



Legislative Fiscal Bureau

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September 27, 2021

TO: Representative Mark Born
Room 308 East, State Capitol

FROM: Alexandra Bentzen, Fiscal Analyst

SUBJECT: FoodShare Employment and Training Program

This memorandum is in response to your questions regarding the federal work requirement for able-bodied adults without dependents under the Supplemental Nutrition Assistance Program (SNAP, or FoodShare in Wisconsin).

Background

FoodShare enables low income individuals and households who meet a series of financial and non-financial eligibility criteria to receive monthly funds on an electronic benefit card to use on eligible food purchased at authorized retailers.

Able-bodied adults without dependents (ABAWDs) must meet a work requirement in order to remain eligible for FoodShare benefits. Under the work requirement ABAWDs must work, participate in qualifying education and training activities, comply with a workfare program, or a combination of these activities, for a total of at least 80 hours per month. Generally, ABAWDs who do not meet the work requirement can only receive FoodShare benefits for three months in a 36-month period.

FoodShare recipients in Wisconsin have the option to participate in the FoodShare employment and training (FSET) program, either as a way to meet the 80 hour per month work requirement for ABAWDs, or as a way to expand their career opportunities.

Exemptions and Waivers

Generally, an ABAWD may be exempt from the work requirement either on an individual basis or under a waiver applying to all ABAWDs in part or all of the state. Under federal law, on the request of a state agency, the U.S. Department of Agriculture, Food and Nutrition Service, (FNS) may waive the time limit for a group of individuals in the state if FNS determines that the area in

which the individuals reside either: (a) has an unemployment rate of over 10 percent; or (b) does not have a sufficient number of jobs to provide employment for the individuals.

Wisconsin waived the ABAWD work requirement from 2002 through 2013 under a state option offered by FNS. However, under provisions enacted in 2013 Wisconsin Act 20, DHS reinstated the ABAWD work requirement in all counties as of April 1, 2015.

Effective October 1, 2019, through September 30, 2020, ABAWDs who lived in Adams, Ashland, Bayfield, Forest, Iron, and Menominee counties, as well as tribal members who lived on tribal lands and reservations belonging to: Bad River Band of Lake Superior Tribe of Chippewa Indians, Forest County Potawatomi Community, Ho-Chunk Nation, Lac Courte Oreilles Band of Lake Superior Tribe of Chippewa Indians of Wisconsin, Lac Du Flambeau Band of Lake Superior Tribe of Chippewa Indians, Menominee Indian Tribe of Wisconsin, Red Cliff Band of Lake Superior Chippewa, St. Croix Chippewa Indians of Wisconsin, Sokaogon Chippewa Community, and Stockbridge-Munsee Community, were exempt from the ABAWD work requirement. The justification for the request was that these six counties and 10 reservations did not have a sufficient number of jobs to provide employment for the individuals as evidenced by "an average unemployment rate for a 24-month time period that is at least 20 percent above the national average for the same 24-month period."

During the SARS-CoV-2 pandemic, the ABAWD work requirement was largely suspended under the federal Families First Coronavirus Response Act (FFCRA), continuing until the month after the national health emergency expires. However, in order to maintain its eligibility for "pledge state" funding, Wisconsin was not able to suspend the ABAWD work requirement under FFCRA.

Instead, DHS received federal approval to apply more broadly the ABAWD work requirement "good cause" exemption between March and July, 2020. Subsequently, the Department was able to suspend the ABAWD work requirement by utilizing administrative exemptions that expired on September 30, 2020. The Department notified FNS of Wisconsin's intent to temporarily suspend the ABAWD work requirement under provisions in federal law pertaining to high unemployment. In July, 2020, FNS approved the Department's request, effective October 1, 2020, through September 30, 2021, "based upon the State's eligibility for extended unemployment benefits, a criterion for statewide waiver approval provided by SNAP regulations at 7 CFR 273.24. The State has provided a copy of the Department of Labor Trigger Notice No. 2020-18, effective May 17, 2020, showing that Wisconsin qualified for extended unemployment benefits."

Statewide Waiver for Federal Fiscal Year 2022

In August, 2021, the Department submitted another request to FNS to exempt ABAWDs residing in the entire state from the SNAP time limits. In its request, the Department noted that "the State may support a claim of insufficient jobs by submitting evidence that the State qualifies for extended unemployment benefits within the past 12 months." FNS approved the Department's request to waive the ABAWD time limit throughout the state from October 1, 2021, to September 30, 2022. In its approval, FNS indicated that DHS "supported its request based upon the State's eligibility for extended unemployment benefits, a criterion for statewide waiver approval provided

by SNAP regulations at 7 CFR 273.24. According to the Department of Labor Trigger Notice No. 2020 - 38, effective October 4, 2020 the State qualified for extended unemployment benefits."

In its request, the Department estimated that there will be 11,750 ABAWDs in the state in federal fiscal year 2022. This number represents an estimate of unique individuals who would likely be subject to time limited benefits, in the absence of the approved waiver, if they failed to meet the ABAWD work requirement. However, it is important to note that this number is an estimate and therefore subject to some uncertainty, and further, some ABAWDs may choose to meet the work requirement through a means other than FSET or participate in FSET despite the waiver of the ABAWD work requirement. Finally, some individuals assumed to be ABAWDs may experience a change in circumstance to no longer make them ABAWDs i.e. individuals who were ABAWDs but become pregnant during federal fiscal year 2022 would not be subject to the ABAWD work requirement once pregnant.

The Department does not track average benefit amounts by ABAWD status. However, DHS indicates that "most ABAWDs are in a household of one. The average monthly allotment for a household of one is currently \$274. Of that amount, \$136 is from the emergency allotment."

2021 Wisconsin Act 58

Assumptions included in 2021 Wisconsin Act 58 (the 2021-23 biennial budget act) anticipated the statewide waiver of the ABAWD work requirement to end September 30, 2021. The following table summarizes the estimated enrollment, expenses, and GPR funding incorporated into Act 58.

2021-23 FSET Expenses and Funding

	<u>2021-22</u>	<u>2022-23</u>
Total Annual Administrative Expenses	\$777,500	\$777,500
Total Annual Vendor Expenses	\$38,937,700	\$44,211,700
Average Monthly Enrollment	10,122	11,493
Per Enrollee Per Month Vendor Expenses	<u>\$320.57</u>	<u>\$320.57</u>
Total Program Expenses (Total Annual Vendor + Administrative Expenses)	\$39,715,200	\$44,989,200
100% Federal Funding Offset	\$2,902,600	\$2,902,600
Total Program Expenses After FED Offset	\$36,812,600	\$42,086,600
50% GPR Expenses	18,406,300	21,043,300
50% FED Expenses	18,406,300	21,043,300
Existing GPR Funding		
GPR Base Funding	\$14,623,800	\$14,623,800
Projected GPR Carry Over	<u>6,174,600</u>	<u>2,392,100</u>
Subtotal	\$20,798,400	\$17,015,900
GPR Surplus/Deficit (Existing GPR - 50% GPR Expenses)	\$2,392,100	-\$4,027,400
Act 58 GPR Funding Increase (Placed in JFC Supplemental Appropriation)	\$0	\$4,027,400

Due to uncertainty surrounding enrollment in the FoodShare and FSET programs, as a result of the ongoing SARS-CoV-2 pandemic, the \$4,027,400 in additional GPR funding provided in 2022-23 was placed in the Joint Committee on Finance's program supplements appropriation. It is not known yet what impact the waiver of the ABAWD work requirement will have on FSET enrollment and expenditures since FoodShare recipients still have the option to participate in the program without any sanctions for non-participation.

I hope this information is helpful. Please let me know if you have additional questions.

AB/lb