stamp E&T Program to FNS on a quarterly basis. The data provided by FNS for the analysis in this study include all final data for Federal FY 1997 through FY 1999 that were available as of February 2000. The categories of data obtained from these State reports and analyzed for the findings of this study are as follows:

- Number of participants beginning specific Food Stamp E&T components (data available at the time of this study were for FY 1997 and FY 1998);
- Number of filled and offered work slots for ABAWDs (these data items were required to be reported beginning in FY 1999; data available at the time of this study were for only the first two quarters of FY 1999); and
- Financial data on the allocations of Federal food stamp E&T grant funds and on actual State expenditures of these and other State funds (data available for FY 1997, FY 1998, and FY 1999).

Telephone Survey of State Food Stamp E&T Managers

A second source of information was a telephone survey of State Food Stamp E&T Program managers conducted by HSR.

During the summer of 1999, State Food Stamp E&T Program managers from all 50 States and the District of Columbia were interviewed using a largely closed-ended data collection instrument. Interviews lasted an average of 1 hour each. The survey covered descriptive information regarding the types of food stamp E&T services offered by each State at the time of the survey in the summer of 1999 and in FY 1997. The survey collected information on the scope and nature of E&T activities. Consistent with the congressional request, the data collection instrument for the State interviews focused on services targeted to ABAWDs. The survey also collected information on factors that facilitated and impeded the ability of States to use BBA funds and develop E&T services to help ABAWDs meet their work requirement.

Quantitative Data Collection Form

A quantitative data collection form was designed to collect additional information from States. This form was used to analyze data on the following:

- Geographic scope of State E&T Programs; and
- Monthly program participation, including new and ongoing clients and participation by program component.

Local Program Research

The site visits, in five local offices, were designed to provide a rich descriptive profile of programs providing employment and training services to ABAWDs. The programs were selected with input from State food stamp directors and FNS officials. Researchers interviewed local staff and observed program activities, including orientations and assessments.

Limitations of the Available Data

The findings in this report are based on the most up-to-date information available on the Food Stamp E&T Program as of February 2000. The study was designed to effectively use information the States were already required to report to FNS and to collect important additional information directly from the State managers of the Food Stamp E&T Program. Four limitations, however, must be borne in mind while the findings are discussed.

Lack of ABAWD-Specific Participation Data

The first limitation is that States are not required to track the number of ABAWDs in their overall Food Stamp Program caseload or in their Food Stamp E&T Program. As a result, accurate participation data could not be obtained from States, and ABAWD-specific E&T Program participation could not be analyzed for any single year or over time.

Newness of the Program Limits Conclusions That Can Be Drawn From Trend Data on Program Participation

The study was able to measure trends in overall Food Stamp E&T Program participation and participation in those specific components that are qualifying E&T activities for ABAWDs. However, this analysis was based only on a comparison of FY 1997 and FY 1998 participation data, since FY 1999 data were not yet final during the study period. Given that the BBA went into effect in FY 1998, the 1-year participation trend analysis may be affected by the newness of the program and the inevitable delays in program startup.

Limited Data Available on Work Slots

Prior to FY 1999, States were not required to track the number of work slots they offered to ABAWDs or that were filled by ABAWDs. The States began tracking and reporting this slot information in FY 1999, when it became a reporting requirement for FNS in order to implement the program's new reimbursement rules. Hence, though Congress was very interested in changes in the number of work slots after BBA, no data prior to FY 1999 can serve as a basis for measuring trends in the number of work slots offered or filled.

Likewise, States are not required to collect or report data on the total number of work slots that are available each year for ABAWDs, whether or not there are ABAWDs to offer or fill these slots. Analysis of such data would have provided an excellent measure of the ability of States to offer work opportunities for ABAWDs subject to the time limit.

Program "Efficiency" Is Subject to Broad Interpretation

While Congress indicated an interest in understanding the efficiency of States' efforts to create work opportu-

nities for ABAWDs, the concept of program efficiency is subject to broad interpretation. Research could assess the efficiency of the Food Stamp E&T Program in many different ways. One could examine how many people went to work after they received the new qualifying food stamp E&T activities, or whether the program successfully kept low-income people on the Food Stamp Program to maintain needed food stamp benefits. However, assessing the employment outcomes attributable to the Food Stamp E&T Program would require a multiyear longitudinal study comparing effects for a group participating in food stamp E&T to a control group. Assessing the effect of the BBA program changes on ABAWDs' food stamp participation cannot be conducted at this juncture given the poor data States have on ABAWDs and the multiple factors—including the good economy and welfare reform-related factors—that are associated with Food Stamp Program participation declines in the late 1990s.

Moreover, if Congress' interest in understanding efficiency was to assess the cost per work slot created, the data on which to make this assessment do not exist. As previously noted, no data are available on the total work slots created for ABAWDs (including those never offered or filled) and on the cost per work slot created. Discussions with State and local officials during the pretesting for this project indicated that neither State nor local offices consistently keep track of this type of information. The officials indicated that they would not be able to produce any reliable figures on such data if they were asked to do so.

Organization of This Report

Chapter 2 presents the background information on the Food Stamp Program's E&T efforts prior to welfare reform. It also summarizes the work requirement and time limit for ABAWDs enacted by PRWORA and the BBA provisions that changed the size and targeting requirements for the Food Stamp E&T Program. The final issues covered in the chapter are the funding cuts and new reimbursement rate policies included in Federal legislation and the FNS administrative actions in 1998.

Chapter 3 describes findings from past studies on the size and characteristics of the ABAWD population. The chapter reviews findings from studies of the Food Stamp E&T Program and other E&T programs serving populations that share characteristics with ABAWDs.

Chapters 4 and 5 summarize the research findings. Chapter 4 examines the findings from the State-level data collection efforts and is organized around the study's major research objectives. Chapter 5 profiles the case study sites and summarizes what was learned about promising approaches they are using to build local E&T program capacity for ABAWDs and design services to meet the special needs of hard-to-serve ABAWDs, such as migrant agricultural workers and the homeless.

Following the text of the report is a glossary of key policy terms used in this report. Readers are encouraged to use this as a reference. Following the body of the report, Appendix A contains data tables displaying detailed State-by-State information for the key data summarized in Chapter 4. Appendix B contains the five complete case study reports. The telephone survey instrument and the quantitative data collection form that was mailed to the States can be found at <http://www.ers.usda.gov/publications/efan01007>.