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# Subsidized Employment: A Strategy to Address Equity and Inclusion in SNAP E&T Programs

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The Center for Law and Social Policy

## Overview

States have a new opportunity to use federal funding through the Supplemental Nutrition Assistance Employment and Training Program (SNAP E&T) to offer paid work-based learning activities to workers and jobseekers who have been overlooked for far too long and often face compounded economic marginalization. Policymakers, agency leaders, and program administrators can use this federal investment to address long-standing inequities among people who face structural barriers to employment and economic marginalization.

## Background

As a result of the Agriculture Improvement Act of 2018 and the Supplemental Nutrition Assistance Program Employment and Training **final rule**, states are permitted to use SNAP Employment and Training (E&T) funds to provide **subsidized wages to SNAP participants in work-based learning activities**. When included in a state's **approved SNAP E&T plan**, states and counties may offer subsidized work-based learning as a part of their E&T programs and also partner with third parties qualified to provide these services in their communities. These partners are then reimbursed 50 percent of their spending on such activities.

Recent **guidance** by the U.S. Department of Agriculture's Food and Nutrition Service (FNS) offers additional insight into the intent and goals of subsidized work-based learning as a component of SNAP E&T and how best to structure and support subsidized work-based learning to achieve these goals.

Research demonstrates that subsidized employment **is most effective** when offered to people who face structural barriers to finding and keeping employment and to people who face economic marginalization. Allowing states to use federal SNAP E&T funds for implementing subsidized work-based learning programs is a welcome opportunity for connecting SNAP recipients with employment barriers and who have been economically marginalized with proven approaches that increase their employability. However, leveraging subsidized work-based learning opportunities in supporting equitable pathways to quality jobs for those who experience the greatest marginalization will require policymakers, agency leaders, and program administrators to work together toward a vision for addressing economic marginalization among workers who are all-too-often left behind. Achieving this goal will require program administrators to make intentional programmatic decisions and, in some cases, conduct a review and modernization of program partner practices. Without these considerations, programs may fall short of creating pathways to quality employment for SNAP recipients.

## Recommendations

CLASP offers the following recommendations for states and their local partners in supporting equitable access to subsidized work-based learning programs as well as pathways to quality jobs through blended subsidized employment, education, and training opportunities. Program leaders should:

**Assess current policies, practices, services, and partner relationships to maximize equitable program access, inclusion, and success for workers.** To achieve this, programs should:

- **Review and modify policies, rules, and practices at program sites that may disproportionately exclude workers.** States and their program partners should review and modernize existing policies, rules, and practices that may disproportionately prohibit individuals with low incomes and people who already face economic marginalization from participating in subsidized work-based learning programs. Studies have found that people for whom work-based learning strategies may be most beneficial are more likely to be denied access by policies such as minimum education and foundational skills program requirements, barriers to program entry based on participants' legal status, a person's criminal record or housing status, and sobriety tests. All too often these policies are arbitrary and do not indicate a person's desire to work or likelihood of employment success. Program administrators should determine the necessity of policies and procedures that can limit participation, such as:
  - Suitability criteria for education or training programs or minimum education, literacy, or other competency requirements as a condition of program entry;
  - Requiring a valid driver's license as a condition of program participation;
  - Requiring a permanent address as a condition of program participation; or

- Zero tolerance policies related to criminal background checks or sobriety tests.
- **Consider physical space, geography, services, and partners to maximize equitable access and success for workers.** The physical space, geography, and services offered at program sites may impact who has access to subsidized work-based learning opportunities. Here are questions that states and their program sites should consider relative to physical space, geography, and service delivery in order to support equitable access and inclusion:
  - Are physical structures where program services are offered equitably distributed in places and spaces where SNAP E&T participants may be concentrated?
  - Who are the program's intake or screening partners? Do they have a track record of engaging people who are economically marginalized? Are they trusted in the community?
  - Are state and program partnerships established with homelessness and housing systems? With college campuses and universities? With Temporary Assistance for Needy Families (TANF) system partners?
  - Are program sites accessible via public transportation (if available) and for persons with disabilities? Are mobile screening and program intake options available?
  - Are children allowed at the program site? If not, are program sites supporting connections to child care?
  - Are program sites culturally responsive?
  - Are program sites located in places and spaces where people with arrest or conviction records are permitted?

**Modify and modernize policies and practices to support equitable program access, inclusion, and worker success.** This recommendation requires that programs:

- **Operate voluntary employment and training programs.** Mandated work programs are harmful because they threaten to take away benefits from people who are unable to comply with arbitrary rules. A recent U.S. Government Accountability Office (GAO) study notes that “many states have reported to [FNS] that offering employer-driven, skills-based, intensive employment and training services, such as vocational training or work experience, through voluntary programs yields more engaged participants with stronger outcomes.” FNS explained to GAO that “voluntary programs are less administratively burdensome than mandatory programs, as they allow states to focus on serving motivated participants rather than sanctioning non-compliant individuals.” Voluntary programs also require program operators to deliver services that participants consider worth their time and incentivize them to address barriers to participation that recipients may face. (Note: state agencies are *required* to reimburse SNAP E&T participants for expenses that are necessary to participate in an E&T component. This may include child care, transportation, tools, uniforms, etc. Such costs are

eligible for 50 percent federal reimbursement.) In addition, to operating voluntary employment and training programs, states and their partners should practice these participant engagement approaches:

- **Practice “relentless engagement” and ensure that participants have opportunities to re-engage with programming if they miss days or drop out.** All too often, workforce program policies and structures are rigid and may not account for the realities faced by workers and program participants who may need to drop out of programming or who face setbacks. Modernizing program policies in this context must allow for relapse and for program participants to re-engage with programming even if they miss days, drop out, or are dismissed.
- **Offer subsidized work-placed learning programs to a wide range of SNAP recipients, not just those who are most “work-ready.”** Program participants who are not actively seeking subsidized work-based learning opportunities are often successful in programs and may need additional engagement and encouragement by trusted program partners.
- **Partner with existing third parties that can appropriately “reverse refer” to voluntary SNAP E&T.** Programs can use SNAP E&T as a capacity-building opportunity to reach more individuals with barriers to work via 50/50 third-party partnerships. Partners have the ability through their existing referral relationships to engage individuals who would like to participate in SNAP E&T. These partners can demonstrate how individuals in their program are good fits for E&T services and center an individual's employment goals as the person makes the decision to engage in work-based learning. By encouraging these types of “reverse referrals” to SNAP E&T from strong partners, SNAP agencies may leverage existing workforce development expertise in their community and support quality programs with more funding through SNAP E&T.
- **Adopt zero-exclusion approaches to engaging participants in programming.** Jobseekers who face significant barriers to work are disproportionately excluded from employment opportunities. This happens because, in part, systems use subjective methods to determine “work-readiness” rooted in white-dominant cultural workforce norms and because of policies and eligibility requirements that make it harder to access and stay engaged in programming. States can use subsidized work-based learning programs to modernize policies and practices that center workers and focus on program inclusion and equity. This may include the following practices:
  - **Using worker assessments to determine service needs, not to screen out participants.** Assessments can be useful tools if their purpose is to identify needs and shape an appropriate service response. However, work-readiness assessments are often used to determine that some jobseekers are “not ready” for employment, “not motivated” to work, or not eligible to participate due to minimum education or

literacy requirements. These practices often leave behind workers who would benefit from access to subsidized work-based learning programs – and especially subsidized employment paired with foundational literacy programs.

- **Employing sobriety or drug tests as a tool to assess service needs, not to exclude workers from program participation.** Practice bears out that sobriety tests or “drug drops” are not an indication of a person’s ability to perform a job well or participate in education and training successfully. Moreover, as more states and localities legalize cannabis, states and program partners may need to assess and modernize their policies and practices to align with new rules and regulations. Instead of leveraging sobriety tests as a condition of program entry, states and their program partners may want to use assessment processes to support participants in getting the most appropriate services and supports if substance use impairs participation in specific work, education, and training opportunities.
- **Pay attention to criminal record and background check requirements in worksite selection as well as the industries targeted within education and training offerings.** FNS guidance suggests that subsidized work-based learning opportunities should be developed in collaboration with employers. Research indicates that transitional jobs and subsidized employment approaches can be particularly effective for people returning from incarceration, those with a criminal record, or individuals with prior criminal justice system involvement. With more states **lifting or modifying the ban on SNAP eligibility** for people with previous drug-related convictions, a greater number of people with previous involvement in the criminal legal system may be receiving SNAP and may benefit from SNAP E&T programs, including subsidized work-based learning. To promote worker success and engagement with employers in the development of worksite opportunities and education and training, states and their partners offering subsidized work-based learning opportunities should:
  - Inquire with employers and worksites about their policies on hiring workers with a criminal record or prior engagement with the criminal legal system.
  - To the extent possible, prioritize employer partners that have “banned the box” on criminal background checks or those that only screen for a criminal record in instances where the job requires it or there is a direct connection between the criminal record and the job to be performed.
  - Identify education and training opportunities in career sectors that have few or no limitations for workers who may have a criminal record in order to promote worker success after the subsidized work-based learning program has ended.
- **Co-locate education and training at the subsidized employment worksite and be mindful of maintaining worker eligibility for SNAP benefits.** One challenge with providing subsidized employment as a SNAP E&T component is that wages paid to participants are counted as earned income when calculating SNAP benefits. To qualify for SNAP E&T, you must

receive SNAP benefits each month that you participate in an E&T component, except for retention services after transitioning to an unsubsidized job. This means that individuals may lose access to their E&T training if the income they earn through that training results in losing SNAP benefits. Most participants will be limited in the number of hours per week they can earn wages without losing SNAP eligibility. States should not cap the number of hours an individual can participate in work-based learning, as this would result in arbitrary training decisions not based on an individual's need. One way to address this issue is to combine subsidized employment with unpaid education and training related to the job placement. Work-place learning and subsidized employment should be co-located at the worksite, which is consistent with FNS guidance and **lessons learned** from other “earn and learn” models. Doing so can reduce barriers such as lack of consistent transportation, travel time between program sites, or juggling child care needs—all of which will allow more people to fully participate in training and education offerings. Paying participants for time spent in education and training (which is an **allowable expense** as long it readies participants for employment) can also increase participation and ensure that participants have access to income to meet basic needs while participating in education and training opportunities. While this is a best practice, states and their partners will have to be thoughtful about implementing it, given that the increased income may result in individuals and households no longer being eligible for SNAP benefits and, therefore, for SNAP E&T funded services.

Additionally, states and their partners might consider:

- Partnerships with E&T third parties that have the capacity to retain individuals in planned E&T components should that individual lose access to SNAP E&T as a result of paid training. While not an ideal scenario, as the partner would not be reimbursed for 50 percent of the costs of these services after an individual loses access to SNAP E&T, many partners are used to navigating public workforce funding that does not cover the full cost of providing services.
- Third-party partners should also have access to state agency benefit caseworkers who can act as a bridge between participants and case managers. Partners should be prepared to speak to participants about how their benefits will change with paid training. In so doing, partners should empower participants to make individual decisions about managing their work-based learning hours and their benefits as they transition to an unsubsidized job placement.
- Collecting data on individuals losing benefits after initiating SNAP E&T to make the case for how a benefits policy change that disregards SNAP E&T earned income might result in more E&T access and quality training.
- Following Colorado's lead of suggesting that providers sequence paid training and other wage-paid services so these services are offered last. While this may not be the ideal scenario for all workers, states and their partners might consider offering this to increase the time a worker might receive services before, potentially, being ineligible

for SNAP benefits due to earnings.

- **Invest in proven approaches beyond sector training.** **Sector training** offers participants education and hands-on training to match in-demand job openings in a specific occupation or industry. Research shows such training results in significant labor market gains for workers and jobseekers who are disadvantaged and/or earn low wages. However, sector training programs may have basic skills requirements that individuals facing structural barriers to employment may not meet. For instance, these programs often require that candidates test at a sixth-grade level in reading and math or meet other suitability criteria. In addition to sector programs, states and their partners should also invest in proven approaches that support workers who may not meet these minimum standards for participation. These may include:
  - **Contextualized Adult Basic Education**, which is a practice in the field of adult literacy and adult basic education that provides academic skills lessons that are relevant to learners' real-world interests, employment goals, and everyday life. Contextualized learning can occur while employment program participants are engaged in work activities, and **research shows** that the strategy yields significantly positive results.
  - **Bridge programs, which connect individuals** to postsecondary education and training programs by equipping them with basic academic and English language skills. These programs are condensed to make learning as efficient as possible, flexibly scheduled to meet individual needs, and may offer contextualized learning, career development, and transition services to help move adult learners into credit-bearing coursework or occupational training.
- **Consider a range of worksites.** FNS offers guidance on selecting quality worksites. In addition to this guidance, states and local partners should offer a mix of non-profit, public, and private worksite placements and consider a range of placement types such as individual placements at worksites, crew or cohort-based model placements, and placements within social enterprises. States and local partners should consider worksites that offer pathways toward co-ownership in businesses for program participants with this interest. For example, **Turning Basin Labs** in San Francisco partners with other programs to combine subsidized employment, training, and education leading to co-ownership in businesses throughout the Bay area.

## Conclusion

The opportunity to leverage SNAP E&T funds at the state level for subsidized work-based learning opportunities has the potential to transition many more individuals facing economic marginalization to quality jobs. Doing so will require intentional action on the part of state agencies and program sites with a focus on program inclusion and equity. These recommendations are intended to support states and local partners in making progress toward these goals.