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**United States
Department of
Agriculture**

Food and Consumer
Service

Mid-Atlantic Region

Mercer Corporate Park
300 Corporate Boulevard
Robbinsville, N.J. 08691-1598



Date:

JAN 29 2001

Reply to Attention of:

Subject:

Maryland ABAWD Waivers #970073 and 980052

To:

Arthur T. Foley
Director
Program Development Division

Attached is a request from Maryland to extend Waiver #970073 to designated Labor Surplus Areas (Allegany, Dorchester, Garrett, Somerset, Worcester Counties and Baltimore City). The State agency is also requesting to extend the waiver to other locations which they indicate have insufficient employment opportunities. Maryland is not requesting an extension of Waiver #980052.

Please do not hesitate to contact this office if you have any questions.

Joe Weingart
JOSEPH WEINGART
Regional Director
Food Stamp Program

Attachments



Frank
2/14/23
[Signature]



Maryland's Human Services Agency

Parris N. Glendening
Governor

Kathleen Kennedy Townsend
Lt. Governor

Lynda G. Fox
Secretary

FAMILY INVESTMENT ADMINISTRATION

January 19, 2001

Mr. Joseph Weingart
Regional Director, Food Stamp Program
Food and Nutrition Service
United States Department of Agriculture
Mercer Corporate Park
300 Corporate Boulevard
Robbinsville NJ 08891-1598

RECEIVED

JAN 23 2001

USDA FNS
ROBBINSVILLE, N.J.

Dear Mr. Weingart:

Attached is Maryland's request to extend the waivers that exempt certain counties from the work requirement for able-bodied adults without dependents. We are also requesting waivers for additional counties that have low or declining employment to population ratios, lagging or declining job growth, or a job deficit.

Thank you for your consideration of this request. If you have any questions, please contact me at 410-767-7338. You may also call Richard Larson at (410) 767-7150.

Sincerely,

Charles E. Henry

Charles Henry
Acting Executive Director

Attachment

cc: Richard Larson
Larry Pinkett
RESI

WAIVER REQUEST

1. **Waiver serial number:** 970073 and 980052
2. **Type of request:** Renewal
3. **Primary regulation citation:** Section 6(o) of the Food Stamp Act, as amended by Section 824 of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (P.L. 104-193)
4. **Secondary regulation citation:** N/A
5. **State:** Maryland
6. **Region:** MARO
7. **Regulatory requirements:** Section 6(o) of the Food Stamp Act, as amended by Section 824 of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (P.L. 104-193), outlines the criteria under which an individual shall not be eligible to participate in the Food Stamp Program. Individuals may not receive food stamp benefits for three or more months, (consecutive or otherwise during a 36 month period), when: a), they do not work at least 20 hours per week as determined by the state agency; or b) do not participate in and comply with the requirements of a program under Section 20 or a comparable program established by a State or political subdivision of a State. However, individuals may receive benefits if they are exempted from these requirements. These individuals are known as Able Bodied Adults Without Dependents (ABAWDs).

Section 6(o) of the Food Stamp Act, as amended by Section 824 of PRWORA, also provides that, upon the request of a State agency the Secretary may waive the applicability of the above provision for any group of individuals in the State. The waiver may be granted if the Secretary determines that the individuals reside in an area that has an unemployment rate of over 10%, or does not have a sufficient number of jobs to provide employment for the individuals.

8. **Proposed Alternative Procedures:** The State is requesting a waiver under Section 824 for nineteen jurisdictions. Six of the State's 24 jurisdictions have been designated as labor surplus areas based on data from the U.S. Department of Labor. The rest of the jurisdictions for which Maryland is seeking an exemption will encounter difficulty in complying with PRWORA work requirements because of low and/or declining employment to population ratios, inadequate job growth, and competition from Temporary Cash Assistance¹ (formerly AFDC) recipients seeking employment under the work requirements from PRWORA.

¹ The Temporary Cash Assistance program is Maryland's cash assistance program funded by the Temporary Assistance to Needy Families (TANF) block grant, and replaces the Aid to Families with Dependent Children program.

9. **Counties qualifying for a waiver based on unemployment rates in excess of 10%:**

As of October 2000, there are no counties or jurisdictions in Maryland that qualify for a waiver based on an unemployment rate in excess of 10%.²

10. **Counties qualifying for a waiver because of designation as Labor Surplus Areas:** The U.S. Department of Labor classifies areas that have had persistent high unemployment as labor surplus areas. In order to meet this designation, an area must have a population of at least 25,000 and have experienced unemployment rates at least 20% above the national average for the previous two calendar years, (see Table I).

In Maryland, six jurisdictions have been designated labor surplus areas by the U.S. Department of Labor. These jurisdictions are Allegany, Dorchester, Garrett, Somerset, Worcester counties, and Baltimore City. The State of Maryland requests a waiver for these jurisdictions under Section 824 because they have been designated as labor surplus areas.

Table I: Designated Labor Surplus Areas, Maryland 1999

Jurisdiction	Avg. Unemployment Rate CY 1998	Avg. Unemployment Rate CY 1999	2-Year Average
Allegany County	8.9%	7.1%	8.0%
Dorchester County	9.8%	7.3%	8.6%
Garrett County	10.9%	8.5%	9.7%
Somerset County	9.4%	7.5%	8.5%
Worcester County	10.3%	8.8%	9.6%
Baltimore City	9.2%	7.1%	8.2%
Avg. U.S. Unemployment Rate plus 20%	5.4%	5.0%	5.2%

Source: Maryland Department of Labor, Licensing & Regulation (DLLR), U.S. Department of Labor, and U.S. Bureau of Labor Statistics

11. **Counties qualifying for a waiver because of insufficient employment:** In seventeen jurisdictions, the State of Maryland will encounter serious difficulty in finding job-placements for Food Stamp recipients who are subject to the work requirement. Low or declining employment-to-population ratios, lagging or declining job growth, and competition for job opportunities from Temporary Cash Assistance (formerly AFDC) recipients who are also subject to work requirements are symptomatic of this difficulty.

Low and/or Declining Employment-to-Population Ratio: Three counties (Charles, Dorchester and Worcester) displayed declining employment-to-population ratios from 1998 to 1999, and an additional fourteen counties show average employment-to-population ratios well below the 1999 national average of 71.7%, (see Table II). The employment-to-population ratios were calculated from population data supplied by the Maryland Office of Planning and the U.S. Bureau of the

² Maryland Department of Labor, Licensing & Regulation (DLLR), and U.S. Bureau of Labor Statistics (BLS).

Census, and total non-agricultural employment data from the Bureau of Labor Statistics.³ The total non-agricultural employment in each county in 1998:Q4 was divided by the working-age population (ages 15-64) in each county to arrive at the employment-to-population ratio in 1998. This calculation was repeated with 1999:Q4 total non-agricultural employment data for each county to arrive at the employment-to-population ratio for 1999. Then the employment-to-population ratio for 1998 was compared to the employment-to-population ratio for 1999 to derive the change in the ratio.

The same calculation was performed using 1997:Q4 total non-agricultural data for each county to arrive at the 1997 employment-to-population ratio for 1997. This result was compared to the 1998 employment-to-population ratio to demonstrate a trend in the decline of the employment-to-population ratio in these counties. The findings support Maryland's exemption request under Section 824 for Allegany, Anne Arundel, Calvert, Caroline, Carroll, Cecil, Charles, Dorchester, Frederick, Garrett, Harford, Kent, Prince George's, Queen Anne's, St. Mary's, Somerset, and Worcester counties.

Table II: Employment-to-Population Ratio, Absolute Change 1997-1999, Selected Counties

Jurisdiction	1997 Employment -to- Population Ratio	1998 Employment -to- Population Ratio	1999 Employment -to- Population Ratio	Change in Ratio 1997-1998	Change in Ratio 1998-1999	$\Delta\%$ 97-99
Allegany County ✓	65.2%	65.8%	68.4%	0.6%	0.6%	+3.2%
Anne Arundel County ✓	52.9%	53.6%	56.4%	0.8%	0.8%	+3.5%
Calvert County ✓	32.4%	32.7%	33.4%	0.3%	0.7%	+1%
Caroline County ✓	43.6%	45.5%	46.2%	1.9%	0.7%	+2.6%
Carroll County ✓	42.2%	43.2%	44.7%	1.0%	1.5%	+2.5%
Cecil County ✓	37.5%	38.3%	39.5%	0.8%	1.2%	+2%
Charles County ✓	42.6%	42.7%	42.3%	0.1%	-0.4%	-0.3%
Dorchester County ✓	59.4%	58.7%	57.8%	-0.7%	-0.9%	-1.6%
Frederick County ✓	53.0%	54.2%	56.8%	1.2%	2.6%	+3.8%
Garrett County ✓	52.0%	52.4%	54.6%	0.4%	2.2%	+2.6%
Harford County ✓	42.2%	43.2%	45.1%	1.0%	1.9%	+2.9%
Kent County ✓	55.2%	56.1%	58.0%	0.9%	1.9%	+2.8%
Prince George's County ✓	52.5%	52.9%	54.9%	0.4%	2.0%	+2.4%
Queen Anne's County ✓	35.0%	36.5%	37.7%	1.5%	1.2%	+2.7%
St. Mary's County ✓	50.9%	54.5%	55.2%	3.5%	0.7%	+4.3%
Somerset County ✓	34.8%	36.1%	39.2%	1.3%	3.1%	+4.4%
Worcester County ✓	82.2%	81.5%	76.3%	-0.7%	-5.2%	-5.9%
National Average	69.9%	70.8%	71.7%	0.9%	0.9%	+1.8%

Source: Bureau of Labor Statistics and Maryland Office of Planning, and U.S. Bureau of the Census.

³ Employment data are adjusted for non-economic factors in each jurisdiction.

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These seventeen counties fall below the national average for the measure of employment-to-population ratio. The combined average employment to population ratio for these seventeen counties in 1999 is 52.4% compared to the national average of 71.7%.

Lagging and/or Declining Job Growth: In general, the ABAWDs who will be required to work have limited education and skill levels, which restrict their employment opportunities. In order to obtain a more accurate measure of available jobs for this group, industries have been identified that have a preponderance of low-skill jobs (for example, restaurants and hotels) where ABAWDs may be better able to obtain employment (see *Appendix I* for a list of Target Industries). According to the latest available data from the Maryland Department of Labor, Licensing and Regulation, Dorchester and Prince George's counties are experiencing declining employment in these target industries. Baltimore City employment in the target industries is significantly lagging behind the number of ABAWDs in Baltimore City, (see Table III below).⁴ Therefore, the State is seeking an exemption under Section 824 for these three jurisdictions.

competition:

It should also be noted that the decline in the Temporary Assistance to Needy Families (TANF) caseload in Maryland has begun to level and in some instances increase. As finding employment for this population is a priority in Maryland we are also aggressively looking at non-traditional positions for TANF recipients subject to the work requirement. This also includes occupations and industries not in the target industries such as construction, trucking, and manufacturing. In addition, despite optimistic economic statistics and data, the manufacturing industries in Maryland continue to decline thereby offering few opportunities for TANF and ABAWD recipients.

**Table III: Employment Decline in Target Industries
Selected Maryland Counties, 4th Quarters 1998 and 1999**

Jurisdiction	Employment in Target Industries 1998:Q4	Employment in Target Industries 1999:Q4	# of New Jobs in Target Industries (Loss)
Dorchester <i>LSA</i>	1,203	1,154	-49
Prince George's County	39,036	35,719	-3,317
Baltimore City <i>LSA</i>	31,700	32,355	655

Source: Maryland Department of Human Resources, and Maryland Department of Labor, Licensing and Regulation.

Three jurisdictions exhibit job deficits when the employment opportunities are compared to the number of ABAWDs between the ages of 18 and 50 (see Table IV below). In addition, despite an increase of 655 jobs between 1998:Q4 and 1999:Q4 in Baltimore City, there is still a job deficit of 1,819 jobs for ABAWDs according to the Maryland Department of Labor, Licensing and Regulation. Based on these job deficits in target industries, the State is seeking an exemption under Section 824 for Dorchester and Prince George's counties, and Baltimore City.

⁴ Target employment data are not seasonally adjusted.

**Table IV: Employment Growth in Target Industries vs. # of ABAWDs
Selected Maryland Counties, 4th Quarter 1999**

Jurisdiction	Employment in Target Industries 1998:Q4	Employment in Target Industries 1999:Q4	# of New Jobs in Target Industries	# ABAWDs (November 2000)	Job Deficit (November 2000)
Dorchester County	1,203	1,154	-49	67	-116
Prince George's County	39,036	35,719	-3,317	93	-3,410
Baltimore City	31,700	32,355	655	2,474	-1,819

Source: Maryland Department of Human Resources, and Maryland Department of Labor, Licensing and Regulation.

If the number of Temporary Cash Assistance (TCA) recipients who are subject to work requirements under PRWORA is taken into consideration, job deficits occur in several jurisdictions that show a net increase when only considering the ABAWDs. These jurisdictions are Baltimore, Cecil, Charles, and Garrett counties. Furthermore, Dorchester and Prince George's counties, and Baltimore City will experience even greater deficits in job opportunities when TCA recipients subject to work requirements are taken into account (see Table V). Therefore, the State is requesting an exemption under Section 824 for Baltimore, Cecil, Charles, Dorchester, Garrett, and Prince George's counties, and Baltimore City. In addition, these jurisdictions have a much greater unemployment rate for 1999 and the first ten months of 2000 than the national unemployment rates of 4.2% for 1999, and 4.0% for the first ten months of 2000, (see Table VI on page 6).

what are these?
**Table V: Employment Growth in Target Industries Versus # of ABAWDs
& TCA Recipients Subject to Work Requirement
Selected Maryland Counties**

Jurisdiction	# of New Jobs in Target Industries 1999:Q4 versus 1998:Q4	# ABAWDs (November 2000)	Jobs Available (November 2000)	# of TCA Recipients Subject to Work Requirement (November 2000)	Job Deficit with TCA work Requirement (November 2000)
Baltimore County	483	120	363	683	-320
Cecil County	40	36	4	56	-52
Charles County	167	23	144	145	-1
Dorchester County	-49	67	-116	88	-204
Garrett County	69	57	12	24	-12
Prince George's County	-3,317	93	-3,410	1,204	-2,206
Baltimore City	655	2,320	-1,819	8,571	-10,390

Source: Maryland Department of Human Resources, and Maryland Department of Labor, Licensing and Regulation.

*labor force - employed
unemployed*

*employment 1 payroll
No way tell that a job is open
position open to close daily
positions in a field
year - year employed
Clara Hall at MD DOL LIR*

Table VI: Average Unemployment Rates, 1999 and Through October 2000, Selected Maryland Counties

Jurisdiction	Average Unemployment Rate 1999	Average Unemployment Rate through October 2000
Allegany County	7.1%	6.6%
Dorchester County	7.3%	6.8%
Garrett County	8.5%	7.3%
Somerset County	7.5%	6.4%
Worcester County	8.8%	7.9%
Baltimore City	7.1%	7.0%
U.S. National Average	4.2%	4.0%

Source: U.S. Department of Labor, Bureau of Labor Statistics.

12. **Summary of Request for Exemption under Section 824:** Table VII lists the counties the State of Maryland is seeking to exempt under Section 824 of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (P.L. 104-193) and the reason(s) for the requested exemption. The State seeks an exemption under Section 824 for Allegany, Cecil, Dorchester, Garrett, Somerset, and Worcester counties, and Baltimore City because their designation by the U.S. Department of Labor as labor surplus areas. The State is also seeking an exemption under Section 824 for Allegany, Anne Arundel, Calvert, Caroline, Carroll, Cecil, Charles, Dorchester, Frederick, Garrett, Harford, Kent, Prince George's, Queen Anne's, St. Mary's, Somerset, and Worcester counties because of low and/or declining employment to population ratios. The State of Maryland is also seeking an exemption under Section 824 for Dorchester and Prince George's counties, and Baltimore City, because of lagging and/or declining job growth in target industries. Finally, the State of Maryland is seeking an exemption under Section 824 for Baltimore, Cecil, Charles, Dorchester, Garrett, and Prince George's counties, and Baltimore City, because of job deficits in target industries when considering the number of Temporary Cash Assistance recipients with whom the ABAWDs must compete.

Table VII: Summary Table of Request for Exemption from Section 824

Jurisdiction	Avg. Unemp. Rate Greater than 10%	Labor Surplus Area Designation	Low and/or Declining Employment -to- Population Ratio	Lagging and/or Declining Job Growth	Job Deficit (Target Ind. Emp) with ABAWD Work Req.	Job Deficit (Target Ind. Emp.) with ABAWD/TCA Work Req.
Allegany Co.		X	X			
Anne Arundel Co.			X			
Baltimore Co.						X
Baltimore City		X		X	X	X
Calvert Co.			X			
Caroline Co.			X			
Carroll Co.			X			
Cecil Co.			X			X
Charles Co.			X			X
Dorchester Co.		X	X	X	X	X
Frederick Co.			X			
Garrett Co.		X	X			X
Harford Co.			X			
Howard Co.						
Kent Co.			X			
Montgomery Co.						
Prince George's Co.			X	X	X	X
Queen Anne's Co.			X			
St. Mary's Co.			X			
Somerset Co.		X	X			
Talbot Co.						
Washington Co.						
Wicomico Co.						
Worcester Co.		X	X			

13. **Anticipated impact on households and State agency operations:** Approval of this waiver would mitigate the adverse effects experienced by low-income households in areas with slow job growth by allowing them to continue receiving basic nutritional sustenance through the Food Stamp program. As demonstrated above, many of these households would otherwise face the loss of such basic support because of circumstances beyond their control. Complying with the work requirement of Section 6(o) as amended by Section 824 in an economic environment of slow job growth such as exists in the State of Maryland is not a reasonable expectation.
14. **Anticipated implementation date and time period for which waiver is needed:** Implementation is needed by January 31, 2001 to prevent current Food Stamp recipients from losing access to the program. The waiver is requested for one year, at which time employment and placement data will be reevaluated.
15. **Signature and title of requesting official:**
Charles E. Henry
Charles Henry, Acting Executive Director
Maryland Department of Human Resources
Family Investment Administration
311 W. Saratoga Street
Baltimore, Maryland 21201
(410) 767-7338
16. **Date of Request:** January 8, 2001

Appendix I: Maryland's Target Industries

Retail Trade

531 Department Stores

- A general line of merchandise including: apparel (suits, coats, dresses, etc), home furnishings (furniture, draperies, linens, households appliances), and housewares (kitchen appliances, dishes, utensils).

533 Variety Stores

- A variety of merchandise in the low and popular price ranges.

539 Miscellaneous General Merchandise Stores

- Merchandise similar to department stores but have less than 50 employees.

545 Dairy Product Stores

- Packaged dairy products to over-the-counter customers.
- This includes: butter, cheese, ice cream, milk and other dairy products.

546 Retail Bakeries

- Bakery products either purchased from others or prepared on the premises.
- This includes: bagels, cookies, doughnuts, pretzels, and other bakery items.

549 Miscellaneous Food Stores

- Specialized foods not elsewhere classified.
- This includes: eggs, poultry, health foods, spices, herbs, coffee, and tea.

562 Women's Clothing Stores

- Women's ready-to-wear clothing such as coats, suits, and dresses.

563 Women's Accessory and Specialty Stores

- Women's clothing accessories and specialties, such as lingerie, hosiery, costume jewelry, gloves, handbags, and furs.

564 Children's and Infants' Wear Stores

- Children's and infants' clothing, furnishings, and accessories.

581 Eating and Drinking Places

- Prepared food and drinks for on-premise or immediate consumption.
- Caterers and industrial and institutional food service is also included.

591 Drug Stores and Propriety Stores

- Prescription drugs, proprietary drugs, and nonprescription medicines.

- Also carry such things as: cosmetics, toiletries, tobacco, and novelty merchandise.

594 Miscellaneous Shopping Goods Stores

- A group of products not elsewhere classified.

- Includes: sporting goods, books, stationery, jewelry, hobby supplies, toys, camera equipment, various gifts and souvenirs, luggage, needlework, and any related items.

Services

701 Hotels and Motels

- Provide lodging, or lodging and meals for the general public.

723 Beauty Shops

- Furnishes beauty and hairdressing services.

- Includes: hair cuts, facials, manicures, pedicures and related services.

793 Bowling Centers

- Operate bowling lanes and sell meals and refreshments.

835 Child Day Care Services

- Care for infants or children, includes pre-kindergarten education facilities.

881 Private Households

- Private Households which employ workers who serve on the premises.
- Includes: babysitters, cooks, maids, chauffeurs, gardeners, and other domestic help.