

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: February 6, 2020

TO: Honorable Members of the Rules, Elections & Intergovernmental Relations Committee

FROM: Sharon M. Tso,
Chief Legislative Analyst

Council File No: 19-0002-S197
Assignment No: 20-01-0046

SUBJECT: Resolution (Ryu – Wesson) to OPPOSE the United States Department of Agriculture (USDA)'s proposed rule change relating to able bodied adults with disabilities (ABAWD) for the Supplemental Nutritional Assistance Program (SNAP).

CLA RECOMMENDATION: Adopt Resolution (Ryu – Wesson) to include in the City's 2019-2020 Federal Legislative Program, OPPOSITION to the USDA's final rule change which would require States to utilize Bureau of Labor data for waiver approvals, add a floor of 6 percent to the existing 20 percent standard, and set a limit on the carryover of unused state discretionary exemptions.

SUMMARY

The Resolution (Ryu – Wesson), introduced December 11, 2019, advises that Section 6(o) of the Food and Nutrition Act of 2008 limits the time period an "able-bodied adult without dependents" can receive assistance from SNAP, otherwise known as food stamps. On the request of a State, the USDA can waive the time limit which able bodied adults without dependents (ABAWDs) can receive benefits in areas with an unemployment rate of over 10 percent in a 12 month period, or 20 percent in a 24 month period. Existing law also allows for a limited number of annual discretionary waivers that may be rolled over into subsequent years. The Trump administration has proposed rule changes affecting the SNAP program, including broad-based categorical eligibility changes, which would result in the loss of benefits for 3.1 million people throughout the country.

The Resolution further advises that on December 5, 2019 the USDA released a final rule change which would require States to utilize Bureau of Labor data for waiver approvals, add a floor of 6 percent to the existing 20 percent standard, and set a limit on the carryover of unused state discretionary exemptions. The rule will be effective beginning April 2020, resulting in approximately 700,000 individuals losing their benefits, not including the benefits endangered by other rule changes. The Resolution states that the rule change will increase the financial burden and increase food insecurity of vulnerable individuals and must be challenged.

The Resolution recommends that the City oppose the USDA's proposed rule change which would require States to utilize Bureau of Labor data for waiver approvals, add a floor of 6 percent to the existing 20 percent standard, and set a limit on the carryover of unused state discretionary exemptions.

BACKGROUND

The Supplemental Nutrition Assistance Program (SNAP) is a federal assistance program administered by the USDA which provides assistance to supplement/subsidize the purchase of food for low-income families that require assistance. Eligibility for assistance is determined based on income guidelines however, there are exceptions for seniors, disabled individuals, families, and other vulnerable populations. There are also general work requirements attached to the benefits. Beneficiaries between the ages of 18 and 59 are required

to register for work, participate in employment and training, or a workforce program (if required by States), and refrain from voluntarily quitting a job or reducing their hours.

Under current regulations ABAWDs, who are defined as individuals between the ages of 18 and 49 without dependents, are limited to receiving SNAP benefits for 3 months in a three year period. The ABAWD work requirements include working at least 80 hours a month, participating in a work program at least 80 hours a month, or a combination of both for 80 hours. State agencies that administer SNAP benefits may request a limited number of annual waivers for these requirements, allowing ABAWDs to continue to receive benefits past the three month limit. In order to be approved for waivers, a State agency must prove that an area has an average unemployment rate over 10% in a twelve month period, has an average unemployment rate of 20 percent above the national average in a 24 month period (20 percent standard), or meets other eligibility standards.

The USDA posted a proposed rule change relating to ABAWD regulations on the Federal Register for public comment on July 24, 2019 and published the final rule change on December 4, 2019. The final rule change will be effective on April 1, 2020 and creates several deviations from current regulations.

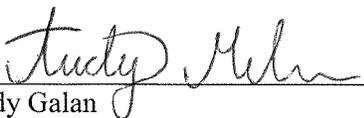
States will be required to utilize data from the Department of Labor's Bureau of Labor Statistics in order to evidence the eligibility of an area for an ABAWD time limit waiver. In addition, States will no longer have the ability to define their own waiver areas and must limit waiver areas to "Labor Market Areas" as defined by the Bureau of Labor Statistics. State agencies administering SNAP are given a set number of waivers per year and are allowed to rollover a set number to the next fiscal year. Under the final rule change, new limits would be introduced that would limit the number of waivers that states are allowed to rollover.

A six percent floor has also been added to the 20 percent standard, disqualifying any area with an unemployment rate below 6 percent. According to the Bureau of Labor Statistics, in December 2019, the national unemployment rate was 3.5 percent. Under current regulations, an area meeting the 20 percent standard (an unemployment rate of at least 4.2 percent) would be eligible. Under the final rule, the unemployment rate must at least be 6 percent, 58 percent over the national average.

The Department of Agriculture estimates that 60 percent of ABAWDs currently live in areas in which there is no time limit waiver. Under the revised rule, that number would increase to 90 percent of ABAWDs. The USDA also estimates that approximately 755,000 current recipients of SNAP benefits will lose their benefits due to the changes in ABAWD regulation changes.

DEPARTMENTS NOTIFIED

None


Andy Galan
Analyst

Attachments: 1. Resolution (Ryu –Wesson)

RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS
RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state, or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, Section 6(o) of the Food and Nutrition Act of 2008 limits the amount of time a “able-bodied adult without dependents” (ABAWD) can receive assistance from the Supplemental Nutrition Assistance Program (SNAP), otherwise known as “food stamps” and,

WHEREAS, on the request of a State agency administering SNAP benefits, the USDA may waive the time limit in areas with an unemployment rate of over 10 percent in a 12 month period or 20 percent in a 24 month period; and

WHEREAS, existing law also allows for a limited annual number of discretionary waivers that may be rolled over into following years; and

WHEREAS, the Trump administration has proposed rules changes affecting the SNAP program including broad-based categorical eligibility changes which would result in loss of benefits for 3.1 million people throughout the country; and

WHEREAS, on December 5, 2019, the United States Department of Agriculture (USDA) released a final rule change which would require States to utilize Bureau of Labor data for waiver approvals, add a floor of 6 percent to the existing 20 percent standard, and set a limit on the carryover of unused state discretionary exemptions; and

WHEREAS, the rule will be effective beginning April 2020, resulting in approximately 700,000 individuals losing their benefits, not including the benefits endangered by other rule changes; and,

WHEREAS, this rule change will increase the financial burden and increase food insecurity of vulnerable individuals, this misguided policy must be challenged;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2019-2020 Federal Legislative Program OPPOSITION to USDA’s final rule change which would require States to utilize Bureau of Labor data for waiver approvals, add a floor of 6 percent to the existing 20 percent standard, and set a limit on the carryover of unused state discretionary exemptions.

PRESENTED BY: _____
DAVID RYU
Councilmember, 4th District

SECONDED BY: _____

19-0002-5197

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