

# How the Agriculture and Nutrition Act of 2018 would rein in work requirement waivers gone wild

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# KEY FINDINGS

1

**MORE THAN 62%** OF ABLE-BODIED CHILDLESS ADULTS ARE EXEMPT FROM COMMONSENSE FOOD STAMP WORK REQUIREMENTS.



2

STATES ARE EXPLOITING LOOPHOLES AND ARE EXEMPTING AS MANY ABLE-BODIED ADULTS AS POSSIBLE FROM WORK REQUIREMENTS.



3

THE HOUSE FARM BILL WOULD CLOSE THESE LOOPHOLES AND REDUCE THE NUMBER OF WORK-EXEMPT ABLE-BODIED ADULTS **BY 87%**.



**BOTTOM  
LINE:**

IT'S PAST TIME TO REIN IN WORK  
REQUIREMENT WAIVERS GONE WILD.

## Overview

The number of able-bodied adults dependent on food stamps has reached crisis levels, despite near record low unemployment. From 2000 through 2008, the number of able-bodied, childless adults receiving food stamps hovered at or below one million.<sup>1</sup> But by 2013, a record-high 4.9 million able-bodied childless adults were receiving food stamps.<sup>2</sup> Since then, able-bodied adult enrollment has only dropped slightly. States report that 4.6 million of these able-bodied, childless adults will still be enrolled in the program over the course of fiscal year 2018.<sup>3</sup>

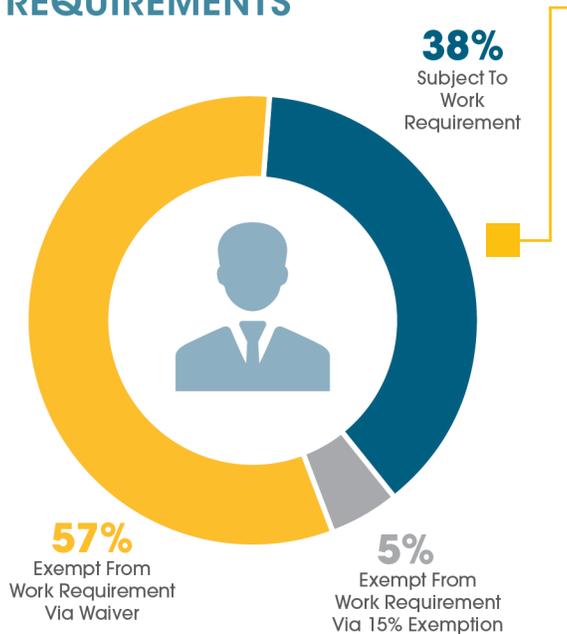
Federal law requires that most able-bodied, childless adults work, train, or volunteer for at least 20 hours per week as a condition of eligibility to receive food stamps.<sup>4</sup> These requirements apply to non-pregnant adults who are mentally and physically fit for employment, who are between the ages of 18 and 50, and who have no dependent children or incapacitated family members.<sup>5</sup> Able-bodied adults who refuse to meet these requirements are limited to just three months of food stamp benefits every three years.<sup>6</sup> However, state officials continue to use loopholes and gimmicks to waive these work requirements for millions of able-bodied adults.<sup>7</sup>

When Congress passed work requirements into law in 1996, it gave the Secretary of the United States Department of Agriculture (USDA) the authority to waive work requirements in areas that had unemployment rates above 10 percent or otherwise lacked job opportunities.<sup>8</sup>



**4.6**  
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**FOOD STAMPS**

## MORE THAN 62 PERCENT OF ABLE-BODIED, CHILDLESS ADULTS ON FOOD STAMPS ARE EXEMPT FROM WORK REQUIREMENTS



Authors' calculations based on government data.

Unfortunately, rulemaking by Clinton-era bureaucrats produced a regulation that is far more expansive than intended, creating loopholes and gimmicks for states to continue waiving work requirements for millions of able-bodied adults, even during periods of record economic growth.<sup>9</sup> Worse yet, the Obama administration actively pressured states into waiving the requirement and keeping as many able-bodied adults trapped in dependency as possible.

As a result, these commonsense requirements are waived wholly or partially in 33 states and the District of Columbia, making most able-bodied, childless adults on food stamps exempt from work requirements.<sup>10-11</sup> More than a third of the country lives in areas with no work requirements whatsoever.<sup>12</sup> In some waived areas, the unemployment rate is zero.<sup>13</sup>

According to state data, just 1.8 million of able-bodied, childless adults on food stamps in 2018 are subject to work requirements.<sup>14</sup> Another 2.7 million able-bodied adults live in areas where the work requirement is waived, while the remaining 220,000 are exempt under states' 15 percent exemption policies.<sup>15</sup>

## How states abuse the waiver process

Although waivers were originally intended for areas with very high unemployment, Clinton-era regulations created massive loopholes that have been exploited ever since. These regulations have allowed states to manipulate old data, gerrymander jurisdictions, game the timeline, and use other “alternative procedures” to waive the requirement for as many able-bodied adults as possible.<sup>16</sup>

Under the current regulations, USDA will approve any waiver request if the state can show an area:

- meets the criteria to offer extended unemployment benefits;
- has a recent 12-month average unemployment rate above 10 percent;
- has a recent three-month average unemployment rate above 10 percent;
- has a historical seasonal unemployment rate above 10 percent;
- has a recent 24-month average unemployment rate 20 percent above the national average;
- qualifies as a Labor Surplus Area;
- has a low and declining employment-to-population ratio;
- has a lack of jobs in declining industries or occupations; or
- is described in an academic study or other publication as having a lack of jobs.

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Many of these “alternative procedures” have nothing to do with whether an area does not have a sufficient number of jobs or job openings. Instead, they primarily indicate how an area’s economy is performing relative to the national average. This means that some portion of the country will virtually always be granted waivers, even during periods of strong and sustained economic growth. If the national unemployment rate were one percent, for example, a state would be able to waive the work requirement if its unemployment rate were at least 1.2 percent.

To make matters worse, the current regulations allow states to combine counties, cities, and other jurisdictions together to form a single “area” for waiver purposes, allowing states to gerrymander jurisdictions together to waive the work requirement for as many able-bodied adults as possible.<sup>17</sup> The regulations also allow states to manipulate old data from several years ago in order to continue qualifying for such waivers.<sup>18</sup>

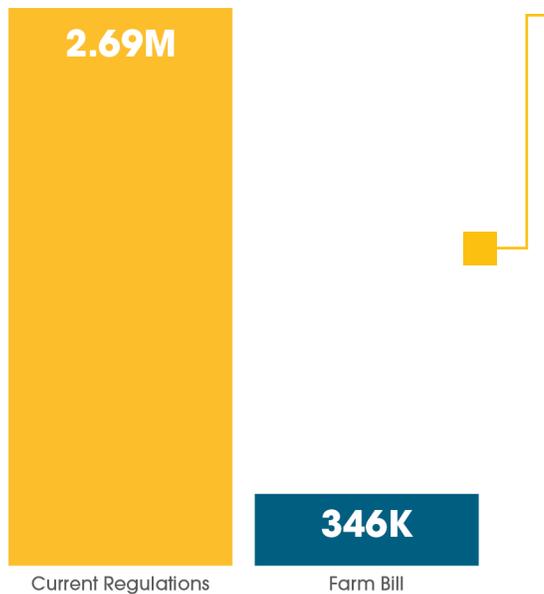
## The Agriculture and Nutrition Act of 2018 would limit waiver abuse

Although the Agriculture and Nutrition Act of 2018 (H.R. 2) eliminates the three-month time limit for able-bodied, childless adults—which serves as the teeth for the current work requirement—it creates a stronger, unified work requirement for most able-bodied adults on the program, including parents with school-aged children and some middle-aged childless adults. And to be able to request waivers of the work requirements, the proposal cracks down on some of the worst abuses allowed under current regulation.

The Agriculture and Nutrition Act of 2018, as reported out of the House Committee on Agriculture and incorporating the Manager’s Amendment, would limit waivers to jurisdictions that:

- have unemployment rates above 10 percent;
- are designated as Labor Surplus Areas based on the criteria for exceptional circumstances;
- have 24-month average unemployment rates that are 20 percent above the national average and are at least seven percent;
- are in a state with an extended unemployment benefits period; or
- are in a state with temporary or emergency unemployment compensation that is being provided under federal law.

## AGRICULTURE AND NUTRITION ACT OF 2018 WOULD REDUCE THE NUMBER OF ABLE-BODIED ADULTS WAIVED FROM WORK REQUIREMENTS BY MORE THAN 87 PERCENT



Authors' calculations based on government data.

These changes would eliminate several existing loopholes. These changes would also set a minimum floor of seven percent unemployment for jurisdictions seeking waivers based on relatively higher unemployment rates, prohibit states from gerrymandering jurisdictions together for waiver purposes, and require states to use the most recent unemployment data available rather than data from three or more years ago.

**Had these rules been in effect during the most recent round of waiver approvals, more than 70 percent of the counties, cities, towns, and other jurisdictions receiving waivers would not have been approved.**<sup>19</sup> The number of able-bodied adults exempt from the work requirement as a result of these waivers would have dropped by at least 63 percent—roughly doubling the number subject to work requirements.<sup>20</sup>

Moving forward, even fewer jurisdictions would qualify for waivers. If all states requested the same waivers today under these new rules, nearly 85 percent of jurisdictions would no longer qualify under the new rules.<sup>21</sup> The number of able-bodied adults exempt from the work requirement as a result of these waivers would drop by more than 87 percent.<sup>22</sup>

## Limiting waiver abuse will move more able-bodied adults from welfare to work

When work requirements were first implemented in the 1990s, millions of able-bodied adults moved from welfare to work and rapid economic growth occurred.<sup>23</sup> Analyses of state-level implementation of the reform have reached similar conclusions.

After Kansas implemented these work requirements, the number of able-bodied, childless adults on food stamps dropped by 75 percent and the average amount of time spent on welfare was cut in half.<sup>24</sup> Those leaving food stamps went back to work in more than 600 different industries and their incomes more than doubled, on average.<sup>25</sup> Higher wages more than offset lost benefits, leading to greater economic activity and higher tax revenues.<sup>26</sup> When Maine implemented the same work requirements, it saw similar impressive results: incomes of former enrollees more than doubled and caseloads declined by 90 percent.<sup>27</sup>

By reining in the abuses of work requirement waivers, Congress can replicate this success, moving millions of able-bodied adults from welfare to work, boosting the economy, and preserving resources for the truly needy.

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## Appendix 1. Number of able-bodied adults without dependents and percentage of those subject to work requirements, by state

STATE	TOTAL ABLE-BODIED ADULTS WITHOUT DEPENDENTS	SUBJECT TO WORK REQUIREMENTS
Alabama	84,511	100%
Alaska	20,411	0%
Arizona	143,577	20%
Arkansas	8,819	97%
California	836,599	0%
Colorado	59,392	25%
Connecticut	172,361	0%
Delaware	18,550	100%
District of Columbia	15,000	0%
Florida	219,529	100%
Georgia	93,779	44%
Hawaii	2,700	86%
Idaho	19,440	14%
Illinois	346,000	3%
Indiana	32,500	100%
Iowa	8,270	100%
Kansas	24,991	100%
Kentucky	56,000	23%
Louisiana	62,770	0%
Maine	6,112	100%
Maryland	61,977	48%
Massachusetts	76,000	29%
Michigan	174,996	17%
Minnesota	176,883	97%
Mississippi	21,513	85%
Missouri	106,200	100%
Montana	28,737	54%
Nebraska	5,043	73%
Nevada	94,055	0%
New Hampshire	1,828	33%
New Jersey	19,403	89%

## Appendix 1. (Continued)

STATE	TOTAL ABLE-BODIED ADULTS WITHOUT DEPENDENTS	SUBJECT TO WORK REQUIREMENTS
New Mexico	25,901	0%
New York	269,400	1%
North Carolina	126,338	100%
North Dakota	11,523	81%
Ohio	170,450	80%
Oklahoma	201,187	98%
Oregon	44,660	39%
Pennsylvania	277,916	18%
Rhode Island	11,800	1%
South Carolina	25,000	90%
South Dakota	5,079	17%
Tennessee	94,112	5%
Texas	209,295	83%
Utah	9,285	51%
Vermont	4,300	78%
Virginia	37,500	75%
Washington	94,542	15%
West Virginia	18,115	9%
Wisconsin	42,600	100%
Wyoming	2,839	100%
<b>TOTAL</b>	<b>4,679,838</b>	<b>38%</b>

## Appendix 2. Number of able-bodied adults without dependents subject to work requirements, exempt via waivers, and exempt via 15 percent exemption policies, by state

STATE	SUBJECT TO WORK REQUIREMENT	EXEMPT FROM WORK REQUIREMENT VIA WAIVER	EXEMPT FROM WORK REQUIREMENT VIA 15% EXEMPTION
Alabama	84,511	0	0
Alaska	0	20,411	0
Arizona	28,454	114,475	648
Arkansas	8,589	0	230
California	0	836,599	0
Colorado	15,029	1,568	42,795
Connecticut	764	169,790	1,807
Delaware	18,550	0	0
District of Columbia	0	15,000	0
Florida	219,529	0	0
Georgia	41,422	43,857	8,500
Hawaii	2,320	80	300
Idaho	2,692	14,248	2,500
Illinois	9,000	337,000	0
Indiana	32,500	0	0
Iowa	8,246	0	24
Kansas	24,991	0	0
Kentucky	13,000	43,000	0
Louisiana	0	62,770	0
Maine	6,112	0	0
Maryland	29,908	32,069	0
Massachusetts	22,000	51,000	3,000
Michigan	28,932	126,776	19,288
Minnesota	171,271	3,400	2,212
Mississippi	18,286	0	3,227
Missouri	106,200	0	0
Montana	15,624	13,113	0
Nebraska	3,689	0	1,354
Nevada	0	94,055	0

## Appendix 2. (Continued)

STATE	SUBJECT TO WORK REQUIREMENT	EXEMPT FROM WORK REQUIREMENT VIA WAIVER	EXEMPT FROM WORK REQUIREMENT VIA 15% EXEMPTION
New Hampshire	610	874	344
New Jersey	17,269	2,134	0
New Mexico	0	25,901	0
New York	3,940	205,000	60,460
North Carolina	126,388	0	0
North Dakota	9,310	1,644	569
Ohio	136,199	34,251	0
Oklahoma	197,330	0	3,732
Oregon	17,588	27,072	0
Pennsylvania	48,860	203,380	25,676
Rhode Island	80	11,700	20
South Carolina	22,500	0	2,500
South Dakota	858	4,021	200
Tennessee	4,689	86,323	3,100
Texas	174,756	0	34,539
Utah	4,728	2,441	2,116
Vermont	3,360	680	260
Virginia	28,000	9,500	0
Washington	13,939	80,427	176
West Virginia	1,540	16,190	385
Wisconsin	42,600	0	0
Wyoming	2,839	0	0
<b>TOTAL</b>	<b>1,769,002</b>	<b>2,690,749</b>	<b>219,962</b>

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17. Ibid.
18. Ibid.
19. Authors' calculations based upon the number of counties, cities, towns, and other jurisdictions in state waiver requests that would not have qualified for a waiver due to the prohibition on combining jurisdictions and the new floor of 7 percent unemployment, based on the 24-month periods selected by the states. In states with existing statewide waivers that would no longer qualify, waivers were reevaluated by county or county-equivalent.
20. Authors' calculations based upon current waived areas, the number of able-bodied adults without dependents living in waived areas as reported on fiscal year 2018 state plans for employment and training programs, the number of jurisdictions that would no longer qualify for waivers, the most recent publicly available county-level food stamp enrollment in currently waived areas, and enrollment in jurisdictions that would still qualify for waivers as a share of enrollment in currently waived areas. In order to determine enrollment for jurisdictions lower than the county or county-equivalent level, the jurisdiction's share of the total population in the county or county-equivalent in which it sits was multiplied by enrollment in that county or county-equivalent.
21. Authors' calculations based upon the number of counties, cities, towns, and other jurisdictions in state waiver requests that would not have qualified for a waiver due to the prohibition on combining jurisdictions and the new floor of 7 percent unemployment, based on the most recent 24-month period of available data. In states with existing statewide waivers that would no longer qualify, waivers were reevaluated by county or county-equivalent.
22. Authors' calculations based upon current waived areas, the number of able-bodied adults without dependents living in waived areas as reported on fiscal year 2018 state plans for employment and training programs, the number of jurisdictions that would no longer qualify for waivers, the most recent publicly available county-level food stamp enrollment in currently waived areas, and enrollment in jurisdictions that would still qualify for waivers as a share of enrollment in currently waived areas. In order to determine enrollment for jurisdictions lower than the county or county-equivalent level, the jurisdiction's share of the total population in the county or county-equivalent in which it sits was multiplied by enrollment in that county or county-equivalent.
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