

970315

SUBJECT: FSP - Maine - 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: Frances E. Zorn, Regional Administrator
Food and Consumer Service
Northeast Region

This is in response to the Maine State Agency's request to exempt individuals residing in the Sanford Labor Market Area (LMA), Kennebec County, and Penobscot County from the work requirement for able-bodied adults without dependents under Section 6(o) of the Food Stamp Act, as amended by Section 824 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

We originally withheld approval of the request because of the relatively old data submitted by the State agency. After discussing the matter with your office, the State agency submitted data through June 1997. Based on this later data, we are approving a waiver for the Waterville LMA in Kennebec County and the Dexter-Pittsfield, Lincoln-Howland, Outer-Bangor, Millinocket-East Millinocket, and Patten-Island Falls LMAs in Penobscot County.

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

Yvette S. Jackson
Deputy Administrator
Food Stamp Program

Attachment

cc: Joseph Pinto, John Knaus, Retha Oliver, Joe Shea, Maurice Tracy, All Regions
(except NERO), Civil Rights, CPB (circulate), OAE - Bob Dalrymple

FCS:FSP:PDD:CPB:JWALSH:FINAL

FC: ABAWDS

DIR: 970315.ME

Waiver Response

1. **Waiver serial number:** 970315
2. **Type of request:** Initial
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:** 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.

8. **Description of proposed alternative procedures:** The State agency is requesting to waive the requirements of Section 824 of the PRWORA on the basis of insufficient jobs for the residents of the Sanford Labor Market Area (LMA), Kennebec County, and Penobscot County.

9. **Action and reason for approval or denial:** We are approving the State agency's request for a waiver of Section 6(o) for individuals residing in the Waterville LMA in Kennebec County based on average unemployment of 6.85% for the 24-month period (6/95-5/97) which is more than 20% over the national average for the same period. We are also approving waivers for the following LMAs in Penobscot County for the same reason:

Avg. 6/95-5/97

Dexter-Pittsfield LMA	8.85%
Lincoln-Howland LMA	7.36%
Millinocket-East Millinocket LMA	8.21%
Outer-Bangor LMA	7.18%
Patten-Island Falls	9.79%

We are unable to approve a waiver for the Sanford, Augusta and Bangor LMAs. Average unemployment for the June 1995/May 1997 period for each of these LMAs does not exceed the national average for the same period by 20%. Another indication of insufficient jobs is the employment to population ratio. However, the employment to population ratio for the Augusta LMA is higher than the national. The ratios for the Sanford and Bangor LMAs, though a little below the national ratio, have increased each year from 1994 to 1996.

We also looked at the number of jobs created. In the last quarter, jobs created appear to be greater than the number of ABAWDS for the Sanford and Bangor LMAs. For example, there was an increase of 533 jobs in the Sanford LMA as compared to 330 ABAWDS and 1,248 jobs in the Bangor LMA as compared to 661 ABAWDS. Although there appear to be more ABAWDS than an increase in jobs in the Augusta LMA, that factor alone would not justify a waiver.

The State agency also furnished data on increases in the civilian work force compared with increases in covered employment. We believe the State agency should compare the increases in civilian work force with increases in all employment. Therefore, we do not find this data to be a factor in determining whether the waiver should be approved.

10. **Regulatory or legislative basis for action:** This waiver, as modified above, 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 areas in which the individuals reside have insufficient jobs.

11. **Conditions and reasons:** N/A
12. **Information required for extension:** For those LMAs which are exempt based on insufficient jobs, please submit data which indicates that these LMAs have insufficient jobs.
13. **Expiration date:** This waiver is effective for one year beginning September 1, 1997 and will expire on August 31, 1998.
14. **Limitation on regional office approval of like requests:** This waiver is limited to the Maine 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:** July 9 and August 12, 1997.
18. **Date of regional office transmittal of response to State agency:**