



United States Department of Agriculture
Food and Nutrition Service

Northeast Region

Handwritten:
RAB
CAB
Joe
pm 11/11/02

Date: 10/31/02

Subject: Maine - Waiver Request of Section 6(o) of the Act as amended by Sec. 824 of
PRWORA

To: Art Foley

Maine requests an amendment to waiver #970315, which exempts from the work requirements of Section 6(o) of the Food Stamp Act, as amended by Section 824 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), residents of Gardiner and the Dexter-Pittsfield, Lincoln-Howland, Millinocket-East Millinocket, Outer Bangor, Patten-Island Falls and Waterville Labor Market Areas (LMAs). The initial waiver request also included the municipality of Sanford, which the state removed from the extension request dated August 16, 2001, as it no longer met the qualifications.

Recently, Maine submitted a request to amend waiver #970315, based on recent unemployment rates presented in Section 9 of the attached Waiver Request Outline, to once again include Sanford. This would allow the State agency to exempt from the work requirements of Section 6(o) of the Food Stamp Act residents of Sanford LMA.

We recommend approval of this amendment to waiver #970315, which will expire 10/31/02. We feel that the method used by the State agency qualifies Sanford LMA for the requested exemption.

Sincerely,

Handwritten signature: Susan Mahon, Acting for

Mary Ann Ferris, Chief
State Program Improvement
Food Stamp Program
Northeast Region

Attachment



STATE OF MAINE
DEPARTMENT OF HUMAN SERVICES
11 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0011

ANGUS S. KING, JR.
GOVERNOR

KEVIN W. CONCANNON
COMMISSIONER

October 30, 2001

Robert L. Canavan
Food Stamp Director
Food & Nutrition Services
NERO
10 Causeway Street
Boston, MA 02222

Dear Mr. Canavan:

Please find the enclosed request of an amendment to waiver #970315. This waiver allows residents of designated areas in Maine to be exempt from time limited accessibility to the food stamp program as described at Section 824 of the Personal Responsibility and Work Opportunity Reconciliation Act. We had removed the municipality of Sanford from this waiver request as its unemployment rate did not exceed the national average by 20% for the preceding 24 months or in the preceding two calendar years.

New labor statistics provided in the body of this request show that Sanford does meet the requirements for this waiver.

Thank you for any assistance you may provide. If you have any questions, please contact Rick Morrow at (207) 287-5093.

Sincerely,

Judy H.M. Williams, Director
Bureau of Family Independence



WAIVER REQUEST OUTLINE

1. **Waiver serial number (if request is extension):**
970315

2. **Type of request:**
Extension

3. **Primary regulation citation, if any:**
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, if any:**

5. **State:** Maine

6. **Region:** NERO

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), P.L. 104-193, provides that no individual shall 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 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 makes a determination that the area in which the individuals reside has an unemployment rate of over 10 percent, or does not have a sufficient number of jobs to provide employment for the individuals.

66 Federal Register 4471, January 17, 2001 provides that states may demonstrate a lack of sufficient jobs by submitting evidence that an area would be "determined by the Department of Labor's Unemployment Insurance Service as qualifying for extended unemployment benefits".

Federal regulations provide that a state "on" indicator may be triggered allowing extended unemployment benefits if:

- (i) the average rate of total unemployment in such state (seasonally adjusted) for the period of the most recent 3 months for which data for all states are published before the close of such week equals or exceeds 6.5%, and
- (ii) the average rate of total unemployment in such State (seasonally adjusted) for the 3-month period referred to in clause (i) equals or exceeds 110 percent of such average rate for either (or both) of the corresponding 3-months ending in the 2 preceding years,..." 26 USC 3304 note (section 203).

8. Proposed alternative procedures:

Our current waiver had removed the municipality of Sanford. The State of Maine had requested to extend its waiver of the requirements of Section 824 of the PRWORA on the basis of insufficient jobs for the residents of the municipality of Gardiner and also of the following LMAs: Dexter-Pittsfield, Lincoln-Howland, Outer Bangor, Millinocket-East Millinocket, and Patten-Island Falls. This waiver was approved.

Based upon new statistics, and the federal regulations cited above, we now request that Sanford be included in this waiver once again.

9. Justification for request:

In the case of Sanford, the average total unemployment rate for the 3-month period referred to in clause (i) is 6.75%. (July 2001-6.07; August 2001-6.4; and September 2001-7.8%). Additionally, this rate exceeds 1.10% of the rate for the corresponding 3-month period in both 2000 (3.54%) and 1999 (4.59%). Sanford therefore meets the federal test to qualify for extended unemployment benefits, qualifying for an exemption from the 3-month limit in Food Stamps.

Sanford had missed the rate qualifying it for a waiver that would be "readily approvable" by a small fraction of a percent. Using calendar years 1999 and 2000, the applicable national standard was 4.94 and Sanford came out at 4.51. Using the last two federal fiscal years the national standard was 5.01 with Sanford coming out at 4.99. Finally, using the most recent 24-month period running from October 1999 through September 2001 the national standard was 4.96 and Sanford comes out at 4.89. (For the prior request, we had submitted statistics through June 2001 which were the latest at that time).

There has been a steady increase in unemployment in Sanford. The rate in May 2001 was 4.63 which jumped to 6.55 in June. It jumped dramatically again in October 2001 to 7.8% from 6.4% in September 2001.

In addition, we offer the following:

Sanford has been hard hit by plant closings and layoffs over the last 6-months and that trend is expected to get worse in the immediate months ahead. Vishey-Sprague Company in Sanford has announced that it will lay off 750 workers. Two hundred and fifty of those workers have already been laid off with the 500 remaining to be laid off between now and March 2002. Tennford Weaving Company in Sanford has announced that it will layoff between 60 and 75 workers before November 2001. It has been widely rumored that Pratt Whitney in neighboring Berwick may have a major lay off in the near future. Hundreds of people in the Sanford area work at Pratt Whitney.

The number of Unemployment Compensation weeks compensated has increased dramatically in the last year. The number of unemployment benefit weeks in Sanford rose from 312 in October 2000 to 779 in September 2001, an increase of nearly 150%. This is clear evidence that unemployment in that area has increased drastically over last year.

10. Anticipated impact on households and State agency operations:

This waiver will provide consistency for households and State agency operations in areas where unemployment remains higher than the national average.

11. Caseload information, including percent, characteristics, and quality control error rate for affected portion:

The caseload for these areas represent 2% of the caseload for the state. There are no quality control procedures involved.

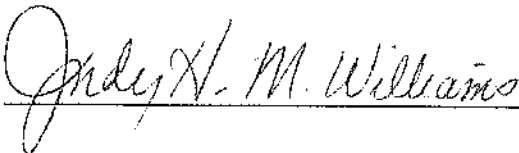
12. Anticipated implementation date and time period for which waiver is needed:

The waiver currently has an expiration date of October 31, 2002. We request that Sanford be included in this waiver once again.

13. Proposed quality control review procedures:

There are no special quality control procedures needed in conjunction with this waiver.

14. Signature and title of requesting official:

A handwritten signature in cursive script, reading "Judy H.M. Williams", is written over a horizontal line.

Judy H.M. Williams, Director
Bureau of Family Independence

15. Date of request:

October 30, 2001