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An update on state and federal action from

## The Center for Public Policy Priorities

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November 27, 1996

No. 35

### Texas Moves to Implement New Food Stamp Provisions Additional Measures are Needed

#### Briefly . . . the Basics

The federal Welfare Bill (H.R. 3734) contains new limits on food stamp benefits for able-bodied, childless adults between the ages of 18 and 50. Under the new provisions, these individuals will be eligible for only three months of food stamp benefits in a 36 month period unless they work 20 hours per week, participate in a work program for 20 hours per week, or participate in a workfare program.<sup>i</sup>

Certain adults are exempted from these work requirements, particularly pregnant women, adults who are physically or mentally unfit for work, adults with responsibility for a dependent child, and adults who are already exempted from registering for the Food Stamp Employment and Training (E&T) program. (For example, people are exempt from E&T if they care for an incapacitated adult or child, are in an outpatient drug treatment program, or are students at least half-time.) The Food Stamp Employment & Training (E&T) Program is a program designed specifically to assist food stamp recipients "...in becoming employed and self-supporting..."<sup>ii</sup>

#### States Can Exempt Individuals in Areas Where Finding a Job is Difficult:

The authors of this federal legislation recognized that individuals in areas with high unemployment and limited job opportunities would have a difficult time complying with these work requirements, so they offered states the option of waiving this requirement in such areas. In particular, a state can request a waiver from the federal

#### Why This is Problem for Texas

The overriding problem with the new federal work requirements is that individuals will lose their food assistance if they can't find work, even if they are willing to work or participate in a work program.

Under the federal bill, states are not required to offer a slot in a work program to adults wishing to meet the work requirements by getting job training. There also are no provisions to exempt individuals who cannot get into a work program because the state does not have an

government to exempt recipients from the work requirements if they live in an area with an unemployment rate greater than 10% or an area with insufficient number of jobs. This is not a blanket exemption; individuals in exempted areas will still be required to participate in the Food Stamp Employment and Training (E&T) Program.

#### Timeline:

The earliest an individual could lose their food stamp assistance is March, 1997, three months after the time limits begin on December 1, 1996.<sup>iii</sup> Of course, some individuals will meet the work requirements and continue to receive benefits. Others will lose their benefits in March. Still others may lose their benefits later because they initially meet the work requirements but subsequently fail to meet the requirements, or because their appointments to have their eligibility for food stamps recertified are held after March, 1997. Nobody is actually pulled from the food stamp rolls until their recertification. However, there are going to be many individuals who will lose their benefits the day of their recertification if their recertification is held after March 1st and they fail to meet the work requirements.

#### The Texas Impact:

Approximately 79,626 adults (aged 18 to 50) with no dependent children were receiving food stamps in Texas in August, 1996. On a monthly basis, these adults receive approximately \$9 million in food stamp benefits.

opening for them. In addition, the federal bill makes virtually no investment in job training for this population.<sup>iv</sup> In fact, the Congressional Budget Office estimates an additional \$12 billion would be needed nationally to provide job opportunities to these individuals.<sup>v</sup>

In Texas, individuals looking for job training will have a particularly difficult time. The Food Stamp Employment and Training (E&T) program, which is designed to

provide job training to food stamp recipients, essentially only offers job search and job preparation assistance to food stamp recipients. However, participation in job search does not meet the definition of a “work program” in the federal bill. Therefore, participation in E&T would not prevent an individual from losing their food stamp benefits. Individuals who want and need job training will have to look beyond the Food Stamp E&T program for training, unless this program is broadened to include the activities which would qualify as “work

programs” under the federal bill. Even if the E&T program was broadened to include qualifying activities, this program is not nearly large enough to serve all those who may need job training. E&T has currently only about 4,000 slots available on a monthly basis, and E&T services are only available in 56 of Texas’ 254 counties. Also, this group (18-50 year olds) is not guaranteed a slot in the E&T program and is not given any priority over the entire food stamp population.

## Options for Texas

There are options available to states to help prevent individuals who can’t find work from losing their food assistance. As mentioned before, states can exempt individuals who live in areas of the state where finding a job will be particularly difficult. It is also possible for the Texas to expand its E&T program to include more slots for this population and to include activities that would qualify under the new work requirements.

Texas has already taken an initial step to exempt individuals living in areas of high unemployment, but there are additional options available.

### Texas’ Current Exemption Request:

On Friday, November 15th, 1996, the Department of Human Services board voted to seek a waiver from the US Department of Agriculture to exempt individuals in counties with unemployment rates greater than 10% from the new food stamp work requirements. That same day, the Austin American Statesman story quoted Governor Bush expressing his concern that a realistic assessment should be made about the availability of jobs for this population. The waiver authority technically rests with TDHS, but direction from the Governor will shape the final policy.

DHS staff are currently drafting the waiver request. Currently, 45 Texas counties with unemployment rates of greater than 10% in at least one of the last three quarters will be exempted under this waiver request (see Table 1). However, these individuals must still comply with E&T requirements. Every October 1st, this list of counties will be updated, adding or subtracting counties from the list as appropriate. During the course of the year, DHS may request to add additional counties to the list if extenuating circumstances arise.

When this waiver is approved, it is estimated that 23% of the affected population will be exempted from the work requirements. This waiver will prevent the loss of approximately \$2.1 million in federal food stamp benefits each month.

### Important Additional Options

Exempting counties with greater than 10% unemployment is an important first step in ensuring that food stamp recipients in areas of high unemployment will continue to receive food assistance even if they cannot meet the work requirements. However, Texas could take additional steps to ensure that individuals who have a difficult time meeting the new work requirements are not penalized for the lack of jobs or job training in their area.

**1. Texas could seek another waiver, exempting areas with an insufficient number of jobs.** The federal legislation allows states to exempt areas with an insufficient number of jobs. In such areas, finding a job may be difficult even though the unemployment rate is not above 10%. The general understanding is that Texas, as well as the other states, can use the Department of Labor’s designation of “labor surplus areas” to determine which areas have insufficient jobs. Labor surplus areas are defined as: cities (with a population of at least 25,000) and counties where the local unemployment rate has exceeded the national unemployment rate by more than 20% in each of the past two years. Eighty-five areas of the state are currently designated as labor surplus areas. Of these, 53 areas have unemployment rates in excess of 10% and are therefore exempted under the waiver the state is currently seeking. (Table 2 lists the remaining 32 areas.)

Exempting labor surplus areas would better ensure that recipients are not required to meet unattainable work requirements. Typically, these are areas that suffer from chronic unemployment problems, and often they are areas where individuals have stopped searching for work, which is not reflected in annual unemployment data.

**2. Texas could expand its employment & training (E&T) activities.** The Texas Workforce Commission could expand the Employment and Training program. For example, TWC could purchase more JTPA slots. TWC could also prioritize its clients and allow this population to get priority in job training programs that meet the work requirements of the

legislation. Unlike other job seekers, these clients risk losing basic food assistance if they cannot meet the new work requirements. Unfortunately, the current program is inadequate to meet this new and urgent need. Nationally, 700,000 individuals who have registered for food stamp E&T programs have not been placed due to insufficient resources.<sup>vi</sup> The Texas Workforce Commission projects that it will serve only 14.3% of eligible Food Stamp recipients. Without an adequate employment & training program, a more realistic waiver, or a specially designed “workfare” program, the state could push some of our most needy Texas into the ranks of the hungry.

**3. Workfare.** A “workfare” program may be another option for Texas to ensure that those individuals who are willing to work but lack real job opportunities will not lose their benefits. In areas of the state that will not be exempted under the +10%

waiver but lack employment opportunities, implementing a “workfare” program would offer an opportunity for food stamp recipient to work in exchange for benefits. Participants in the workfare program would “work off their benefits” either by volunteering or working for pay equivalent to their benefits. To reduce administrative costs, this “workfare” program could be self-directed. This would allow a client to document volunteer or work hours to satisfy the requirements. There are details to implementing such a program that must still be worked out, but it may offer an important avenue for recipients to retain their food benefits if no other option exists. Congressman Ney recently told the Los Angeles Times that there is no excuse for states not to establish workfare programs that would allow jobless people to continue receiving food stamps.<sup>vii</sup>

### What Can You Do?

Realistically, Texas lacks the resources to provide all of these individuals a reasonable opportunity to obtain and maintain employment. The goal of the federal legislation was to move these recipients into gainful employment. Without the adoption of another waiver, increased funding for E&T programs, and a “workfare” program, many recipients will see their benefits terminated. Texas will lose with increased poverty and hunger, and an increased burden on local communities. The cost to many Texas communities will be overwhelming, particularly when considering the additional costs incurred from cuts to other programs. We believe it is neither just nor beneficial to punish individuals who have no realistic job opportunities. **Therefore, seeking the broadest possible waivers is critical for Texas.**

★ Contact the governor, your legislator and the Board of Human Services and urge them to seek a waiver for areas with insufficient jobs (labor surplus areas), expand the employment & training activities offered to this population and / or implement a “workfare” program.

### Tables

**Table 1: Areas Captured by the +10% Waiver.**

Texas Counties	Unemployment Rates	Childless Adult Recipients (18-50)	Benefit Dollars per Month	Texas Counties	Unemployment Rates	Childless Adult Recipients (18-50)	Benefit Dollars per Month
Brooks	12.93	205	23,304.40	Loving	15.42	0	0
Cameron	14.21	1,884	214,173.12	Marion	12.31	174	19,780.32
Cass	11.4	182	20,689.76	Matagorda	14.28	205	23,304.40
Cottle	10.09	8	909.44	Maverick	45.53	213	24,213.84
Crosby	10.66	62	7,048.16	Morris	10.08	66	7,502.88
Culberson	12.28	69	7,843.92	Newton	12.85	153	17,393.04
Dickens	15.71	20	2,273.60	Orange	11.81	472	53,656.96
Dimmit	16.99	160	18,188.80	PaloPinto	10.11	111	12,618.48
Duval	14.46	246	27,965.28	Panola	11.97	119	13,527.92
El Paso	13.44	3,951	449,149.68	Presidio	52.65	44	5,001.92
Frio	10.27	107	12,163.76	Reeves	13.66	88	10,003.84
Hardin	10.25	270	30,693.60	Sabine	11.03	57	6,479.76
Harrison	10.67	254	28,874.72	SanPatricio	11.11	489	55,589.52
Hidalgo	21.59	3,304	375,598.72	Somervell	10.52	19	2,159.92
Hutchinson	10.45	68	7,730.24	Starr	32.66	538	61,159.84
Jasper	15.23	234	26,601.12	Titus	10.06	93	10,572.24
Jefferson	10.24	2,118	240,774.24	Tyler	15.27	128	14,551.04
JimHogg	10.32	61	6,934.48	Uvalde	10.88	200	22,736.00
JimWells	11.38	547	62,182.96	ValVerde	12.6	215	24,441.20
Kinney	12.74	29	3,296.72	Webb	15.27	779	88,556.72
La Salle	10.68	47	5,342.96	Willacy	25.94	284	32,285.12

Texas Counties	Unemployment Rates	Childless Adult Recipients (18-50)	Benefit Dollars per Month
Winkler	10.89	33	3,751.44
Zapata	11.01	125	14,210.00
Zavala	30.5	132	15,005.76

Texas Counties	Unemployment Rates	Childless Adult Recipients (18-50)	Benefit Dollars per Month
Total		18,563	\$2,110,241.84

**Table 2: Labor Surplus Areas not Captured by the +10% Waiver.**

Labor Surplus Areas	Counties	Key Cities
Baytown City	Harris	Baytown
Bee County	Bee	Beeville
Balance of Bowie County	Bowie	
Calhoun County	Calhoun	Port Lavaca
Camp County	Camp	Pittsburg
Cochran County	Cochran	Morton
Corpus Christi City	Nueces	Corpus Christi
Dawson County	Dawson	Lamesa
Deaf Smith County	Deaf Smith	Hereford
Balance of Ector County	Ector	
Galveston City	Galveston	Galveston
Balance of Galveston County	Galveston	
Balance of Gregg County	Gregg	
Hall County	Hall	Memphis
Houston City	Harris/FBend	Houston
Killeen City	Bell	Killeen

Labor Surplus Areas	Counties	Key Cities
Kingsville City	Kleberg	Kingsville
Balance of Kleberg County	Kleberg	
Lamar County	Lamar	Paris
Leon County	Leon	
Liberty County	Liberty	Cleveland
Longview City	Gregg	Longview
Nolan County	Nolan	Sweetwater
Balance of Nueces County	Nueces	
Odessa City	Ector	Odessa
Red River County	Red River	Clarksville
Rusk County	Rusk	Henderson
Terry County	Terry	Brownfield
Texarkana City	Bowie	Texarkana
Texas City	Galveston	Texas City
Ward County	Ward	Monahans
Young County	Young	Graham

**Table 3: Counties Affected by a Labor Surplus Area Waiver, Client and Dollar Impact**

Affected Counties	Childless Adult Recipients (18-50)	Dollars per County
Bee	176	\$20,007.68
Bell	675	3,865.12
Bowie	317	36,036.56
Calhoun	102	11,595.36
Camp	90	10,231.20
Cochran	32	3,637.76
Dawson	96	10,913.28
Deaf Smith	115	13,073.20
Ector	533	60,591.44
Galveston	1,466	166,654.88
Gregg	522	59,340.96
Hall	34	3,865.12
Harris	14,022	1,594,020.96

Affected Counties	Childless Adult Recipients (18-50)	Dollars per County
Kleberg	406	\$46,154.08
Lamar	209	23,759.12
Leon	91	10,344.88
Liberty	343	38,992.24
Nolan	97	11,026.96
Nueces	2,372	269,648.96
Red River	87	9,890.16
Rusk	133	15,119.44
Terry	65	7,389.20
Ward	67	7,616.56
Young	114	12,959.52
<b>Total</b>	<b>22,164</b>	<b>\$2,446,734.64</b>

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<sup>1</sup> There is one instance in which persons will be able to receive more than three months of benefits. An additional three months of benefits will be available to persons who exhaust their three months of benefits, meet the work requirement, for at least 30 days, and then fail to meet the requirement.

<sup>2</sup> Texas Department of Human Services. TDHS Program Policy. Overview of the Texas Food Stamp Employment and Training (E&T) Program. November 1995.

<sup>3</sup> Policy Page No. 34 gives November 22nd as the date when the provisions begin to take effect. This is the effective date in the federal legislation. However, DHS calculates food stamp allotments on a monthly basis. Therefore, the three month time limit will begin on Dec. 1, 1996 rather than November 22, 1996.

<sup>4</sup> There is slightly more than \$11 million available nationally to fund Food Stamp Employment and Training (E&T) services in 1997. Texas anticipates receiving \$500,000 from this allocation. Even with this additional funding, the traditional E&T program activities are not allowable "work program" activities and would therefore not exempt an individual from the work requirements, see further explanation above.

<sup>5</sup> Greenstein, R. Fall 1996/Winter 1997. Frontier. "Welfare Reform: Cutting Food Assistance to Balance the Budget". pp.22-26.

<sup>6</sup> Center on Budget and Policy Priorities. "Individuals Affected by Time Limits on Food Stamp Receipt". Revised Nov. 6, 1996.

<sup>7</sup> Center on Budget & Policy Priorities. October 17, 1996.