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Helping Rural Oregonians Avoid Hunger Eliminating the Three Month Food Stamp Time Limit in 30 Oregon Counties

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The 1996 federal welfare law limits able-bodied adults between the ages of 18 and 50 who have no dependents (ABAWDs) to three months' participation in the Food Stamp Program in a three year period, unless they meet a work requirement or are exempted from that requirement.¹ Congress recognized that this restriction is harsh and provided the states with the ability to provide food stamps beyond three months to non-working ABAWDs by directly exempting up to 15 percent of their ABAWDs or by having the work requirement waived in the area in which they live. Exempted and waived ABAWDs still must meet all other eligibility requirements, including the requirements to register for work, accept a job if offered, and participate in state-mandated employment and training programs such as the Oregon Food Stamp Employment and Training Program (OFSET).

The 15 percent exemption is calculated annually by USDA according to a formula USDA created.² Exemptions not used in one year may be carried over to future years, and Oregon has a significant bank of exemptions due to Adult and Family Services' (AFS) limited use of the 15 percent exemption provision to date.³ The exemption will be the subject of a future paper.

The waiver provision recognizes that some areas of the country have either high unemployment or lack sufficient jobs. Congress allowed the Secretary of Agriculture to waive the work requirement for ABAWDs in an area where unemployment exceeds 10 percent or an area that "does not have a sufficient

¹ The work requirement is essentially 20 hours of work per week, or 20 hours of participation in an employment and training program, or participation in workfare. A qualifying work program cannot be job search and job search training; such activities can be subsidiary components of a qualifying work program.

² The formula is used to approximate the number of ABAWDs that would be participating in the Food Stamp Program absent passage of the federal welfare law's restrictions.

³ See *Fiscal Year 2000 Allocations of the 15 Percent Exemptions for Able-Bodied Adults Without Dependents*, Memorandum to Regional Directors of the USDA Food and Nutrition Service, October 26, 1999, available at <http://www.fns.usda.gov/fsp/MENU/ADMIN/WELFARE/SUPPORT/FY%202000%2015%25%20ALLOCATIONS.htm>. By the end of February, 2000, USDA is expected to update the allocation based on Oregon's use in fiscal year 1999. These updated figures will be used in a subsequent OCPP analysis of the 15 percent exemption's potential.

number of jobs to provide employment for the individuals."⁴ The State must request the waiver.

Guidance On Defining Areas That Lack Sufficient Jobs

The USDA is in the midst of a rulemaking process to define what constitutes an area that does not have sufficient jobs.⁵ Absent the final rules, USDA has issued "guidance" to the states to assist them in seeking insufficient jobs waivers to ensure ABAWDs are able to benefit from the waiver provisions Congress intended states to utilize.⁶

The USDA guidance makes clear that areas identified by the U.S. Department of Labor as "labor surplus areas" (LSAs) meet the standard for waiving the ABAWD three-month time limit. All requests to waive the ABAWD time limit in LSAs have been approved by USDA.

By definition, labor surplus areas have limitations on their ability to fully and fairly define all areas that lack sufficient jobs. While an LSA is an area that has unemployment that exceeds the national average by 20 percent, the time period used in LSA designation is the previous two calendar years. The most recent DOL list, for example, released in October, 1999, is based on unemployment rates over the calendar years 1997 and 1998.

The USDA recognizes that some areas may not meet the standard over this time frame, but would meet the insufficient jobs standard (unemployment 20 percent over the national average) over a more recent two-year time frame. USDA has indicated that it will grant waivers for areas that fit the criteria over *either* the LSA list's time frame *or* a more recent one. Pennsylvania and Illinois, for instance, have received waivers on this basis for areas not on the LSA list.

The LSA list also does not include places where the unemployment rate over the previous two years was less than six percent. Because of low national unemployment, though, some counties or other areas may have seen unemployment rates over the last two years that were 20 percent higher than the national average, even though they were less than six percent. USDA will grant

⁴ 7 USC § 2015(o)(4).

⁵ See proposed rules at 65 Fed. Reg. 70,920-954, (December 17, 1999).

⁶ See, for example, *GUIDANCE FOR STATES SEEKING WAIVERS FOR FOOD STAMP LIMITS*, December 3, 1996, available at <http://www.fns.usda.gov/fsp/MENU/ADMIN/WELFARE/SUPPORT/961203-1.txt>. For a complete list of USDA guidance documents, see http://www.fns.usda.gov/fsp/MENU/ADMIN/WELFARE/SUPPORT/work_requirements.htm.

waivers for areas that lack sufficient jobs in this circumstance, as successful applications from Illinois and Maryland demonstrate.

Areas In Oregon That Lack Sufficient Jobs And Qualify For A Waiver

Nearly all of rural Oregon has experienced unemployment rates more than 20 percent higher than the national average in recent years. As a result, the most recent LSA list from the Department of Labor includes 26 of Oregon's 36 counties, plus one city. They are: Baker, Clatsop, Columbia, Coos, Crook, Curry, Deschutes, Douglas, Grant, Harney, Hood River, Jackson, Jefferson, Josephine, Klamath, Lake, Lincoln, Linn, Malheur, Morrow, Tillamook, Umatilla, Union, Wallowa, Wasco, and Wheeler counties and the City of Springfield in Lane County. The number of Oregon counties qualifying for the LSA list has increased every year since 1996, when welfare reform took effect.⁷

Four more counties - Marion, Lane, Gilliam, and Sherman - also lack sufficient jobs and qualify for a waiver, even though they are not on the latest LSA list. While each of these counties has had an average unemployment rate slightly under six percent over the last two years, each county still has experienced unemployment rates more than 20 percent higher than the national average. Marion County qualifies using either the two-year time frame employed by the Department of Labor on its LSA list (calendar years 1997 and 1998) or using the more recent two-year time frame running from October 1997 through September 1999 (i.e. federal fiscal years 1998 and 1999). The other three counties qualify using federal fiscal years 1998 and 1999.

If Oregon chooses to apply to USDA for a waiver, ABAWDs in 30 of Oregon's 36 counties will be able to avoid the harsh three-month time limit and continue receiving food stamps as they register for work and otherwise participate in the Food Stamp Program's employment and training program. The only counties where the three-month time limit would restrict food stamp households would be Benton, Clackamas, Multnomah, Polk, Washington, and Yamhill. The extent to which Oregon's significant stockpile of available 15 percent exemptions and ongoing accumulation of 15 percent exemptions could eliminate the three-month time limit in those six counties, as well, will be the subject of a future paper.

⁷ Read *Oregon's Rural Unemployment Rate*, Labor Trends, Oregon Employment Department, February 2000, <http://www.olmis.org/pubs/olt/00/olt-0200.pdf>, to obtain an understanding of how rural Oregon is not reaping all the benefits of Oregon's strong economy.