

**Attachment Submitted by Center on Budget and Policy Priorities on FNS Notice of Proposed Rulemaking: Requirements for Able-Bodied Adults Without Dependents**

Attachment B28

Table of Contents (USD - USD)

1. U.S. Department of Agriculture, Office of Inspector General. FNS Controls Over SNAP Benefits for Able-Bodied Adults Without Dependents, Audit Report 27601-0002-31
2. U.S. Department of Agriculture. FNS White Paper, Time Limit Waivers for Able-bodied Food Stamp Recipients, April 23, 1997
3. U.S. Department of Agriculture. Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2017, Tables A.14 and A.16
4. U.S. Department of Agriculture. FSP – 2-Year Approval of Waivers of the Work Requirements for ABAWDs under 7 C.F.R. 273.24, February 3, 2006
5. U.S. Department of Agriculture. FY 2017 Allocations of 15 Percent Exemptions for ABAWDs – Totals Adjusted for Carryover
6. U.S. Department of Agriculture. Guidance for States Seeking Waivers for Food Stamp Limits, December 3, 1996
7. U.S. Department of Agriculture. Guidance on Requesting ABAWD Waivers, August 2006
8. U.S. Department of Agriculture. Guide to Serving ABAWDs Subject to Time-limited Participation, 2015
9. U.S. Department of Agriculture. Implementation of the Provisions of the Balanced Budget Act of 1997 Relating to Exemptions for Able-Bodied Adults Without Dependents (ABAWDs)
10. U.S. Department of Agriculture. Perdue Reiterates Need to Restore Original Intent of SNAP: A Second Chance, Not a Way of Life, February 28, 2019
11. U.S. Department of Agriculture. Regulatory Reform at a Glance, Proposed Rule: SNAP Requirements for ABAWDs, December 2018
12. U.S. Department of Agriculture. Requirements for Informing Households of ABAWD Rules, April 17, 2017
13. U.S. Department of Agriculture. Rural America at a Glance: 2017 Edition
14. U.S. Department of Agriculture. Supplemental Nutrition Assistance Program – Able-Bodied Adults without Dependents (ABAWD) Questions and Answers – June 2015
15. U.S. Department of Agriculture. Supplemental Nutrition Assistance Program - Expiration of Statewide ABAWD Time Limit Waivers, March 04, 2015



United States Department of Agriculture  
Office of Inspector General

# FNS Controls Over SNAP Benefits For Able-Bodied Adults Without Dependents



Audit Report 27601-0002-31  
September 2016





## FNS Controls Over SNAP Benefits For Able-Bodied Adults Without Dependents

Audit Report 27601-0002-31

### What Were OIG's

#### Objectives

Our objective was to determine whether FNS' oversight of State agency controls is adequate to ensure that only eligible ABAWDs are receiving SNAP benefits.

#### What OIG Reviewed

To accomplish our audit objectives, OIG reviewed SNAP ABAWD policies at States and FNS, interviewed State and FNS officials, and reviewed management evaluations and MEMS data.

#### What OIG Recommends

We recommended that FNS conduct a study to identify the most troublesome areas for States and develop best practices for implementing the complex ABAWD provisions; review regulations to verify FNS is correctly implementing laws regarding SNAP age limits; and ensure that valid, accurate, complete, and timely information is included in MEMS Next Generation.

### **OIG reviewed FNS' oversight of State agency controls over SNAP to determine if only eligible able-bodied adults without dependents are receiving benefits.**

#### What OIG Found

We found that the Supplemental Nutrition Assistance Program's (SNAP) provisions regarding able-bodied adults without dependents (ABAWD) are difficult for States to implement. The Food and Nutrition Service (FNS) can approve States to temporarily waive the time limit in areas with high unemployment or insufficient jobs, but some States are requesting and receiving time limit waivers to reduce the burden of tracking ABAWD time limits. Therefore, in some States an ABAWD may not be subject to the work requirements based on those States' decisions to avoid the burden of tracking the ABAWD time limits since the related authorizing statutes and implementing regulations provide the States with the latitude to adapt their program to meet their needs. Yet, even with this flexibility, the States have difficulties implementing provisions because the ABAWD requirements are very complex. As a result, implementation of ABAWD requirements can be error prone, and, when ABAWD policy is applied inaccurately, eligible ABAWDs are denied SNAP benefits, while otherwise ineligible ABAWDs are provided benefits. We also found FNS is inconsistently implementing the age limits set forth by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) because FNS interpreted the word "over" in the same statute in two different ways.

In addition, we found that FNS was not fully utilizing its information system, Management Evaluation Management System (MEMS), due to contradictory instructions concerning which information to enter into the system. We commend FNS for taking steps to address this issue by planning to implement another system, MEMS Next Generation.

FNS agreed with our findings and we accepted management decision on all five recommendations.







United States Department of Agriculture  
Office of Inspector General  
Washington, D.C. 20250



DATE: September 29, 2016

AUDIT  
NUMBER: 27601-0002-31

TO: Audrey Rowe  
Administrator  
Food and Nutrition Service

ATTN: Mark Porter  
Director  
Office of Internal Controls, Audits and Investigations

FROM: Gil H. Harden  
Assistant Inspector General for Audit

A handwritten signature in cursive script that reads "Gil H. Harden".

SUBJECT: FNS Controls Over SNAP Benefits For Able-Bodied Adults Without Dependents

This report presents the results of the subject audit. Your written response, dated September 26, 2016, is included in its entirety at the end of the report. Excerpts from your response and the Office of Inspector General's position are incorporated in the relevant sections of the report. Based on your written response, we are accepting management decision for all audit recommendations in the report, and no further response to this office is necessary.

In accordance with Departmental Regulation 1720-1, final action needs to be taken within 1 year of each management decision to prevent being listed in the Department's annual Agency Financial Report. Please follow your internal agency procedures in forwarding final action correspondence to the Office of the Chief Financial Officer.

We appreciate the courtesies and cooperation extended to us by members of your staff during our audit fieldwork and subsequent discussions. This report contains publicly available information and will be posted in its entirety to our website (<http://www.usda.gov/oig>) in the near future.



## Table of Contents

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<b>Background and Objectives .....</b>	<b>1</b>
<b>Section 1: FNS Needs to Study SNAP ABAWD Policies and Assess Their Implementation .....</b>	<b>4</b>
<b>Finding 1: ABAWD Requirements are Difficult to Implement and States Vary in Application of the Requirements .....</b>	<b>4</b>
<b>Recommendation 1 .....</b>	<b>7</b>
<b>Recommendation 2 .....</b>	<b>8</b>
<b>Finding 2: FNS' Implementation of ABAWD Requirements Needs Review....</b>	<b>9</b>
<b>Recommendation 3 .....</b>	<b>11</b>
<b>Section 2: FNS' Oversight Control Needs Strengthening .....</b>	<b>12</b>
<b>Finding 3: FNS Needs to Clarify Procedures for Its Data System .....</b>	<b>12</b>
<b>Recommendation 4 .....</b>	<b>14</b>
<b>Recommendation 5 .....</b>	<b>15</b>
<b>Scope and Methodology .....</b>	<b>16</b>
<b>Abbreviations .....</b>	<b>18</b>
<b>Exhibit A: Fieldwork Locations Visited .....</b>	<b>19</b>
<b>Exhibit B: Fieldwork Locations Contacted .....</b>	<b>20</b>
<b>Agency's Response .....</b>	<b>21</b>





## Background and Objectives

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### Background

The Supplemental Nutrition Assistance Program (SNAP) is authorized by the Food and Nutrition Act of 2008, as amended.<sup>1</sup> SNAP was designed to increase the food purchasing power of eligible, low-income households and help them afford a more nutritious diet. It was reauthorized by the Agricultural Act of 2014<sup>2</sup> and is the nation's largest food and nutrition assistance program. In an average month in fiscal year (FY) 2015, SNAP provided benefits to over 45.7 million people. The total benefits provided to SNAP recipients for FY 2015 was over \$69.6 billion.

SNAP is jointly administered by the Food and Nutrition Service (FNS) and 53 States.<sup>3</sup> FNS is responsible for establishing regulations governing SNAP and ensuring that States implement them when administering the program. States are responsible for determining whether the recipient's household meets the program's eligibility requirements, including work requirements; calculating monthly benefits for qualified households; and issuing benefits. FNS implements SNAP through regulations contained in 7 C.F.R. parts 271-285.

In order to reshape and reduce welfare spending, Congress enacted the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).<sup>4</sup> That Act established a work requirement for SNAP participants who are not:

- under 18 or over 50 years of age;
- responsible for the care of a child;
- medically certified as physically or mentally unfit for employment;
- pregnant; or
- already exempt from SNAP general work requirements, such as a student or a regular participant in a drug addiction or alcoholic treatment and rehabilitation program.<sup>5</sup>

FNS considers these individuals to be able-bodied adults without dependents (ABAWDs).

According to FNS, there are multiple items the States must track with respect to each individual ABAWD every month. These include: participation status of the individual; countable months; fulfillment of the work requirement; exemption from ABAWD requirements due to age, pregnancy, or mental and physical capacity to perform work; 15 percent exemption status (see next paragraph for more information on 15 percent exemptions); and good cause for not meeting the work requirement.

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<sup>1</sup> SNAP was initially authorized as the Food Stamp Program via the Food Stamp Act of 1964. In 2008, the Food Stamp Act was renamed the Food and Nutrition Act of 2008, and the Food Stamp Program was renamed the Supplemental Nutrition Assistance Program. *See* Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, § 4001, 122 Stat. 1651, 1853.

<sup>2</sup> Pub. L. No. 113-79, 128 Stat. 649.

<sup>3</sup> Within this report, "States" refers to the 50 States, the District of Columbia, Guam, and the Virgin Islands. Puerto Rico has a different type of nutrition assistance program and does not implement SNAP.

<sup>4</sup> Pub. L. No. 104-193, 110 Stat. 2105.

<sup>5</sup> 7 U.S.C. § 2015(o)(3).

The Balanced Budget Act of 1997 added a provision to PRWORA, authorizing FNS to provide States the ability to exempt otherwise ineligible ABAWDs from the time limit using a 15 percent exemption.<sup>6</sup> Exemptions are earned per State by calculating 15 percent of the State's caseload of individuals who are ineligible for program benefits due to the ABAWD time limit. These exemptions allow the State to extend SNAP eligibility to ABAWDs who would otherwise be ineligible because of the 3 in 36-month time limit. Each 15 percent exemption extends eligibility to 1 ABAWD for 1 month. States do not earn 15 percent exemptions in areas that are covered by ABAWD time limit waivers. Time limit waivers are explained below.

PRWORA limited the receipt of SNAP benefits to 3 months in a 36-month time period (time limit) for ABAWDs who are not working, participating in, and complying with the requirements of a work program for 20 hours or more each week, or a workfare program. For purposes of this report, we will refer to these mandates as the "work requirement." ABAWDs who exhaust their 3 months of benefits and do not comply with the work requirement lose their benefits for the remainder of the 36-month time period. An ABAWD can regain eligibility during this time period by meeting the work requirement for 30 days, or by becoming exempt under the criteria previously described. ABAWDs who regain eligibility by meeting the work requirement remain eligible to receive SNAP for as long as they continue to meet work requirements. After ABAWDs regain eligibility by meeting the work requirement but again are no longer fulfilling the work requirement, they will be allowed an additional 3 months of SNAP benefits. Unlike the initial 3 countable months, these additional 3 months of SNAP benefits must be used consecutively. An ABAWD may only take advantage of this provision once in a 36-month period. States are responsible for tracking these requirements and benefits.

FNS can approve States to temporarily waive the time limit in areas with an unemployment rate above 10 percent, or those in an area with insufficient jobs, which allows ABAWDs to retain benefits without being subject to the time limit and essentially without fulfilling the ABAWD work requirements. These waivers are generally approved for 1 year, but can be approved for 2 years for areas with chronically high unemployment or job insufficiency. The American Recovery and Reinvestment Act of 2009 allowed all States to suspend ABAWD time limits from April 1, 2009, through September 30, 2010.<sup>7</sup> Since the 2008 economic crisis, the majority of States have operated under statewide ABAWD time limit waivers. States are required to reestablish the 3-month time limit when their waivers expire. As of April 1, 2016, 10 States had statewide waivers, 28 States had partial waivers, and 15 States did not have ABAWD time limit waivers.

FNS is legislatively mandated to monitor program administration and operation of all food assistance programs, including SNAP. One of the ways FNS monitors SNAP is through the management evaluation (ME) process, a periodic compliance assessment of State agency program operations that results in a report, which contains review findings, observations, and noteworthy initiatives. The ME is a significant component of FNS' activities and the most critical instrument for monitoring State program compliance and improving program operations. Components of the review process include planning, conducting, report writing, following-up, and closing out.

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<sup>6</sup> Pub. L. No. 105-33, § 1001, 111 Stat. 251, 251-52 (codified at 7 U.S.C. § 2015(o)(6)).

<sup>7</sup> Pub. L. No. 111-5, § 101(e), 123 Stat. 115, 121.



According to FNS' FY 2014 data, the total number of "[a]dults age 18-49 without disabilities in childless households" in the 53 States averaged about 4.7 million per month (10.3 percent of SNAP recipients); they received about \$776 million in monthly benefits. Total benefits for this population for FY 2014 were about \$9.3 billion or 13.6 percent of all SNAP benefits.<sup>8</sup>

## Objectives

Our objective was to determine whether FNS' oversight of State agency controls is adequate to ensure that only eligible ABAWDs are receiving SNAP benefits.

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<sup>8</sup> FNS is not required to nor does it compile ABAWD specific statistics. However, FNS does estimate the number of SNAP participants who are "[a]dults age 18-49 without disabilities in childless households," which loosely resembles the ABAWD population. These data were compiled from quality control data. We are citing FY 2014 data because FY 2015 or 2016 data were not available at the time of this report.

## Section 1: FNS Needs to Study SNAP ABAWD Policies and Assess Their Implementation

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### Finding 1: ABAWD Requirements are Difficult to Implement and States Vary in Application of the Requirements

The ABAWD provisions are difficult to implement and States vary in their application of both time limit waivers and 15 percent exemptions. For example, officials in five States said utilizing time limit waivers helps to reduce the burden of tracking ABAWD time limits. Therefore, an ABAWD may not be subject to the work requirements based on a State's decision to waive ABAWD time limits since the authorizing statutes and implementing regulations provide States with the latitude to adapt the program to meet their needs. Yet, even with this flexibility, the States have difficulties implementing provisions because the ABAWD requirements are very complex. As a result, implementation of ABAWD requirements can be error prone, and when ABAWD policy is applied inaccurately, eligible ABAWDs are denied SNAP benefits, while otherwise ineligible ABAWDs are provided benefits.

PRWORA limits how long people who are able-bodied and do not have dependents can receive SNAP benefits while not working or participating in a work activity. The law allows ABAWDs to meet the work requirement and avoid the time limit<sup>9</sup> on benefits in one of two ways: working 20 hours or more per week or participating in a qualifying work activity.<sup>10</sup> States can apply for and FNS can approve time limit waivers, which allows ABAWDs in areas with an unemployment rate above 10 percent or in areas with insufficient jobs to retain their SNAP benefits without being subjected to the time limit.<sup>11</sup> In addition, the Balanced Budget Act of 1997 granted States the authority to exempt ABAWDs who would otherwise be ineligible for SNAP benefits using a 15 percent exemption.<sup>12</sup>

After PRWORA was enacted in 1996, FNS commissioned a study to determine how well States were implementing the ABAWD provisions and flexibilities of the law. The study noted the ABAWD policies were difficult to administer and too burdensome for the States. Specifically, the study concluded the ABAWD requirements were unlike any other SNAP provision and fundamentally changed SNAP in three ways: 1) this was the first instance that a time limit was placed on SNAP receipt and that a major group of persons was made ineligible because of factors other than their income and assets; 2) States were granted uncharacteristically broad latitude in implementing these provisions; and 3) States were required to track SNAP receipt, employment, and participation in other work activities over a period of 36 months, while previously, eligibility depended for the most part on household circumstances in just 1 month.<sup>13</sup>

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<sup>9</sup> SNAP ABAWD recipients are limited to 3 months of benefits in a 36-month period unless they meet the work requirements. This is considered a "time limit."

<sup>10</sup> 7 U.S.C. § 2015(o)(2).

<sup>11</sup> 7 U.S.C. § 2015(o)(4).

<sup>12</sup> 7 U.S.C. § 2015(o)(6)(B).

<sup>13</sup> 1 Mathematica Policy Research, Inc., *Imposing a Time Limit on Food Stamp Receipt: Implementation of the Provisions and Effects on Food Stamp Participation* (2001).

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Our audit work found concerns similar to those discussed in the 2001 study. State officials used terms such as “administrative nightmare” and “operational nightmare” to describe the implementation of the ABAWD requirements. They also expressed concerns regarding the amount of time and resources spent implementing the ABAWD provisions and the likelihood of making errors. For instance, one State official said implementation of the “ABAWD policy is error prone.”

FNS officials conducted management evaluations (ME) specifically on ABAWD provisions to ensure that the ABAWD requirements were being met and found numerous issues with States’ implementation of the provisions. For example, FNS officials found one State, which had recently transitioned off its statewide waiver, was not applying the time limit to ABAWDs already receiving SNAP. This resulted in certain ABAWDs earning up to 12 countable months<sup>14</sup> instead of the 3 months allowed by law because the State improperly tracked countable months. In this example, ineligible ABAWDs were receiving benefits without meeting the work requirement. In another State, FNS found that in some instances the State was improperly applying the time limit to otherwise eligible ABAWDs whose SNAP benefits were terminated, despite qualifying for an exemption from the ABAWD time limit. This example demonstrates that in some instances eligible ABAWDs were denied SNAP benefits. FNS’ oversight, through the MEs, not only found these non-compliances by the States, but also required the States to implement corrective actions to fix the issues. Therefore, the results of these MEs demonstrate that States continue to struggle with implementing the ABAWD requirements.

Similar to what was noted in the 2001 study, we also found that implementation of ABAWD requirements vary across States because the statutes and regulations provide the States with the latitude to adapt their programs to meet the needs of their State. Specifically, waivers suspend the time limit temporarily so that ABAWDs can continue to receive SNAP in areas where unemployment is high or jobs are insufficient. Additionally, 15 percent exemptions give States the flexibility to exempt ABAWDs from the time limit. Due to the burden of implementing the ABAWD provisions, officials in three States told us that they specifically requested ABAWD time limit waivers in as many parts of the State as possible to minimize the areas where they needed to track the ABAWD time limits. Officials in another two States confirmed that their tracking workloads are lightened by waiving more areas from the ABAWD time limits.<sup>15</sup> Officials from several States told us that they do not use 15 percent exemptions because the provisions are complicated and difficult to implement. For example, one State official said that the State does not use 15 percent exemptions due to the difficulty and cost involved in tracking; it does not seem “worth the burden.” Therefore, ABAWDs may or may not be required to work, depending on which State they live in.

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<sup>14</sup> A “countable month” is any month in which an ABAWD receives a full month of benefits while not fulfilling the ABAWD work requirement or is otherwise exempt. *See* 7 C.F.R. § 273.24(b)(1).

<sup>15</sup> According to PRWORA (7 U.S.C. § 2015(o)(4)), States can request time limit waivers for areas that either have an unemployment rate of over 10 percent or do not have a sufficient number of jobs. We found that States are requesting, and FNS is approving, as allowed by law, ABAWD time limit waiver requests for parts of States where unemployment rates are as low as 0 percent but are averaged with areas with higher unemployment rates to demonstrate areas with insufficient jobs. The statute provides FNS with the authority to approve these waivers.



We attributed this difficult and varied implementation of ABAWD provisions to the complexity of the statutes and regulations. FNS national officials informed us that the ABAWD provisions were very complex and that it takes months of extensive training for new staff to fully understand the ABAWD requirements. A State official said the ABAWD laws and regulations are the “most complicated SNAP policy in existence” and are “fraught with the potential for case errors.” Each month, the States are responsible for tracking an ABAWD’s status; countable months; fulfillment of the work requirement; exemption status with respect to age, pregnancy, and mental or physical capacity to perform work; 15 percent exemption status; and good cause for not meeting the work requirement. Besides 15 percent exemptions, State officials also provided examples of the most challenging ABAWD provisions, with some of the most frequently cited ones being regaining eligibility and tracking breaks in participation over 36 months.

We asked FNS quality control (QC) staff to provide us with data that demonstrated the error rates for ABAWDs.<sup>16</sup> Based on the data provided by FNS, the FY 2014 SNAP QC error rate for households with an ABAWD member was estimated to be 2.59 percent, or about \$1.8 billion.<sup>17</sup> The overall SNAP national payment error rate for FY 2014 was 3.66 percent.<sup>18</sup> In FY 2014, 34 States were on full time limit waivers. As of April 1, 2016, only 10 States were on full time limit waivers. Time limit waivers eliminate the need for ABAWD work requirement tracking over 36 months. As the number of States on full time limit waivers continues to decline, the error rate and corresponding dollars in error could increase with respect to ABAWDs as the States reestablish their tracking systems.

In order to ensure that only eligible ABAWDs are receiving SNAP benefits and the time limit is not inadvertently applied to individuals who are actually exempt or meeting the work requirement, FNS needs to enhance State officials’ understanding of this complex policy and provide best practices, if possible. Since FNS initiated a study about 15 years ago on the implementation of ABAWD provisions, we concluded that commissioning another study or performing an analysis might bring a new and updated perspective for FNS on ABAWD provisions. While FNS is obligated to follow the statutory requirements no matter how complex or difficult to implement, a study or analysis could highlight the most troublesome areas for States. This study could identify best practices for implementing these overly complex provisions. FNS national officials can use these results to identify areas that FNS has the authority to change and areas that FNS may need to pursue legislative changes. If FNS national officials find areas that are within their authority to change, then current guidance should be modified to reflect those changes.

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<sup>16</sup> FNS and State QC reviews are performed to determine SNAP recipient eligibility for benefits at a given point in time and, if determined to be eligible, whether or not the recipient received the correct benefit amount. The national SNAP error rate is the weighted average of all the States’ error rates.

<sup>17</sup> These error rates do not necessarily reflect errors due to ABAWD non-compliance but reflect households that had reportable errors and an ABAWD resided in that household.

<sup>18</sup> FNS released FY 2014 error rates on June 26, 2015. However, OIG questioned FNS’ process for calculating the SNAP error rate in Audit Report 27601-0002-41, *FNS Quality Control Process for SNAP Error Rate*, Sept. 2015.

## **Recommendation 1**

Conduct a study and/or perform analysis to identify the problematic areas for States and develop best practices for implementing these complex provisions with respect to ABAWD requirements.

### **Agency Response**

In its September 26, 2016 response, FNS concurs with this recommendation. As the report illustrates, ABAWD policies are highly complex; the law provides various policy options and flexibilities for States leading to variation in how the policy is implemented. Furthermore, ABAWD policy entails significant administrative burden for States in order to properly screen, track and serve ABAWDs subject to the time limit.

As mentioned in the report, FNS has conducted ME reviews specifically on ABAWD policy implementation. At the end of FY 2015, FNS released a new ABAWD ME guide and conducted rigorous training for national and regional staff on how to conduct the new MEs. In FY 2016, FNS Regional and National staff partnered to perform 24 ABAWD ME on-site reviews, targeting States that were moving off of statewide waivers and/or who were identified as in need of additional review and assistance. FNS is using these ABAWD MEs to perform analysis and identify problematic areas, as well as best practices, for States implementing these complex provisions.

FNS will monitor and analyze ABAWD tracking and policy compliance through ABAWD MEs and has made them a required review area for all States transitioning from statewide time limit waivers in FY 2017. FNS has also established an ABAWD “core team” of National and Regional Office staff responsible for supporting and analyzing the results of the ABAWD MEs. This core team is also involved in identifying and promoting State best practices. In addition, FNS has just launched a new online automated system, MEMS Next Generation, that will streamline ABAWD ME documentation, data collection, and tracking and will facilitate FNS analysis of problem areas for States.

The results of this analysis will continue to form the basis for updating and revising FNS guidance to States.

#### **Estimated Completion Date:**

Analysis of ME data will be completed by September 30, 2017.

### **OIG Position**

We accept management decision for this recommendation.

## **Recommendation 2**

Update or revise current guidance if the results of the study or analysis from Recommendation 1 identify policies that need clarifying.

### **Agency Response**

In its September 26, 2016 response, FNS concurs with this recommendation. FNS has, in the past year, redoubled its efforts to ensure State agencies understand this complex policy and best practices for administering it. Using the results of ME reviews and analysis, FNS has presented to State agency officials and leadership at several State Directors' meetings and conferences across the country in the past year. FNS has presented on numerous webinars and calls, undertaken independently (including one hosted by Secretary Tom Vilsack, Undersecretary Kevin Concannon, and Associate Administrator Jessica Shahin earlier this year) or with State partnering organizations, to clarify policy and promote best practices. In response to reviews and questions from States, FNS has released guidance to clarify policy and provided ad-hoc technical assistance to States.

In the coming months, FNS will release a series of additional guidance, updates and policy clarifications that are informed by ME review results. These include a policy memorandum on ABAWD notice requirements, best practices, and resources for States; a fully-revised handbook for States on how to request ABAWD time limit waivers; and an in-depth ABAWD policy Question & Answer. These three documents, in conjunction with continued on-site and ad-hoc technical assistance to States, will help ensure that eligible ABAWDs properly receive the benefits to which they are entitled. FNS will provide updated materials or continued technical assistance as necessary to address emerging problem areas that are identified through the continued analysis of ABAWD ME data.

**Estimated Completion Date:** June 30, 2017

### **OIG Position**

We accept management decision for this recommendation.



## Finding 2: FNS' Implementation of ABAWD Requirements Needs Review

FNS is inconsistently applying age limits for the SNAP general and ABAWD work requirements. This occurred because FNS interpreted the word “over,” used within the same statute, in two different ways. Setting age limits correlates to defining the population of SNAP recipients subject to general work requirements, and also ABAWDs who have to meet stricter work requirements. As a result, FNS’ interpretation shortens the amount of time that ABAWDs are subject to the time limit and ABAWD work requirements.

PRWORA states that the general SNAP work requirements apply to physically and mentally fit individuals “over the age of 15.”<sup>19</sup> FNS’ implementing regulations state that the general work requirements do not apply to “[a] person younger than 16 years of age.”<sup>20</sup> According to the same statute, ABAWD work requirements do not apply to individuals who are “over 50 years of age.”<sup>21</sup> FNS’ implementing regulations state that the ABAWD time limit does not apply to individuals “50 years of age or older.”<sup>22</sup> Additionally, as a general rule, when interpreting statutes, “[a] term appearing in several places in a statutory text is generally read the same way each time it appears.”<sup>23</sup>

Through its implementation of the SNAP and ABAWD work requirements, FNS set the age limits for the general SNAP population as well as the ABAWD population. Setting the age limits defines the population of SNAP recipients subject to general work requirements as well as ABAWDs who have to meet stricter work requirements. However, we found that when FNS published its SNAP regulations, it interpreted the word “over” in two different ways. Specifically, for the provisions relating to general work requirements, FNS interpreted the word “over” to mean “higher than or more than.” As a result, FNS interpreted the words “over the age of 15” to mean someone who is “16 years of age.”<sup>24</sup> This interpretation is consistent with the Oxford Dictionary definition.<sup>25</sup> Yet, FNS interpreted the word “over” in the provisions relating to ABAWDs to mean “equal to or more than,” thereby interpreting the words “over 50 years of age” to mean “50 years of age or older.”<sup>26</sup> Therefore, once an ABAWD turns 50 years old, he or she is no longer required to meet the work requirements and is considered a general SNAP participant. Our concern is with FNS’ translation of the word “over” from the statute, and how that was incorporated into the implementing regulations. In our opinion, if “over the age of 15” means 16 years old, then “over 50 years of age” should mean 51 years old. We acknowledge

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<sup>19</sup> 7 U.S.C. § 2015(d)(1)(A).

<sup>20</sup> 7 C.F.R. § 273.7(b)(1)(i).

<sup>21</sup> 7 U.S.C. § 2015(o)(3)(A).

<sup>22</sup> 7 C.F.R. § 273.24(c)(1).

<sup>23</sup> See, e.g., *Ratzlaf v. United States*, 510 U.S. 135, 143 (1994).

<sup>24</sup> Compare 7 U.S.C. § 2015(d)(1)(A) (general SNAP work requirements apply to physically and mentally fit individuals “over the age of 15”), with 7 C.F.R. § 273.7(b)(1)(i) (general work requirements do not apply to “[a] person younger than 16 years of age”).

<sup>25</sup> *Over Definition*, OxfordDictionaries.com, [http://www.oxforddictionaries.com/us/definition/american\\_english/over](http://www.oxforddictionaries.com/us/definition/american_english/over) (last visited May 24, 2016) (definition 4, “Higher than or more than (a specified number or quantity)”).

<sup>26</sup> Compare 7 U.S.C. § 2015(o)(3)(A) (ABAWD work requirements do not apply to individuals who are “over 50 years of age”), with 7 C.F.R. § 273.24(c)(1) (ABAWD time limit does not apply to individuals “50 years of age or older”).

that FNS has some discretion in how it interprets statutes that it implements, but these conflicting interpretations do not seem reasonable to us.

We discussed this issue with FNS national officials, who said that FNS made a conscious decision to interpret the statute in this manner for the benefit of the SNAP recipients and suggested that we discuss this issue with them and the Department's Office of the General Counsel (OGC). When we met with FNS and OGC, OGC officials stated that the age limits are complicated because Congress used slightly different terminology in the relevant subsections of the statute (i.e., one age range is inclusive and the other is exclusive), and that FNS has discretion in how it interprets the statute and implements that interpretation in policy.

Also as part of our audit of FNS' oversight and monitoring controls, we noted an issue which concerned us, but is within FNS' authority to implement. We found that FNS allowed the States to accumulate 15 percent exemptions from year to year and this occurred because of how FNS has interpreted the statute. This also occurred because the statute authorizing 15 percent exemptions is complex and confusing. As a result, the 53 States accumulated about 5.9 million unused exemptions as of February 24, 2016, which could be estimated as over \$960 million in SNAP benefits.<sup>27</sup>

The authorizing statute<sup>28</sup> states that the number of exemptions a State may provide to ABAWDs in any given fiscal year may not "exceed 15 percent of the number of covered individuals in the State."<sup>29</sup> Additionally, the Secretary is required to increase or decrease the number of individuals eligible for an exemption "to the extent that the average monthly number of exemptions in effect in the State for the preceding fiscal year . . . is lesser *or greater* than the average monthly number of exemptions estimated for the State agency for such preceding fiscal year."<sup>30</sup>

According to FNS national officials, 15 percent exemptions do not expire and States can carry over unused exemptions indefinitely. Each year FNS national officials calculate the number of new exemptions earned for each State and adds that to the number of unused exemptions from all the prior years. This interpretation allows the States to accumulate more than the 15 percent allowed per the statute. For example, according to FNS, one of the States has over 1.6 million exemptions available to use at its discretion. This State has over 125,000 ABAWDs in an average month. If the State chose to, it could exempt all 125,000 ABAWDs from the time limit and work requirement for over 1 year, which may not meet the intent of the statute.

We concluded that despite the complexity of the statute, FNS has done its best to interpret and implement the statute as written. However, we do not agree with FNS' process of carrying over

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<sup>27</sup> Using the FY 2014 average monthly ABAWD participant benefit of \$164 per month, we estimated the total value of unused exemptions to about \$966 million in SNAP benefits.

<sup>28</sup> 7 U.S.C. § 2015(o)(6)(D).

<sup>29</sup> Per FNS, *Guide to Serving ABAWDs Subject to Time-limited Participation* (2015), each State is allotted exemptions equal to 15 percent of the State's caseload that is ineligible for program benefits because of the ABAWD time limit. These exemptions allow the State to extend SNAP eligibility to ABAWDs who would otherwise be ineligible because of the 3 in 36 month time limit. Each 15 percent exemption extends eligibility to 1 ABAWD for 1 month.

<sup>30</sup> 7 U.S.C. § 2015(o)(6)(F) (emphasis added).

unused 15 percent exemptions indefinitely. We discussed this issue with FNS national officials, who asked us to speak with OGC since this deals with questions of statutory interpretation. OGC officials confirmed that they reviewed and cleared the exemption regulations for legal sufficiency in 2001, and stated that FNS has the discretionary authority to interpret the exemption provisions as stated in the regulations. However, OGC officials agreed the statute appears to be somewhat inconsistent internally (i.e., the law says that States may not exceed 15 percent of the number of covered individuals in the State, but it also says they have to increase available exemptions in the current year if there were unused exemptions at the end of last year). Based upon our own assessment of the statute and regulations as well as the information provided by FNS and OGC, we concluded that the reason State agencies have been allowed to accumulate unused exemptions indefinitely is due to the apparent inconsistencies in the authorizing statute itself. OIG generally agrees that FNS has the discretion to interpret and implement the exemption provisions as it has done, so we do not have a recommendation for FNS with respect to exemptions. However, we included this information to provide additional context on our assessment of FNS' oversight and monitoring controls over the ABAWD provisions.

Since setting the age limits has a direct impact on defining the ABAWD population and establishing which age groups are meeting work requirements, we recommend that FNS review the current regulations to verify the statutory terms regarding age limits are interpreted and implemented correctly and modify regulations as needed.

### **Recommendation 3**

Review SNAP regulations to verify that statutory terms regarding SNAP age limits have been interpreted and implemented correctly, and modify the regulations as appropriate.

### **Agency Response**

In its September 26, 2016 response, FNS states, as the report provides, in previous discussions with OIG, FNS has stood by the long-standing interpretation of the statutory age limits, codified in regulation, for general work requirements and ABAWD work requirements. However, FNS is amenable to undertaking an additional internal review in coordination with USDA OGC of SNAP regulations to verify that statutory terms regarding SNAP age limits have been interpreted and implemented correctly; FNS will take any appropriate next steps as a result of that review.

#### **Estimated Completion Date:**

Internal review in coordination with USDA OGC will be completed by June 30, 2017.

### **OIG Position**

We accept management decision for this recommendation.

## Section 2: FNS' Oversight Control Needs Strengthening

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### Finding 3: FNS Needs to Clarify Procedures for Its Data System

We determined that FNS was not fully utilizing its information system, Management Evaluation Management System (MEMS). Accurate and complete data were not readily available in MEMS for us to determine a universe or select a sample of MEs to review. Similarly, FNS national officials did not have ready access to all the ME data. This occurred because contradictory instruction was provided to the FNS regional officials on what to enter in MEMS. Therefore, without access to all ME results, FNS has reduced assurance the agency is fulfilling its mission and objective for SNAP ABAWDs.

According to internal control standards published by the U.S. Government Accountability Office (GAO), management is responsible for maintaining and continuously evaluating an effective internal control system. At a minimum, management develops and maintains documentation of its internal control system, its policies, the results of ongoing monitoring and evaluations, and corrective actions for deficiencies. Management designs control activities for security management of an entity's information system, including availability of data, reports, and other relevant information when needed.<sup>31</sup>

In February 2014, FNS implemented MEMS, an online performance management system that allows the FNS regional offices to include the schedules for MEs and technical assistance reviews. It also provides FNS the ability to track reports to States, including the specific findings and observations, and corrective action plans. The intent of the MEMS application was to provide FNS specialists, analysts, and managers with a centralized repository of schedules for all reviews and reports.

Since we identified MEs as a key control for FNS oversight, we attempted to establish a universe of MEs in order to select a sample for testing. FNS national officials stated that MEMS would contain the necessary information and agreed to provide a demonstration of MEMS that would identify the universe of MEs for our audit work. During the demonstration, the official was unable to find any ME reports. Therefore, we requested schedules of the MEs. FNS extracted a report from MEMS of ABAWD MEs that were scheduled for FY 2016. However, we found that the schedule identified 23 ABAWD ME reviews that were to be conducted in only 4 of the 7 FNS regions. To validate these data, we contacted the remaining 3 regions and confirmed those regions planned or had already started conducting an additional 19 ABAWD ME reviews in FY 2016 even though these reviews were not reflected in MEMS. We questioned why the report from MEMS contained inaccurate data. Initially, an FNS national official stated that there are different ways to run queries and that could have contributed to the issue of not finding an accurate report in MEMS. When we discussed this issue with FNS national officials at the end of our field work, they stated that the FNS regional officials were instructed to "hold off" entering schedules for the 2016 ABAWD specific MEs into MEMS. FNS national officials

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<sup>31</sup> GAO, GAO-14-704G, *Standards for Internal Control in the Federal Government*, OV1.06, OV4.08, 11.11, 16.04 (2014).

stated the ABAWD MEs were considered new reviews and planned to send a team to assist the regions with the FY 2016 ABAWD reviews.

During our validation process, the FNS regional officials provided some noteworthy commentary about MEMS. One regional official stated that MEMS “was not worth the paper it was written on.” Another regional official said they think MEMS is a good system, but they wish it would streamline better with other systems and would be easier to use. One regional official could not understand why our report did not identify their scheduled reviews, because the ME reviews were showing on the MEMS screen they had open during the interview. This same official said this was not the first time information was missing in MEMS. Another regional official said it is difficult to update ME progress in MEMS because the system moves so slowly and the user interface limits the amount of information that can be put into the system. While the schedule provided by FNS national officials showed that the remaining regions planned ME reviews in FY 2016, we still contacted these regions to verify the data. Generally the information for these specific regions FY 2016 reviews in the system was accurate, but one regional office noted that an ME scheduled to be conducted was missing from the report.

We discussed the incomplete data in MEMS with FNS national officials. The MEMS system owner explained that FNS regional officials were not required to upload the actual ME review reports into MEMS. Yet we obtained FNS guidance which identified MEMS as the primary tool for tracking the status of all MEs and other major reviews from the planning stage through resolution of corrective action. This guidance further stated that MEMS usage is mandatory for all MEs beginning in FY 2014 and that the system is the central repository for finding reports that will be available to all FNS staff.<sup>32</sup> An FNS regional official confirmed that there was confusion regarding whether ME information and documentation was required to be put into MEMS.

We also concluded that if we were unable to access and evaluate the ME results from a central location, then FNS national officials also did not have ready access to all the documentation necessary to conduct evaluations of their internal control system. The system owner confirmed that MEMS was not set up to maintain the actual findings. Instead, MEMS contained the schedule and closure details to ensure the MEs were being completed. One FNS national official stated that MEMS was “hit or miss” as far as having documents uploaded. FNS national officials had identified this issue and established a workgroup that began constructing the framework for a new information system, MEMS Next Generation.<sup>33</sup> FNS national officials stated that the MEMS Next Generation initiative began in 2014. FNS anticipates MEMS Next Generation will maintain not only the ME schedules for planning, conducting, and finalizing the reviews, but also contain the report findings and corrective action plans. With all this information in a central location, FNS national officials intend to conduct analyses and find trends in MEMS Next Generation to ensure that the agency is fulfilling its objective.

Therefore, we determined that FNS did not utilize MEMS to its full potential, and some FNS officials were unsure exactly what information was required to be put into the system. We acknowledge and commend FNS for identifying this weakness and taking steps to address the

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<sup>32</sup> FNS, *ME Management System FAQs* (undated, but received on January 15, 2016).

<sup>33</sup> According to FNS, MEMS Next Generation is scheduled to be released in mid-August 2016.

issue by planning to implement another system, MEMS Next Generation. However, we are concerned that without the proper guidance and training, regional officials may again not fully utilize the newer system. Therefore, we are recommending that FNS national officials develop and implement the necessary policies and procedures to ensure that valid and accurate information is included in MEMS Next Generation in a timely manner. Additionally, since the agency is establishing new information technology, training should be conducted for all the field staff that will be required to use the system.

## **Recommendation 4**

Implement policies and procedures for MEMS Next Generation to ensure that data are valid, accurate, complete, and timely.

## **Agency Response**

In its September 26, 2016 response, FNS states, in 2014, long before the start of this audit, FNS initiated several priority initiatives to strengthen oversight of its Nutrition Assistance programs. As part of this Agency-wide initiative, FNS began developing MEMS Next Generation to replace its existing automated management system that is used for conducting MEs and Financial Management Reviews (FMRs). FNS launched the new system on September 9, 2016. In addition, at the beginning of FY 2016, FNS established as one of its Agency priorities, a comprehensive revision of the national ME/FMR guidance that provides policies and procedures for conducting oversight reviews and ensuring timely implementation of corrective action when deficiencies in State operations are found. FNS implemented the national guidance on August 1, 2016. Both the guidance and the new system incorporate policies and procedures to ensure that data entered into MEMS Next Generation are valid, accurate, complete and timely.

FNS appreciates OIG's acknowledgement and recognition of the work that FNS conducted over the last three years to improve the oversight and management of its Nutrition Assistance Programs.

### **Estimated Completion Date:**

Completed. MEMS Next Generation was implemented on September 9, 2016, and the comprehensive revision of the national ME/FMR guidance was implemented on August 1, 2016.

## **OIG Position**

We accept management decision for this recommendation.

## **Recommendation 5**

Provide training to implement policies and procedures for MEMS Next Generation to ensure that data are valid, accurate, complete, and timely.

### **Agency Response**

In its September 26, 2016 response, FNS states, to prepare for the launch of MEMS Next Generation in September 2016, FNS conducted multiple training sessions in all seven Regional Offices as well as the National Office from May through July 2016. To date, more than 600 staff have been trained on the system to ensure data are valid, complete, accurate and timely. FNS plans to conduct follow-up training throughout the fall and early spring. To support training, FNS has developed a comprehensive on-line training manual that users can easily access while they are in the system.

#### **Estimated Completion Date:**

FNS completed the initial round of training as of July 30, 2016. To ensure new users understand how to use MEMS Next Generation, FNS will also offer on-going, continuous training sessions.

### **OIG Position**

We accept management decision for this recommendation.



## Scope and Methodology

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We conducted our audit of FNS' oversight of State agency controls over SNAP ABAWDs at the FNS national office located in Alexandria, Virginia; 2 of 7 regional offices; 4 of 53 States; 3 county offices; and 1 Employment and Training (E&T) contractor. We communicated via telephone and email with the remaining 5 regional offices and 13 of 53 States to obtain additional information on these issues. For specific locations visited and contacted, see Exhibits A & B. The scope of our audit work covered FY 2013-April 2016 to ensure the 36-month time period was tracked. However, most of the States were still on time limit waivers in FY 2013, so we focused on FYs 2014-2016 as States transitioned off time limit waivers.

According to FNS' FY 2014 data, the total number of "[a]dults age 18-49 without disabilities in childless households" in the 53 States averaged about 4.7 million per month (10.3 percent of SNAP recipients); they received about \$776 million in monthly benefits. Total benefits for this population in FY 2014 were about \$9.3 billion or 13.6 percent of all SNAP benefits.<sup>34</sup>

We selected a non-statistical sample of FNS regional offices and States for field visits based on the usage of time limit waivers, 15 percent exemptions, and ME results. We visited three county offices and one E&T contractor that were in close proximity to the State offices to discuss their implementation of ABAWD requirements. We held discussions with all the regional offices to obtain additional information on the ME reviews that were conducted on the States that they oversee. We non-statistically selected an additional 13 States after our review of time limit waivers and 15 percent exemptions to discuss follow-up and general SNAP ABAWD policy questions.

We also nonstatistically selected 38 States in order to review their MEs. We initially requested MEs from the 15 States within the regions we visited and noted concerns regarding findings that were repeated on multiple MEs. Therefore, we requested MEs from 23 additional States from the national officials to further research this concern. These additional 23 States were selected to provide representation from every region. Out of the MEs from the 38 States that we requested, we identified 19 States that had more than 1 ME completed within the scope of our audit, FY 2013 through FY 2016, which we reviewed for repeat findings.<sup>35</sup> We conducted our audit work from August 2015 through July 2016.

To accomplish our audit objectives, we performed the following procedures:

- Reviewed laws, regulations, agency instructions, and any other documentation applicable to the scope of the audit.

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<sup>34</sup> FNS is not required to nor does it compile ABAWD specific statistics. However, FNS does estimate the number of SNAP participants who are "[a]dults age 18-49 without disabilities in childless households," which loosely resembles the ABAWD population. These data were compiled from quality control data. We are citing FY 2014 data because FY 2015 or 2016 data were not available at the time of this report.

<sup>35</sup> Initially since the scope of our audit work was FYs 2013 through 2016, we requested FYs 2013 through 2016 MEs from the two regional offices that we visited. However, our request for additional MEs did not include FY 2013 since many States were on time limit waivers or FY 2016 since those reviews were not complete as of the date of our initial requests to the two regional offices that we visited.

- Interviewed FNS national and regional officials to gain an understanding of their roles and responsibilities for oversight of SNAP ABAWD provisions.
- Obtained, reviewed, and evaluated State policies specific to SNAP ABAWDs, such as directives, notices, handbooks, user guides, and training materials, to verify if State established operating procedures complied with statutory requirements and FNS SNAP ABAWD national policy.
- Obtained, reviewed, and evaluated FYs 2014-2016 SNAP ABAWD time limit waiver documentation to determine if waiver requests and approvals complied with statutory requirements and FNS SNAP ABAWD policy.
- Obtained, reviewed, and evaluated FYs 2014-2016 SNAP ABAWD 15 percent exemption documentation to ensure it complied with statutory requirements and FNS SNAP ABAWD national policy.
- Discussed various issues we found during our audit with officials from FNS national office and OGC to obtain their position and response.

To obtain evidence regarding the verifiability of the system-generated data in MEMS, we performed audit procedures to determine if data were complete and accurate. We tested the accuracy and completeness of MEMS by generating a list of planned MEs for FY 2016 through a query of the system. We compared the list of scheduled MEs to information provided by the regional officials. While we noted only one inaccuracy in the FY 2016 data, we found data missing from the system (see Finding 3). We discussed these issues with FNS national officials, who stated that MEMS Next Generation is being tested to replace MEMS. Therefore, we did not perform additional testing of general and application controls of MEMS or MEMS Next Generation.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Abbreviations

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ABAWD .....	Able-Bodied Adults Without Dependents
C.F.R. ....	Code of Federal Regulations
E&T .....	Employment and Training
FMR .....	Financial Management Review
FNS .....	Food and Nutrition Service
FY .....	fiscal year
GAO .....	U.S. Government Accountability Office
ME .....	Management Evaluation
MEMS .....	Management Evaluation Management System
OGC .....	Office of the General Counsel
OIG .....	Office of Inspector General
PRWORA .....	Personal Responsibility and Work Opportunity Reconciliation Act of 1996
QC .....	Quality Control
SNAP .....	Supplemental Nutrition Assistance Program
U.S. ....	United States
U.S.C. ....	United States Code
USDA .....	Department of Agriculture

## Exhibit A: Fieldwork Locations Visited

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Audit Site	Location
FNS National Office	Alexandria, Virginia
FNS Mountain Plains Regional Office	Denver, Colorado
Colorado State– Colorado Department of Human Services	Denver, Colorado
Kansas State– Kansas Department for Children and Families	Topeka, Kansas
Denver County office– Office of Economic Development	Denver, Colorado
Kansas regional/local office– Department for Children and Families	Overland Park, Kansas
FNS Southwest Regional Office	Dallas, Texas
Arkansas State– Arkansas Department of Human Services	Little Rock, Arkansas
Texas State– Texas Workforce Commission and Health and Human Services Commission	Austin, Texas
Faulkner County E&T Contractor– Conway Adult Education Center	Conway, Arkansas
Faulkner County office– Department of Human Services	Conway, Arkansas

## Exhibit B: Fieldwork Locations Contacted

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Audit Contact	Teleconference/Email
FNS Mid-Atlantic Regional Office	Teleconference
Maryland State– Maryland Department of Human Resources	Teleconference
Virginia State– Virginia Department of Social Services	Teleconference
FNS Midwest Regional Office	Teleconference
Minnesota State– Minnesota Department of Human Services	Teleconference
Ohio State– Ohio Department of Job and Family Services	Teleconference
Pennsylvania State– Pennsylvania Department of Human Services	Teleconference
FNS Northeast Regional Office	Teleconference
Connecticut State– Connecticut Department of Social Services	Teleconference
Massachusetts State– Massachusetts Department of Transitional Assistance	Teleconference
Vermont State– Vermont Department for Children and Families	Teleconference
FNS Southeast Regional Office	Teleconference
FNS Western Regional Office	Teleconference
Guam– Guam Department of Public Health & Human Services	Email
Montana State– Montana Department of Public Health and Human Services	Teleconference
North Dakota State– North Dakota Department of Human Services	Teleconference
South Dakota State– South Dakota Department of Social Services	Teleconference
Wyoming State– Wyoming Department of Family Services	Teleconference

**USDA'S  
FOOD AND NUTRITION SERVICE  
RESPONSE TO AUDIT REPORT**







**United States  
Department of  
Agriculture**

**Food and  
Nutrition  
Service**

**3101 Park  
Center Drive  
Room 712**

**Alexandria, VA  
22302-1500**

DATE: September 26, 2016

AUDIT  
NUMBER: 27601-0002-31

TO: Gil H. Harden  
Assistant Inspector General for Audit

FROM: Audrey Rowe /s/  
Administrator  
Food and Nutrition Service

SUBJECT: FNS Controls Over SNAP Benefits For Able-Bodied Adults Without Dependents

This letter responds to the official draft report for audit number 27601-0002-31, FNS Controls Over SNAP Benefits For Able-Bodied Adults Without Dependents. Specifically, the Food and Nutrition Service (FNS) is responding to the five recommendations in the report.

Long before the OIG audit, FNS recognized the complexity of and challenges inherent for States implementing the Supplemental Nutrition Assistance Program (SNAP) provisions regarding able-bodied adults without dependents (ABAWDs). Under Federal law, States are afforded a variety of policy, waiver, and administrative options in administering ABAWD policy. At the same time, in areas where ABAWDs are subject to the participation time limit, Federal requirements are rigorous and administratively challenging.

In light of improving economic indicators and, as a result, a return of the ABAWD time limit in many parts of the country, FNS has ramped up oversight of and technical assistance to States to ensure eligible ABAWDs are receiving benefits. Some of these efforts are mentioned in the report, others are not. Where appropriate, we have reiterated some of FNS' targeted ABAWD efforts below. Our work here continues. FNS and OIG agree that States continue to need additional support to properly implement these highly complex and challenging policies. To that end, we have concurred with the OIG recommendations and laid out some of our past, present, and future endeavors to meet these recommendations.

For ABAWD policy and in general, FNS continues to hold SNAP integrity and access as our highest priorities as we work with States to ensure program compliance with Federal law.

**OIG Recommendation 1:**

Conduct a study and/or perform analysis to identify the problematic areas for States and develop best practices for implementing these complex provisions with respect to ABAWD requirements.

**FNS Response:**

FNS concurs with this recommendation. As the report illustrates, ABAWD policies are highly complex; the law provides various policy options and flexibilities for States leading to variation in how the policy is implemented. Furthermore, ABAWD policy entails significant administrative burden for States in order to properly screen, track and serve ABAWDs subject to the time limit.

As mentioned in the report, FNS has conducted Management Evaluation (ME) reviews specifically on ABAWD policy implementation. At the end of FY 2015, FNS released a new ABAWD ME guide and conducted rigorous training for national and regional staff on how to conduct the new MEs. In FY 2016, FNS Regional and National staff partnered to perform 24 ABAWD ME on-site reviews, targeting States that were moving off of Statewide waivers and/or who were identified as in need of additional review and assistance. FNS is using these ABAWD MEs to perform analysis and identify problematic areas, as well as best practices, for States implementing these complex provisions.

FNS will monitor and analyze ABAWD tracking and policy compliance through ABAWD MEs and has made them a required review area for all States transitioning from Statewide time limit waivers in FY 2017. FNS has also established an ABAWD “core team” of National and Regional Office staff responsible for supporting and analyzing the results of the ABAWD MEs. This core team is also involved in identifying and promoting State best practices. In addition, FNS has just launched a new online automated system, MEMS NextGen, that will streamline ABAWD ME documentation, data collection, and tracking and will facilitate FNS analysis of problem areas for States.

The results of this analysis will continue to form the basis for updating and revising FNS guidance to States.

**Estimated Completion Date:**

Analysis of ME data will be completed by September 30, 2017.

**OIG Recommendation 2:**

Update or revise current guidance if the results of the study or analysis from Recommendation 1 identify policies that need clarifying.

**FNS Response:**

FNS concurs with this recommendation. FNS has, in the past year, redoubled its efforts to ensure State agencies understand this complex policy and best practices for administering it. Using the results of ME reviews and analysis, FNS has presented to State agency officials and leadership at several State Directors' meetings and conferences across the country in the past year. FNS has presented on numerous webinars and calls, undertaken independently (including one hosted by Secretary Tom Vilsack, Undersecretary Kevin Concannon, and Associate Administrator Jessica Shahin earlier this year) or with State partnering organizations, to clarify policy and promote best practices. In response to reviews and questions from States, FNS has released guidance to clarify policy and provided ad-hoc technical assistance to States.

In the coming months, FNS will release a series of additional guidance, updates and policy clarifications that are informed by ME review results. These include a policy memorandum on ABAWD notice requirements, best practices, and resources for States; a fully-revised handbook for States on how to request ABAWD time limit waivers; and an in-depth ABAWD policy Q&A. These three documents, in conjunction with continued on-site and ad-hoc technical assistance to States, will help ensure that eligible ABAWDs properly receive the benefits to which they are entitled. FNS will provide updated materials or continued technical assistance as necessary to address emerging problem areas that are identified through the continued analysis of ABAWD ME data.

**Estimated Completion Date:** June 30, 2017

**OIG Recommendation 3:**

Review SNAP regulations to verify that statutory terms regarding SNAP age limits have been interpreted and implemented correctly, and modify the regulations as appropriate.

**FNS Response:**

As the report provides, in previous discussions with OIG, FNS has stood by the long-standing interpretation of the statutory age limits, codified in regulation, for general work requirements and ABAWD work requirements. However, FNS is amenable to undertaking an additional internal review in coordination with USDA Office of General Council of SNAP regulations to verify that statutory terms regarding SNAP age limits have been interpreted and implemented correctly; FNS will take any appropriate next steps as a result of that review.

**Estimated Completion Date:**

Internal review in coordination with USDA Office of General Council will be completed by June 30, 2017.

**OIG Recommendation 4:**

Implement policies and procedures for MEMS Next Generation to ensure that data are valid, accurate, complete, and timely.

**FNS Response:**

In 2014, long before the start of this audit, FNS initiated several priority initiatives to strengthen oversight of its Nutrition Assistance programs. As part of this Agency-wide initiative, FNS began developing MEMS NextGen to replace its existing automated management system that is used for conducting Management Evaluations (MEs) and Financial Management Reviews (FMRs). FNS launched the new system on September 9, 2016. In addition, at the beginning of FY 2016, FNS established as one of its Agency priorities, a comprehensive revision of the national ME/FMR guidance that provides policies and procedures for conducting oversight reviews and ensuring timely implementation of corrective action when deficiencies in State operations are found. FNS implemented the national guidance on August 1, 2016. Both the guidance and the new system incorporate policies and procedures to ensure that data entered into MEMS NextGen are valid, accurate, complete and timely.

FNS appreciates OIG's acknowledgement and recognition of the work that FNS conducted over the last three years to improve the oversight and management of its Nutrition Assistance Programs.

**Estimated Completion Date:**

Completed. MEMS NextGen was implemented on September 9, 2016, and the comprehensive revision of the national ME/FMR guidance was implemented on August 1, 2016.

**OIG Recommendation 5:**

Provide training to implement policies and procedures for MEMS Next Generation to ensure that data are valid, accurate, complete, and timely.

**FNS Response:**

To prepare for the launch of MEMS NextGen in September 2016, FNS conducted multiple training sessions in all seven Regional Offices as well as the National Office from May through July 2016. To date, more than 600 staff have been trained on the system to ensure data are valid, complete, accurate and timely. FNS plans to conduct follow-up training throughout the fall and early spring. To support training, FNS has developed a comprehensive on-line training manual that users can easily access while they are in the system.

**Estimated Completion Date:**

FNS completed the initial round of training as of July 30, 2016. To ensure new users understand how to use MEMS NextGen, FNS will also offer on-going, continuous training sessions.

To learn more about OIG, visit our website at  
[www.usda.gov/oig/index.htm](http://www.usda.gov/oig/index.htm)

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cy: DS  
mg: SP

April 23, 1997

### Time Limit Waivers for Able-bodied Food Stamp Recipients

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 has a time limit for able-bodied, childless adults aged 18 to 50. They may receive food stamps for only 3 months in a 36-month period unless they work at least 20 hours a week, or participate in either workfare or a 20 hour or more per week work or training program. States may request waivers from the time limit for areas where the unemployment rate exceeds 10 percent, or where there are insufficient jobs.

As of April 21, 1997, 40 states and the District of Columbia have requested waivers for areas that either meet the unemployment threshold or demonstrate a lack of jobs. Waivers have been granted in whole or in part for 39 states and DC; the remainder are pending. Thirty percent to 45 percent of the able-bodied caseload may have been waived. However, USDA's best estimate is that the areas that have been waived represent approximately 35 percent of the able-bodied caseload in the nation as a whole.

These figures are the best approximation to date of the caseload proportions of able-bodied Food Stamp recipients that have been waived from the time limit. A number of factors affect the precision of this approximation:

- Food stamp caseload data on unemployed able-bodied participants are not available for counties and cities. Information on non-public assistance food stamp households by county is used to approximate the county distribution of unemployed able-bodied participants.
- Some states have been granted waivers for cities or other areas within a county. Food stamp caseload data are not available for sub-county areas. The low estimate does not include these counties and the high estimate includes the entire county. Two examples illustrate this range estimate:
  - ◊ Hempstead Village, a relatively small part of Nassau County, New York, was granted a waiver. No other areas in the county were waived. Excluding the county slightly understates the New York waiver estimate while including the county substantially overstates the estimate.
  - ◊ In comparison, Chicago and a number of smaller cities in Cook County, Illinois, were also waived. Excluding Cook County substantially understates the Illinois waiver estimate while including the county slightly overstates the estimate.
- States with the widest range have either many counties partially waived, several significantly large counties partially waived, or both.
- Point estimates of waivers approved for sub-county areas are derived from the percentage of the county population living in the waived area(s). These estimates may understate the effects of areas with populations under 25,000 since figures for these areas are not readily available. In addition, the proportion of able-bodied Food Stamp participants living in urban areas may not be the same as the proportion of the total population.
- Some states that had been approved for waivers have decided not to implement them (the entire state of Ohio; Frio, Harrison, and Sabine Counties in Texas). Able-bodied caseloads in these jurisdictions are not included in our estimates. These areas account for 0.5 percent to 2 percent of the nation's able-bodied caseload. Additional jurisdictions may decide not to implement their waivers but have not informed us of their decision. Adjusting for these areas would further decrease the national estimate.

Estimate Ranges of Food Stamp Caseload Subject to ABAWD Waivers by State  
(Approvals as of 4/21/97, rounded to the nearest 5 percent)

State	Low Estimate of ADAWD Caseload Waived <sup>*</sup> (Percent)	Point Estimate of ADAWD Caseload Waived <sup>**</sup> (Percent)	High Estimate of ADAWD Caseload Waived <sup>***</sup> (Percent)
Alabama	25	25	25
Alaska	55	55	55
Arizona	25	25	25
Arkansas	25	30	30
California	65	70	95
Colorado	5	5	5
Connecticut			
Delaware			
Dist. of Col.	100	100	100
Florida	40	40	50
Georgia	10	15	25
Hawaii	40	40	40
Idaho	++	++	++
Illinois	10	45	75
Indiana	5	15	25
Iowa			
Kansas			
Kentucky	45	45	45
Louisiana	40	65	75
Maine	35	35	35
Maryland	50	50	55
Massachusetts			
Michigan			
Minnesota	5	5	5
Mississippi			
Missouri	30	35	35
Montana	25	25	25
Nebraska	++	++	++
Nevada	5	10	80
New Hampshire			
New Jersey	10	35	95
New Mexico	30	30	30
New York	55	60	85
North Carolina	5	5	5
North Dakota	10	10	10
Ohio #	10	20	40
Oklahoma	20	20	20
Oregon	20	20	20
Pennsylvania	45	70	80
Rhode Island	0	40	100
South Carolina	30	35	45
South Dakota	15	15	15
Tennessee	20	20	20
Texas #	25	25	25
Utah	+	+	+
Vermont			
Virginia #	5	5	5
Washington	30	45	80
West Virginia	70	70	80
Wisconsin			
Wyoming			
TOTAL US ##	30	35	45

\* Estimates do not include caseloads for counties where waivers were approved for sub-county areas.

\*\* Estimates of waivers approved for sub-county areas were derived from the percentage of the county population living in waived areas.

State estimates for sub-county areas with a population under 25,000 may be understated. Figures for these areas are not readily available.

\*\*\* Estimates include caseloads for whole counties where waivers were approved for sub-county areas.

+ Less than 5 percent.

++ Request covers Indian Reservations only.

# Not implementing waiver either in whole or in part of the state at this time.

## Total excluded the approved waivers that have not been implemented.



**Table A.14. Distribution of participating households, individuals, and benefits by household composition**

Household composition	SNAP households		Participants in households with household characteristic		Monthly SNAP benefits	
	Number (000)	Percent	Number (000)	Percent	Dollars (000)	Percent
<b>Total<sup>cc</sup></b>	20,597	100.0	41,491	100.0	5,050,556	100.0
<b>Children, elderly individuals, or individuals with disabilities</b>	16,365	79.5	36,902	88.9	4,277,548	84.7
<b>Children<sup>dd</sup></b>	8,588	41.7	28,039	67.6	3,365,781	66.6
Single-adult household	5,041	24.5	14,996	36.1	1,904,024	37.7
Male adult	348	1.7	939	2.3	118,986	2.4
Female adult	4,693	22.8	14,057	33.9	1,785,039	35.3
Multiple adult-household	2,451	11.9	10,573	25.5	1,115,298	22.1
Married-head	1,551	7.5	6,857	16.5	696,750	13.8
Other multiple-adult	900	4.4	3,716	9.0	418,548	8.3
Children only	1,097	5.3	2,470	6.0	346,458	6.9
<b>Elderly individuals</b>	4,955	24.1	6,169	14.9	618,886	12.3
Living alone	4,047	19.6	4,047	9.8	426,825	8.5
Living with only elderly individuals	466	2.3	935	2.3	77,618	1.5
Living with at least one non-elderly individual	442	2.1	1,187	2.9	114,444	2.3
<b>Non-elderly individuals with disabilities</b>	4,289	20.8	7,749	18.7	791,764	15.7
Living alone	2,716	13.2	2,716	6.5	299,372	5.9
Not living alone	1,573	7.6	5,033	12.1	492,392	9.7
<b>Other households<sup>ee</sup></b>	4,232	20.5	4,589	11.1	773,008	15.3
Single-person	3,929	19.1	3,929	9.5	688,061	13.6
Multiperson	303	1.5	659	1.6	84,947	1.7
<b>Adults age 18 to 49 without disabilities in childless households<sup>a</sup></b>	2,991	14.5	3,572	8.6	562,241	11.1
Living alone	2,521	12.2	2,521	6.1	438,570	8.7
Not living alone	471	2.3	1,052	2.5	123,671	2.4
<b>Single-person households</b>	10,995	53.4	10,995	26.5	1,468,030	29.1

Source: Fiscal Year 2017 Supplemental Nutrition Assistance Program Quality Control sample.

Table A.16. Distribution of participating households by countable income type and household composition

Household composition	Countable income type											
	Earned income		Zero gross income		TANF		GA		SSI		Social Security	
	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent
<b>Total<sup>cc</sup></b>	6,477	100.0	3,910	100.0	1,006	100.0	623	100.0	4,514	100.0	5,883	100.0
<b>Children, elderly individuals, or individuals with disabilities</b>	5,243	81.0	1,487	38.0	977	97.2	372	59.7	4,513	100.0	5,871	99.8
<b>Children<sup>dd</sup></b>	4,739	73.2	1,180	30.2	968	96.3	128	20.6	973	21.6	806	13.7
Single-adult household	2,297	35.5	847	21.7	604	60.1	83	13.3	613	13.6	501	8.5
Male adult	144	2.2	75	1.9	51	5.0	6	1.0	40	0.9	49	0.8
Female adult	2,153	33.2	772	19.8	553	55.0	76	12.3	573	12.7	452	7.7
Multiple adult-household	1,695	26.2	213	5.4	193	19.2	36	5.7	331	7.3	298	5.1
Married-head	1,178	18.2	119	3.1	107	10.7	20	3.2	171	3.8	154	2.6
Other multiple-adult	518	8.0	94	2.4	86	8.5	15	2.5	160	3.6	144	2.5
Children only	746	11.5	120	3.1	172	17.1	10	1.6	29	0.6	7	0.1
<b>Elderly individuals</b>	365	5.6	310	7.9	42	4.1	164	26.3	1,768	39.2	3,481	59.2
Living alone	226	3.5	267	6.8	1	0.1	130	21.0	1,449	32.1	2,849	48.4
Living with only elderly individuals	35	0.5	23	0.6	0	0.0	16	2.6	171	3.8	349	5.9
Living with at least one non-elderly individual	104	1.6	20	0.5	40	4.0	17	2.7	149	3.3	283	4.8
<b>Non-elderly individuals with disabilities</b>	494	7.6	2	0.0	156	15.5	143	22.9	2,811	62.3	2,226	37.8
Living alone	128	2.0	2	0.0	2	0.2	76	12.2	1,663	36.8	1,525	25.9
Not living alone	366	5.6	-	-	154	15.3	67	10.8	1,148	25.4	701	11.9
<b>Other households<sup>ee</sup></b>	1,234	19.0	2,423	62.0	28	2.8	251	40.3	1	0.0	12	0.2
Single-person	1,046	16.2	2,350	60.1	25	2.5	247	39.7	1	0.0	2	0.0
Multiperson	187	2.9	73	1.9	3	0.3	4	0.6	0	0.0	11	0.2
<b>Adults age 18 to 49 without disabilities in childless households<sup>a</sup></b>	931	14.4	1,563	40.0	33	3.2	164	26.3	111	2.5	128	2.2
Living alone	715	11.0	1,494	38.2	25	2.5	153	24.6	1	0.0	1	0.0
Not living alone	216	3.3	69	1.8	8	0.8	11	1.7	110	2.4	127	2.2
<b>Single-person households</b>	1,573	24.3	2,666	68.2	81	8.1	456	73.2	3,114	69.0	4,378	74.4

Source: Fiscal Year 2017 Supplemental Nutrition Assistance Program Quality Control sample.

February 3, 2006

SUBJECT: FSP – 2-Year Approval of Waivers of the Work Requirements for  
ABAWDs under 7 CFR 273.24

TO: All Regional Directors  
Food Stamp Program

In response to requests from State agencies regarding the approval time-frame for waivers of the work requirements for able-bodied adults without dependents (ABAWDs) mandated by 7 CFR 273.24, we have decided to offer State agencies the option of 2-year ABAWD waivers under limited circumstances. We believe that this option will reduce the burden imposed on State agencies of preparing annual requests for waivers affecting areas with chronic high unemployment as well as having the additional benefit of facilitating longer range planning by the affected State agencies.

In recognition of the dynamic nature of labor markets as well as strong congressional support for a recipient work requirement we originally limited approval of ABAWD waivers to a period of one year. In response to specific State agency requests and in recognition of their unique labor markets and chronically high unemployment, three years ago we began issuing approvals beyond one year for Indian reservations. In response to a recent detailed request from a State agency for a 2-year approval period for certain areas within the State other than reservations, we reviewed our policy and following that review have decided to offer all States the option of 2-year approvals.

Because of the previously mentioned dynamic nature of labor markets, we are imposing very strict criteria for the approval of 2-year waivers that target areas that qualified for ABAWD waivers for two consecutive past years. In order to be eligible for a 2-year waiver, the affected area must meet at least one of the following criteria indicating that the area has experienced and will probably continue chronic high unemployment:

- An unemployment rate greater than 10 percent for the 2-year period immediately prior to the request;
- Designation as a labor surplus area (LSA) by the Department of Labor's Employment and Training Administration (DOLETA) for a minimum of two consecutive fiscal years (the year of the request and the fiscal year prior to the request); or
- An unemployment rate greater than 20 percent above the national average for a 36-month period, ending no earlier than three months prior to the request (please note that this time frame is different and more restrictive than the 24-month time frame used for waivers in which the State is requesting a waiver for a 1-year period).

All Regional Directors

Page 2

If you have any questions regarding the subject of extended ABAWD waivers please contact Larry Tropp of my staff by email or by telephone at (703) 305-2504.

/s/

Arthur T. Foley

Director

Program Development Division



Food and  
Nutrition  
Service

Park Office  
Center

3101 Park  
Center Drive  
Alexandria  
VA 22302

DATE: March 15, 2017

SUBJECT: SNAP – FY 2017 Allocations of 15 Percent Exemptions for  
ABAWDs – Totals Adjusted for Carryover

TO: All Regional Directors  
Supplemental Nutrition Assistance Program

Section 6(o) of the Food and Nutrition Act of 2008, as amended (the Act), limits the time able-bodied adults without dependents (ABAWD) can receive Supplemental Nutrition Assistance Program (SNAP) benefits to 3 months in any 36-month period, unless the individual meets the ABAWD work requirement or is otherwise exempt. The Act also provides each State agency with an annual allocation of exemptions from the time limit for ABAWDs, calculated based upon 15 percent of the ABAWDs subject to the time limit in the State.

This memorandum informs States of the total number of 15 percent ABAWD exemptions available to them for Fiscal Year (FY) 2017, adjusted for carryover. The Food and Nutrition Service (FNS) has calculated these totals based upon exemptions used in FY 2016 (as reported on each State's FNS-583 SNAP Employment and Training Activity Report, due 45 days after the close of the report period), unused exemptions from previous fiscal years, and new exemptions allocated for FY 2017. Since no State experienced a caseload increase of over 10 percent, there are no adjustments to the new exemptions allocated for FY 2017.

FNS reminds States that, for Quality Control purposes, exemptions must be documented in the case file prior to monthly sample selection.

Please advise your State agencies of the total number of 15 percent ABAWD exemptions available to them for FY 2017. If you have any questions concerning this memorandum, please contact Robert Ek at [Robert.Ek@fns.usda.gov](mailto:Robert.Ek@fns.usda.gov).

Sincerely,

A handwritten signature in cursive script that reads "Sasha Gersten-Paal".

Sasha Gersten-Paal  
Chief  
Certification Policy Branch  
Program Development Division

Attachment

**ABAWD 15 PERCENT EXEMPTIONS FOR FY 2017 – ADJUSTED FOR CARRYOVER**

<b>State</b>	<b>Total FY 2016 Exemptions (Adjusted)</b>	<b>Exemptions Used in FY 2016</b>	<b>Exemptions Earned for FY 2017</b>	<b>Total FY 2017 Exemptions (Adjusted)</b>
Alabama	61,605	-	48,120	109,725
Alaska	9,466	-	-	9,466
Arizona	48,415	-	22,764	71,179
Arkansas	67,195	18,266	23,136	72,065
California	866,894	-	-	866,894
Colorado	28,017	2,638	12,192	37,571
Connecticut	5,839	498	14,676	20,017
Delaware	53,678	-	5,352	59,030
District of Columbia	-	-	-	-
Florida	-2,904	-	176,508	173,604
Georgia	61,515	5,761	11,124	66,878
Guam	3,472	-	-	3,472
Hawaii	39,247	1,998	12,828	50,077
Idaho	28,052	-	7,704	35,756
Illinois	51,341	-	-	51,341
Indiana	99,278	826	35,808	134,260
Iowa	75,320	137	14,172	89,355
Kansas	34,262	-	8,964	43,226
Kentucky	57,760	43,307	17,160	31,613
Louisiana	12,957	137	-	12,820
Maine	14,604	-	13,392	27,996
Maryland	18,915	18,761	18,048	18,202
Massachusetts	15,441	569	23,640	38,512
Michigan	483,013	-	-	483,013
Minnesota	130,623	3,889	21,360	148,094
Mississippi	54,807	633	35,472	89,646
Missouri	-	-	56,208	56,208
Montana	28,296	832	5,280	32,744
Nebraska	55,639	676	7,332	62,295

**ABAWD 15 PERCENT EXEMPTIONS FOR FY 2017 – ADJUSTED FOR CARRYOVER**

<b>State</b>	<b>Total FY 2016 Exemptions (Adjusted)</b>	<b>Exemptions Used in FY 2016</b>	<b>Exemptions Earned for FY 2017</b>	<b>Total FY 2017 Exemptions (Adjusted)</b>
Nevada	59,366	-	-	59,366
New Hampshire	4,315	713	1,848	5,450
New Jersey	76,390	6,483	4,344	74,251
New Mexico*	-1,868	-	-	- 1,868
New York	145,308	40,568	68,172	172,912
North Carolina	-	22,197	81,624	59,427
North Dakota	12,826	693	2,448	14,581
Ohio	559,387	391,152	71,868	240,103
Oklahoma	246,348	3,265	33,996	277,079
Oregon	60,688	146	23,880	84,422
Pennsylvania	105,388	65,671	93,564	133,281
Rhode Island	8,390	-	-	8,390
South Carolina	-	-	29,448	29,448
South Dakota	4,191	33	2,832	6,990
Tennessee	42,990	4,808	18,828	57,010
Texas	1,655,026	48,281	166,740	1,773,485
Utah	20,432	1,417	6,552	25,567
Vermont	3,945	-	5,736	9,681
Virgin Islands	3,948	-	-	3,948
Virginia	270,108	122	38,376	308,362
Washington	11,530	28,886	26,784	9,428
West Virginia	111,011	7,377	10,788	114,422
Wisconsin	51,137	6,173	29,496	74,460
Wyoming	27,402	-	2,280	29,682

*\*New Mexico overused 15 percent exemptions in the first and second quarters of FY 2009, prior to the implementation of the American Recovery and Reinvestment Act, and cannot use 15 percent exemptions until its negative balance is eliminated.*

## GUIDANCE FOR STATES SEEKING WAIVERS FOR FOOD STAMP LIMITS

December 3, 1996

The version of the guidance below that was sent to welfare commissioners contained four appendices. Those appendices are not reproduced here. They were: a list of phone numbers in federal agencies for the use of State agencies working with employment data; tables showing the statistical data USDA could supply to State agencies that intend to request waivers; a sample format for waiver requests; and a list of U.S. counties with unemployment above 10 percent.

December 3, 1996

## GUIDANCE FOR STATES SEEKING WAIVERS FOR FOOD STAMP LIMITS

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 limits receipt of food stamp benefits to three months in a 3-year period for able-bodied adults who are not working, participating in a work program for 20 hours or more each week, or in workfare. Individuals are exempt from this provision if they are:

- \* under 18 or over 50 years of age,
- \* responsible for the care of a child or incapacitated household member,
- \* medically certified as physically or mentally unfit for employment, pregnant, or
- \* already exempt from the work requirements of the Food Stamp Act.

States may request a waiver of this provision in areas with an unemployment rate above 10 percent, or for those residing in an area that does not have "...a sufficient number of jobs to provide employment for the individuals." The Department of Agriculture (USDA) will allow States broad discretion to decide if a waiver request is appropriate for a particular locale or situation.

USDA believes that the law provided authority to waive these provisions in recognition of the challenges that low-skilled workers may face in finding and keeping permanent employment. In some areas, including parts of rural America, the number of unemployed persons and the number of job seekers may be far larger than the number of vacant jobs. This may be especially so for persons with limited skills and minimal work history. The purpose of this guidance is to address some of the issues that States may consider in identifying areas for which to seek a waiver of the time limits on food stamp participation. USDA may reevaluate the guidance offered here and its policies for approving waiver requests in the event of a national economic recession.

## General Issues

Defining an Area: USDA will give States broad discretion in defining areas that best reflect the labor market prospects of program participants and State administrative needs. In general,



USDA encourages States to consider requesting waivers for areas smaller than the entire State. There is enough variety in local employment conditions that statewide averages may mask slack job markets in some counties, cities, or towns. Accordingly, states should consider areas within, or combinations of, counties, cities, and towns for the same reason. USDA also urges States to consider the particular needs of rural areas and Indian reservations.

Duration of Waivers: In general, it is USDA's intent to grant waivers for a maximum of one year. Waivers may be renewed if conditions warrant. In some circumstances described below, or if States request, waivers may be granted for less than one year.

#### Waivers for Unemployment Rates Above 10 Percent

Established Federal policy requires Federal executive branch agencies to use the most recent National, State or local labor force and unemployment data from the Bureau of Labor Statistics (BLS) for all program purposes, including the determination of eligibility for and the allocation of Federal resources unless otherwise directed by statute. (1) This policy ensures the standardization of collection methods and the accuracy of data used to administer Federal programs. In accordance with this policy, States seeking waivers for areas with unemployment rates higher than 10 percent will be expected to rely on standard BLS data or methods.

Availability of Local Area Unemployment Rates: Unemployment figures for many local areas based on standard BLS data or methods are readily available. In the Local Area Unemployment Statistics (LAUS) program, BLS works in concert with State employment security agencies to estimate unemployment rates for:

- \* all States,
- \* all counties in the United States,
- \* all cities with a population of 25,000 or more,
- \* all cities and towns in New England, and
- \* all metropolitan and small labor market areas in the United States.

These estimates are produced monthly. In addition, State employment security agencies can use standard BLS methods to generate unemployment rates for smaller geographic areas and special geographic areas such as Indian reservations (as long as the boundaries of those areas coincide with the boundaries of a group of census tracts). (2)

There are two key issues related to the availability of data to document areas with unemployment rates above 10 percent. First, it is essential to identify areas with unemployment rates above 10 percent using standard BLS data or methods. Second, while these standard methods can be used to estimate unemployment rates for areas smaller than those routinely covered by current BLS publications, the reliability of these estimates will necessarily be less for smaller areas.

Duration of High Unemployment: Unemployment rates can and will fluctuate from month to month. The size of these fluctuations is likely to be larger for estimates based on smaller areas. One fairly standard approach to smooth such fluctuations is by using an average over a number of months, calculated by first averaging unemployment and the labor force. (3)

If requested, USDA will automatically grant a waiver for any area in which the average unemployment rate in the preceding 12 months is greater than 10 percent. BLS routinely publishes monthly data so that 12-month moving average unemployment rates can be produced for all counties, all cities of 25,000 or more, and all cities and towns in New England. (4) A list of counties with unemployment rates above 10 percent for the period from July 1995 to June 1996 is included as Appendix D.

There are two shortcomings associated with using a 12-month average to waive the time limits on food stamp participation. First, a 12-month average will mask portions of the year when the unemployment rate rises above or falls below 10 percent. Second, a 12-month average will also require a sustained period of high unemployment before an area becomes eligible for a waiver.

To avoid these situations and ensure that waivers are granted as quickly as possible where needed, States have several options. First, a State might opt to use a shorter moving average. A moving average of at least three months is preferred. In periods of rising unemployment, a three-month average provides a reliable and relatively early signal of a labor market with high unemployment. A State might also consider using historical unemployment trends to show that such an increase is not part of a predictable seasonal pattern to support a waiver for an extended period (up to one year).

Second, in areas with predictable seasonal variations in unemployment, States may use historical trends to anticipate the need for waivers for certain periods. For example, if the pattern of seasonal unemployment is such that an area's unemployment rate typically increases by two percentage points in January, February, and March, and the area's unemployment rate is currently 9 percent, a State may request a waiver for this area based on its current rate and historical trends. The period covered by the waiver will then coincide with the period of high unemployment. (If a State did not anticipate the rise in unemployment, the increase in unemployment rates would not show up until after the fact.)

USDA will generally expect that the duration of the waiver requested will have some relationship to the period of high unemployment on which the request is based, although the time period for the waiver need not be identical to the period of unemployment data. There may be circumstances in which States may want to consider requesting waivers for as long as one year based on a shorter period of high unemployment. USDA will entertain such requests if a reasonable case is made that the high unemployment is not a seasonal or short term aberration. States may renew waivers as necessary, as long as area unemployment rates exceed 10 percent.

#### Waivers for Areas Without Sufficient Jobs

The statute recognizes that the unemployment rate alone is an imperfect measure of the employment prospects of individuals with little work history and diminished opportunities. It provides States with the option to seek waivers for areas in which there are not enough jobs for groups of individuals who may be affected by the new time limits in the Food Stamp Program.

To some extent, the decision to approve waivers based on an insufficient number of jobs must be made on an area-by-area basis. Examples of such situations include areas where an



important employer has either relocated or gone out of business. In other areas there may be a shortage of jobs that can be filled by persons with limited skills and work experience relative to the number of persons seeking such jobs.

The guidance that follows offers some examples of the types and sources of data available to States as they consider waiver requests for areas with insufficient jobs. Because there are no standard data or methods to make the determination of the sufficiency of jobs, the list that follows is not exhaustive. States may use these data sources as appropriate, or other data as available, to provide evidence that the necessary conditions exist in the area for which they intend the waiver to apply. The absence of a particular data source or approach (for example, data or statistics compiled by a university) is not meant to imply that it would not be considered by USDA if requested by a State.

**Lack of Jobs in Designated Labor Surplus Areas:** The U.S. Department of Labor (DOL) Employment and Training Administration compiles an annual list of labor surplus areas. As the name implies, these are areas in which it has been determined that the number of workers is relatively larger than the number of available jobs. Employers located in labor surplus areas can be given preference in bidding on Federal procurement contracts. The purpose in providing such preference is to help direct the government's procurement dollars into areas where people are in the most severe economic need.

Labor surplus areas are classified on the basis of civil jurisdictions rather than on a metropolitan area or labor market area basis. By classifying labor surplus areas in this way, specific localities with high unemployment rather than all civil jurisdictions within a metropolitan area, (not all of which may suffer from the same degree of unemployment) can be identified. This feature also makes the classification potentially useful to identify areas for which to seek waivers.

The labor surplus listing is issued for each Federal fiscal year. During the course of the fiscal year, the annual listing is updated on the basis of exceptional circumstance petitions submitted by State employment security agencies and approved by the Employment and Training Administration. Monthly updates of the list are available in Area Trends in Employment and Unemployment.

**Lack of Jobs in States with Extended UI Benefits:** The Department of Labor's Unemployment Insurance Service determines whether a State can qualify for extended unemployment benefits. Unemployed persons in these areas are eligible to receive extended unemployment insurance (UI) benefits. Extended UI benefits are an indication that jobs are relatively hard to find. The designation of a State as meeting the criterion for extended UI benefits, therefore, may be a useful indicator that insufficient jobs are available. DOL issues a list of States that meet the criteria for extended benefits each week. States may request a copy from the DOL Unemployment Insurance Service.

**Lack of Jobs Due to Lagging Job Growth:** Job seekers may have a harder time finding work in an area where job growth lags behind population growth. A falling ratio of employment to population may be an indicator of an adverse job growth rate. When the number of jobs in an area grows more slowly than the working age population, the local economy is not generating enough jobs.

The employment-to-population ratio complements measures of unemployment by taking into account working age persons who may have dropped out of the labor force altogether. The ratio can be computed by dividing the number of employed persons in an area by the area's total population. A decline in this ratio over a period of months could indicate an adverse job growth rate for the area.

State social service agencies can obtain employment data from State employment security agencies or BLS. Population estimates for the corresponding areas are also available through the Bureau of the Census, or State employment security agencies. (5) Census population data at the county level are updated annually as of July 1 of each year. There is a lag of at least one year in this population data (the most recent county data are for 1995, the most recent city data are for 1994).

**Lack of Jobs in Declining Occupations or Industries:** Employment markets dominated by declining industries could lead to the presence of large numbers of people whose current job skills are no longer in demand. This can be especially true in smaller, rural areas where the loss of a single employer can immediately have a major effect on local job prospects and unemployment rates. In more occupationally diverse areas however, displaced workers might have more work options available to them, including jobs other than those for which they may have been previously trained

States might consider several options to capture the effect of a declining industry or occupation. BLS provides monthly data on State and local employment figures by major industry (including mining, construction, manufacturing, transportation and public utilities, wholesale and retail trade; finance, insurance and real estate; services, and government). This information, published in *Employment and Earnings*, compares the current month to the month before and to the same month from the previous year.

A declining trend within a particular industry or sector may be taken as evidence of declining employment prospects for persons with experience in or skills appropriate to that sector.

State welfare agencies can also work with State employment security agencies to identify declining industries and occupations in their areas. Databases on occupation and employment changes are used by the UI divisions of State employment security departments to determine how quickly displaced workers can find new jobs (a process known as "profiling"). These databases may also be helpful in identifying groups of individuals that may have an unusually difficult time finding work.

Finally, evidence of increased filing of unemployment insurance claims, available from State employment security agencies, may also offer signs of diminished employment prospects in some areas.

The description of options above is not intended to preclude a State from submitting a request for a waiver that covers specific categories of individuals for whom there are insufficient jobs in an area. Any such requests will be evaluated on a case by case basis.

Applying for Waivers



To ensure that waivers are granted quickly where they are needed, USDA will keep the application and approval process as simple as possible. USDA will offer States the option to self-certify areas where the unemployment rate exceeds 10 percent. States will have to seek prior approval from USDA for waiver requests for areas that lack available jobs.

**Areas with Unemployment Rate Above 10 Percent:** States may self-certify areas that have an unemployment rate higher than 10 percent based upon standard BLS data or methods. State welfare agencies should work with State employment security agencies to make this determination. States must inform their USDA Food and Consumer Service Regional Office and Headquarters (at the address shown in Appendix A) of each area that meets this criterion and certify that the determination was based on standard BLS data or methods. States may update these certifications as frequently as necessary. The waiver period will begin as soon as a State certifies that an area's unemployment rate is above 10 percent. USDA will contact States if additional clarification on the waiver is needed.

**Areas with Insufficient Jobs:** Waivers granted under this category may not be implemented until they are approved by USDA. As indicated above, waiver requests for areas with insufficient jobs may be based on a number of criteria, some of which are straightforward (such as areas designated as labor surplus areas or meeting the criteria for extended UI benefit) while others are more subjective. States are encouraged to request waivers for any area based on the circumstances in those areas. USDA's decision will be based on the current unemployment rate for the area (based on standard BLS data or methods), the type of waiver requested, and sufficient documentary evidence to determine whether to grant a waiver. USDA may contact States for additional information on a case by case basis.

Waiver requests of either type may be renewed on request if the condition which formed the basis of the initial approval persists.

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Notes:

1. This policy is contained in Statistical Policy Directive No. 11, issued by the Office of Federal Policy Standards, Office of Management and Budget.
2. A list of each cooperating State employment agency is included as Appendix A. A list of State employment security administration contacts can be accessed through the BLS LAUS Home Page [found at <http://stats.bls.gov:80/lauhome.htm>]. Monthly State and local area unemployment rates are also readily available from a variety of published sources. These include the Bureau of Labor Statistics State and Metropolitan Area Employment and Unemployment news release, the monthly Employment and Earnings, and Unemployment in State and Local Areas (available on microfiche). States wishing to subscribe to these documents may contact the U.S. Government Printing Office at the number shown in Appendix A. A complete set of up-to-date data can be obtained via the LAUS home page, the LAUS program, BLS regional offices, or the State employment security agency.
3. A 12-month average of monthly total unemployment and monthly labor force should be computed, with the average unemployment rate estimated by dividing average unemployment into average

labor force.

4. A 12-month moving average is computed each month based on data for the month and the 11 months prior to that month.

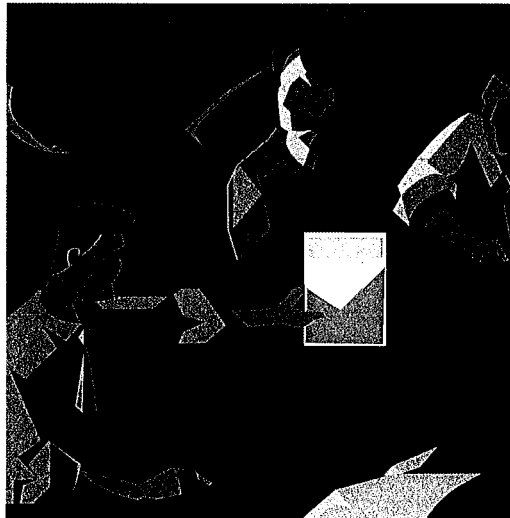
5. The Bureau of Labor Statistics provides population estimates each year to cooperating State employment security agencies. The Census Bureau does not routinely publish small area population estimates, but they will provide it upon request.

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12

# **GUIDANCE ON REQUESTING**

# **ABAWD WAIVERS**



**AUGUST 2006**

## CONTENTS

INTRODUCTION .....	3
WAIVERS BASED ON UNEMPLOYMENT RATE OVER 10 PERCENT .....	4
WAIVERS BASED ON LABOR SURPLUS AREA DESIGNATION .....	6
WAIVERS BASED ON EXTENDED UNEMPLOYMENT BENEFITS .....	6
WAIVERS BASED ON A 24-MONTH AVERAGE UNEMPLOYMENT RATE 20 PERCENT ABOVE THE NATIONAL UNEMPLOYMENT RATE.....	7
INDIAN RESERVATIONS .....	12
OTHER WAIVERS .....	14
TWO-YEAR APPROVAL OF WAIVERS .....	15
SUMMARY .....	16
FOOD STAMP ACT AND REGULATIONS.....	17



## INTRODUCTION

Paragraph 273.24(b) of the Regulations states that Able-Bodied Adults Without Dependents (ABAWDs) can participate in the Food Stamp Program for no more than three countable months during any three-year period, except that individuals can qualify for up to three additional countable months if they meet certain work requirements. ABAWDs who have exhausted their three-month time limit and who do not meet the criteria for additional months are ineligible for food stamps unless the individual can be waived from the work requirements of Section 273.24 because he or she resides in an area that has insufficient jobs.

This guidance does not address ABAWD policy, the 15 percent exemptions, or State reporting. This guidance only addresses the criteria and methods for requesting waivers of the ABAWD provisions in areas of a State. This guidance also discusses the different methods used to obtain a waiver and details where to find the data to substantiate the waiver request.

Waivers that can be readily approved are listed under Paragraph 273.24(f). Upon request from a State, FNS may waive the ABAWD work provisions for a group of individuals in certain areas of the State if it is determined that the area in which the individuals resides:

- ▶ Has an unemployment rate of over 10 percent; or
- ▶ Does not have a sufficient number of jobs to provide employment for the individuals.

To support a claim of a lack of sufficient jobs, a State may submit evidence that an area:

- ▶ Is designated as a Labor Surplus Area (LSA) by the Department of Labor's Employment and Training Administration (DOLETA).
- ▶ Is determined by the DOL's Department of Unemployment Insurance Service as qualifying for extended unemployment benefits.
- ▶ Has a 24-month average unemployment rate 20 percent above the national unemployment rate for the same 24-month period. This 24-month period may not be any earlier than the same 24-month period DOLETA uses to designate LSAs for the current fiscal year. For FY 2006, the 24-month period is January 2004 through December 2005. Data must come from BLS (or the BLS cooperating state agency).
- ▶ Has a low and declining employment-to-population ratio.
- ▶ Has a lack of jobs in declining occupations or industries.
- ▶ Is described in an academic study or other publications as an area where there is a lack of jobs.

The State may submit whatever data it deems appropriate to support its request. However, to support waiver requests based on unemployment rates or labor force data, the State must submit data that relies on standard Bureau of Labor Statistics (BLS) data or methods.

The State is responsible for clearly saying which areas are to be waived and under what criteria. Once the areas are identified, the justification and documentation must be thoroughly explained in order to expedite review of the data. There is no limit to the number of waivers a State can submit during a fiscal year. Only one criterion can be applied to a county or area at a time. In other words, a State cannot exempt one county as a LSA and also use that same county in an area that has a 24-month average unemployment rate 20 percent above the national unemployment rate.

## WAIVERS BASED ON UNEMPLOYMENT RATE OVER 10 PERCENT

To support a waiver of unemployment of over 10 percent, a State can submit:

- ▶ a recent 12 month average unemployment rate over 10 percent;
- ▶ a recent three month average unemployment rate over 10 percent; or
- ▶ a historical seasonal unemployment rate over 10 percent. (This third one may not be recent at all.)

How recent must the data be? The regulations do not say. It is up to the State to submit what it regards as recent data, and FNS will evaluate if the data adequately represents "recent". Keep in mind that we are trying to measure a lack of jobs. For example, calendar year 2001 data would not be very meaningful to support a lack of jobs in calendar year 2006.

To justify that an area meets the criteria for a waiver:

1. Obtain monthly labor force data for the period (12 months, 3 months, or the historical seasonal rate)
2. Obtain monthly unemployment numbers for the same period

Once the above data has been gathered:

3. Total the monthly labor force numbers.
4. Total the monthly unemployment numbers.
5. Divide the unemployment total by the labor force total.
6. The quotient is the unemployment rate.

Actual monthly data is obtained. **Be careful to not include the annual total that is sometimes included in the BLS columns. Do not average the labor force numbers or the unemployment numbers.** The method that is absolutely not acceptable is to calculate a monthly unemployment rate, then average the unemployment rates. Usually this method produces a result that is very close to our method, but it is not exactly the same result. It is imperative that all States use the same method.

Following is an example of the documentation and calculations needed to support a waiver based on a recent 12-month average unemployment rate over 10 percent:

### Marion County, South Carolina

		Labor Force		Unemployed	
2005	Jan	14301		2192	
2005	Feb	14354		2225	
2005	Mar	14185		1836	
2005	Apr	14481		1957	
2005	May	14360		1735	
2005	Jun	14399		1810	
2005	Jul	14239		1790	
2005	Aug	14175		1772	
2005	Sep	14147		1843	
2005	Oct	14261		1851	
2005	Nov	14486		2170	
2005	Dec	14217		1936	

Above are the monthly labor force and unemployed figures for the most recent 12 month period to request a waiver for Fiscal Year (FY) 2006. Refer to Attachment A (Excel Spreadsheet - Sheet 1) to review computations.

This information is obtained from the Bureau of Labor Statistics, Local Area Unemployment Statistics. The website is [www.bls.gov/lau](http://www.bls.gov/lau).

- ✗ Click on “**Get Detailed LAUS Statistics**”.
- ✗ Then click on “**Create Customized Tables (one screen)**”.
- ✗ Select the area(s) for which data is needed, and
- ✗ Click on “**Get Data**”. Use the “**not seasonally adjusted**” data.

Jurisdictions or a cluster of areas or counties may be combined to waive an area larger than one county. States have authority to define the cluster of areas to be combined. If a State defines its own jurisdiction or cluster of areas, the boundaries or clusters must be thoroughly documented to expedite review of the waiver request. The Department of Commerce, Bureau of Economic Analysis is one source that can be used to identify economic areas. This data may be found at the website [www.bea.gov/bea/regional/docs/econlist.cfm](http://www.bea.gov/bea/regional/docs/econlist.cfm). These areas define the relevant regional markets surrounding metropolitan or micropolitan statistical areas. They consist of one or more economic nodes - metropolitan or micropolitan statistical areas that serve as regional centers of economic activity - and the surrounding counties that are economically related to the nodes. Other sources or methods may be used to combine a cluster of areas.

When combining jurisdictions or a cluster of areas, consider the entire combination as one area. Never calculate individual counties' or jurisdictions' unemployment rates and then average.

To illustrate a waiver for an area larger than one county, following is an example using the Department of Commerce's economic areas: Area 65 is the Great Falls, Montana Economic Area. The following counties are included in this economic area: Blaine, Cascade, Chouteau, Glacier, Hill, Liberty, Phillips, Pondera, Teton, and Toole. The State could request a waiver for all counties or a sub-area such as Glacier, Liberty and Toole, as long as the data for the combined area meets the waiver criteria.

To calculate an economic area's unemployment rate:

- ▶ Complete Steps 1 and 2 above for each county in the economic area. If the State wanted to waive the sub-area mentioned immediately above, it would obtain the monthly labor force data for the 12-month period for Glacier County, and then for Liberty County and then Toole County.
- ▶ The next step would be to obtain monthly unemployment numbers for the same period for each county.
- ▶ After obtaining this data, follow Steps 3-6 above. In other words:
  3. Total the monthly labor force numbers for all three counties,
  4. Then total the monthly unemployment numbers for all three counties,
  5. Divide the unemployment total by the labor force total.
  6. The quotient is the unemployment rate.

*(Keep in mind that Montana's economic area was just used as an example. This does not mean this sub-area would qualify for a waiver based on a recent 12-month average unemployment rate over 10 percent.)*

A State can use a different 12-month period for different contiguous areas when requesting a waiver. This must be clearly documented.

In areas where the BLS or the BLS cooperating agency data show a most recent 12 month average unemployment rate over 10 percent, the State may begin to operate the waiver at the time the waiver request is submitted. The State will be notified if the waiver must be modified. In general, these waivers will be approved for one year. The duration of a waiver should bear some relationship to the documentation provided in support of the waiver request.

The above steps would be used to request a waiver based on a recent three month average unemployment rate over 10 percent or a historical seasonal unemployment rate over 10 percent.

### **WAIVERS BASED ON LABOR SURPLUS AREA DESIGNATION**

An area that has been designated as a Labor Surplus Area (LSA) by the Department of Labor's Employment and Training Administration (DOLETA) may be waived from the ABAWD provisions. LSAs are civil jurisdictions (usually cities, towns, and counties) with an average unemployment rate that exceeded the national average for two years by at least 20 percent for the previous two calendar years. There are exceptions to this formula when the national average unemployment rate is very low or very high. The DOLETA constructs the LSA list and publishes a new one each fiscal year in the *Federal Register*. The website for the LSA list is: <http://www.doleta.gov/programs/lsa.cfm>. Below is an example of the LSA list for Kansas for Fiscal Year 2005.

#### **LABOR SURPLUS AREAS OCTOBER 01, 2004 THROUGH SEPTEMBER 30, 2005**

##### **KANSAS**

CHEROKEE COUNTY  
COFFEY COUNTY  
DONIPHAN COUNTY  
KANSAS CITY KN

LEAVENWORTH CITY

LINN COUNTY  
SUMNER COUNTY  
WICHITA CITY

CHEROKEE COUNTY  
COFFEY COUNTY  
DONIPHAN COUNTY  
KANSAS CITY KN IN  
WYANDOTTE COUNTY  
LEAVENWORTH CITY IN  
LEAVENWORTH COUNTY  
LINN COUNTY  
SUMNER COUNTY  
WICHITA CITY IN  
SEDGWICK COUNTY

FNS will approve waivers when it is confirmed the area has been designated a LSA by the ETA for the current fiscal year. If the area has been designated as a LSA by the DOLETA for the current fiscal year, the State may begin to operate the waiver at the time the waiver request is submitted. FNS will contact the State if the waiver must be modified. These waivers will be approved for a period of one or two years, depending on the data submitted.

### **WAIVERS BASED ON EXTENDED UNEMPLOYMENT BENEFITS**

Extended Unemployment Benefits (EUB) are available to workers who have exhausted regular unemployment insurance benefits during periods of high unemployment. The basic

EUB program provides up to 13 additional weeks of benefits when a State is experiencing high unemployment. Some States have also enacted a voluntary program to pay up to 7 additional weeks (20 weeks maximum) of EUB during periods of extremely high unemployment.

DOL will notify State Employment Security Agencies (SESAs) by trigger notices to advise them of the method by which the States' EB status has change. An example of a trigger notice follows:

TRIGGER NOTICE NO. 2006 - 10  
STATE EXTENDED BENEFIT (E.B.) INDICATORS UNDER P.L. 102-318  
Effective March 26, 2006

											STATUS
											Periods
											Begin Date(B) End Date(E)

A State can choose any 24-month period, as long as the period does not begin earlier than the period DOLETA uses to designate LSAs for the current fiscal year. DOLETA's 24-month period for the Fiscal Year 2006 LSA list runs from January 1, 2003 through December 31, 2004. The following table illustrates the time frames:

For Fiscal Year	The LSA List Is Effective	And The 24-Month Period for Calculating an Area's Unemployment Rate Can Begin No Earlier Than
2007	10-01-06 to 09-30-07	01-01-04
2008	10-01-07 to 09-30-08	01-01-05
2009	10-01-08 to 09-30-09	01-01-06
2010	10-01-09 to 09-30-10	01-01-07
2011	10-01-10 to 09-30-11	01-01-08

To use the most accurate method and be consistent with FNS' calculations, the following methods should be used. An example is provided below. **All calculations should be submitted on Excel spreadsheets and transmitted to the Regional Office by email.** (This applies to waivers based on a recent 12-month average unemployment rate over 10 percent as well.) The most obvious characteristic of this method is that the State never averages monthly unemployment rates. To average monthly unemployment rates is not acceptable.

If a State calculates a 24-month average for a period other than a calendar or fiscal year, the State will also have to use this new method to calculate the national average unemployment rate for the same 24-month period. The only difference is that the rounding to one decimal place (please see Step 7 below) would not occur until after the state calculated the 20 percent above the national average.

#### Method for Calculating a 24-Month Average Unemployment Rate for One County

##### **Step 1**

Obtain 24 labor force numbers. Be careful to not include annual totals that may be in the BLS data.

##### **Step 2**

Total the 24 labor force numbers.

##### **Step 3**

Obtain 24 unemployed numbers

##### **Step 4**

Total the 24 unemployed numbers

##### **Step 5**

Divide the total in Step 4 by the total in Step 2. If the quotient in Step 5 has more than four decimal places, drop the fifth and all subsequent decimal places.

##### **Step 6**

Multiply the quotient in Step 5 by 100, to express it as a percentage.

**Step 7**

Round the number in Step 6 to one decimal place. This is the county's average unemployment rate for the 24-month period. The state would compare this number to the 20 percent above the national average unemployment rate to see if the county qualifies for an ABAWD waiver.

**An Example of the Method for Calculating a 24-Month Average Unemployment Rate for One County**

**Noname, County**

**Step 1**

Year	Period	labor force
2002	Jan	16449
2002	Feb	16467
2002	Mar	16298
2002	Apr	16457
2002	May	17037
2002	Jun	16943
2002	Jul	17220
2002	Aug	16579
2002	Sep	15994
2002	Oct	15850
2002	Nov	15817
2002	Dec	15749
2003	Jan	15653
2003	Feb	15825
2003	Mar	15703
2003	Apr	15840
2003	May	16148
2003	Jun	16311
2003	Jul	16605
2003	Aug	16483
2003	Sep	16257
2003	Oct	16047
2003	Nov	15852
2003	Dec	15630

**Step 2**

Year	Period	labor force
2002	Jan	16449
2002	Feb	16467
2002	Mar	16298
2002	Apr	16457
2002	May	17037
2002	Jun	16943
2002	Jul	17220
2002	Aug	16579
2002	Sep	15994
2002	Oct	15850
2002	Nov	15817
2002	Dec	15749
2003	Jan	15653
2003	Feb	15825
2003	Mar	15703
2003	Apr	15840
2003	May	16148
2003	Jun	16311
2003	Jul	16605
2003	Aug	16483
2003	Sep	16257
2003	Oct	16047
2003	Nov	15852
2003	Dec	15630

**TOTAL    389214**

Noname, County

Step 3

Year	Period	unemployment
2002	Jan	1128
2002	Feb	1221
2002	Mar	1051
2002	Apr	1071
2002	May	1432
2002	Jun	1348
2002	Jul	1609
2002	Aug	1107
2002	Sep	749
2002	Oct	846
2002	Nov	917
2002	Dec	917
2003	Jan	1000
2003	Feb	1117
2003	Mar	998
2003	Apr	917
2003	May	928
2003	Jun	918
2003	Jul	1093
2003	Aug	955
2003	Sep	804
2003	Oct	796
2003	Nov	801
2003	Dec	736

Step 4

Year	Period	unemployment
2002	Jan	1128
2002	Feb	1221
2002	Mar	1051
2002	Apr	1071
2002	May	1432
2002	Jun	1348
2002	Jul	1609
2002	Aug	1107
2002	Sep	749
2002	Oct	846
2002	Nov	917
2002	Dec	917
2003	Jan	1000
2003	Feb	1117
2003	Mar	998
2003	Apr	917
2003	May	928
2003	Jun	918
2003	Jul	1093
2003	Aug	955
2003	Sep	804
2003	Oct	796
2003	Nov	801
2003	Dec	736

TOTAL

24459

Step 5

24459 divided by 389214 = 0.062842. Since the quotient has more than four decimal places, drop the fifth and all subsequent decimal places. Step 5 becomes 0.0628.

Step 6

Multiply the quotient in Step 5 by 100, to express it as a percentage...0628 x 100 = 6.28 percent

Step 7

6.28 percent is rounded to 6.3 percent. This is the Noname County's average unemployment rate for the 24-month period. The State would compare this number to the national average unemployment rate to see if the county qualifies for an ABAWD waiver. Refer to Attachment



B (Excel Spreadsheet - Sheet 2) to review computations. Now compare to the national unemployment rate for the same period. Follow the procedure outlined below to arrive at the national unemployment rate: (See charts immediately below.)

**Step 1** - Monthly National Labor Force

**Step 2** - Monthly National Unemployed

**Step 3** - Total Labor Force = 3,496,471 (in thousands)

**Step 4** - Total Unemployed = 205,825 (in thousands)

**Step 5** - Divide Unemployed by Labor Force:  $205,825 / 3,496,471 = .058866$ .

Since the 66 is in the fifth and sixth decimal place, drop the 66 and get the quotient .0588

**Step 6** - Multiply by 1.2:  $.0588 \times 1.2 = .07056$

Drop the fifth decimal place and get the product: .0705

**Step 7** - Express as a percentage by multiplying by 100: 7.05

**Step 8** - Round to one decimal Place: 7.05 becomes 7.1%

#### National Labor Force (Number in thousands)

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>2002</b>	143228	144266	144334	144158	144527	145940	146189	145565	145167	145320	144854	144807
<b>2003</b>	145301(1)	145693	145801	145925	146067	148117	147822	146967	146166	146787	146969	146501

#### National Unemployed (Number in thousands)

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>2002</b>	9051	8823	8776	8255	7969	8758	8693	8271	7790	7769	8170	8209
<b>2003</b>	9395	9260	9018	8501	8500	9649	9319	8830	8436	8169	8269	7945

Refer to Attachment C (Excel Spreadsheet - Sheet 3) for the calculations to determine the national unemployment rate for the same period used for Noname County. As you will see, Noname County will not qualify for a waiver as their 24-month average unemployment rate is not 20 percent above the national unemployment rate.

Jurisdictions or a cluster of areas or counties may be combined to waive an area larger than one county. Consider the entire combination as one area. Never calculate individual counties' unemployment rates, and then average. The same procedure would apply as described under **WAIVERS BASED ON UNEMPLOYMENT RATE OVER 10 PERCENT**, except 24 months of labor force and unemployed data would be obtained.

- ▶ Each county's 24-month figures would be totaled;
- ▶ Then all areas' totals would be totaled;
- ▶ Then divide the total unemployed figure by the total labor force figure to arrive at the unemployment rate for the area.

This rate would then be compared to the 20 percent above the national unemployment rate, which is calculated as outlined immediately above.

For **Indian reservations**, the same method also applies. However, some reservations cross county lines; some occupy part of a county. A waiver for the reservations cannot include non-reservation areas. The first step is to get the employed, unemployed, and labor force numbers for just the reservation. This involves obtaining the census share for the counties involved. The significant difference is that the census share ratios have six decimal places, and we never shorten these ratios to four.

The next step in determining whether a reservation area meets criteria for a waiver is to determine the census share for the area to be waived. To illustrate obtaining the census share, the Pine Ridge Reservation and Off-Reservation Trust Land in South Dakota was used. The data to determine the census share comes from the Census Bureau. Go to [www.factfinder.census.gov](http://www.factfinder.census.gov).

- ✗ Under the heading **"Getting Detailed Data"**, look for Decennial Census. Click on **"get data"**.
- ✗ Scroll down to **"Census 2000 Summary File 3 (SF 3) - Sample Data"** and click the button. A menu to the right will open. Click on **"Enter a table number"**. Enter P43 and click on **"Go"**.
- ✗ Under the first bullet, an item will read **"Show all geography types"**. Click on this item and the page will reload. The item will then read **"Show major geography types only"**.
- ✗ Under **"Select a geographic type"**, open the pull down menu. Go down to **"..... County (or part)"** under **"..... American Indian Area/Alaska Native Area/Hawaiian Home Land (or part)"** and click on **"..... County (or part)"**. The page will reload.
- ✗ Then go to **"Select a state"**, and select South Dakota for this illustration. The page will reload.
- ✗ Under **"Select an American Indian Area/Alaska Native Area/Hawaiian Home Land (or part)"**, open the pull down menu and click on **"Pine Ridge Reservation and Off-Reservation Trust Land, SD..NE (part)"**. The page will reload.
- ✗ Under **"Select one or more geographic areas and click 'Add'"**, click on **"All Counties (or parts)"** and then click on **"Add"** directly below the box. You will see Bennett, Jackson, and Shannon Counties appear in the **"Current geography selections"** box. Once this information is displayed, DO NOT click on **"Remove"** or **"Show Result"**.
- ✗ Instead, go back up to the top of the page and again pull down the menu under **"Select a geographic type"**. Select **"..... County"** directly under State and click. The page will reload.
- ✗ Under **"Select a state"**, South Dakota should still be in the box.
- ✗ Under **"Select one or more geographic areas and click 'Add'"**, click on **"Bennett County"** and then **"add"**. Then go back up to the box that contains the counties, find **"Jackson County"**, click on it and then click **"Add"**. Do the same for Shannon County. These three counties should now be in the **"Current geography selections"** box, as well as the county portions of the reservation.
- ✗ Now click **"Show Result"**. The table below is the result. (NOTE: Shannon County is completely on the Reservation, so a census share is not needed for this county.)

	Bennett County, South Dakota	Jackson County, South Dakota	Shannon County, South Dakota	Bennett County (part); Pine Ridge Reservation and Off-Reservation Trust Land, SD--NE (part); South Dakota	Jackson County (part); Pine Ridge Reservation and Off-Reservation Trust Land, SD--NE (part); South Dakota	Shannon County; Pine Ridge Reservation and Off-Reservation Trust Land, SD--NE (part); South Dakota
Total:	2,440	1,998	7,416	859	967	7,416
Male:	1,167	986	3,650	435	502	3,650
In labor force:	665	595	1,996	185	254	1,996
In Armed Forces	0	0	0	0	0	0
Civilian:	665	595	1,996	185	254	1,996
Employed	<b>602</b>	<b>510</b>	1,274	<b>141</b>	<b>174</b>	1,274
Unemployed	<b>63</b>	<b>85</b>	722	<b>44</b>	<b>80</b>	722
Not in labor force	502	391	1,654	250	248	1,654
Female:	1,273	1,012	3,766	424	465	3,766
In labor force:	719	538	1,888	194	216	1,888
In Armed Forces	0	0	0	0	0	0
Civilian:	719	538	1,888	194	216	1,888
Employed	<b>636</b>	<b>445</b>	1,327	<b>125</b>	<b>126</b>	1,327
Unemployed	<b>83</b>	<b>93</b>	561	<b>69</b>	<b>90</b>	561
Not in labor force	554	474	1,878	230	249	1,878

From this data:

- ▶ Add the Male Civilian Employed and the Female Civilian Employed (in red bold above) from Bennett County column. Result is  $602 + 636 = 1238$ .
- ▶ Then add the Male Civilian Employed and the Female Civilian Employed (in red bold above) from the Bennett County (part) column. Result is  $141 + 125 = 266$ .
- ▶ Divide the Bennett County (part) employed by the Bennett County employed:  $266 \div 1238 = .214862681$ , dropped to 6 decimal points = **.214862**. **This is the reservation employed census share.**

Now do the same for unemployed in Bennett County:

- ▶ The Male Civilian Unemployed and Female Civilian Unemployed (in blue bold) in Bennett County is  $63 + 83 = 146$ .
- ▶ The Male Civilian Unemployed and Female Civilian Unemployed (in blue bold) in Bennett County (part) is  $44 + 69 = 113$ .
- ▶ Divide the Bennett County (part) unemployed by the Bennett County unemployed:  $113 \div 146 = .773972602$ , dropped to 6 decimal points = **.773972**. **This is the reservation unemployed census share.**

Follow the same steps to determine the census shares for Jackson County. Jackson's employed census share is **.314136**. Jackson's unemployed census share is **.955056**.

Once the census shares are known, obtain the employment numbers and the unemployment numbers for 24 months for Bennett County and Jackson County from BLS. All the Labor Force numbers and unemployed numbers for Shannon County for 24 months must also be obtained. (See Attachment D - Sheets 4). The census share is not needed for Shannon County because the entire county is reservation.

Now that all data is gathered, the information is plugged into the flow chart, as illustrated below. Follow the flow chart below to obtain the reservation unemployment rate. (See Attachment D - Sheet 5 for calculations).

<u>Bennett County</u>		<u>Jackson County</u>				
Employment (24 mos.)	Unemployment (24 mos.)	Employment (24 mos.)	Unemployment (24 mos.)			
32239	1768	28301	1916			
<u>x Census Share(.214862)</u>	<u>x Census Share(.773972)</u>	<u>x Census Share(.314136)</u>	<u>x Census Share(.995056)</u>			
Res Employ (A)	+	Res Employ (B)	+	Res Unemploy (A)		Res Unemploy (B)
6926.936		8890.363		1368.382		1906.527
Equals				Equals		
<u>Reservation Labor Force (A)</u>		← PLUS →		<u>Reservation Labor Force (B)</u>		
8295.319				10796.89		
Equals						
Total Reservation Labor Force: 8295.319 (Bennett) + 10796.89 (Jackson) + 94515 (Shannon) = 113607.2, rounded = 113607						

Bennett County		Jackson County	
Reservation Unemployment (A)	+	Reservation Unemployment (B)	
1368.382		1906.527	
Equals			
Total Reservation Unemployment: 1368.382 (Bennett) + 1906.527 (Jackson) + 9731 (Shannon) = 13005.91, rounded = 13006			

$$\frac{\text{Total Reservation Unemployment (13006)}}{\text{Total Reservation Labor Force (113607)}} = \text{Reservation Unemployment Rate: } 11.4\%$$

The reservation unemployment rate is then compared to the 20 percent above the national unemployment rate for the same time period.

There may be instances when two or more reservations cross the same county's boundaries. In this case, determine census ratios as if only one reservation at a time crossed over into the county.

### OTHER WAIVERS

Waivers may also be submitted based on the following criteria:

- ▶ Areas having a low and declining employment-to-population ratio.
- ▶ Areas having a lack of jobs in declining occupations or industries.
- ▶ Areas described in an academic study or other publications as an area where there is a lack of jobs.

The State may submit whatever data it deems appropriate to support requests based on this data. FNS will evaluate the data and determine if it is acceptable to justify a waiver.

## **TWO-YEAR APPROVAL OF WAIVERS**

Two-year approval of waivers can be allowed under limited circumstances. This option reduces the burden on State agencies that prepare waivers for areas with chronic high unemployment.

Because of the dynamic nature of labor markets, very strict criteria are imposed for the approval of 2-year waivers. In order to be eligible for a 2-year waiver, the affected area must meet at least one of the following criteria indicating that the area has experienced and will probably continue chronic high unemployment:

- ▶ An unemployment rate greater than 10 percent for the 2-year period immediately prior to the request.
- ▶ Designation as a Labor Surplus Area (LSA) by the Department of Labor's Employment and Training Administration (DOLETA) for a minimum of 2 consecutive fiscal years (the year of the request and the fiscal year prior to the request).
- ▶ An unemployment rate that is 20 percent above the national average for a 36-month period, ending no earlier than 3 months prior to the request. (Please note that this time frame is different and more restrictive than the 24-month time frame used for waivers in which the State is requesting a waiver for a 1-year period.)

Computations for 2-year waiver requests are the same as for the waivers previously discussed; however, the time frames for data are more extensive and more restrictive.

## SUMMARY

### REMEMBER:

- ▶ All data must come from acceptable sources:
  - ☑ Unemployment rate data must come from the Bureau of Labor Statistics or cooperating state agencies.
  - ☑ Labor Surplus Area data must come from the Employment and Training Administration.
  - ☑ Census share data must come from the Census Bureau.
- ▶ All computations should be documented:
  - ☑ Computations that are made with spreadsheets should be e-mailed.
  - ☑ Spreadsheets' cells that contain the results of computations should contain the formulae that derive the results, not just the results themselves.
  - ☑ The Waiver Request Outline must accompany the spreadsheets. If the waiver request is based solely on LSA areas, a Waiver Request Outline is not necessary.
- ▶ All data should be completely cited:
  - ☑ Data from Internet websites should include the website's Uniform Resource Identifier (URI) or Uniform Resource Locator (URL).
  - ☑ Data from other sources should refer to the source document or enclose a copy with the request.
- ▶ Supplementary information should be clear and well documented:
  - ☑ Unusual terms (like Indian trust lands) should be defined and their use explained.
  - ☑ Maps should be included, when helpful.

Current waivers that are due for extension must be submitted to the Regional Office 90 days prior to the date of expiration.

## FOOD STAMP ACT AND REGULATIONS

Following are the ABAWD waiver provisions from the Food Stamp Act and the Regulations. This information is provided to simply have the fundamental documents at hand.

### FOOD STAMP ACT

- Section 6(o)(4) of the Food Stamp Act:

#### (4) WAIVER.—

(A) IN GENERAL.—On the request of a State agency, the Secretary may waive the applicability of paragraph (2) to any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

- (i) has an unemployment rate of over 10 percent; or
- (ii) does not have a sufficient number of jobs to provide employment for the individuals.

(B) REPORT.—The Secretary shall report the basis for a waiver under subparagraph (A) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

### FOOD STAMP REGULATIONS

- 7 CFR 273.24(f):  
(f) *Waivers*—

(1) *General*. On the request of a State agency, FNS may waive the time limit for a group of individuals in the State if we determine that the area in which the individuals reside:

(i) Has an unemployment rate of over 10 percent; or

(ii) Does not have a sufficient number of jobs to provide employment for the individuals.

(2) *Required data*. The State agency may submit whatever data it deems appropriate to support its request. However, to support waiver requests based on unemployment rates or labor force data, States must submit data that relies on standard Bureau of Labor Statistics (BLS) data or methods. A non-exhaustive list of the kinds of data a State agency may submit follows:

- (i) To support a claim of unemployment over 10 percent, a State agency may submit evidence that an area has a recent 12 month average unemployment rate over 10 percent; a recent three month average unemployment rate over 10 percent; or an historical seasonal unemployment rate over 10 percent; or

(ii) To support a claim of lack of sufficient jobs, a State may submit evidence that an area: is designated as a Labor Surplus Area (LSA) by the Department of Labor's Employment and Training Administration (ETA); is determined by the Department of Labor's Unemployment Insurance Service as qualifying for extended unemployment benefits; has a low and declining employment-to-population ratio; has a lack of jobs in declining occupations or industries; is described in an academic study or other publications as an area where there are lack of jobs; has a 24-month average unemployment rate 20 percent above the national average for the same 24-month period. This 24-month period may not be any earlier than the same 24-month period the ETA uses to designate LSAs for the current fiscal year.

(3) *Waivers that are readily approvable.* FNS will approve State agency waivers where FNS confirms:

(i) Data from the BLS or the BLS cooperating agency that shows an area has a most recent 12 month average unemployment rate over 10 percent;

(ii) Evidence that the area has been designated a Labor Surplus Area by the ETA for the current fiscal year; or

(iii) Data from the BLS or the BLS cooperating agency that an area has a 24 month average unemployment rate that exceeds the national average by 20 percent for any 24-month period no earlier than the same period the ETA uses to designate LSAs for the current fiscal year.

(4) *Effective date of certain waivers.* In areas for which the State certifies that data from the BLS or the BLS cooperating agency show a most recent 12 month average unemployment rate over 10 percent; or the area has been designated as a Labor Surplus Area by the Department of Labor's Employment and Training Administration for the current fiscal year, the State may begin to operate the waiver at the time the waiver request is submitted. FNS will contact the State if the waiver must be modified.

(5) *Duration of waiver.* In general, waivers will be approved for one year. The duration of a waiver should bear some relationship to the documentation provided in support of the waiver request. FNS will consider approving waivers for up to one year based on documentation covering a shorter period, but the State agency must show that the basis for the waiver is not a seasonal or short term aberration. We reserve the right to approve waivers for a shorter period at the State agency's request or if the data is insufficient. We reserve the right to approve a waiver for a longer period if the reasons are compelling.

(6) *Areas covered by waivers.* States may define areas to be covered by waivers. We encourage State agencies to submit data and analyses that correspond to the defined area. If corresponding data does not exist, State agencies should submit data that corresponds as closely to the area as possible.



2015

# Guide to Serving ABAWDs Subject to Time-limited Participation



*A Guide on Serving  
Able-Bodied Adults  
without Dependents  
(ABAWDs)*

## Contents

Introduction .....	2
Background .....	2
What is an ABAWD? .....	2
What is the ABAWD Work Requirement? .....	2
What is a work program? .....	3
What is the difference between the additional ABAWD requirements and general SNAP work requirements? .....	3
Countable Months .....	4
How do States track countable months? .....	4
Non-consecutive countable months .....	4
Breaks in participation and countable months .....	5
Countable months and the full benefit month .....	5
Measuring the 36-Month Period .....	6
What is the difference between a fixed and rolling clock? .....	6
What information are ABAWDs required to report? .....	6
Regaining Eligibility .....	7
What happens if an ABAWD who has regained eligibility stops meeting the work requirement? .....	7
15 percent Exemptions .....	8
What are 15 percent exemptions? .....	8
How can States use 15 percent exemptions? .....	8
Are State agencies required to track the number of 15 percent exemptions they use? .....	8
What happens if a State agency uses more than exemptions than it has to give? .....	8
ABAWD Time Limit Waivers .....	9
Qualifying Components & Activities .....	9
What activities qualify as work programs? .....	9
Is job search a qualifying component? .....	12
Is there a limit on the number of hours a State agency can require an ABAWD to participate in a training or work program? .....	12
E&T Pledge Funds .....	13
The Transition off of a Statewide Time Limit Waiver .....	14

## Introduction

The purpose of this guide is to consolidate guidance and policy on serving able-bodied adults without dependents (ABAWDs). State agencies responsible for implementing the Supplemental Nutrition Assistance Program (SNAP) may use this guide to better understand the requirements and dynamics of enforcing ABAWD work requirements. This guidance is based on relevant sections of the Food and Nutrition Act (the Act), as amended, and title 7 of the Code of Federal Regulations, part 273.

The Food and Nutrition Service (FNS) acknowledges the complexity of regulations related to serving ABAWDs. In order to ensure accuracy, State agencies must have the system functionality in place to track all requirements and ensure that benefits are issued according to SNAP rules. Systems are needed to track all aspects of the ABAWD time limit, including the 36-month period, 3 countable months, additional 3-month eligibility and 15 percent exemptions, as described in this guide.

## Background

### What is an ABAWD?

An ABAWD is an able-bodied adult without dependents. ABAWD eligibility for SNAP is limited to any 3 months in a 36-month period (considered the 3-month time limit) unless the individual meets the ABAWD work requirements (defined below). The 3-month time limit does not apply to individuals who are: 1) under 18 or 50 years of age or over; 2) medically certified as physically or mentally unfit for employment; 3) responsible for a dependent child or residing in a household where a household member is under age 18; 4) exempt from SNAP work requirements; or 5) pregnant. All other SNAP participants are considered ABAWDs.

### What is the ABAWD Work Requirement?

ABAWDs can meet the work requirement by:

- Working 20 or more hours a week, averaged monthly;
- Participating in and complying with the requirements of a work program (see definition below) for 20 or more hours a week; or
- Participating in and complying with the requirements of a workfare program under section 20 of the Act or a comparable program established by a State or a political subdivision of a State (see “Qualifying Components & Activities” below).

ABAWDs who exhaust their 3 months of benefits and do not comply with the work requirement lose their benefits for the remainder of the 36-month time period. An ABAWD can regain eligibility during this time period by meeting the work requirement for 30 days, after which they remain eligible to receive SNAP for as long as they continue to meet work requirements.

The ABAWD work requirement does not apply to ABAWDs who reside in areas of a State that are granted a waiver of the 3-month time limit by FNS or to ABAWDs who are included in a State agency’s 15 percent exemption allowance. However, these ABAWDs are still subject to general SNAP work requirements and must participate in a training or workfare activity if referred by the State agency.

### What is a work program?

In the context of ABAWD requirements, a work program means:

- A program under the Workforce Investment Act (WIA)
- A program under section 236 of the Trade Act of 1974
- An employment and training program, other than a job search or job search training program, operated or supervised by a State or political subdivision of a State that meets standards approved by the Governor of the State, including activities under the SNAP Employment and Training (E&T).

### What is the difference between the additional ABAWD requirements and general SNAP work requirements?

SNAP participants who are not specifically exempted by law are subject to work requirements as a condition of eligibility. ABAWDs are a subset of this population and must meet additional requirements in order to continue receiving SNAP benefits beyond the 3-month time limit. ABAWDs must meet all the general SNAP work requirements (like registering for work and not voluntarily quitting a job) as well as the additional requirements for ABAWDs. The table below compares general SNAP work requirements to the additional responsibilities placed on ABAWD participants only.

	General SNAP Work Requirements	Additional ABAWD Requirements
<b>The requirements do not apply to SNAP participants who are:</b>	<ul style="list-style-type: none"><li>• Under the age of 16 or over the age of 60;</li><li>• Physically or mentally disabled;</li><li>• Complying with the work requirements of another program;</li><li>• Responsible for a child under the age of six;</li><li>• Already working more than 30 hours a week;</li><li>• Participating in a drug or alcoholic rehab program</li><li>• Students enrolled at least half time</li></ul>	<ul style="list-style-type: none"><li>• Exempt from general SNAP work requirements;</li><li>• Under 18 or age 50 or over;</li><li>• Living in a household with a child under 18;</li><li>• Physically or mentally unfit for employment;</li><li>• Pregnant</li></ul>
<b>Activities that meet the requirements are:</b>	<ul style="list-style-type: none"><li>• Register for work;</li><li>• Participate in an SNAP E&amp;T program to the extent required (up to 120 hours);</li><li>• Participate in workfare if assigned;</li><li>• Accept suitable employment if offered; and</li></ul>	<ul style="list-style-type: none"><li>• Working 20 or more hours a week, averaged monthly;</li><li>• Participating in a work program for 20 or more hours a week ;</li><li>• Combination of working and participating in a work program for 20 or more hours</li></ul>

	<ul style="list-style-type: none"> <li>Do not voluntarily quit a job of 30 or more hours a week or reduce work effort to less than 30 hours per week</li> </ul>	per week; or <ul style="list-style-type: none"> <li>Participating in a workfare program</li> </ul>
<b>The penalty for a failure to comply with the requirements is:</b>	Ineligible for SNAP benefits, anywhere from one month to indefinitely depending on number of occurrences and State policy.	Ineligible for SNAP for the remainder of a 36-month period after exhausting the 3-months of time limited eligibility.

## Countable Months

ABAWD eligibility is time limited to 3 months in any 36-month period in which the ABAWD is subject to but not complying with ABAWD work requirements. State agencies must track an ABAWD's countable months in order to correctly determine his or her eligibility for SNAP. State systems must be able to track the 3 countable months, the 36-month time period as described in this section, and the additional 3 months of eligibility explained in the following section titled "Regaining Eligibility."

A countable month is any month in which an ABAWD receives SNAP benefits for the full benefit month while not:

- Exempt from the 3-month time limit
- Fulfilling ABAWD work requirements
- Covered by a waiver of the ABAWD time limit
- Exempted for the month using one of the State's 15 percent exemptions

## How do States track countable months?

Tracking countable months requires careful measurement. FNS encourages States to consider how they will utilize their eligibility systems to accurately track ABAWD participation and countable months.

State systems must measure:

- The 3 countable months of SNAP participation
- The 36-month time period
- The additional 3 months of eligibility (explained in the section titled "Regaining Eligibility")

The 3 countable months of SNAP participation do not have to be used consecutively. Individuals may find sufficient employment temporarily, cease to participate in the program for a period of time or experience other circumstances that may cause them to use their 3 months of time limited eligibility during non-consecutive months.

## Non-consecutive countable months

The table below provides a visual example of countable months that are not consecutive. In this example, the individual is participating in SNAP for the entire 36-month period. The first countable

month is January of Year 1 (as indicated by “M1”). Later, the individual participates in a qualifying work activity and finds work for an average of at least 20 hours per week.

**Example 1: Non-consecutive use of countable months**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Year 1	M1	ET	ET	ET	W	W	W	W	W	W	W	W
Year 2	W	W	W	W	M2	W	W	W	W	M3	ET	W
Year 3	W	W	W	W	W	W	W	W	W	W	W	W

**W** = Working at least 20 hours; **ET** = Participating in qualifying work activity;  
**M1, M2, M3** = Countable month

**Breaks in participation and countable months**

State agencies must track countable months over the 36-month period even if there are breaks in an ABAWD’s participation. When an individual has used his or her countable months and is not meeting the ABAWD work requirements, he or she is not eligible for SNAP benefits. An example is illustrated in the table below. This example shows an individual who has non-consecutive countable months as well as breaks in participation.

**Example 2: Non-consecutive use of countable months with breaks in participation**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Year 1	M1	ET	ET	ET	W	W	W	W	N	N	N	N
Year 2	W	W	W	W	M2	W	W	W	W	M3	ET	W
Year 3	W	W	W	W	W	I	I	I	I	I	I	I

**W** = Working at least 20 hours; **ET** = Participating in qualifying work activity;  
**M1, M2, M3** = Countable month; **N** = Not participating in SNAP; **I** = Ineligible for SNAP because ABAWD is not meeting work requirements and has used countable months.

**Countable months and the full benefit month**

A countable month is any month in which an ABAWD receives SNAP benefits for the full benefit month while not meeting or exempt from ABAWD work requirements. Any month in which an ABAWD does not receive a full month of benefits cannot be considered a countable month. For example, if benefits are prorated during the month of application, that initial month would not be a countable month. The example below expands upon Examples 1 and 2 by showing the countable months for an individual who is issued a partial month of benefits.

### Example 3: Non-consecutive use of countable months with prorated benefits

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Year 1	M1	ET	ET	ET	W	W	W	W	N	N	N	N
Year 2	P	W	W	W	M2	W	W	W	W	M3	ET	W
Year 3	W	W	W	W	W	I	I	I	I	I	I	I

**W** = Working at least 20 hours; **ET** = Participating in qualifying work activity;

**M1, M2, M3** = Countable month; **N** = Not participating in SNAP; **I** = Ineligible for SNAP because ABAWD is not meeting work requirements and has used countable months.

**P**=Partial month of benefits.

### Measuring the 36-Month Period

States may use a fixed or a rolling clock to measure the 3-year period, as long as the policy is applied consistently across the State and the State notifies FNS of what tracking method it is using. Regardless of which method is used, States may not consider participation prior to October 1, 2010, in determining countable months, following provisions of the American Recovery and Reinvestment Act of 2009 (ARRA).

### What is the difference between a fixed and rolling clock?

Fixed Clock	Rolling Clock
<ul style="list-style-type: none"> <li>Has a definite start and stop date.</li> <li>Starts on a given date and runs continuously for 3 years.</li> <li>State can opt to use individual periods or the same 3-year period for everyone.</li> </ul>	<ul style="list-style-type: none"> <li>Does not have a definite start and stop date.</li> <li>Looks back 3 years on the date of application and each month thereafter.</li> </ul>
<p><i>Example of individual periods:</i> The 3-year period starts on the participant's date of application. The participant's slate is wiped clean 3 years from the date of application and a new 3-year period begins.</p> <p><i>Example of the same period for everyone:</i> All participants have the same, fixed 3-year period. At the end of the 3 years, everyone's slate is wiped clean and the new 3-year period begins.</p>	<p><i>Example:</i> If an individual applies on January 1, 2014, the worker must look back to January 1, 2011 to measure any countable months during that 3-year period. The following month, February 1, 2014, the worker will look back to February 1, 2011 to measure the participant's countable months.</p>

### What information are ABAWDs required to report?

SNAP regulations require that all ABAWDs report when their work hours fall below 20 per week, averaged monthly, regardless of the reporting system. State agencies must notify households of this reporting requirement and ensure that they have a way to track countable months for participants who are subject to ABAWD work requirements.

## Regaining Eligibility

ABAWDS who have exhausted their 3 countable months may regain eligibility at any time by meeting ABAWD work requirements for 30 consecutive days, meeting an exemption from ABAWD work requirements or when their 3-year period expires. The State agency has the option to reinstate the eligibility of ABAWDs who can verify that they will meet ABAWD work requirements within 30 days from the date of application.

There is no limit on how many times an ABAWD may regain eligibility. Once the ABAWD is proven to be eligible for program participation, benefits must be prorated from the date they regained eligibility.

### What happens if an ABAWD who has regained eligibility stops meeting the work requirement?

SNAP regulations provide that in limited circumstances, ABAWDs can gain an additional 3 months of eligibility. This provision:

- Applies only to ABAWDs who regained eligibility but are no longer fulfilling the work requirement.
- **Provides that ABAWDs may only take advantage of this provision once in a 3-year period.**
- **The additional 3 months must be used consecutively.**
- If the individual was working, the consecutive 3 months must start when the participant notifies the State agency that he or she is no longer in compliance with ABAWD work requirements.
- If the individual was participating in a work program or workfare program, the consecutive 3 months must start when the State determines the ABAWD is no longer in compliance.

States must be able to track the 3 additional months of eligibility to ensure that they are used consecutively and only once in the 3-year period. An example of the use of the 3 additional months of eligibility is illustrated in the table below.

**Example 4: Regaining eligibility and the additional 3 months of eligibility**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Year 1	M1	ET	ET	ET	W	W	W	W	N	N	W	W
Year 2	P	W	W	W	M2	W	W	W	W	M3	W	W
Year 3	W	A1	A2	A3	W	W	I	I	I	W	W	W

**W** = Working at least 20 hours; **ET** = Participating in qualifying work activity;  
**M1, M2, M3** = Countable month; **A1, A2, A3** = Additional months of eligibility;  
**N** = Not participating in SNAP; **I** = Ineligible for SNAP because ABAWD is not meeting work requirements and has used countable months; **P**=Partial month of benefits.



## 15 percent Exemptions

### What are 15 percent exemptions?

The Act provides that each State agency be allotted exemptions equal to 15 percent of the State's caseload that is ineligible for program benefits because of the ABAWD time limit. These exemptions allow the State agency to extend SNAP eligibility to ABAWDs who would otherwise be ineligible because of the 3 in 36 month time limit. Each 15 percent exemption extends eligibility to 1 ABAWD for 1 month.

States do not earn exemptions in areas that are covered by ABAWD time limit waivers. FNS considers a State's ABAWD time limit waiver status as of approximately July 1 of each year when allotting annual exemptions.

### How can States use 15 percent exemptions?

State agencies have maximum flexibility to apply the exemptions as they deem appropriate. However, along with this flexibility, State agencies have the responsibility to develop exemption policies that support the number of exemptions they are allotted.

State agencies may also decide whether or not to require an ABAWD to exhaust the 3-month time limit in order to qualify for an exemption. For example, if a State agency has a sufficient number of 15 percent exemptions available, it may choose to exempt all ABAWDs residing in area not under a waiver, regardless of whether ABAWDs have exhausted their 3 months of eligibility. On the other hand, a State agency may determine that the best way to manage its finite number of 15 percent exemptions is to require individuals to exhaust their 3 months of eligibility before using a 15 percent exemption. FNS encourages the latter practice to reduce the risk that a State agency will exceed its allocation.

### Are State agencies required to track the number of 15 percent exemptions they use?

State agencies are required to track the number of exemptions they use. The State agency reports the exemptions it uses on the FNS 583 form each quarter. Exemptions do not expire and State agencies can carry over unused exemptions from year to year. The FNS national office provides data annually on the number of exemptions each State has used and the new exemptions earned by each State agency during the year.

### What happens if a State agency uses more than exemptions than it has to give?

If a State agency issues ABAWD exemptions in excess of its annual allocation, including those carried over, FNS considers the benefits issued as unauthorized allotments. On March 8, 2008, FNS issued guidance to all Regional Directors detailing the actions to be taken in response to the overuse of 15 percent exemptions. In instances where a State agency has issued exemptions in excess of its allotted amount, FNS will allow the State to deduct the overused exemptions from the subsequent year's allotment. If the State does not earn enough 15 percent exemptions during the subsequent year to cover the overuse, FNS will bill the State agency for the unauthorized benefits it provided.

## ABAWD Time Limit Waivers

A State or area(s) within a State may qualify for a waiver of the ABAWD time limit if it has an unemployment rate of over 10 percent or does not have a sufficient number of jobs. The State agency may submit whatever data it deems appropriate to support its waiver request to FNS. States typically submit the following kinds of documents and data to support ABAWD waiver requests:

- Data that shows a recent 12-month average unemployment rate over 10 percent.
- Data that shows a recent 3-month unemployment rate over 10 percent.
- Evidence of a historical seasonal unemployment rate over 10 percent.
- Evidence that the area has been designated a Labor Surplus Area for the current fiscal year by the Department of Labor (DOL).
- Evidence that the the DOL's Department of Unemployment Insurance Service has qualified the State for extended unemployment benefits.
- Evidence that the State has a low and declining employment to population ratio.
- Data that shows the State has a 24-month average unemployment rate that is 20 percent above the national average for the same period (the 24-month period must begin no earlier than the date DOL uses to designate Labor Surplus Areas for the fiscal year).

All data submitted as part of an ABAWD time limit waiver request must come from an acceptable source. Unemployment data must be from the DOL Bureau of Labor Statistics (BLS). For territories that the BLS does not study, FNS will accept unemployment data generated by a State cooperating agency that relies on BLS methods. If the State uses census share data in its request, the data must come from the Census Bureau. Any calculations the State does to provide evidence that it qualifies for an ABAWD time limit waiver should be documented and included along with its waiver request.

Typically, ABAWD time limit waivers are granted for a 1-year period. States may choose to implement 1-year waivers for a shorter time period if they notify FNS in advance. A State or area may qualify for a 2-year waiver if it meets any of the following criteria:

- An unemployment rate greater than 10 percent for the 2-year period immediately prior to the request.
- Designation as a labor surplus area by DOL for a minimum of two consecutive fiscal years (the year of the request and the fiscal year prior to the request).
- An unemployment rate greater than 20 percent above the national average for a 36-month period, ending no earlier than 3 months prior to the request.

## Qualifying Components & Activities

### What activities qualify as work programs?

ABAWDs may fulfill the ABAWD work requirement by participating in a work program for 20 hours a week. Work programs include WIA activities, activities under section 236 of the Trade Act, and SNAP E&T activities or equivalent State or local programs.

The rules and requirements of activities vary. Most notably, there is no restriction on the number hours dedicated to job search in WIA and Trade Act program while other training programs must limit job search activities to less than half (10 hours) of the 20-hour requirement.

Another important distinction is that the 20-hour requirement does not apply to workfare components of E&T programs or optional workfare programs under section 20 of the Act. State agencies determine the hourly requirement for workfare by dividing a household's SNAP allotment by the higher of the applicable Federal or State minimum wage. This calculation produces the number of work hours required per month.

Workfare is a household responsibility, meaning that all non-exempt household members can share the hourly obligation over the course of a month. For example, a two-person household receiving \$200 in SNAP benefits per month and living in a State where the minimum wage is \$7.25 is limited to a maximum of 27 hours per month ( $\$200 \div \$7.25 = 27.58$  or 27 hours). The State agency may apportion the hours between household members as it sees fit. However, it cannot require them to work beyond that maximum.

The following chart outlines qualifying work programs and hourly requirements.

Qualifying Component	Description	Hours required	Funding
<b>WIA programs</b>	Can include job search, occupational skills training, on-the-job training, job readiness training, adult education and literacy activities, etc.	20 hours	Department of Labor
<b>A program under section 236 of the Trade Act of 1974</b>	Training programs for workers that have lost or may lose their jobs	20 hours	Department of Labor
<b>SNAP E&amp;T education or training</b>	Can include basic education, vocational or technical training, on-the-job training. Job search activities must be less than half of required hours. Activities must be described in State SNAP E&T Plan.	20 hours, alone or combined with other activities	SNAP E&T funds

Qualifying Component	Description	Hours required	Funding
<b>SNAP E&amp;T work experience</b>	Placements at public and private sector employers. Can include for-profit employers. Activities must be described in State SNAP E&T Plan.	20 hours, alone or combined with other activities. Mandatory unpaid work hours equal to the result obtained by dividing a household's SNAP allotment by the higher of the applicable Federal or State minimum wage.	SNAP E&T funds
<b>SNAP E&amp;T workfare</b>	Placements at public, non-profit employers. Activities must be described in State SNAP E&T Plan.	Hours equal to the result obtained by dividing a household's SNAP allotment by the higher of the applicable Federal or State minimum wage.	SNAP E&T funds
<b>Optional workfare programs</b>	Workfare programs operated by political subdivisions outside of the SNAP E&T program. Political subdivisions include any county, city, town or parish. Political subdivisions must submit workfare plans to State agencies and FNS.	Hours equal to the result obtained by dividing a household's SNAP allotment by the higher of the applicable Federal or State minimum wage.	Local and/or State government funding and 50 percent Federal reimbursement. State may not use 100 percent E&T grant. Political subdivisions are eligible for workfare savings <sup>1</sup>
<b>Voluntary workfare</b>	There is no disqualification for a failure to comply when a participant volunteers for workfare. May be operated by the State agency or local political subdivisions. Activities must be described in a workfare plan.	Work hours are negotiated between State and household. Cannot exceed hourly requirements of mandatory workfare programs.	Same as optional workfare programs

<sup>1</sup> Workfare savings refer to the reduction in benefits that occurs when a workfare participant begins employment while participating in workfare for the first time or within thirty days of ending his or her first participation in workfare. A political subdivision is entitled to 150 percent of the value of the benefits reduction.

Qualifying Component	Description	Hours required	Funding
<b>Comparable workfare programs</b>	Similar to other workfare options except ABAWDs may be responsible for finding their own public service placement. The ABAWD is responsible for arranging to have their participation reported to the local SNAP office and for verifying hours. May be operated by the State agency or local political subdivisions.	May use a range or SNAP allotments and corresponding fixed participation hours. The maximum hours worked weekly, combined with any other hours worked for compensation, must not exceed 30 hours per week.	Same as optional workfare programs

### Is job search a qualifying component?

E&T job search or job search training components are not qualifying activities for ABAWDs. However, job search or job search training activities, when offered as part of other E&T components, are acceptable as long as those activities comprise less than half of the total required time spent in the components.

In addition, State agencies may establish a job search period of up to 30 days following initial SNAP certification prior to making a workfare assignment. This job search activity is part of the workfare assignment. Therefore, participants are considered to be participating in and complying with workfare requirements during this job search period and are meeting the ABAWD work requirement. The job search period may only be conducted at certification, not at recertification.

Job search activities that are included in WIA or Trade Act programs are allowable.

### Is there a limit on the number of hours a State agency can require an ABAWD to participate in a training or work program?

Yes, there is a limit on the number of hours a State agency can require an ABAWD to participate in a training or a work program. ABAWDs can meet the work requirement by working 20 hours per week, complying with a work program for 20 hours per week, or any combination of working and a work program for 20 hours a week, or by participating in workfare. The State agency cannot require an ABAWD to participate in a work program for longer than the 20 hours needed to fulfill the requirement and the State cannot increase the ABAWD work requirement.

However, if the State has referred the ABAWD to a SNAP E&T program in order to fulfill the ABAWD work requirement, the E&T program may require additional hours of participation. The total hours of individual participation in E&T, together with any hours worked for compensation in cash or in-kind (including workfare/work experience) cannot exceed 120 hours per month. Participants may volunteer for additional hours of training.

## E&T Pledge Funds

The Act provides \$20 million each fiscal year for State agencies that pledge to offer a qualifying SNAP E&T component to all at-risk ABAWDs. At-risk ABAWDs are those who are in their third countable month and at risk of losing their SNAP eligibility due to the time limit. Eligible State agencies are ones that commit to offer a qualifying education, training, or workfare opportunity to every ABAWD applicant or recipient (not waived or exempted) who is in the last month of the 3-month period of eligibility and to provide such an opportunity to those ABAWDs who accept the offer.

A State agency interested in receiving additional funding for serving ABAWDs subject to the 3-month time limit must include in its State E&T Plan:

- Its pledge to offer a qualifying activity to all at-risk ABAWD applicants and recipients;
- Estimated costs of fulfilling its pledge;
- A description of management controls in place to meet pledge requirements;
- A discussion of its capacity and ability to serve at-risk ABAWDs;
- Information about the size and special needs of its ABAWD population; and
- Information about the education, training, and workfare components it will offer to meet the ABAWD work requirement.

As part of the plan approval process, FNS will review each interested State agency's request based on the information provided. If the information clearly indicates that the State agency will be unable to fulfill its commitment, FNS may require the State agency to address its deficiencies before it is allowed to participate as a pledge State.

## The Transition off of a Statewide ABAWD Limit Waiver

Most States have qualified to operate under Statewide waivers of the ABAWD time limit since 2008 because of high unemployment rates. As the economy improves, Statewide waivers will expire and States will be required to re-establish the 3-month time limit. FNS strongly encourages the following steps in planning for this transition:

- 1) Assess the need:
  - ✓ Estimate number of potentially at-risk ABAWDs in the State or affected counties
- 2) Evaluate what qualifying components already exist:
  - ✓ WIA programs or Trade Act programs
  - ✓ SNAP E&T components
  - ✓ Workfare or voluntary workfare
  - ✓ Other training programs that meet State standards
- 3) Examine the capacity of existing programs to meet the need:
  - ✓ How many people do existing programs serve?
  - ✓ How many ABAWDs will need a work program?
  - ✓ Can the existing programs meet this need?
- 4) Consider State system and operational requirements:
  - ✓ How will the State track countable months?
  - ✓ How will the State track the 36-month period?
  - ✓ How will the State track use of the additional 3 months of eligibility?
  - ✓ Can the State note which SNAP recipients are subject to and in compliance with ABAWD requirements?
  - ✓ Will the State use a fixed or rolling clock to track countable months?
  - ✓ Will the State assign shorter certification periods to households that contain ABAWDs?
  - ✓ Staff training
  - ✓ How many exemptions does the State have?
  - ✓ How will the State use 15 percent exemptions?
  - ✓ How will it track 15 percent exemptions used? States must be able to report exemptions used each quarter on the FNS 583 form.
  - ✓ How will time-limited participation and ABAWD work requirements be communicated to affected SNAP participants?
- 5) Check the number of 15 percent exemptions and develop a strategy for their use:
  - ✓ State agencies with a sufficient number of 15 percent exemptions may use them to exempt all ABAWDs from the time limit until the next contact with the household. For Quality Control purposes, the exemption must be documented prior to monthly sample selection.

- ✓ State agencies with a zero balance of 15 percent exemptions may also grant 15 percent exemptions, provided that the State has carefully estimated the number it will earn for the subsequent Fiscal Year and is confident that it will fully offset the overuse.

NOTE: If the State does not earn enough 15 percent exemptions for the subsequent fiscal year to fully offset the overuse, FNS will bill the State agency for the unauthorized benefits it has provided (see bottom of page 8).

6) Long-term activity - consider future opportunities:

- ✓ Add SNAP E&T components or offer in new locations
- ✓ Work with private and public entities to establish workfare or work experience placements.





## **Implementation of the Provisions of the Balanced Budget Act of 1997 Relating to Exemptions for Able-Bodied Adults Without Dependents (ABAWDs)**

**To:** All Program Directors / Food Stamp Program

**October 27, 1997**

This memorandum provides additional guidance on implementing the provisions of the Balanced Budget Act of 1997 relating to ABAWD exemptions. Please forward this information to your States.

### **A. Quality Control Procedures**

As indicated in our August 22, 1997, guidance, State agencies have complete discretion in determining which recipients will receive exemptions. FNS will not be proscribing categories or geographic areas. Therefore, Quality Control (QC) will not evaluate States' actual exemption decisions against the exemption criteria they have adopted under the 15 percent criteria. However, in order to distinguish cases that are exempt under the 15 percent criteria from cases that are exempt under 6(o) of the Act, covered by a waiver, or fulfilling the work requirement (which will be evaluated by QC), State agencies need to clearly identify those cases that are exempt under the 15 percent criteria.

If the case file identifies a case as exempt under the 15 percent criteria, then that determination to exempt the case under the 15 percent criteria is not subject to examination by the QC reviewer.

If the case file does not identify a case as containing ABAWD individuals exempt under the 15 percent criteria, the case shall be reviewed using established QC review procedures for the evaluation of the time limited participation of ABAWD recipients.

### **B. Tracking and Reporting Exemptions**

The law provides FNS the authority to require whatever State reports it deems necessary to ensure compliance with the 15 percent exemption provisions. FNS has determined that the State agency shall track the number of cases exempt under the 15 percent criteria each month and report the numbers to the regional offices on a quarterly basis. State agencies shall report these figures as an addendum to the quarterly employment and training report until such time as FNS modifies the form.

### **C. Average Monthly Exemptions**

FNS would like to clarify that the average monthly number of exemptions can be carried over from month to month if not used. For example, a State is allocated 500 exemptions a month. The State typically experiences seasonal unemployment in the winter time. It may choose not to use any of the monthly exemptions for October, November and December, in effect "saving" 1,500 exemptions. Then in January, February and March, it can exempt 1,000 a month instead of only 500.

### **D. Caseload Adjustment**

The law requires FNS to adjust the number of exemptions allocated if during a fiscal year the State's current caseload differs from its caseload during the 12-month period ending the previous June by more than 10 percent. FNS has not finalized the methodology it will use to make this adjustment. However, FNS intends to make one mid-year adjustment every fiscal year. It will not make the adjustments on a monthly basis.

Please work with your States to assist them in implementing this important State authority. If you have any questions, please contact Moira Johnston at 703-305-2515.

Sincerely,

/s/

Arthur T. Foley  
Director  
Program Development Division



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## Perdue Reiterates Need to Restore Original Intent of SNAP: A Second Chance, Not A Way of Life

### Release No.

USDA 0025.19

### Contact:

Press@oc.usda.gov

(Washington, D.C., February 28, 2019) – U.S. Secretary of Agriculture Sonny Perdue today reiterated during a U.S. Senate hearing the need to restore the original intent of the Supplemental Nutrition Assistance Program (SNAP), which is to be a second chance and not a way of life. Secretary Perdue's comments come on the heels of the U.S. Department of Agriculture (USDA) publishing in the Federal Register a proposed rule to move more able-bodied recipients of SNAP benefits to self-sufficiency through the dignity of work. The rule aims to restore the system to what it was meant to be: assistance through difficult times, not lifelong dependency. This proposed rule focuses on work-related program requirements for Able-Bodied Adults Without Dependents (ABAWDs) and would apply to non-disabled people, between the ages of 18 and 49, with no dependents. The rule would not apply to the elderly, the disabled, or pregnant women. Those who are eligible to receive SNAP – including the underemployed – would still qualify.

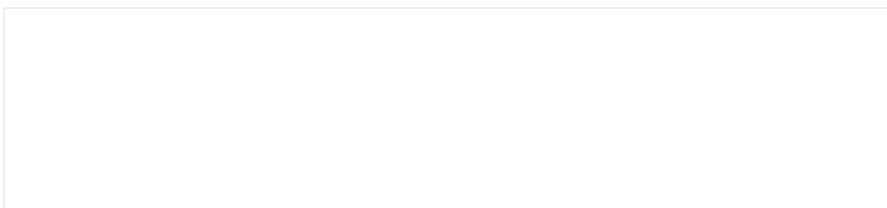
Despite the absence of any statutory changes to the welfare reform legislation of 1996, an abuse of administrative flexibility in SNAP has undermined the ideal of self-sufficiency. When then President Bill Clinton signed the legislation that instituted work requirements for ABAWDs he said, "First and foremost, it should be about moving people from welfare to work. It should impose time limits on welfare... It [work] gives structure, meaning and dignity to most of our lives."

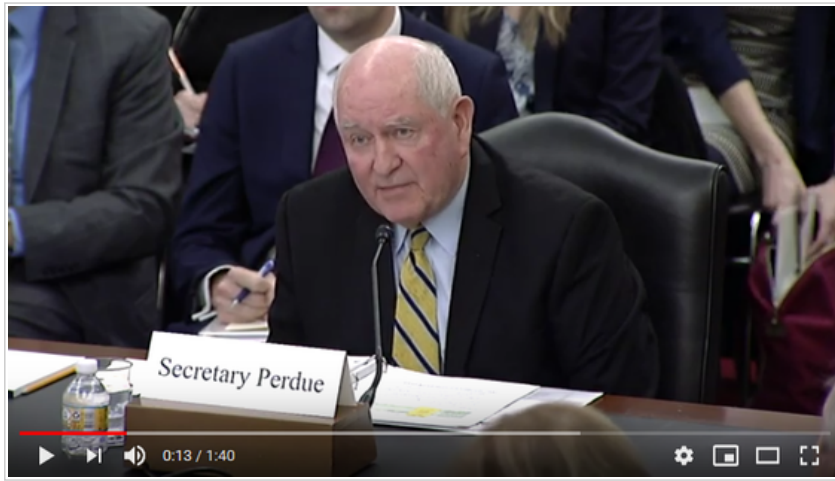
During today's hearing, Secretary Perdue was asked about work requirements and his proposed rule. He said:

"What was accepted by the U.S. Senate and passed was the same bill that's been there since the beginning of the Welfare Reform regarding the work requirements of 20 hours per week. And what you also passed was not a prohibition, it was no change to the fact that in one section it says that the Secretary may waive that applicability and we plan to do that for the ABAWDs. We think the purpose is to help people move to independency... We should help people when they are down but that should not be interminably."

"...You all also provided for a 12 percent cushion for states that they could use for any purpose. But, we do not believe in states where unemployment is 4 percent that ABAWDs should be able to stay on food assistance interminably."

You may click [HERE](#) or on the image below to watch Secretary Perdue's remarks:



**Background:**

Congress implemented this work requirement in the Personal Responsibility and Work Opportunity Reconciliation Act in 1996, and allowed the Secretary, upon request from a State to waive the work requirement for ABAWDs during times of high unemployment. The statute provides the Secretary with broad discretion to establish criteria for determining whether an area has an insufficient number of jobs and qualifies for a waiver. The 2018 Farm Bill did not modify the discretion that Congress provided the Secretary regarding waivers of the ABAWD work requirements.

Congress implemented this work requirement in the Personal Responsibility and Work Opportunity Act in 1996. This bill gave the Secretary of Agriculture the discretion to allow States to waive the work requirement for ABAWDs during times of high unemployment. This section of the statute related to ABAWD work requirements leaves waiver decisions to the Secretary of Agriculture. Click [HERE](#) to read the relevant statute ([Section 6\(o\)](#)).

On February 1st, USDA published in the Federal Register a proposed rule entitled [Supplemental Assistance Program: Requirements for Able-Bodied Adults Without Dependents \(ABAWD\)](#).

Under current SNAP statute, ABAWDs must work or participate in an employment program for at least 20 hours a week to continue to receive benefits for more than three months over a 36-month period. States may also allow volunteer activities to satisfy the work requirement. States may request to waive the time limit in areas with an unemployment rate above 10 percent or where there are 'not sufficient jobs,' which current regulations primarily define as an unemployment rate 20 percent above the national average. With today's strong economy, that could include areas with unemployment rates of under 5 percent – a rate normally considered to be full employment. December 2018 data from the Department of Labor announced that job openings reached 7.3 million and that just under 6.3 million Americans were unemployed.

USDA's proposal would help to ensure that work provisions are waived only when necessary, encouraging states to renew their focus on helping SNAP participants find a path to self-sufficiency. In a recent [letter to the nation's governors](#) (PDF, 109 KB), Secretary Perdue explained, "These waivers weaken states' ability to move the ABAWD population to long-term self-sufficiency because they do not require ABAWDs to engage in work and work training."

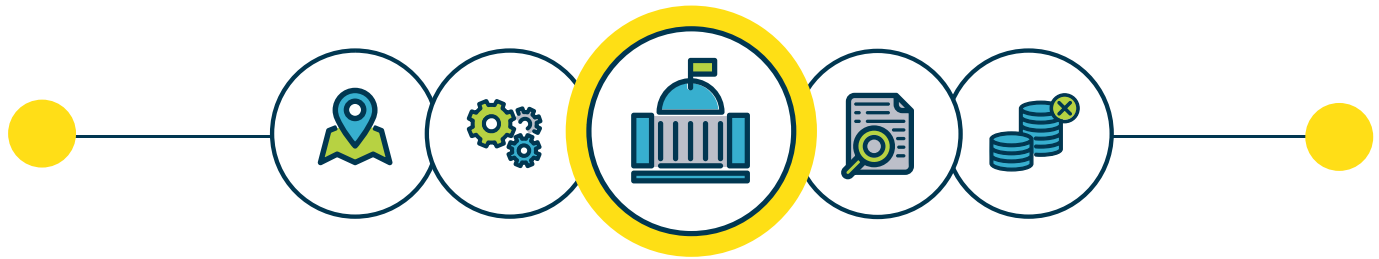
USDA continues to encourage all interested parties to provide input on the proposed rule. The comment period opened on February 1 and closes on April 2.

USDA's Food and Nutrition Service (FNS) works to reduce food insecurity and promote nutritious diets among the American people. The agency administers 15 [nutrition assistance programs](#) that leverage American's agricultural abundance to ensure children and low-income individuals and families have nutritious food to eat. FNS also co-develops the [Dietary Guidelines for Americans](#), which provide science-based nutrition recommendations and serve as the cornerstone of federal nutrition policy.

- Fact Sheet: [SNAP Requirements for ABAWDs](#) (PDF, 111 KB)
- Proposed Rule: [Supplemental Nutrition Assistance Program: Requirements for Able-Bodied Adults without Dependents](#) (PDF, 300 KB)

# #

*Last Modified: 03/01/2019*



## Regulatory Reform at a Glance

### Proposed Rule: SNAP Requirements for ABAWDs

#### The Issue

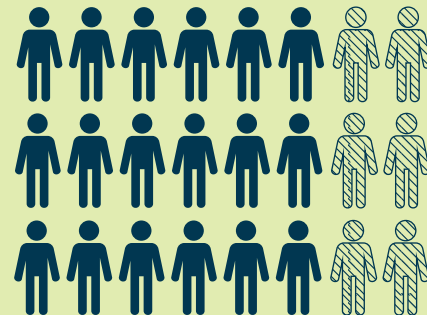
In December 2018, the U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) published a proposed rule entitled “Supplemental Nutrition Assistance Program (SNAP): Requirements for Able-Bodied Adults without Dependents”. This action supports the Agency’s commitment to self-sufficiency by more broadly applying SNAP’s work-related program standards for able-bodied adults without dependents (ABAWDs).

#### The Background

SNAP rules limit participation by ABAWDs to 3 months in a 36-month period unless the individual is working or participating in a work program for at least 80 hours per month. The law allows states to waive these limits in areas where sufficient jobs are not available.

However, nearly half of ABAWDs receiving SNAP now live in waived areas, despite the booming economy and low unemployment. The Department’s view is that waivers are intended to provide temporary relief to the time limit while areas face poor economic conditions and should be used accordingly.

**In 2016, there were 3.8 million individual ABAWDs on the SNAP rolls, with 2.8 million (nearly 74%) not working.**



## Summary of Proposed Changes

The proposed rule would reform waiver standards to better target areas that lack job opportunities by:



### Improving Geographic Focus

- Eliminate state-wide waivers unless a state qualifies for extended unemployment benefits.
- Limit waivers of larger geographic areas that may include sections with sufficient available jobs.
- Allow waivers in local areas with high unemployment relative to the national average only when the local rate meets a specific quantitative standard—7%.



### Strengthening Criteria for Approval

- Retain the statutory waiver standard—unemployment above 10% for a recent 12 month period.
- Eliminate Labor Surplus Areas as a criterion.
- Limit the duration of waivers to ensure that they reflect current economic conditions.
- Increase consistency by requiring the use of standardized data to support waivers except in areas where it may not be available, such as Indian reservations and U.S. territories.



### Increasing Administrative Efficiency

- Set clear, robust, and quantitative standards for allowable waivers.
- Define specific circumstances when non-standardized data can be used to support waiver requests, and appropriate alternatives.
- Ensure full endorsement by State government before waivers are considered.



### Ending the “Carryover” of ABAWD Exemptions

- Under the law, States receive exemptions from time limits for a portion of their caseload that they may use to extend eligibility for a limited number of ABAWDs. States have discretion on whether or not to use the exemptions available to them in a given year.
- Current regulations allow States to accumulate these exemptions year after year. If States do not use the exemptions they have earned, it leads to a large build-up of exemptions.
- The proposed rule would stop these exemptions from carrying over and accumulating indefinitely.



Food and  
Nutrition  
Service

Park Office  
Center

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Alexandria  
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**APRIL 17, 2017**

**SUBJECT:** SNAP – Requirements for Informing Households of ABAWD Rules

**TO:** Regional Directors  
Supplemental Nutrition Assistance Program  
All Regions

Section 6(o) of the Food and Nutrition Act of 2008, as amended (the Act), limits the time able-bodied adults without dependents (ABAWDs) can receive Supplemental Nutrition Assistance Program (SNAP) benefits to 3 months in any 36-month period, unless the individual meets the ABAWD work requirement or is otherwise exempt. The Food and Nutrition Service (FNS) has recently received questions about the State agency's responsibility to inform SNAP households about the ABAWD time limit and work requirement. While Federal policy provides clear rules on what the State must do to inform applicants and clients about SNAP, FNS recognizes that administering the program for ABAWDs can be particularly complex and administratively challenging. This memorandum addresses these State concerns by clarifying what they must do in regard to informing and notifying applicants and clients about ABAWD policy. Please note that this memorandum does not concern identifying ABAWDs subject to the time limit or screening for exemptions from the time limit; guidance on those topics is available under *ABAWD Policy Resources* at: <https://www.fns.usda.gov/snap/able-bodied-adults-without-dependents-abawds>.

In the context of informing households of ABAWD policy, the State agency must do the following:

**1. Inform ABAWD households of the time limit, work requirement, and exemptions.** The State must inform ABAWD and potential ABAWD households<sup>1</sup> of the time limit, exemption criteria (including exemptions from the general work requirements), and how to fulfill the ABAWD work requirement, as these rules and responsibilities are fundamental to their eligibility for SNAP. At a minimum, this must take place during the eligibility interview. Relevant Federal policy is provided by regulations at 7 CFR 272.5(b)(1) and 273.2(e)(1); FNS' March 2015 *Expiration of Statewide ABAWD Time Limit Waivers*; FNS' June 2015 *ABAWD Questions and Answers*; and FNS' November 2015 *ABAWD Time Limit Policy and Program Access*.

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<sup>1</sup> An existing ABAWD household includes an individual who is clearly an ABAWD at the time of certification. A potential ABAWD household includes an individual who can be reasonably anticipated to become an ABAWD at some point within the certification period.

**2. Inform ABAWD households of the requirement to report whenever their work hours fall below 20 hours per week, averaged monthly.** This requirement applies regardless of the type of reporting system that the State assigns to potential ABAWDs, and must take place at application, recertification, and when the State agency transfers households to a new reporting system. Under simplified reporting, the State must explain this reporting requirement both orally and in writing. Relevant Federal policy is provided by regulations at 7 CFR 273.12(a)(1)(vii) and 273.24(b)(7).

**3. Provide written notice of adverse action (NOAA) before applying the time limit.** The NOAA that is used before applying the time limit must explain in clear and understandable terms that the individual is ineligible because he or she is subject to the 3-month ABAWD time limit and has failed to fulfill the ABAWD work requirement. This NOAA must also include the action the household must take to end the ineligibility (or regain eligibility), the benefit level of any remaining households members (if applicable), and other information prescribed by 273.13(a) and 273.11(c)(4)(ii), such as the right to a fair hearing. This notice must be mailed at least 10 days prior to the date the action takes effect on the case. Relevant Federal policy is provided by regulations at 7 CFR 273.13(a)(1) and (a)(2); 273.11(c)(4)(ii).

Please distribute this guidance to your State agencies and advise them to contact their respective FNS Regional Office (RO) points of contact with any questions and for technical assistance. FNS RO should contact Sasha Gersten-Paal at [sasha.gersten-paal@fns.usda.gov](mailto:sasha.gersten-paal@fns.usda.gov) with any questions.



Lizbeth Silbermann  
Director  
Program Development Division



# Rural America At A Glance

## 2017 Edition

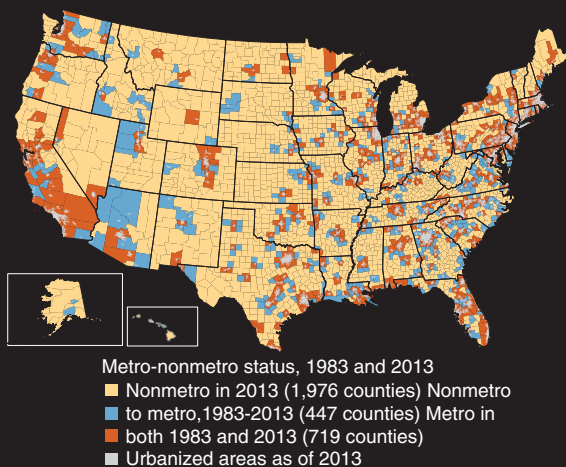
### Overview

Rural America encompasses 72 percent of the Nation's land area, houses 46 million residents, and plays an essential role in the overall economy.<sup>1</sup> Rural areas are more economically diverse than in the past, with employment reliant not only on agriculture and mining but also manufacturing, services, and trade. Rural counties with economies based on tourism and recreation maintained higher-than-average population growth rates during 2010-16. For rural areas as a whole, employment has increased modestly since 2011 and median incomes are rising once again. Infrastructure investments, like expanding broadband internet access, could improve economic performance and contribute to quality of life through more robust delivery of education, healthcare, public safety, and other services.

While rural America shows signs of a strengthening economy, many rural areas face unique challenges that place them at a competitive disadvantage relative to more urban areas. Overall, the rural population is shrinking for the first time on record, due to several factors, including long-term outmigration of young adults, fewer births, increased mortality among working-age adults, and an aging population. Also, reclassification of fast-growing counties from rural to urban (nonmetro to metro) due to urbanization generally means the remaining rural counties have lower population growth potential and fewer avenues to economic vitality.

Rural employment has not returned to its pre-recession level, and job growth since 2011 has been well below the urban growth rate. Median incomes remain below those of urban areas, and rural poverty rates are higher, especially in the Mississippi Delta, Appalachia, and the Rio Grande Valley.

**Rural (nonmetro) counties are fewer in number due to urbanization**



Note: The most recent metro-nonmetro classification was released in 2013. The 'Nonmetro in 2013' group includes 17 counties that were reclassified from metro to nonmetro between 1983 and 2013.  
Source: USDA, Economic Research Service using data from the U.S. Census Bureau.

<sup>1</sup>Rural areas are defined here using nonmetropolitan (nonmetro) counties. The terms "rural" and "nonmetro" are used interchangeably as are the terms "urban" and "metro." Unless otherwise stated, statistics are calculated using the 2013 nonmetro definition (yellow counties in the map above). For more on these definitions, visit the ERS "What Is Rural?" topic page.

# Overall rural population loss masks regional variation

The number of people living in rural (nonmetro) counties declined by nearly 200,000 between 2010 and 2016, the first recorded period of rural population decline. Population loss for rural America as a whole has averaged just -0.07 percent per year in that span, but this loss has not been evenly distributed across all rural counties. The number of nonmetro counties losing population reached an historic high of 1,351 during 2010-16, with a combined population loss of just under 790,000. Long-term population loss continued in counties dependent on agriculture, in the Great Plains, Midwest, and southern Coastal Plains. New areas of population loss emerged throughout the eastern United States, especially in manufacturing-dependent regions.

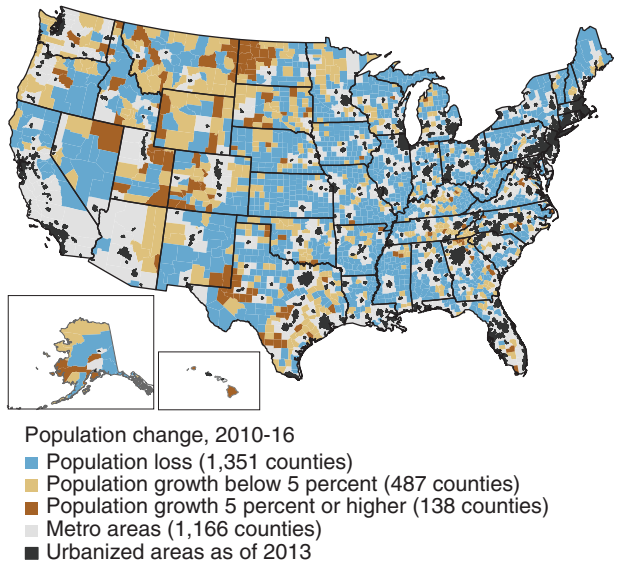
The 487 rural counties with positive but below-average growth (less than the U.S. population growth rate of 5 percent) together added 281,000 people over 2010-16. Many are located in rural parts of the Mountain West, southern Appalachia, and other scenic areas where population growth slowed considerably for the first time in decades. Counties identified by ERS as having recreation-based economies grew by 4.6 percent during 2002-08 but only by 1.2 percent during 2010-16.

Most nonmetro population growth was concentrated in just 138 counties that grew by 5 percent or more during 2010-16, adding 317,000 people. Workers attracted to the oil and gas boom caused rapid growth in the northern Great Plains, western Texas/southeastern New Mexico, and south Texas.

However, production cutbacks slowed population growth in these regions during 2015-16. Most other high-growth counties during 2010-16 were counties in scenic areas that maintained higher-than-average growth despite the overall population slowdown in these types of areas.

This first-ever period of overall nonmetro population loss may be short-lived. The cyclical economic downturn that began in 2007 bottomed out in 2012, and increasing population growth since 2012 coincides with renewed nonmetro employment growth. The latest population estimates show signs of a population recovery in many parts of rural America in 2015-16, especially in tourism and recreation destinations.

**Nonmetro population loss is now widespread in the eastern United States**



Source: USDA, Economic Research Service using data from the U.S. Census Bureau.

## Many factors contribute to rural population loss

County population change includes two components: natural change (births minus deaths) and net migration (immigrants minus outmigrants). Since 2010, the increase in rural population from natural change (270,000 more births than deaths) has not matched the decrease in population from net migration (462,000 more people moved out than moved in). The contribution of population growth from natural change has been steadily declining. Population loss from net migration was much higher in the 1950s, 1960s, and 1980s, but was always offset by higher population growth from natural change.

Several factors have reduced rural population growth from natural change. Persistent outmigration of young adults has aged the rural population, meaning fewer births and more deaths, all else being equal. In addition, rural women of childbearing age are having fewer children, in line with national trends. The long-term decline in fertility rates accelerated during the Great Recession, in both rural and urban areas, as many couples postponed having children amid the economic uncertainty.

Increased mortality among working-age adults is a more recent and unanticipated trend contributing to lower population growth. Between 1999-2001 and 2013-15, rural mortality increased more than 20 percent for 25- to 29-year-olds, from 135 to 165 deaths per 100,000 people. Mortality rates also increased for rural adults between the ages of 20-24 and 30-54. In urban areas, increased mortality during the period was limited to adults ages 20 to 29. Rural

mortality rates continue to decline for all ages combined, from an average annual rate of 815 deaths per 100,000 people in 1999-2001 to 785 deaths in 2013-15.

Rising rates of prescription medication abuse, especially of opioids, and the related rise in heroin-overdose deaths are contributing to this unprecedented rise in age-specific mortality rates after a century or more of steady declines. This trend, if it continues, will not only lower rural population but will increase what is known as the dependency ratio: the number of people likely to be not working (children and retirees) relative to the number of people likely to be wage earners (working-age adults).

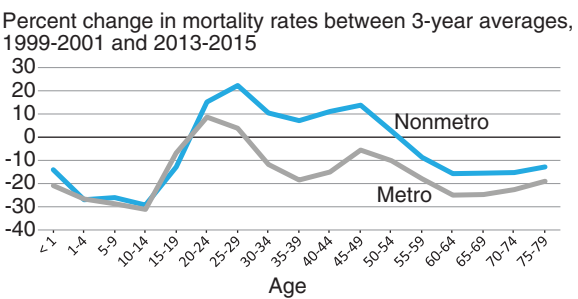
A final factor affecting future rural (nonmetro) population growth is the reclassification of counties from nonmetro to metro due to ongoing urbanization. The United States transformed from roughly 35 percent metro in 1900 to 86 percent today. Urban transformation of rural counties and the reclassification that results each decade leaves behind a smaller rural America made up of slower-growing counties with more limited economic potential. More than 80 million people live in the 2,489 counties that were classified as nonmetro in 1974, and their population grew by 2 percent between 2010 and 2016. Fewer than 50 million people live in the 1,976 counties that remain classified as nonmetro today, and those counties lost population as a group.

## Wage and salary employment growth continues to lag in rural areas

After 6 years of economic recovery, increases in rural employment remain limited. While the Great Recession’s impact was equally severe in urban and rural counties (both showed average wage/salary employment declines of 2 percent per year during 2007-10), subsequent job recovery has been much slower in rural areas (0.8 percent annual employment growth compared with 1.9 percent in urban areas over 2010-15). The same trend occurred prior to 2007: similar rates of job loss during a recession and its aftermath (2001-03), followed by more rapid urban employment growth during the recovery (2003-07).

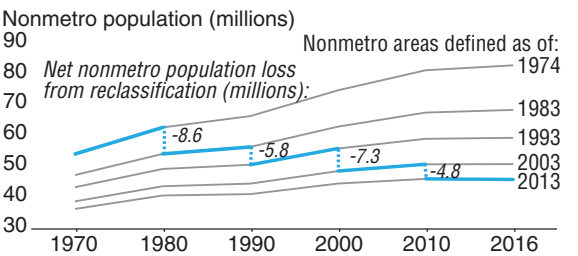
Rural wage/salary employment growth has lagged urban growth since 2005. Slower job growth both

## Nonmetro mortality rates increased for working-age adults since 2000, decreased for children and older adults



Note: Mortality rates for each 3-year period (1999-2001 and 2013-2015) are the number of deaths in a given age group divided by the age group’s average population. The graph shows increases or decreases in mortality rates between 1999-2001 and 2013-2015 as a percentage of the initial period’s mortality rate. Source: USDA, Economic Research Service using data from the National Center for Health Statistics, Centers for Disease Control and Prevention.

## Each decade, urbanization leads to reclassification of fast-growing counties from nonmetro to metro, reducing nonmetro population and contributing to slower nonmetro population growth



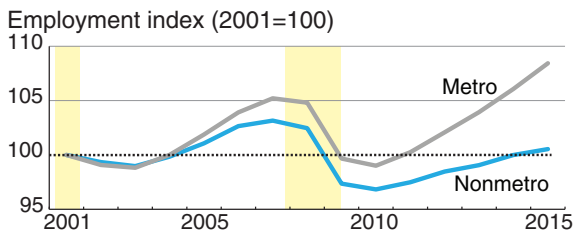
Note: New metro areas are announced by the Office of Management and Budget 3-4 years following each decennial census. Here we place the change in population on the decennial census year to match the underlying data. Some nonmetro loss was due to changes in classification rules favoring metro status, especially in 1980 and 2000. Source: USDA, Economic Research Service using data from the U.S. Census Bureau.

## Nonmetro employment has grown at less than half the metro rate during the economic recovery (2010-15)

	2001-03	2003-07	2007-10	2010-15
Average annual employment change (percent)				
Nonmetro	-0.5	1.1	-2.0	0.8
Metro	-0.6	2.2	-2.0	1.9

Note: The Quarterly Census of Employment and Wages data used here includes wage and salary employment only. Nonmetro and metro counties are defined as of 2013. Source: USDA, Economic Research Service using data from the U.S. Bureau of Labor Statistics.

## Nonmetro employment back to 2001 levels in 2015, still far below levels prior to the Great Recession



Note: The Quarterly Census of Employment and Wages data used here include wage and salary employment only. Nonmetro and metro counties are defined as of 2013. Shaded areas indicate recession periods. Source: Economic Research Service, USDA, using data from the U.S. Bureau of Labor Statistics.

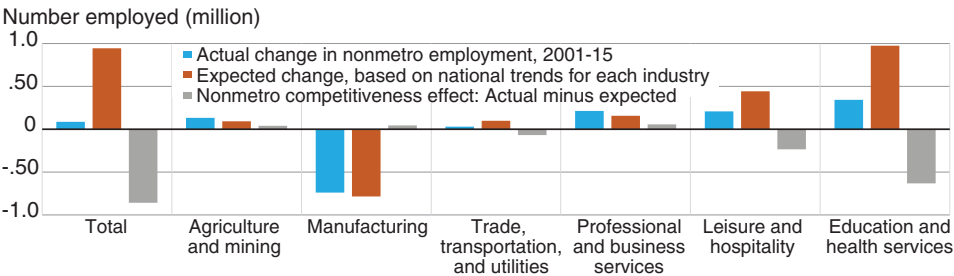
before and after the Great Recession means rural employment did not return to its 2001 level until 2015, 4 years after urban areas did. Rural employment remains well below its pre-Recession level—400,000 fewer jobs in 2015 compared with 2007. In contrast, job growth in urban areas since 2010 has more than compensated for job losses during the Recession, resulting in a net gain of 3.6 million jobs since 2007.

## Rural employment growth varies by industry

Rural economies have historically relied on goods production (farming, mining, and manufacturing), whereas U.S. job growth as a whole has been service oriented for several decades. Agriculture<sup>2</sup> and mining are still major rural industries in terms of production and revenue. But due to productivity gains within those industries and more rapid growth in other sectors, they now provide less than 5 percent of wage and salary jobs in rural areas.<sup>3</sup> Despite a 25-percent increase in agriculture and mining jobs between 2001 and 2015 (fueled primarily by growth in nonconventional oil and gas mining), the two sectors added just over 130,000 jobs. In contrast, a 25-percent decline in rural manufacturing jobs during the same period resulted in a loss of over 700,000 jobs. Manufacturing provides a larger (though declining) share of rural wage and salary jobs—15 percent in 2015, down from 19 percent in 2001.

Together with manufacturing, three major service industries now provide over 70 percent of rural employment: education and health (25 percent); trade, transportation, and utilities (20 percent); and leisure and hospitality (11 percent). All three service sectors added jobs since 2001, but below the urban growth rates for those sectors. If these sectors had grown as rapidly in rural areas as in the Nation overall during 2001-15, there would be an additional 632,000 rural jobs in education and health; another 235,000 in leisure and hospitality; and another 68,000 in trade, transportation, and utilities. To the extent such services are dependent on local demand, their slower growth in rural areas reflects slower population growth. Other sectors (including manufacturing) showed a competitive advantage in rural job creation, thus the number of jobs in those sectors was higher than expected given national trends. For example, a higher rate of rural growth in professional and business services (jobs typically found in larger cities) resulted in 56,000 more jobs than expected in rural areas.

### Nonmetro areas would have added over 850,000 additional jobs since 2001 if they had followed national employment growth trends by industry



Note: Expected change measures the change in nonmetro wage and salary jobs if each industry grew at its national average rate during 2001-15. If actual job growth in a sector is lower than the expected job growth, nonmetro areas are said to be at a competitive disadvantage in that sector. The Quarterly Census of Employment and Wages data used here include wage and salary employment only. Nonmetro counties are defined as of 2013.

Source: Economic Research Service, USDA, using data from the U.S. Bureau of Labor Statistics.

## Household income is lower in rural areas and poverty is more regionally concentrated

Median household income is substantially lower in rural areas than in urban areas, although this shortfall may be mitigated by differences in the cost of living. Since 2007, rural median income has averaged 25 percent below the urban median. This rural-urban income gap stems partly from lower levels of labor force participation in rural areas due to an older population, higher disability rates, and other factors. The rural shortfall in income was likely exacerbated by the sizable downturn in manufacturing, a sector that provides high-paying jobs.

Lower incomes equate to higher poverty rates, especially in the South where nearly 22 percent of nonmetro residents live in families with below-poverty incomes. The higher incidence of rural poverty relative to urban poverty has existed since the 1960s when poverty

<sup>2</sup>Agriculture includes forestry, fishing, and related industries.

<sup>3</sup>When self-employed farm proprietors are included with wage and salary workers, the share of rural employment in these industries increases from 5 to 9 percent.



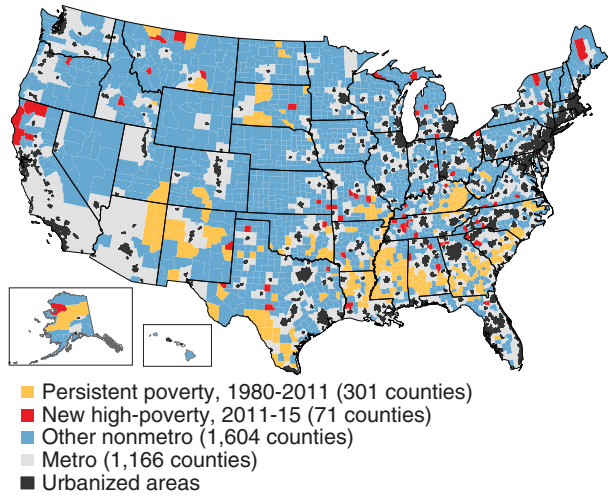
rates were first officially recorded. The rural-urban poverty gap has narrowed since that time, from 17.0 percentage points in 1960 to 3.6 percentage points in 2016.

Rural poverty is regionally entrenched. Over 300 rural counties (15.2 percent of all rural counties) are persistently poor, compared with just 50 urban counties (4.3 percent of all urban counties). ERS defines persistent-poverty counties as those with 20 percent or more of their populations living in poverty over approximately 30 years (measured by the 1980, 1990, and 2000 decennial censuses and 2007-11 American Community Survey). Nearly 85 percent of rural, persistent-poverty counties are in the South, comprising more than 20 percent of all rural counties in the region. Many of these counties are not entirely poor, but rather contain multiple and diverse pockets of poverty and affluence. Rural poverty is also entrenched in parts of the Southwest and northern Great Plains.

Rural poverty rates rose during the Great Recession and in initial post-recession years. Overall, the rural poverty rate declined slightly from 2010 (16.5 percent) to 2016 (15.8 percent), a slow recovery based on historic precedent. Over similar spans following the 1981-82 and 1990-91 recessions, the rural poverty rate declined by about 2.5 percentage points.

Persistent poverty is currently measured from 1980 to 2007-11, which captures the effects of the Great Recession (2007-09). Comparing these counties with new high-poverty counties based on more recent data identifies 71 high-poverty rural counties in 2011-15 that were not high poverty at any point from 1980 to 2007-11. Only a few of these newly poor counties are located in or around existing persistent-poverty regions. Most are in regions that are typically more affluent, including northern California and counties in the Southeast and Midwest that were affected by the loss of manufacturing jobs during the Great Recession.

**Nonmetro high-poverty regions expanded in the wake of the Great Recession**



Note: Persistent-poverty counties had 20 percent or more of their populations living in poverty in 1980, 1990, 2000, and 2007-11. New high-poverty counties had rates below 20 percent in those years but increased to 20 percent or more in 2011-15.  
Source: USDA, Economic Research Service using data from the U.S. Census Bureau.

## Broadband and other infrastructure investments would likely benefit rural areas

USDA programs support infrastructure development—including water and sewer, electric utilities, internet broadband services, community facilities, and housing—in rural areas. Large-scale projects to upgrade transportation networks, utilities, and internet connectivity could benefit rural communities. Increased access to high-speed internet, in particular, could improve delivery of education, healthcare, public safety, and other services. Such investments would be economically efficient if the benefits of doing so outweighed the costs.

Household broadband internet use in rural areas increased from 2 to 61 percent—versus from 5 to 72 percent for urban areas—between 2001 and 2015, with most of the growth occurring before 2010. Growth in broadband subscriptions slowed considerably in both urban and rural areas after 2010, despite increased availability, perhaps due to other means such as cellular phone service or lack of affordable options for some rural residents.

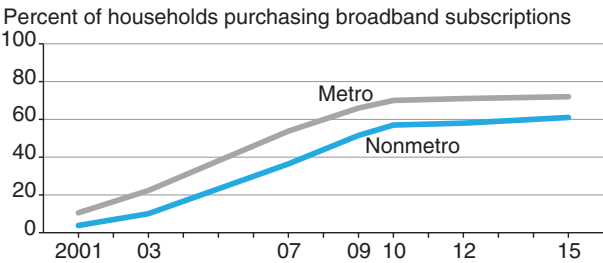
The urban-rural gap in broadband use has decreased slightly since 2007, but its persistence reflects fewer broadband options in rural areas despite significant investments. Also contributing to the continued rural-urban divide are the older average age of the population, higher poverty rates, and lower education levels in rural areas, all factors associated with diminished broadband use. Reclassification of faster growing nonmetro counties to metro status during 2001-15 also increased the rural-urban gap because reclassified counties show higher rates of broadband use than counties that remain nonmetro.

Internet service providers have been increasing access to broadband in rural areas by expanding DSL and cable technologies, wireless platforms, satellite systems, and (to a lesser extent) fiber-optic systems. Despite the slower rate of growth in broadband

subscriptions since 2010, county-level data indicate that rural household connectivity continues to improve and expand geographically. The number of rural counties in which fixed broadband subscriptions exceeded the rural average (60 percent or more of households) increased from 281 to nearly 1,200 between 2010 and 2016. (These data reflect the older FCC broadband standard of 200 kilobits per second, which is the best available county-level data.)

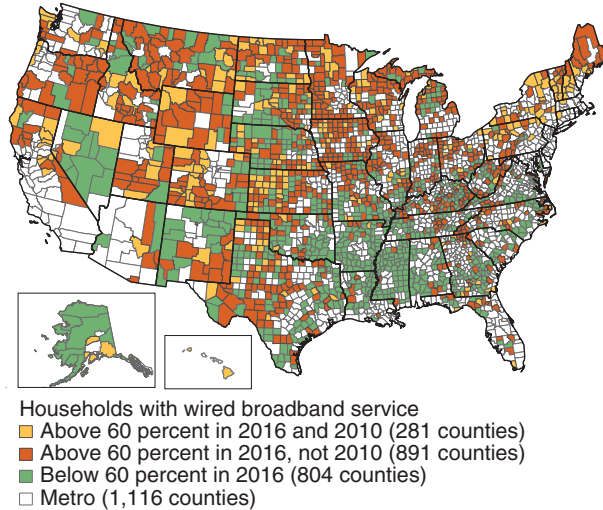
Rural counties newly above the 60-percent threshold for broadband are concentrated in the Northeast, Upper Midwest, and the Intermountain West. Extensive parts of rural Appalachia also saw improvement in broadband access to above 60 percent. The purchase of wired broadband service by households remains more limited in two types of rural regions: (1) isolated, sparsely settled counties in the Great Plains, Nevada, New Mexico, Alaska, and elsewhere; and (2) high-poverty, high-minority regions, such as on tribal lands in the West and stretching from southern Virginia to east Texas in the South.

**Metro-nonmetro gap in household broadband subscriptions persists**



Note: Questions on internet use were included on the Current Population Survey only in the years indicated on the graph. Broadband is here defined as any type of service other than dial-up. Metro-nonmetro status changed for some counties in 2004-05 and 2014-15. Source: USDA, Economic Research Service using data from the U.S. Census Bureau.

**The share of households with wired broadband remains below 60 percent in nearly 800 rural counties**



Note: Here broadband is defined using an older FCC standard, as connections over 200 kilobits per second. Source: USDA, Economic Research Service using data from the Federal Communications Commission.

**Data sources**

Population Estimates Program, Census Bureau, U.S. Department of Commerce.  
National Vital Statistics System, National Center for Health Statistics, Centers for Disease Control and Prevention.  
Local Area Unemployment Statistics, Bureau of Labor Statistics, U.S. Department of Labor.  
Quarterly Census of Employment and Wages, Bureau of Labor Statistics, U.S. Department of Labor.  
American Community Survey, Census Bureau, U.S. Department of Commerce.  
Current Population Survey, Bureau of Labor Statistics, U.S. Department of Labor.  
Form 477 County Data on Internet Access Services, Federal Communications Commission.

**Definitions and additional information**

For more on the 2003 and 2013 definitions of metropolitan and nonmetropolitan areas as well as related concepts such as urbanized areas and central counties, visit the ERS “What Is Rural?” topic page.

**ERS Website and Contact Person**

Information on rural America can be found on the ERS website. For more information, contact **John Cromartie** at [jbc@ers.usda.gov](mailto:jbc@ers.usda.gov) or (202) 694-5421.

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**JUN 26 2015**

**SUBJECT:** Supplemental Nutrition Assistance Program – Able-Bodied Adults without Dependents (ABAWD) Questions and Answers – June 2015

**TO:** All Regional Directors  
Supplemental Nutrition Assistance Program

Section 6(o) of the Food and Nutrition Act of 2008 limits able-bodied adults without dependents (ABAWD) eligibility for the Supplemental Nutrition Assistance Program (SNAP) to 3 months in any 36-month period, unless the individual meets the ABAWD work requirement or is otherwise exempt. The Food and Nutrition Service is providing the attached guidance in response to recent questions from State agencies concerning ABAWD policy.

Please distribute the attached questions and answers to your respective States and contact Casey McConnell at [casey.mcconnell@fns.usda.gov](mailto:casey.mcconnell@fns.usda.gov) with any additional inquiries.

A handwritten signature in black ink, appearing to read "Lizbeth Silberman", with a long, sweeping horizontal line extending to the right.

Lizbeth Silberman  
Director  
Program Development Division

Attachment

- 1. A Supplemental Nutrition Assistance Program (SNAP) household consists of a mother age 40 and son age 17. At the time of certification, both members are exempt from the SNAP able-bodied adults without dependents (ABAWD) time limit solely because the son is under 18. Neither household member is unfit for work, pregnant, or meets exemption from the general SNAP work requirements under 7 CFR 273.7(b). The State agency assigns the household a 12-month certification period under simplified reporting. Therefore, the only mid-period (outside the periodic report and recertification) reporting requirements are that the household must report if its income exceeds the gross income limit for its size, and for an ABAWD to report when his or her work hours fall below 20 hours per week. The household is not required to report when a minor becomes an adult. In this example, the case is certified in April and the son turns 18 in June. When the son turns 18, both he and his mother become ABAWDs and are subject to the time limit, but the periodic report is not due until September. When the case is reviewed in September, the State discovers that both the mother and the son are ABAWDs and have been since July 1, yet the State has not properly informed the household of the ABAWD work requirement and time limit. Since July, August, and September would be 3 countable months, would the State close the case effective October? What can States do to avoid a situation like this?**

If neither the mother nor the son is fulfilling the ABAWD work requirement or otherwise exempt<sup>1</sup> from the time limit, both would become subject to the time limit when the son turns 18 and both would accrue their 1<sup>st</sup> countable month<sup>2</sup> for July. Simplified reporting does not allow the State agency to ignore the statutory time limit for ABAWDs. While simplified reporting does not require the household to report the son's 18<sup>th</sup> birthday mid-period, the projected change is already known to the State agency at certification. Unless the mother and son report and verify that they have begun fulfilling the ABAWD work requirement, report a change that qualifies them for exemption from the time limit, are granted individual 15 percent exemptions by the State agency, or are covered by waiver of the time limit, both the mother and son would enter their 3<sup>rd</sup> countable month in September and the State must send an adequate notice of adverse action (NOAA). However, the Food and Nutrition Service (FNS) strongly advises State agencies to consider the following policy options and best practices in order to avoid the above described scenario:

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<sup>1</sup> Individuals are exempt from the time limit if they meet criteria listed at 7 CFR 273.24(c), are covered by a waiver under 273.24(f), or are granted a 15 percent exemption under 273.24(g).

<sup>2</sup> A countable month is a month in which the full benefit amount is received. A month in which the individual is exempt for part of the month or in which the benefit amount is prorated is not a countable month.



- a) States should consider the time limit in assigning reporting systems and certification period lengths to existing and potential ABAWD households, as advised at 273.10(f)(3)<sup>3</sup>. If a State chooses to place all households on simplified reporting, it could assign 4-month certification periods to households with an existing ABAWD member or potential ABAWD member, which includes those who can be reasonably anticipated to become an ABAWD during the certification period. At the time of certification, if the State agency can anticipate when a household member will lose his or her exemption from the ABAWD time limit, the State agency should set the household's certification period length accordingly.
- b) States are responsible for identifying existing and potential ABAWD households at certification, periodic report, and recertification and informing them of the time limit, exemption criteria, and how to fulfill the ABAWD work requirement. An existing ABAWD household includes an individual who is clearly an ABAWD at the time of certification. A potential ABAWD household includes an individual who can be reasonably anticipated to become an ABAWD at some point within the certification period. A household composed of a 40 year old, able-bodied mother and her 17 year old, able-bodied son is a good example of a potential ABAWD household. States should advise such a household that both members will become subject to the time limit when the son turns 18, at which point each household members' eligibility for SNAP will be limited to three months if they are not fulfilling the ABAWD work requirement or otherwise exempt. States should also emphasize that the household can and should contact its eligibility worker if a household member starts fulfilling the ABAWD work requirement or experiences a change that would exempt them from the time limit. 273.12(a)(5)(ii) requires that the State agency provide households assigned to simplified reporting with a written and oral explanation of the reporting requirements, which must include the requirement that ABAWDs report whenever their hours drop below 20 hours per week, averaged monthly. Under simplified reporting, the onus is on the household to report changes that may exempt them from the time limit mid-certification period.
- c) States should consider granting 15 percent exemptions to ABAWDs such as the mother and son in the provided scenario. States have discretion to grant 15 percent exemptions as they see fit. In addressing the provided scenario, the State might grant the mother and son 15 percent exemptions for the months of July, August, and September. When the case arrives at the periodic report, the State would inform the household of the time limit, exemption criteria, and fulfillment of the of the ABAWD work requirement. For Quality Control purposes, the exemption must be documented prior to monthly sample selection.
- d) The NOAA that is used prior to enforcing the time limit must explain, at a minimum, that the case is being closed because the ABAWD is subject to the time limit and has failed to fulfill the ABAWD work requirement for the NOAA to be considered

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<sup>3</sup> 7 CFR 273.10(f)(3) advises States to assign certification periods as appropriate for households with unstable circumstances or an ABAWD member, generally between 3 to 6 months.

adequate under 273.13(a)(2). The NOAA should also include the criteria for exemption from the time limit, fulfillment of the ABAWD work requirement, and explain the opportunity to regain eligibility as per 273.24(d). Please also note that although the NOAA must be sent at least 10 days prior to case closure, the State has flexibility to send it sooner to provide the household more time to respond.

- 2. Given the same scenario as Question 1, what would happen if the State has verified that both the mother and the son are working 20 hours per week at the time of certification and assigns the household to simplified reporting? How would the State treat the change in ABAWD status?**

ABAWDs subject to the time limit are required to report a whenever their work hours fall below 20 hours per week, averaged monthly, following 273.12(a)(5)(iii)(E). The mother and son would not accrue countable months when they reach ABAWD status unless their work hours fall below the 20 hours per week threshold. Please note, households assigned to simplified reporting cannot be required to report the hours they have worked each and every month.

- 3. Can State agencies assign shorter certification periods to households that contain ABAWDs? Can States shorten the certification period for ABAWDs on simplified reporting?**

State agencies have flexibility regarding the length of the certification periods they assign to potential ABAWD households, and may find that assigning ABAWDs certification periods of 6 months or less helps to simplify administration of the time limit. Moreover, 273.10(f)(3) encourages States to assign 3 to 6-month certification periods to households with an ABAWD member. If a State chooses to place potential ABAWD households on simplified reporting, it could assign 4-month certification periods, at minimum. Alternatively, the State could assign 4-month certification periods to only certain ABAWDs (e.g. those who are not fulfilling the work requirement at the time of certification or those who are projected to lose exemption from the time limit during the certification period), but assign longer certification periods to ABAWDs with more stable circumstances (e.g. those who are fulfilling the work requirement at certification and are anticipated to continue to do so). For ongoing households, States must wait until the next recertification to adjust certification period length.

- 4. Do individuals who are working over 30 hours per week at certification, and are therefore not considered ABAWDs subject to the time limit, have a responsibility to report if their hours fall below 20 hours per week mid-certification period?**

Following 273.7(b)(1)(vii), individuals who work a minimum of 30 hours per week or are earning weekly wages at least equal to the Federal minimum wage multiplied by 30 hours are exempt from the general SNAP work requirements, and are therefore also exempt

from the ABAWD time limit. If these individuals' work hours drop below 20 hours per week, they are required to report the drop in work hours, regardless of the reporting system to which they are assigned. Any months in which these individuals receive a full benefit allotment while not fulfilling the ABAWD work requirement or are not otherwise exempt would be countable months.

**5. In the March 2015 memo *Expiration of Statewide ABAWD Time Limit Waivers*, FNS strongly encourages States to provide an additional notice to ABAWDs subject to the time limit at least 30-days prior to waiver expiration. What should such a notice include and who should it be sent to?**

First, before sending the above described notice, States should review case file information to identify and assess individual ABAWDs and determine whether or not the ABAWD is subject to the time limit and will begin accruing countable months when the waiver expires. States should make this assessment prior to the expiration of their time limit waivers at certification, periodic report, recertification. Unless the ABAWD is fulfilling the ABAWD work requirement at 7 CFR 273.24(a)(1) or qualifies for an exemption from the ABAWD time limit under 273.24(c), or is granted a 15 percent exemption, the ABAWD is subject to the time limit and will begin accruing countable months when the waiver expires.

The notice should explain that the waiver of the time limit is expiring and how its expiration will impact eligibility for ABAWDs who do not fulfill the ABAWD work requirement at 273.24(a)(1) or who do not qualify for an exemption from the ABAWD time limit under 273.24(c). The notice should also include the criteria for exemption from the time limit and how to fulfill the ABAWD work requirement. To be clear, this notice is not a request for contact described at 273.12(c)(3), and States cannot require ABAWDs assigned to simplified reporting to report becoming exempt or work hours as a part of this notice. The notice should be sent to all identified ABAWDs subject to the time limit.

**6. If a State agency assigns a certification period of longer than 4 months to an ABAWD who is not fulfilling the work requirement at the time of certification, would the State automatically stop benefits after the three countable months are exhausted or is the recipient entitled to a NOAA? When should the NOAA be sent?**

The State agency must send a NOAA prior to enforcing the time limit. To be considered adequate under 273.13(a)(2), the NOAA must explain that the case is being closed because the ABAWD is subject to the time limit, has failed to fulfill the ABAWD work requirement, and has exhausted his or her 3 countable months. The NOAA should also include the criteria for exemption from the time limit, fulfillment of the ABAWD work requirement, and explain the opportunity to regain eligibility as per 273.24(d). The NOAA must be sent at least 10 days prior to case closure, but the State has flexibility to send it sooner to provide the household more time to respond.

- 7. ABAWDs are required to report if their work hours fall below 20 hours per week, averaged monthly. Does this imply there is no requirement to report each month and verify work hours, only to report if the hours go below that threshold? Could a state opt to require monthly reporting and verification?**

ABAWDs assigned to simplified reporting or quarterly reporting must report if their work hours fall below 20 hours per week, averaged monthly, following 273.12(a)(5)(iii)(E) and 273.12(a)(4)(vii). However, they cannot be required to report the hours they have worked each and every month. States must determine and verify ABAWD work hours at certification. States must also inform ABAWDs of the time limit and how to fulfill of the work requirement. ABAWDs that are not fulfilling the work requirement at certification would immediately begin accruing countable months toward the 3-month time limit. If such an ABAWD begins fulfilling the work requirement, the onus is on them to report the change to the State, lest they continue to accrue countable months. Please note, 273.24(b)(7) allows States the option to retrospectively consider hours worked in a job that was not reported according to the requirements of 273.12 in determining countable months. ABAWDs that are fulfilling the work requirement at certification or periodic report would not be accruing countable months, but they are required to report whenever work hours fall below 20 hours per week, averaged monthly. ABAWDs assigned to change reporting must report in accordance with 273.12(a)(1), which also includes the requirement to report changes in work hours that bring them below 20 hours per week, averaged monthly. Alternatively, a State could opt to assign ABAWDs to monthly reporting and could require them to report work hours each month. States should consider the time limit in assigning reporting systems and certification periods to ABAWD households.

- 8. The rules at 273.24(c)(4) exempt from the time limit individuals who reside in household where a household member is under age 18, even if the household member who is under 18 is not himself eligible for food stamps. Does “household” mean the physical structure or the SNAP household?**

The term household strictly means the SNAP household as defined at 273.1(a). The term household does not mean simply a group of people residing in the same physical structure. The phrase “even if the household member who is under 18 is not himself eligible for food stamps” refers to minors who would be members of the SNAP household but who are ineligible to participate in SNAP (e.g. an ineligible non-citizen, someone who has committed an intentional program violation or other circumstance as described in 273.1(b)(7)).

- 9. Under the regulations at 273.24(c)(2), individuals who are determined by the State agency to be ‘medically certified as physically or mentally unfit for employment’ are exempt from the time limit. Could the State agency follow 273.2(f)(4)(ii) and use a collateral contact in determining an individual as physically or mentally unfit for employment?**

Yes, in certain cases. If the mental or physical unfitness is not obvious, the eligibility worker should first request that the individual provide documentary evidence. The household has primary responsibility for providing documentary evidence, but the State agency must assist the individual in obtaining the documentary evidence provided the household is cooperating with the State agency. If documentary evidence is unavailable or insufficient, the State agency may follow the regulations at 7 CFR 273.2(f)(4)(ii) on collateral contacts in determining an individual's mental or physical unfitness. In this case, examples of acceptable collateral contacts include a physician, physician's assistant, nurse, nurse practitioner, designated representative of the physician's office, a licensed or certified psychologist, a social worker, or any other medical personnel the State agency determines credible to determine the individual as physically or mentally unfit for employment.

**10. How should States handle countable months that occurred in another State?**

**What should States do when the other State's uses a different clock to measure the 36-month period?**

When an ABAWD applies and there is an indication that the individual has participated in another State, the current State must verify the number of countable months in the other State in accordance with 273.2(f)(1)(xiv)(B). States have discretion concerning how they verify this information. States may choose to use established information exchange agreements, or may choose to develop special means by which to exchange information on an ABAWDs countable months. FNS understands that because different States can have different trackers (i.e. fixed vs. rolling) or tracking start dates, reconciling the number of countable months that would follow an ABAWD from State A to State B can be complex. When presented with such a scenario, States must maintain the integrity of their own tracking method and account for out-of-state countable months accordingly. For example:

In January 2016, an ABAWD applies in State A and reports past participation in State B from August through November 2015.

- If State A uses a fixed clock with the same 36-month time period for all ABAWDs (also called a universal fixed clock), it must only consider countable months that fall within that 36-month period: State A started its fixed clock on October 1, 2015. State A must disregard August and September participation because they occurred outside of its fixed 36-month period. However, State A must verify countable months for October and November in State B.
- If State A uses a fixed clock with individual 36-month time periods for its ABAWDs based upon date of certification or loss of exemption, it must only account for countable months that fall within the ABAWD's individual fixed clock in State A. If the ABAWD does not have an established clock in State A (i.e. has never participated in State A), then the out-of-State months must be disregarded because the ABAWD started his new clock in January 2016.

- If State A uses a rolling clock, it must account for any countable months that the ABAWD has accrued in the preceding 36-month period, including those that occurred in other states.

**11. Following 7 CFR 273.24(c)(2), individuals who are determined by the State agency to be obviously physically or mentally unfit for employment are exempt from the ABAWD time limit. What happens when an individual is certified as an ABAWD, referred to an E&T program, then appears to be obviously unfit for employment at the E&T intake? Can the E&T provider make the determination regarding the individual's obvious mental or physical unfitness?**

No, the E&T provider cannot make the determination regarding the individual's obvious mental or physical unfitness for employment. Section 11(e)(6)(B) of the Food and Nutrition Act and 273.24(c)(2)(ii) require that certification actions be performed by merit system personnel (e.g. State agency eligibility workers). Certification actions include determination of eligibility, the interview, and other decisions and actions made on the case at the point of application and during the certification period. Contracted staff, including E&T providers, cannot determine eligibility or take certification actions. Only State eligibility workers can determine an individual to be exempt from the ABAWD time limit based upon the criteria at 7 CFR 273.24(c).

The State agency is responsible for providing its eligibility workers with guidance and procedures that support effective screening for exemption from the ABAWD time limit. In the absence of documentary evidence, the certification interview is imperative in determining if an applicant meets exemption based upon being "obviously mentally or physically unfit for employment as determined by the State agency" as per 273.24(c)(2)(ii). If the State agency is not already doing so, it may consider providing its interview staff with detailed guidance concerning what might indicate obvious mental or physical unfitness for employment. The State might also consider referring all such potential cases to experienced staff for interview.

The State agency should work with the E&T provider to come up with an appropriate procedure in cases where an ABAWD is referred to the E&T provider but appears to be unfit for employment by the E&T provider during intake. For example, the State agency may request that the E&T provider assist the client in contacting his or her eligibility worker to pursue an exemption after the intake process. Supporting the State agency in this way may be particularly appropriate in cases of obvious developmental disability or mental illness.

**12. Are States required to operate a mandatory E&T program for ABAWDs (assign all ABAWDs to E&T) when their Statewide time limit waiver expires?**

No, State agencies are not required to assign all ABAWDs to a SNAP E&T program. State agencies may operate E&T programs where ABAWD participation is voluntary, mandatory, or a combination of voluntary and mandatory. If a State agency decides to

make participation in E&T mandatory for ABAWDs, the State must ensure compliance and act on a failure to comply without good cause.

For mandatory E&T participants, the E&T provider must notify the State of non-compliance within 10 days, the State must determine whether good cause exists, and within 10 days of establishing that the non-compliance with the E&T program was without good cause, the State agency must issue an NOAA. If E&T participation is mandatory for ABAWDs, the State cannot wait until the ABAWD exhausts the three months of benefits before acting on non-compliance. Rather, the State must act on non-compliance with E&T while also tracking countable months and applying the time limit, which can be administratively challenging.

For voluntary E&T participants, States are prohibited from disqualifying participants from SNAP based upon non-compliance with the assigned E&T activity. However, ABAWDs who are voluntarily participating in E&T but fail to comply would accrue countable months toward the 3-month time limit, unless they are otherwise exempt.

FNS encourages State agencies to consider what qualifying education, training, or work activities they might add to their E&T programs to support ABAWDs who are subject to the time limit. Job search and job search training alone are not qualifying activities for ABAWDs. However, these activities can count toward the 20 hour per week minimum as long as they comprise less than half of the total required time spent in the E&T program.





Food and  
Nutrition  
Service

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MAR 04 2015

SUBJECT: Supplemental Nutrition Assistance Program – Expiration of Statewide ABAWD Time Limit Waivers

TO: Regional Directors  
Supplemental Nutrition Assistance Program  
All Regions

Section 6(o) of the Food and Nutrition Act of 2008 limits able-bodied adults without dependents (ABAWD) eligibility for the Supplemental Nutrition Assistance Program (SNAP) to 3 months in any 36-month period, unless the individual meets the ABAWD work requirement or is otherwise exempt. The law also provides that States may qualify to temporarily waive the 3-month time limit in areas with high unemployment or depressed labor markets.

Since the 2008 economic crisis, the majority of States have operated under Statewide ABAWD time limit waivers. However, as the economy continues to recover, few States are anticipated to be eligible to extend their Statewide waivers beyond calendar year 2015. Therefore, the vast majority of currently active Statewide ABAWD time limit waivers will expire within the next 10 months. When these waivers expire, States will be required to immediately re-establish the time limit for all ABAWDs subject to the time limit. While States may continue to request ABAWD time limit waivers for any areas of the State that may be eligible, it is imperative that they prepare to transition off of Statewide waivers. States that fail to prepare risk providing benefits to individuals who have become ineligible due to the time limit, resulting in potential overpayments and Quality Control errors.

Based upon lessons learned from the small number of States that have already transitioned off of Statewide ABAWD time limit waivers and have re-established the time limit, the Food and Nutrition Service (FNS) would like to clarify and emphasize the fundamental policies that State agencies must follow when a Statewide waiver expires or is not extended.

- 1. State agencies must identify all ABAWDs subject to the time limit.** Prior to waiver expiration, States must review case file information to identify individual ABAWDs and determine whether or not the ABAWD is subject to the time limit. ABAWDs are subject to the time limit if they are not fulfilling the ABAWD work requirement at 7 CFR 273.24(a)(1) or do not meet an exemption from the ABAWD time limit listed at 7 CFR 273.24(c). State agencies should be informing all potential ABAWD households of the ABAWD time limit, exemption criteria, and fulfillment of the ABAWD work requirement at certification, periodic report, and recertification. FNS strongly encourages States to provide an additional notice to all ABAWDs subject to the time limit at least 30-days prior to waiver expiration.



2. **State agencies must be prepared to measure and track the 36-month period for all ABAWDs.** Prior to waiver expiration, States must ensure that the 36-month clock by which they will track ABAWD participation is operational. States may use a rolling clock or a fixed clock. If the State uses a fixed clock, it may apply the same 36-month time period to all ABAWDs or may apply individual 36-month time periods to individual ABAWDs. States have discretion concerning which clock is used, provided that the policy is applied consistently across the State. States that have experienced a lapse in tracking the 36-month period while operating under a Statewide ABAWD waiver for multiple years should evaluate which tracking method will best suit their current eligibility system and contact FNS for technical assistance.
3. **When the Statewide waiver expires, the 3 in 36-month time limit takes effect immediately.** State agencies are required to re-establish the time limit for all ABAWDs subject to the time limit immediately upon waiver expiration. This means that ABAWDs who are not fulfilling the work requirement or are not otherwise exempt would accrue their first countable month for the month immediately following waiver expiration, regardless of the type of reporting system or certification period length the State agency assigns to ABAWDs. Unless exempting the ABAWD using available 15 percent exemptions, States cannot phase-in or postpone the application of the time limit by waiting until the next contact with the ABAWD (e.g. periodic report or recertification) to review household circumstances. State agencies should consider the time limit in assigning reporting systems and certification period lengths to ABAWD households and potential ABAWD households.
4. **States that use 15 percent exemptions to extend ABAWD eligibility must document the action in the case file.** States have discretion to apply 15 percent exemptions as they see fit and should consider using them as they transition off of a Statewide waiver. In fact, States with a sufficient number of 15 percent exemptions may use them to exempt all ABAWDs from the time limit until the next contact with the household. However, the application of each 15 percent exemption must be documented in the case file. For example, a 15 percent exemption applied to an ABAWD for the month of March must be documented in the ABAWD's case file for the month of March. States that fail to document the usage of individual 15 percent exemptions in the case file risk Quality Control errors and exemption overuse. For Quality Control purposes, the exemption must be documented prior to monthly sample selection.

We encourage States to contact FNS with any questions and for additional technical assistance as they prepare for the expiration of their respective Statewide ABAWD time limit waivers. States should continue to use the Guide to Serving ABAWDs Subject to Time-Limited Participation available at <http://www.fns.usda.gov/node/9310>, which

Regional Directors

Page 3

provides detailed guidance concerning ABAWD policy and the transition off of a Statewide time limit waiver. If you have any questions concerning this memorandum, please contact Casey McConnell at [casey.mcconnell@fns.usda.gov](mailto:casey.mcconnell@fns.usda.gov).

A handwritten signature in black ink, appearing to read "Lizbeth Silberman", with a long horizontal flourish extending to the right.

Lizbeth Silberman

Director

Program Development Division