



United States
Department of
Agriculture

Food and
Nutrition Service

Mountain
Plains Region

1244 Speer Boulevard, Suite 903
Denver, Colorado 80204-3585

EPB
Pat
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Reply to

Attn. of: MPFS-300:FS 10-1-1

2020123

JUL 25 2002

Subject: FSP – Able-Bodied Adults Without Dependents (ABAWD) Waiver Request – Iowa

To: Arthur T. Foley
Director
Program Development Division
Food Stamp Program
Food and Nutrition Service, USDA
Alexandria, Virginia 22302-1594

Attached is a letter dated July 9, 2002, from the Iowa State Agency, requesting to waive the provisions of Section 6(o) of the Food Stamp Act, as amended by Section 824 of the PRWORA. Iowa is requesting to waive this provision for the entire state, based upon the criteria identified in 7 CFR 273.24(f)(2)(ii). The entire state of Iowa has been approved for extended unemployment benefits for the period of March 10, 2002 through December 28, 2002, under Public Law 107-147, the Temporary Extended Unemployment Compensation Act of 2002, as signed into law on March 9, 2002.

Based on the State's documentation and justification, we recommend approval of this waiver request for the entire state for the dates of March 10, 2002 through December 28, 2002.

If there are any questions, Colleen Bray may be contacted at (303) 844-0347 or by e-mail at colleen.bray@fns.usda.gov.


RICK A. PEREA
Acting Regional Director
Food Stamp Program

Attachment



THOMAS J. VILSACK, GOVERNOR
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
JESSIE K. RASMUSSEN, DIRECTOR

July 9, 2002

Handwritten initials: R-7/16

Allan Nickels, Regional Director
USDA, Food and Nutrition Services
Mountain Plains Region
Suite 903
1244 Speer Boulevard
Denver, Colorado 80204-3585

Dear Mr. Nickels:

Iowa is requesting to waive the provisions of Section 6(o) of the Food Stamp Act, as amended by Section 824 of the PRWORA, for the entire state due to insufficient jobs. Iowa is requesting this waiver because the state's unemployment rate has significantly increased in some counties over the last 10 months. The lack of available jobs places an additional barrier to employment on able-bodied adults without dependents (ABAWDs). ABAWDs must compete for fewer jobs against a growing number of individuals who generally have higher levels of skills and strong work histories. Iowa counties that report low unemployment rates are those that generally have the smallest workforces and fewest employers, resulting in a very limited number of job openings.

7CFR 273.24 provides authority for FNS to waive the time limit for a group of individuals in the State if FNS determines that the area in which the individuals reside does not have a sufficient number of jobs to provide employment for the individuals. These regulations include provisions for states to support a claim of lack of sufficient jobs. These provisions allow a state agency to submit the data it deems appropriate to support its request. The data Iowa is submitting with this request relies on standard Bureau of Labor Statistics (BLS) data or methods. The evidence that Iowa is submitting to show the state has a lack of sufficient jobs is:

- Data showing that Iowa has experienced the loss of several significant employers and mass layoffs during calendar years (CY) 2000 and 2001, and
- Proof that the entire state of Iowa was approved for extended unemployment benefits for the period of March 10, 2002 through December 28, 2002.

Iowa is requesting approval of this waiver for a retroactive period of January 2002 through May 2002, and for June 2002 through May 2003. Approval of this waiver request would allow Iowa to regain the exemptions used January 2002 through June 2002, and to save the exemptions that would be allowed under the 15% exemption provision July 2002 through May 2003 for future use. However, if this request cannot be approved for the requested period of time, at a minimum, Iowa would like approval for the period of time for which the state is approved for extended unemployment benefits, March through December 2002.

Thank you for your consideration of this waiver request. Please direct any questions regarding this request to Charlene Hansen at 515-281-3012, or email chansen1@dhs.state.ia.us.

Sincerely,

A handwritten signature in cursive script that reads "Deb Bingaman". The signature is written in dark ink and is positioned above the printed name and title.

Deb Bingaman
Division Administrator

WAIVER REQUEST

1. **Waiver serial number :** N/A 2020123
2. **Type of request:** New
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:**
5. **State:** Iowa
6. **Region:** Mountain Plains Regional Office (MPRO)
7. **Regulatory requirements:** Section 6(o) of the Food Stamp Act, as amended by Section 824 of the PRWORA, provides that no individual may be eligible to participate in the Food Stamp Program as a member of any household if, during the preceding 36-month period, the individual received food stamp benefits for not less than 3 months (consecutive or otherwise), during which the individual did not work 20 hours or more per week, averaged monthly; did not participate in and comply with the requirements of a work program for 20 hours or more per week; or did not participate in and comply with the requirements of a program under Section 20 or a comparable program established by the State.

Section 6(o) of the Food Stamp Act, as amended by Section 824 of the 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 if the Secretary determines that the area in which the individuals reside has an unemployment rate of over 10 percent, or does not have enough jobs to provide employment for the individuals.

8. **Proposed alternative procedures:** Iowa is requesting the Food and Nutrition Service to waive the provisions of Section 6(o) of the Food Stamp Act, as amended by Section 824 of the PRWORA, for the entire state due to insufficient jobs. 7 CFR 273.24(f)(92)(ii) allows states to provide evidence to support a claim of a lack of sufficient jobs. Iowa is submitting the following evidence to show the state has a lack of sufficient jobs.
- Iowa experienced the loss of several significant employers and mass layoffs during calendar years (CY) 2000, 2001, and through May 2002. Some examples of loss of significant employers: In 2001, the Iowa Department of Transportation eliminated about 400 jobs. In May 2002, Jewel-Osco closed 15 stores in the Des Moines area and two in eastern Iowa. Also in 2002, Kmart closed 4 stores, one each in Clinton, Des Moines, Fort Dodge, and Spencer. In April 2002, the Supervalu warehouse closed leaving 150 workers without jobs. In June 2002 R.R. Donnelley, a printing plant in Des Moines closed leaving 800 workers jobless, and a chain of restaurants closed in Des Moines leaving at least another 100 unemployed. In CY 2000 there were a total of 230 mass layoff events. In CY 2001 there were a total of 319 mass layoffs. From January 2002 through May 2002 there were 69 mass layoff events. Information on Iowa's employment situation is available at <http://www.iowaworkforce.org/trends/emp.html>. Verification of mass layoffs in Iowa can be found at <http://stats.bls.gov/eag/eag.ia.htm>.
 - Chickasaw and Lee counties have unemployment rate averages above 20% of the national average for a 24 month period (calendar years 2000 and 2001.)
 - The entire state of Iowa has been approved for extended unemployment benefits for the period of March 10, 2002 through December 28, 2002 under Public Law 107-147, the Temporary Extended Unemployment Compensation Act of 2002, as signed into law on March 9, 2002.
 - Most Iowa counties do not exceed 20% of the national unemployment rate average for 2000 and 2001. However, the current 5 month average unemployment rate for several Iowa counties is close to or exceeds 20% of the current national average unemployment rate. Table 1 contains the average unemployment rate for January through May 2002 for each Iowa county. This information can be verified on Iowa's Department of Workforce Development website at <http://www.iowaworkforce.org/ris/lmi/files/etables/etables.htm>

9. Justification for request: Iowa's unemployment rate has significantly increased in some counties over the past 5 months and in many counties over a period of 10 months. The lack of available jobs places an additional barrier to employment on able-bodied adults without dependents (ABAWDs). ABAWDs must compete for fewer jobs against a growing number of individuals who generally have higher levels of skills and strong work histories. Counties that have low unemployment rates are those that generally have the smallest populations and workforces and fewest employers.

10. Anticipated impact on households and state agency: ABAWDs who face increasing competition for fewer jobs will not lose food stamp benefits due to a lack of sufficient jobs.

The state agency staff responsible for placing ABAWDs in workfare worksites can shift those duties to helping job seekers to prepare for and locate paid employment. The state's food stamp caseload has increased by 14.0% over the past year. State budget cuts have resulted in a 35% increase in the number of cases assigned to eligibility workers. Eligibility workers are responsible for determining who are ABAWDs and tracking ABAWD's food stamp benefit usage. Time saved by implementing this waiver request can be used to handle the increasing food stamp caseloads.

11. Caseload information, including percent, characteristics, and quality control error rate for affected portion: ABAWDs represent approximately 1% of Iowa's food stamp recipient population.

Approval of this waiver would not impact Iowa's quality control error rate.

12. Anticipated implementation date and time period for which waiver is needed: Iowa is requesting approval of this waiver for a retroactive period of January 2002 through May 2002, and for June 2002 through May 2003. Approval of this waiver request would allow Iowa to regain the exemptions used January 2002 through June 2002, and to save the exemptions that would be allowed under the 15% exemption provision July 2002 through May 2003 for future use.

13. Proposed quality control review procedures: No special quality control procedures would be needed.

14. Signature and title of requesting official:

15. Date of request:
