

MAR 10 1997

Subject: FSP - Waivers of Work Requirement Time Limits Based on Insufficient Jobs

To: All Regional Administrators
Food and Consumer Service

This is to provide a clarification of the guidance previously issued on developing requests for a waiver of the time limit provisions of Section 824 of the PRWORA. The category of "insufficient jobs" is a broad category where many various types of data are available. The following additional information may help States in gathering the necessary data to establish that an area has insufficient jobs.

PARTIAL-COUNTY LSAS

In some counties, the Department of Labor (DOL) has designated a county subdivision (such as a city) as a Labor Surplus Area (LSA) while excluding the balance of the county. This may happen because DOL uses civil jurisdictions that may not include the entire county. As the county is normally the administrative unit for operating the Food Stamp Program, States may be concerned about the administrative difficulties of implementing partial county waivers. While administrative impracticality is not a statutory criteria for waiving the work requirement, the State may be able to establish that the entire county lacks sufficient jobs..

FCS has identified two ways a State may pursue an exemption for the balance of the county. One way would be to evidence county-wide substandard employment prospects by showing that the entire county meets the DOL standard for designation as a LSA: an average unemployment rate for the prior 24-months which is 20 percent higher than the national average. Alternatively, the State may show that the part of the county designated as a LSA dominates the county labor market to such an extent that a waiver for the entire county is warranted. For example, it may show that the number of jobs in the balance of the county is small in relation to the number of jobs in the area designated as a LSA.

GROUPING COUNTIES TO DEFINE A LABOR MARKET

State agencies may want to consider applying for waivers on behalf of clusters of counties that comprise a single recognized labor market. The DOL publishes a list of labor market areas that identifies economically integrated areas in which individuals can reside and find employment without changing their place of residence. The February 1996 listing identifies 2,381 areas. Most (2,049) are classified as small labor

market areas; 332 are classified as metropolitan areas. Most of the small labor markets include a single county; however, many multi-county areas are designated. Most of the metropolitan areas are comprised of more than one county.

FCS will approve waivers for these recognized county groupings which meet the threshold of having an average unemployment rate for the prior 24-months which is 20 percent higher than the national average. While DOL designates LSAs on a county or city basis, there could be a larger labor market which would meet this threshold because the magnitude of economic problems in one county (or counties) results in an insufficiency of jobs throughout an entire area.

The December 3, 1996, guidance afforded States broad latitude to define areas and States may want to propose other area configurations.

EMPLOYMENT-POPULATION RATIOS

The December 3, 1996, guidance recognized a worsening employment-to-population ratio as an indication that an area is failing to generate sufficient jobs. In analyzing requests based on the employment-to-population ratio, FCS will attempt to answer a number of questions. First, how do the areas for which the waiver is requested compare to the nation? The national average is currently about 63 percent (employment as a proportion of the population aged 16 and over). An extremely low ratio may be sufficient grounds for a waiver. FCS recently issued supplemental guidance on applying for waivers for Indian reservations. The guidance noted that some Indian reservations have notably low employment-to-population ratios which could serve as a basis for a waiver based on insufficient jobs. In general, most areas will not qualify for an exemption based solely on their employment-to-population ratio; however, a below-average ratio is one indicator of relative job insufficiency that should be combined with other indicators.

Another indicator involving the employment-to-population ratio is the secular trend: how has the employment-to-population ratio changed over time? In particular, how has it changed in recent years?

LAGGING JOB GROWTH

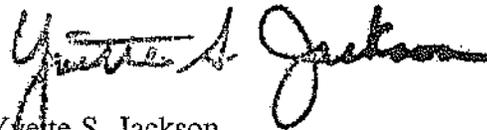
Lagging job-growth can result in an insufficiency of jobs. Basic questions about area job-growth include: what is the underlying trend in employment? Are jobs being lost or gained? If they are being gained, how many jobs may be expected to be gained relative to the number of persons subject to the time limit who will need jobs? For example, suppose a county shows a trend in job growth of 500 jobs annually in recent years. If the ABAWD population is 1,000, FCS would find it easier to conclude that a waiver is needed than if the ABAWD population were 200.

Small counties in rural areas in particular may not be able to show a high unemployment rate, but may be losing jobs or not creating enough jobs to employ persons facing the food stamp time limits.

DATA NEEDS

Decisions to approve waivers for insufficient jobs are made on a case-by-case basis. State agencies can facilitate the process by providing sufficient data to support their assertion that an area lacks jobs. State agencies need to supply data to support these requests. For example, if a waiver is sought for an area based on meager job growth in comparison to the ABAWD population, then the State might show data on employment trends and the number of persons facing the time limits. Waiver approvals can be expedited if the labor force information is provided by the Bureau of Labor Statistics cooperator, particularly for any requests that areas not designated as LSAs have an average unemployment rate for the previous 24 months which is 20 percent higher than the national average. The thoroughness of the data the State presents and its relationship to the assertion of job insufficiency will have a bearing on approving the request. At a minimum, States should attach the underlying data that supports their request.

If you have any questions about this, please do not hesitate to contact us.



Yvette S. Jackson
Deputy Administrator
Food Stamp Program

FNS:FSP;PDD:CPB:CPII:AFOLEY/MBATKO:FINAL:3/3/97:REVISED:3/4/97:va
DIR: I:\SHARED\CPB\WELFARE REFORM\ abawd guidance lsa

Symbol	Signature	Date	Number	Signature	Date
177110	V. Lippard	3/3/97			
PBB	Y. Jackson	3-5-97			
AV-5	Y. Jackson	3/1/97			
FS-2	O. [unclear]	3/5/97			

#889
DWP
3/4

OFFICIAL RECORD COPY