

MAY 17 1999

980013

SUBJECT: FSP - Arkansas - Request to Modify Its Waiver 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

TO: Esther Phillips, Regional Director  
Food Stamp Program  
Southwest Region

This is in response to your memorandum of April 9, 1999, forwarding the Arkansas State Agency's request to modify its waiver 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. This section limits the receipt of food stamp benefits to 3 months within a 3-year period for able-bodied adults who are not working (or participating in a work program) 20 hours or more each week or participating in workfare.

The State agency is requesting the amendment so that it may include Conway County in its current waiver which is based on insufficient jobs. The county has recently experienced a significant increase in its unemployment rate as the result of two plant closings.

Our response approving the request is attached. If you have any questions, please contact Larry Tropp of my staff at 703-305-2437.

*Arthur T. Foley*

Arthur T. Foley  
Director  
Program Development Division

Attachment

cc: SAB-PAD, John Knaus, Maurice Tracy, Mike DePiro (OAE)  
Bob Dalrymple (OAE), Civil Rights, All Regions (except SWRO)

FCS:FSP:PDD:CPB:LTropp:final5/12/99:va  
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| PD 110 | <i>[Signature]</i> | 5/17/99 |        |         |      |
| PD 112 | <i>[Signature]</i> | 5/17/99 |        |         |      |
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## Waiver Response

1. **Waiver serial number:** 980013
2. **Type of request:** Amendment
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:** Arkansas
6. **Region:** SWRO
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, participate in and comply with the requirements of a work program for 20 hours or more per week, or 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.

8. **Description of proposed alternative procedures:** The Arkansas State Agency is proposing to amend its current waiver by adding Conway County to the 33 counties and one city which are exempt based on their designation as Labor Surplus Areas (LSAs) by the Employment and Training Administration of the Department of Labor. The State agency is requesting amendment to the waiver based on a significant increase in the county's projected unemployment rate as the result of the closing of two plants. According to documentation provided by the State agency the Arrow plant has laid off 500 employees and the Levi's plant will lay off an additional 700 to 800 employees.
9. **Action and reason for approval or denial:** We are approving the State agency's request to amend its waiver. According to the web page of the State's Department of Economic Security the workforce for Conway County averaged 9,650 for calendar year 1998 with 525 unemployed workers resulting in an unemployment rate of 5.4 percent. Assuming that the size of the total workforce remains constant, the addition of 500 unemployed workers from the Arrow plant alone raises the unemployment rate to 10.6 percent. An additional 700 laid off employees from the Levi's plant would further raise the county's unemployment rate to 17.9 percent. As a result of the increased unemployment the county qualifies for an exemption based on insufficient jobs.

10. **Regulatory or legislative basis for action:** This waiver is approved pursuant to Section 6(o) of the Food Stamp Act, as amended by Section 824 of the PRWORA, which allows the Secretary to waive the applicability of the work requirement provision in Section 6(o) for any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside does not have a sufficient number of jobs to provide employment for the individuals.
11. **Conditions and reasons:** N/A
12. **Information required for extension:** Please submit data indicating that the areas included in the waiver continue to qualify for exemptions based on insufficient jobs.
13. **Expiration date:** This amendment to waiver no. 980013 is effective retroactive to May 1, 1999. The original expiration date of December 31, 1999, remains in effect.
14. **Limitation on regional office approval of like requests:** This waiver is limited to the Arkansas State Agency.
15. **Quality Control Procedures:** N/A
16. **Date of national office action:**
17. **Date of State agency's request:** March 9, 1999
18. **Date of regional office transmittal to the national office:** April 9, 1999
19. **Actual implementation date:**