

970315

SUBJECT: FSP - Maine - Request to Extend Waivers 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: Robert L. Canavan, Director
Food Stamp Program
Northeast Region

This is in response to your memorandum of August 31, 1998 forwarding the Maine State Agency's request to extend waiver 970315. The State agency is requesting the extension to continue to exempt residents of Augusta, Gardiner, Hallowell, Waterville, Dexter-Pittsfield, Lincoln-Howland, Outer Bangor, Millinocket-East Millinocket, Patten-Island Falls, and Sanford 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).

The State agency is requesting the extension of the waiver on the basis of insufficient jobs for individuals subject to Section 6(o) of the Act as evidenced by unemployment rates in the requested areas greater than 20 percent above the national average for the 2 year period ending June 1998. Although the City of Hallowell would not qualify for a waiver based on this criteria the State agency had requested that Hallowell be included in the waiver based on its proximity to Augusta and Gardiner. Our response approving the State agency's request for an extension for all of the areas included in the request except Hallowell is attached.

If you have any questions, please contact Larry Tropp of my staff at 703-305-2437.

Arthur T. Foley
Director
Program Development Division

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

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Waiver Response

1. **Waiver serial number:** 970315
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:** 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 an extension of its current waiver of Section 6(o) of the Food Stamp Act on the basis of insufficient jobs for the residents of the Augusta, Gardiner, Hallowell, Waterville, Dexter-Pittsfield, Lincoln-Howland, Outer Bangor, Millinocket-East Millinocket, Patten-Island Falls, and Sanford. The waiver request is based on unemployment greater than 20 percent above the national average for the 2 year period ending June 1998. Although the city of Hallowell would not qualify for a waiver based on this criteria the State agency had requested that Hallowell be included in the waiver based on its proximity to Augusta and Gardiner.

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 all of the areas listed below with the exception of the city of Hallowell. All of the areas in the request had unemployment rates greater than 5.88 percent (20 percent of the above the national average of 4.9 percent) except Hallowell, which as the table below indicates, experienced an average unemployment rate of 5.4 percent for the period.

Average Unemployment Rates 7/96-6/98

Augusta	6.0 %
Gardiner	7.7
Hallowell	5.4
Sanford	6.0
Dexter-Pittsfield LMA	9.8
Lincoln-Howland LMA	7.8
Outer-Bangor LMA	7.3
Millinocket-East Millinocket LMA	8.2
Patten-Island Falls	10.6

We are withholding a determination on the State agency's request to exempt Hallowell pending receipt of additional information. It is normally not our practice to exclude a small area with a relatively low unemployment rate even if the area is in close proximity to a larger area which qualifies for a waiver. We would grant a waiver for Hallowell if the State agency provided more information based on the inclusion of Hallowell in a larger area which qualifies for a waiver. We suggest that the State agency review the data for the 2-year period to determine if either Kennebec County or the Augusta Labor Market Area qualifies a waiver based on unemployment greater than 20 percent above the national average. If the State agency provided such data we would consider a waiver for Hallowell based on a declining employment to population ratio. The State agency may also exempt the individuals residing in Hallowell by using its authority under Section 1001 of the Balanced Budget Act, which permits State agencies to exempt from the time limits of Section 6(o) up to 15 percent of its "covered individuals." For more information regarding this exemption authority, please refer to our February 9, 1998, guidance.

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 areas 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, 1998 and will expire on August 31, 1999. This waiver was originally approved in 2 parts with the waiver for some areas expiring on August 31, 1998 while the balance of the waiver was scheduled for expiration on September 30, 1998. As requested by the State agency, the expiration date will now be the same for all areas included in the waiver.
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:** August 20, 1998.
18. **Date of regional office transmittal of response to State agency:**