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United States
Department of
Agriculture

Date: FEB - 8 2002

Food and
Nutrition Service

Subject: Maryland ABAWD waiver request

Mid-Atlantic Region

300 Corporate Blvd
Robbinsville, NJ
08691-1598

To: Arthur Foley
Director
Program Development Division

Attached is a request from the State of Maryland to extend their ABAWD waiver to 22 jurisdictions. They are basing their request on: a designation as a Labor Surplus Area (LSA), an unemployment rate in excess of 10%, unemployment based on a three month average of more than 10%, and any areas which do not have a sufficient number of jobs to provide employment as evidenced by low and/or declining employment to population ratios, inadequate job growth and competition from Temporary Cash Assistance (TCA) recipients seeking employment under work requirements of PRWORA.

If you have any questions, please do not hesitate to contact this office.

Joe Weingart
JOSEPH WEINGART
Regional Director
Food Stamp Program

FAMILY INVESTMENT ADMINISTRATION

Parris N. Glendening

Governor

Kathleen Kennedy Townsend

Lt. Governor

Emelda P. Johnson

Secretary

January 23, 2002

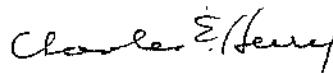
Mr. Joseph Weingart
Regional Director, Food Stamp Program
Food and Nutrition Service
United States Department of Agriculture
Mercer Corporate Park
300 Corporate Boulevard
Robbinsville NJ 08891-1598

Dear Mr. Weingart:

Attached is Maryland's request to extend the waivers that exempt certain jurisdictions 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 Henry
Executive Director

Attachment

cc: Richard Larson
Larry Pinkett
RESI

WAIVER REQUEST

1. **Waiver Serial Number:** 970073 and 980052
2. **Type of Request:** Extension
3. **Primary Regulation Citation:** 7 CFR 273.24(f)
4. **Secondary Regulation Citation:** N/A
5. **State:** Maryland
6. **Region:** MARO
7. **Regulation Requirements:** According to 7 CFR 273.24 able-bodied adults without dependents are not eligible to participate in the Food Stamp Program for more than three countable months in a 3-year period unless meet certain work requirements or are exempt from the provision.

7 CFR 273.24(f) provides that, upon the request of a State agency, the Food and Nutrition Service (FNS) may waive the applicability of the above provision for any group of individuals in the State. The Food and Nutrition Service may grant the waiver if FNS determines that individuals reside in an area that has an unemployment rate of over 10 percent. These regulations were expanded in January 2001 to allow states to request an exemption based on a recent three-month average unemployment rate in excess of 10 percent. A waiver may also be granted if FNS determines that individuals reside in an area that does not have a sufficient number of jobs to provide employment for the individuals.

8. **Proposed Alternative Procedures:** The State is requesting a waiver for 22 jurisdictions. Two of the State's 24 jurisdictions have unemployment rates in excess of 10 percent for either the most recent calendar year or the period extending from August 2001 through October 2001. Based on data from the U.S. Department of Labor, four additional jurisdictions have been designated as labor surplus areas. The remaining seventeen jurisdictions for which Maryland is seeking an exemption will encounter difficulty complying with PRWORA work requirements because of low and/or declining employment-to-population ratios, inadequate job growth and competition from Temporary Cash Assistance¹ 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 rate in excess of 10 percent:** Worcester County's average unemployment rate exceeded 10 percent during calendar year 2000. Although Dorchester County's unemployment rate has, on average, remained below 10 percent throughout calendar years 1999 and 2000, the jurisdiction has experienced an average unemployment rate of 10.4 percent for the period extending from August 2001 through October 2001. The State is seeking an exemption for both Dorchester and Worcester Counties.

***Table I: Average Unemployment Rates, 2000 and August-October 2001
Selected Maryland Counties***

Jurisdiction	Average Unemployment Rate 2000	Average Unemployment Rate Aug. 01-Oct. 01
Dorchester County	7.9%	10.4%
Worcester County	11.3%	10.0%

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

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

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

Table II: Designated Labor Surplus Areas, Maryland 2001

Jurisdiction	Avg. Unemployment Rate Jan. 99-Dec. 99	Avg. Unemployment Rate Jan. 00-Dec. 00	2-Year Average
Allegany County	7.2%	7.8%	7.5%
Baltimore City	7.3%	8.1%	7.7%
Dorchester County	7.4%	7.9%	7.7%
Garrett County	8.5%	8.5%	8.5%
Somerset County	7.7%	7.6%	7.7%
Worcester County	9.5%	11.3%	10.4%
Avg. U.S. Unemployment Rate plus 20%	5.1%	4.8%	4.9%

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

11. Counties qualifying for a waiver because of insufficient employment:

Employment and population data for nineteen Maryland jurisdictions suggest that the State of Maryland will encounter serious difficulty in finding job placements for Food Stamp recipients 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 recipients who are also subject to work requirements are symptomatic of this difficulty.

Low and/or Declining Employment-to-Population Ratio: Six jurisdictions displayed declining employment-to-population ratios from 1999 to 2000, and sixteen jurisdictions have average employment-to-population ratios well below the 1998 national average of 70.8 percent (see Table III). The employment-to-population ratios were calculated using Census 2000 population data as well as population estimates from the Maryland Office of Planning. Total non-agricultural employment data was supplied by the Bureau of Labor Statistics.² Each jurisdiction's total non-agricultural employment (for fourth quarter of 2000) was divided by the working-age population (ages 15-64) in each county to arrive at the employment-to-population ratio in 2000. This calculation was repeated using fourth quarter 1999 data. The resulting 1999 employment-to-population ratio was then compared to the corresponding 2000 figure to derive the change in the ratio.

These same calculations were performed using fourth quarter 1998 total non-agricultural data for each jurisdiction to arrive at the 1998 employment-to-population ratio. The employment-to-population ratio for 1998 was then compared to the corresponding 1999 and 2000 figures to derive the change in the ratio in order to demonstrate declines in the employment-to-population ratio among counties. The findings support Maryland's exemption request for Allegany, Anne Arundel,

² Employment data are adjusted for non-economic, seasonal, factors in each jurisdiction.

Baltimore, Calvert, Caroline, Carroll, Cecil, Charles, Dorchester, Frederick, Garrett, Harford, Kent, Prince George's, Saint Mary's, Somerset and Washington Counties.

**Table III: Employment-to-Population Ratios, Absolute Change 1998-2000
Selected Maryland Counties**

Jurisdiction	1998 Employment - to- Population Ratio	1999 Employment - to- Population Ratio	2000 Employment - to- Population Ratio	Change in Ratio 1998- 1999	Change in Ratio 1999- 2000
Allegany County	65.2%	66.1%	61.1%	0.9%	-5.0%
Anne Arundel County	53.9%	54.8%	56.7%	0.9%	2.0%
Baltimore County	72.5%	74.1%	71.5%	1.6%	-2.6%
Calvert County	32.8%	33.3%	33.6%	0.5%	0.3%
Caroline County	45.5%	46.4%	45.1%	0.9%	-1.4%
Carroll County	43.3%	43.7%	45.8%	0.4%	2.1%
Cecil County	38.4%	38.6%	39.5%	0.2%	0.9%
Charles County	42.8%	42.8%	43.6%	0.1%	0.7%
Dorchester County	58.5%	57.3%	56.2%	-1.2%	-1.1%
Frederick County	54.3%	55.6%	57.7%	1.3%	2.1%
Garrett County	52.5%	54.0%	52.0%	1.4%	-2.0%
Harford County	43.3%	44.3%	46.7%	1.0%	2.4%
Kent County	55.9%	57.2%	59.2%	1.3%	2.0%
Prince George's County	53.0%	53.6%	54.0%	0.6%	0.4%
Queen Anne's County	36.6%	36.8%	39.3%	0.2%	2.5%
St. Mary's County	54.6%	54.9%	56.8%	0.3%	2.0%
Somerset County	36.2%	38.3%	38.4%	2.0%	0.2%
Washington County	71.0%	72.3%	71.4%	1.2%	-0.9%
National Average	70.8%	71.7%	72.2%	0.9%	0.5%

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

These eighteen counties fall below the national average for the measure of employment-to-population ratio or exhibit declining employment-to-population ratios. The average employment-to-population ratio for these eighteen counties in 2000 is 51.6 percent compared to the national average of 72.2 percent. The combined employment-to-population ratio for these eighteen counties is 58.2 percent.

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, target industries have been identified that have a preponderance of low-wage jobs (for example, restaurants and hotels) where ABAWDs may be better able to obtain employment. According to the latest available data from the Maryland Department of Labor, Licensing and Regulation, Dorchester, Howard, Kent and Somerset Counties and Baltimore City are experiencing declining employment in

these target industries (see Table IV).³ Therefore, the State is seeking an exemption under 273.24(f) for these jurisdictions.

**Table IV: Employment Decline in Target Industries
Selected Maryland Counties, 4th Quarters 1999 and 2000**

Jurisdiction	Employment in Target Industries 1999 Q4	Employment in Target Industries 2000 Q4	# of New Jobs in Target Industries (Loss)
Dorchester County	1,154	1,112	-42
Howard County	17,011	17,008	-3
Kent County	1,182	1,179	-3
Somerset County	720	715	-5
Baltimore City	32,355	31,813	-542
<i>Source: Maryland Department of Human Resources, Maryland Department of Labor, Licensing and Regulation.</i>			

Seven jurisdictions exhibit job deficits when the employment opportunities are compared to numbers of ABAWDs between the ages of 18 and 50 (see Table V). Although the job deficit for Allegany County is three jobs, according to the Bureau of Labor Statistics, the unemployment rate for this county was 7.8 percent in 2000, as compared to the national average of 4.0 percent for the same year. Based on these job deficits in target industries, the State is seeking an exemption under 7 CFR 273.24(f) for Allegany, Cecil, Dorchester, Howard, Kent and Somerset Counties and Baltimore City.

³ Target employment data not seasonally adjusted.

**Table V: Employment Growth in Target Industries vs. # of ABAWDs
Selected Maryland Counties, November 2001**

Jurisdiction	Employment in Target Industries in 1999 Q4	Employment in Target Industries in 2000 Q4	# Of New Jobs in Target Industries	# ABAWDs (November 2001)	Job Deficit (November 2001)
Allegany County	5,369	5,507	138	141	-3
Cecil County	3,111	3,131	20	52	-32
Dorchester County	1,154	1,112	-42	88	-130
Howard County	17,011	17,008	-3	37	-40
Kent County	1,182	1,179	-3	18	-21
Somerset County	720	715	-5	60	-65
Baltimore City	32,355	31,813	-542	2,401	-2,943

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

If the number of TCA recipients who will be required to find work under PRWORA is taken into consideration, job deficits occur in several jurisdictions that show a net increase when only considering ABAWDs. These jurisdictions are Baltimore, Calvert and Wicomico Counties (see Table VI). Furthermore, Allegany, Cecil, Dorchester, Howard, Kent and Somerset Counties and Baltimore City will experience even greater deficits in job opportunities when TCA recipients subject to work requirements are taken into account. Therefore, the State is requesting an exemption for Allegany, Baltimore, Calvert, Cecil, Dorchester, Howard, Kent, Somerset and Wicomico Counties and Baltimore City. In addition, many of these jurisdictions experienced an unemployment rate in calendar year 2000 and the most current three months of 2001 that was higher than the national unemployment rates of 4.0 percent for calendar year 2000 (see Table VII).

Table VI: Employment Growth in Target Industries Versus # of ABAWDs & TCA Recipients Subject to Work Requirement, Selected Maryland Counties, November 2001

Jurisdiction	# of New Jobs in Target Industries 2000:Q4 versus 1999:Q4	# ABAWDs (Nov. 2001)	Jobs Available (Nov. 2001)	# of TCA Recipients Subject to Work Requirement (November 2001)	Job Deficit with TCA Work Requirement (November 2001)
Allegany County	138	141	-3	49	-52
Baltimore County	638	231	407	816	-409
Calvert County	65	22	43	47	-4
Cecil County	20	52	-32	78	-110
Dorchester County	-42	88	-130	103	-233
Howard County	-3	37	-40	34	-74
Kent County	-3	18	-21	6	-27
Somerset County	-5	60	-65	36	-101
Wicomico County	52	45	7	155	-148
Baltimore City	-542	2,401	-2,943	9,873	-12,816

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

**Table VII: Average Unemployment Rates, 1998 and August-October 2001
Selected Maryland Counties**

Jurisdiction	Average Unemployment Rate 2000	Average Unemployment Rate Aug. 01-Oct. 01
Allegany County	7.8%	7.2%
Baltimore County	4.3%	4.3%
Caroline County	4.1%	4.8%
Cecil County	5.6%	5.2%
Dorchester County	7.9%	10.4%
Garrett County	8.5%	6.8%
Somerset County	7.6%	8.2%
Wicomico County	5.0%	5.6%
Worcester County	11.3%	10.0%
Baltimore City	8.1%	7.8%
U.S. National Average	4.0%	

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

12. Summary of Request for Exemptions under 7 CFR 273.24(f): Table VIII lists the counties Maryland is seeking to exempt under 7 CFR 273.24(f) and the reason(s) for the requested exemption. The State is seeking an exemption for Dorchester and Worcester Counties because of unemployment rates in excess of 10 percent in calendar year 2000 or the most recent three-month period of 2001. The State further seeks an exemption for Allegany, 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 for Allegany, Anne Arundel, Baltimore, Calvert, Caroline, Carroll, Cecil, Charles, Dorchester, Frederick, Garrett, Harford, Howard, Kent, Prince George's, Queen Anne's, Saint Mary's, Somerset and Washington Counties because of low and/or declining employment-to-population ratios. The State of Maryland is also seeking an exemption for Dorchester, Howard, Kent and Somerset Counties and Baltimore City because of lagging and/or declining job growth in target industries. Finally, Maryland is seeking an exemption for Allegany, Baltimore, Calvert, Cecil, Dorchester, Howard, Kent, Somerset and Wicomico 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.

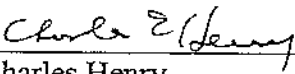
Table VIII: Summary Table of Requests for Exemptions

Jurisdiction	Avg. Unemployment 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 County		X	X		X	X
Anne Arundel County			X			
Baltimore County			X			X
Calvert County			X			X
Caroline County			X			
Carroll County			X			
Cecil County			X		X	X
Charles County			X			
Dorchester County	X	X	X	X	X	X
Frederick County			X			
Garrett County		X	X			
Harford County			X			
Howard County			X	X	X	X
Kent County			X	X	X	X
Montgomery County						
Prince George's County			X			
Queen Anne's County			X			
St. Mary's County			X			
Somerset County		X	X	X	X	X
Talbot County						
Washington County			X			
Wicomico County						X
Worcester County	X	X				
Baltimore city		X		X	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 the households would otherwise face the loss of such basic support because of circumstances beyond their control. Complying with the work requirement of 7 CFR 273.24 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, 2002 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:

 1/23/02
Charles Henry
Maryland Department of Human Resources
311 West Saratoga Street
Baltimore, Maryland 21201
(410) 767-7338

16. Date of Request: January 23, 2002