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An update on state and federal action from

The Center for Public Policy Priorities

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ALERT!

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Waiver for 18-50 year old Food Stamp Recipients Reduced!

Just the Facts...

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.¹ States were allowed to submit waiver requests to USDA to exempt those areas in their state which would have a difficult time meeting the work requirements due to insufficient jobs or high unemployment.

Number of Counties to benefit from the Food Stamp waiver shaved in half.

On November 15, 1996, the Department of Human Services Board voted to seek a waiver to exempt individuals in counties with unemployment rates greater than 10 percent. The original waiver request included 45 Texas counties. Recently, the department was informed that only 23 of the original 45 counties will qualify for this waiver (See Maps). Of the other 22 counties, 19 could qualify for a different waiver because they are designated as labor surplus areas (3 counties will no

longer qualify for the 10% waiver nor are they designated labor surplus areas). In fact, the US Department of Agriculture offered to use this option to exempt those 19 counties. However, since the Department of Human Services Board did not vote to seek a waiver for labor surplus areas at the time it was considering this issue, Texas officials declined USDA's offer.

Clients began losing benefits this month.

As of March 1, 1997, thousands of recipients began losing their benefits, three months after the time limits began on December 1, 1996. Individuals living in the 22 counties originally thought to qualify for the 10% waiver will be notified around March 1, 1997 of the recent status change of their counties. The earliest these individuals can lose their benefits

is June 1, 1997. In the next couple of months, many Texas communities will begin to feel the impact of food stamp cuts to 18-50 year old recipients and legal immigrant recipients (immigrants will begin losing their benefits as early as May 1997).

Safety net gone for many willing workers.

The overriding problem with this new provision is that people will lose their food assistance if they can't find work, even if they are willing to work or participate in a work program. Food stamps are the only safety net program available to this population in Texas, unlike other states which may offer general assistance or emergency aid to childless adults. Seven

out of ten adults who fall into this group leave the food stamp program within nine months, more than 40% are women. The food stamp program has served as a temporary safety net for millions of individuals experiencing short-term economic crisis. However, those unfortunate enough to fall into the 18-50 year old, childless category may soon begin to experience a new crisis.

Seeking a Labor Surplus Waiver

Texas should seek another waiver, exempting areas with an insufficient number of jobs (labor surplus areas). Typically, these are areas that suffer from chronic unemployment problems or are often areas where individuals have stopped searching for work, which is not reflected in annual unemployment data. Eighty-five areas (in 66 counties) of the state are currently designated labor surplus areas, 23 of which have been exempted under the 10% waiver. **Now that almost half of the counties originally thought to qualify for the 10% waiver have been excluded, it is crucial that we re-examine this issue.** The board and the Governor believed there to be sufficient need for a 10% waiver for the original 45 counties in Texas. The need still exists. Texas should seriously consider seeking an additional labor surplus waiver to capture the majority of those counties still having great need but left without a waiver. Counties qualifying for the labor surplus waiver, but not captured by the 10% waiver, have a total of 26,999 food stamp recipients who will be affected by this provision. This translates into almost \$3 million in federal food stamp benefits per month, \$36 million per year. **This is not a partisan issue.** Some 40 states have requested or publicly announced that they will request waivers. Twenty-two Republican governors have already requested food stamp waivers for both 10% unemployment and labor surplus areas. Neighboring states, Louisiana, New Mexico, Oklahoma, and Arkansas, all of which have Republican governors, have all submitted waiver requests for both 10% unemployment and labor surplus areas. Governor Pataki of New York and Governor Wilson of California both recognized that there are

not enough jobs to absorb food stamp recipients by submitting waiver requests for both areas. In fact, Governor Wilson has requested a 10% waiver and a labor surplus waiver for the entire state of California for a six month period.

Other Options

Expand Employment & Training (E&T) Activities

The Texas Workforce Commission should expand their employment and training activities for this population. Unlike other job seekers, these clients risk losing basic food assistance if they cannot meet the new work requirements. Unfortunately, the current food stamp E&T program cannot meet this new and urgent need.

Voluntary Community Service Program (Workfare)

A voluntary community service program which would count as “work” offers another way for Texas to ensure that those individuals who are willing to work but lack real job opportunities will not lose their benefits. Workfare programs currently exist in 10 states. Michigan has created a Food Community Service Program for this population. Illinois also has a program, Earnfare, that has received national recognition as an innovative and successful welfare-to-work program by the Council of State Governments in 1995.

★ Next Steps ★

Thousands of Texans stand to lose their only means of assistance. Although most 18-50 year old food stamp recipients do not stay on food stamps for a long time, many live in areas with chronic unemployment problems. The goal of Welfare Reform was to move individuals off of welfare to work. In a state with areas of chronic unemployment, insufficient employment and training slots and no volunteer community service program, many recipients will lose their benefits even if they are willing to work. In order to truly deal with the needs of this population, it is important that Texas seek an additional Labor Surplus Waiver, expand the Food Stamp Employment & Training Program and develop a Voluntary Community Service Program.

Contact the Department of Human Services Board, your Legislator, the Governor and Elected Officials

- urge them to seek a second waiver for Labor Surplus Areas.
- Also, encourage them to develop a community service program for those areas with no waiver options.

Contact the Texas Workforce Commission, Commissioners and the Governor

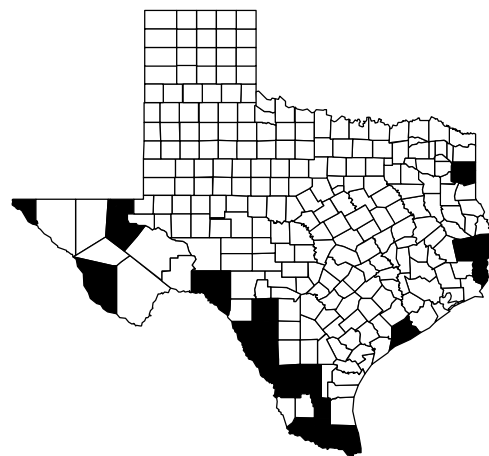
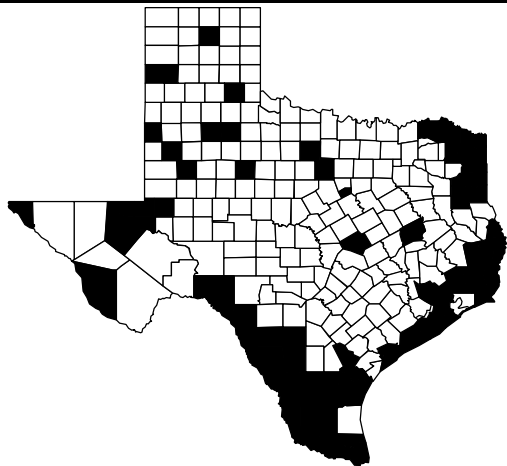
- urge them to expand their Employment & Training programs for this population.
- Also, encourage them to work with the Department of Humans Services to develop a community service program.

Talk to Congress and the President about supporting the President’s budget which would ease the work requirements.

Maps:

All Counties with Labor Surplus Areas

Counties with +10% Unemployment Approved by USDA



67 Counties (Labor Surplus Areas)

Bee, Bell, Bowie, Brazoria, Brooks, Calhoun, Cameron, Camp, Cass, Cochran, Crosby, Dawson, Deaf Smith, Dickens, Dimmit, Duval, Ector, El Paso, Frio, Galveston, Gregg, Hall, Hardin, Harris, Harrison, Hidalgo, Hutchinson, Jasper, Jefferson (Beaumont & Port Arthur), Jim Hogg, Jim Wells, Kinney, Kleberg, Lamar, La Salle, Leon, Liberty, Loving, Marion, Matagorda, Maverick, Morris, Newton, Nolan, Nueces, Orange, Palo Pinto, Panola, Presidio, Red River, Reeves, Rusk, Sabine, San Patricio, Somerville, Starr, Terry, Titus, Tyler, Uvalde, Val Verde, Ward, Webb, Willacy, Winkler, Young, Zapata, Zavala

23 Counties Approved

Brooks, Cameron, Dimmit, Duval, El Paso, Hidalgo, Jasper, Loving, Marion, Matagorda, Maverick, Newton, Orange, Panola, Presidio, Reeves, Starr, Tyler, Uvalde, Val Verde, Webb, Willacy, Zavala

i 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.