

12/1/97

970025

SUBJECT: FSP - Louisiana - Request to Waive 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: Donald E. Arnette, Sr.
Regional Director
Food Stamp Program
Southwest Regional Office

This is in response to your memorandum of October 29, 1997, forwarding the Louisiana State Agency's request to extend the subject waiver of 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. 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 extension of the waiver originally approved on November 14, 1996, exempting 13 parishes from the above requirements based on unemployment in excess of 10 percent. In support of its request the State agency provided data indicating unemployment greater than 10 percent for all 13 parishes for the 12-month period ending December 31, 1996.

We are approving the waiver exempting residents of Bienville, Caldwell, Catahoula, Concordia, East Carroll, Franklin, Grant, Madison, Morehouse, Red River, Richland, St. James, and West Carroll Parishes from the work requirements of Section 824 of PRWORA. We did not feel that the data provided by the State agency was current enough to support its waiver request. On the basis of more recent data, we determined that 10 of the 13 parishes qualified for waivers on the basis of unemployment greater than 10 percent. Approval for Caldwell, Grant, and St. James Parishes is based on their designation as Labor Surplus Areas (LSAs) for FY 1998. Based on unemployment data for the 12 month and 3 month periods ending September 30, 1997, these parishes do not qualify for exemptions based on unemployment greater than 10 percent.

We are unable to approve the State agency's request for an indefinite approval of the waiver at this time. Since labor market conditions may change over time, and we expect

that the duration of the waiver request will have some relationship to the period of high unemployment on which the request is based, we are approving waivers of Section 824 for periods of no more than 1 year.

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

/s/

Arthur T. Foley
Director
Program Development Division

Attachment

cc: Joseph Pinto
John Knaus
Joe Shea
Maurice Tracy
All Regions (except SWRO)
Civil Rights
CPB (circulate)
Mike DePiro, OAE

FCS:FSP:PDD:LTropp:11/24/97:FINAL:11/26/97:va

FILE: ABAWDs

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Waiver Response

1. **Waiver serial number:** 970025
2. **Type of request:** Extension
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:** Louisiana
6. **Region:** MWRO
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; did not participate in and comply with requirements of a program under section 20 or a comparable program established by the state; or received benefits because they were exempt from these requirements.

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 Louisiana State Agency is requesting an extension of its current waiver exempting individuals subject to Section 824 of PRWORA in 13 parishes based on continued unemployment over 10 percent. Specifically, the waiver applies to residents of Bienville, Caldwell, Catahoula, Concordia, East Carroll, Franklin, Grant, Madison, Morehouse, Red River, Richland, St. James, and West Carroll Parishes. In support of its request for an extension the State agency has provided data indicating average unemployment rates of more than 10 percent for the affected parishes for the 12-month period ending December 1996.

Approval of this waiver would allow individuals who reside in such areas the opportunity to participate in the Food Stamp Program without being required to meet unrealistic program work requirements. It would also ease the burden for individuals

trying to comply with work requirements which are unreasonable given the local economic environment. Finally, it would provide for more efficient operation of the Food Stamp Program by allowing the State agency to focus its efforts and resources in regard to work requirements on those households most likely to benefit.

9. **Action and reason for approval or denial:** We are approving the State agency's request to exempt residents of the parishes of Bienville, Catahoula, Concordia, East Carroll, Franklin, Madison, Morehouse, Red River, Richland, and West Carroll based on data indicating unemployment greater than 10 percent for the 12-month period ending September 30, 1997. We did not feel that the unemployment rate data provided by the State agency (for the period ending December 1996) was current enough to support a waiver on the basis of unemployment greater than 10 percent. In lieu of the data for calendar year 1996, we developed data from BLS sources for the 12-month and 3-month periods ending September 30, 1997. Although this more recent data did not support exemptions for Caldwell, Grant and St. James Parishes based on unemployment greater than 10 percent, we are approving the waiver request for those parishes based on insufficient job opportunities since they have been designated as Labor Surplus Areas (LSAs) by the Employment and Training Administration of the Department of Labor for FY 1998.
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 supporting data which relies on standard BLS data and/or methods.
13. **Expiration date:** This waiver is approved for a period of one year and expires on December 31, 1998. Although the State agency requested an indefinite approval, it remains our policy not to approve this type of waiver for an indefinite period of time. Since labor market conditions may change over time, and we expect that the duration of the waiver will have some relationship to the period of high unemployment on which the waiver is based, we are approving waivers of Section 824 for periods of no more than one year.
14. **Limitation on regional office approval of like requests:** This waiver is limited to the Louisiana State agency.
15. **Quality Control Procedures:** N/ A

16. **Date of national office action:**
17. **Date of State agency's request:** October 1, 1997
18. **Date of regional office transmittal of response to State agency:**
19. **Actual implementation date:**