

FEB 19 1999

970073 and 980052

SUBJECT: FSP - Maryland - 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: Joseph Weingart, Director
Food Stamp Program
Mid-Atlantic Region

This is in response to the Maryland State Agency's request for an extension of Waivers #970073 and 980052 which exempted individuals residing in a number of counties from the work requirement for able-bodied adults without dependents.

Our response is attached. If you have any questions, please contact James A. Walsh of my staff at 703-305-2531.

Arthur T. Foley

Arthur T. Foley
Director
Program Development Division

Attachments

cc: John Knaus, Maurice Tracy, All Regions (except MARO), Civil Rights
CPB (circulate)

FNS:FSP:PDD:JWalsh:final:2/18/99:va

FILE: ABAWDS

DIR: I:CPB:WAIVERS/970073ext - Memo

Symbol	Symbol	Date	Symbol	Symbol	Date
PD 100	Walsh	2-18-99			
	J. Knaus	2/19/99			

OFFICIAL RECORD COPY

Waiver Response

1. **Waiver serial number:** 970073
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:** Maryland
6. **Region:** MARO
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.

8. **Description of proposed alternative procedures:** The State agency is requesting an extension to its waiver for individuals who reside in areas which do not have a sufficient number of jobs to provide employment for individuals subject to the work requirement provision in Section 6(o) of the Act.

This waiver would allow an extension of the exemption from this requirement for groups of individuals who reside in counties designated as labor surplus areas (LSAs) by the U. S. Department of Labor (DOL), Employment and

Training Administration. The State agency is also requesting that the waiver apply to individuals in other counties which lack a sufficient number of jobs to provide employment for these individuals.

9. **Action and reason for approval or denial:** We are approving the State agency's request to extend the exemption of residents of Allegheny, Cecil, Dorchester, Kent, and Somerset Counties and the residents of Annapolis City and Baltimore City, based on the designation of these areas as LSAs, from the work requirement provisions of Section 6(o)(2) of the Food Stamp Act, as amended by Section 824 of the PRWORA.

For the residents of Anne Arundel, Baltimore (not including Baltimore City), Calvert, Caroline, Carroll, Charles, Frederick, Harford, Prince George's, Queen Anne's, Talbot, Washington, and Wicomico Counties the State agency claims it will experience serious difficulty in placing food stamp recipients, subject to the work requirement, in jobs due to low or declining employment-to-population ratios, lagging or declining job growth, and competition for job opportunities from Temporary Cash Assistance recipients, also subject to work requirements.

The State agency developed data on the employment situation in these counties and we obtained some additional data as shown below:

County	2-Yr. Ave. Unemploy- ment	Employment/ Population Ratios			# New Jobs Q4 1996/ Q4 1997	ABAWDS (11/98)
		1995	1996	1997		
Anne Arundel	3.70%				-39	175
Baltimore	4.95%				-899	272
Calvert	3.76%	32.4%	34.0%	32.6%		
Caroline	4.76%	42.3%	43.1%	44.4%		
Carroll	3.61%	42.2%	42.8%	42.3%	-275	39
Charles	3.63%	43.2%	42.3%	42.0%		57
Frederick	3.40%					82
Harford	4.84%	40.9%	39.2%	41.8%		
Prince George's	4.64%				-67	472
Queen Anne's	4.05%	34.3%	34.9%	35.3%		
Talbot	4.04%					29
Washington	4.55%				-82	96
Wicomico	5.78%					101
National Ave.	4.67%	63%	63%	63%		
Nat'l Ave +20%	5.60%					

Based on the above data, we are able to approve the waiver for Wicomico County because its unemployment rate for the 2 year period beginning January 1997 and ending December 1998 was 5.78 percent which is in excess of the national average plus 20 percent (5.60 percent) for the same period. We are unable to approve the waiver for the rest of the counties. The data is insufficient to support a waiver. None of the counties have unemployment over the national average plus 20 percent for the latest 2-year period. In addition, the county unemployment rates are generally below the national average. Though the employment to population ratios are lower than the national average, for several of the counties the ratio has been fluctuating up and down over the past 3 years. Also, the State agency did not furnish us the data they used to compute the ratios. Data on the number of new jobs is more than a year old.

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:** For those areas which are exempt based on an insufficient number of jobs, please submit supporting unemployment data which relies on standard BLS data and/or methods.
13. **Expiration date:** This waiver for the counties designated as LSAs, and for Wicomico, is extended for a period of 1 year and it expires on February 29, 2000.
14. **Limitation on regional office approval of like requests:** This waiver is limited to the Maryland State Agency.
15. **Quality Control Procedures:** There are no special quality control procedures needed in conjunction with this waiver.
16. **Date of national office action:**
17. **Date of State agency's request:** January 12, 1999.
18. **Date of regional office transmittal of response to State agency:**

Waiver Response

1. **Waiver serial number:** 980052
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.
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5. **State:** Maryland
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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.
8. **Description of proposed alternative procedures:** The State agency is requesting an extension of Waiver #970052. The State agency submitted unemployment data for the 12-month period ending December 1997 and for the period January through July 1998 for Dorchester County (10.4 percent and 9.9 percent respectively), Garrett County (13.4 percent and 11.1 percent, respectively), and Worcester County (11.5 percent and 11.1 percent).
9. **Action and reason for approval or denial:** We were able to obtain later unemployment data from the State's web site. For the period January through

December 1998, the unemployment rate averaged: Dorchester County (9.7 percent), Garrett County (10.7 percent), and Worcester County (10.3 percent). Based on this data, we are approving the State agency's request to exempt individuals who live in Garrett County and Worcester County from the work requirement provisions of Section 6(o) of the Act because their unemployment rate exceeded 10 percent. Dorchester County will be moved to Waiver #970073 because it has been designated as a Labor Surplus Area.

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 have an unemployment rate over 10 percent.
11. **Conditions and reasons:** N/A
12. **Information required for extension:** For those counties which are exempt based on 10 percent unemployment, please submit supporting unemployment data which relies on standard BLS data and/or methods.
13. **Expiration date:** This waiver is for a period of 1 year and it expires on February 29, 2000.
14. **Limitation on regional office approval of like requests:** This waiver is limited to the Maryland State Agency.
15. **Quality Control Procedures:** There are no special quality control procedures needed in conjunction with this waiver.
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