

# ISSUE BRIEF

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## TRENDS IN FOOD STAMP POLICY

### Food Stamp Time Limits: A Burdensome Policy that Weakens the Safety Net

by Sheena McConnell, John L. Czajka, Scott Cody, and  
Nuria Rodriguez

*This brief is based on Mathematica's study of the time limits placed on food stamp receipt by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). The study provides national and state estimates of the number of people affected by time limits and describes how states have implemented the time limits and related policies. We estimated the number of people affected by time limits primarily from tabulations completed by state Food Stamp Program offices, supplemented with Food Stamp Program quality control data and other administrative data. Information on state policy choices and their administration was obtained from a survey of staff at all 50 state food stamp offices, 20 county food stamp offices, and over 100 local food stamp offices.*

#### Time Limits and the Safety Net

The Food Stamp Program provides an important safety net for many American families. In 1996, PRWORA imposed time limits on food stamp recipients viewed as capable of working or participating in a work-related activity. The intent was to encourage those who could work to do so, while maintaining the Food Stamp Program as a safety net for those unable to work. Our findings suggest that the policy produced a modest effect, but that effect comes at a price.

We found that some food stamp recipients subject to the time limits left the rolls, as the policy intended. However, we do not know whether they became self-

sufficient after leaving food stamps. Furthermore, because many of those who left the rolls faced serious barriers to work—including medical and mental health issues, substance abuse, and homelessness—the Food Stamp Program may no longer be functioning as an effective safety net for all needy Americans. The policy also places a large administrative burden on program offices and food stamp recipients.

#### Time Limits: The Details

Time limits apply to all food stamp recipients who are able-bodied adults without dependents, the so-called ABAWDs. Recipients are not subject to the ABAWD time limits if they are

- Under 18 or over 50 years of age
- Medically certified as physically or mentally unfit for employment
- Responsible for a dependent child
- Exempt from the regular food stamp requirements to register for work
- Pregnant

Time limits restrict the period of benefit receipt to no more than three months in a three-year period, unless the recipient meets a work requirement. Working at least 20 hours per week, participating in a workfare or comparable program for a specified period, or participating in another qualifying work activity for at least 20 hours per week all count toward the work requirement. A person who exhausts his or her food stamp benefits can regain eligibility by meeting the work requirement for 30 days. Failing to meet the work requirement a second time, however, results in the cutoff of benefits after an additional three months.

States have two options for further exempting recipients from time limits. They can ask the U.S. Department of Agriculture to waive time limits and

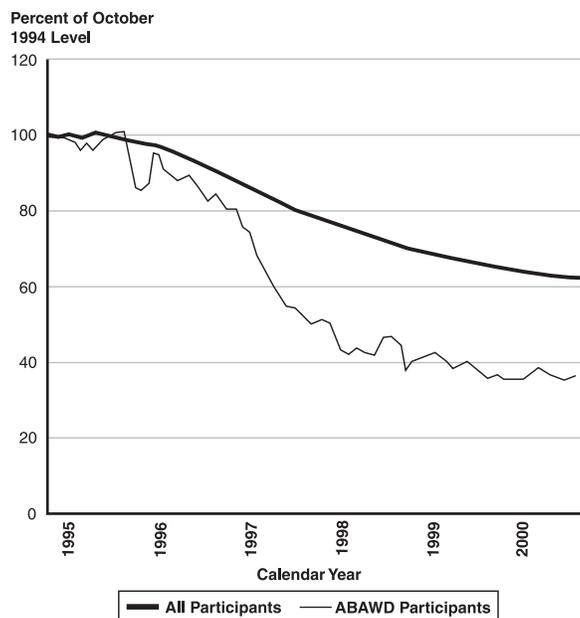
associated work requirements for everyone who lives in an area that has an unemployment rate over 10 percent or that qualifies as having an insufficient number of jobs. Many states (37 in 2000) have been granted waivers from time limits. States can also exempt, at their discretion, up to 15 percent of those currently ineligible for food stamps because of time limits.

### Many Left Because of Time Limits

After the passage of PRWORA, nearly 200,000 ABAWDs were dropped from the food stamp rolls in the first months after exhausting their three months of benefits. By March 2000, the total number who had reached the time limits and been terminated had grown to more than 900,000. The lack of any upward spike in terminations three years after the initial wave of terminations suggests that many of these individuals did not return to the program.

This pattern is consistent with the rapid decline in the ABAWD caseload that occurred in the late 1990s (Figure 1). Along with the total food stamp caseload, the number of ABAWD participants started declining before the passage of PRWORA in August 1996.

**Figure 1: Decline in the Food Stamp Caseload, October 1994—September 2000**

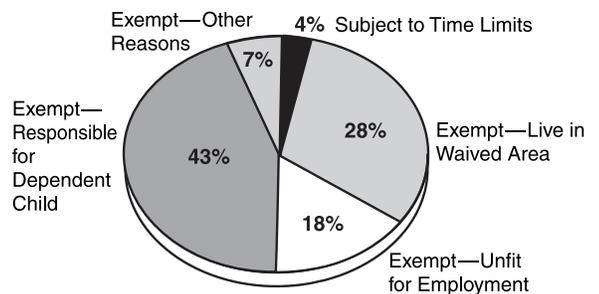


After time limits took effect, the number of ABAWDs began a steeper decline that reduced the ABAWD caseload by more than 40 percent in less than a year. The decline then slowed, and by late 1999, there was evidence that the ABAWD caseload had leveled off—followed, a year later, by a leveling off of the total food stamp caseload.

### Few Now Subject to Time Limits

Only a small proportion of food stamp recipients are currently subject to time limits. Out of the 17.2 million people receiving food stamps in March 2000, only 216,000 were ABAWDs subject to time limits. This figure constitutes less than 1.5 percent of the total caseload.

**Figure 2: Status of Food Stamp Recipients Age 18 - 50**



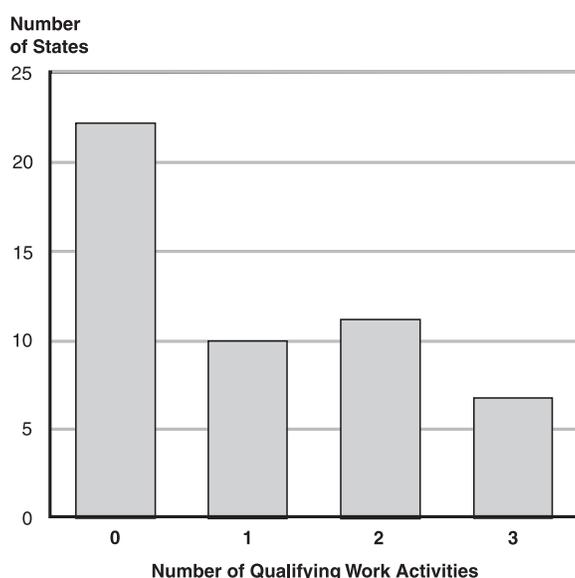
Note: Data are from March 2000.

The number subject to time limits is small for several reasons. First, as noted, many ABAWDs have already left the program. Second, the ABAWD population is narrowly defined (Figure 2). Only about one-third of all food stamp recipients are between the ages of 18 and 50. Of the 5.9 million food stamp recipients in this age range in March 2000, 18 percent were exempt because they were physically or mentally unfit for employment. Forty-three percent were exempt because of responsibility for a dependent child, and 7 percent were exempt for other reasons, including pregnancy, an exemption from work registration, and use of the 15-percent provision (Figure 2). Third, many ABAWDs live in waived areas. In March 2000, 28 percent of food stamp recipients between ages 18 and 50 lived in a waived area. All told, only 4 percent of recipients 18 to 50 were subject to time limits in March 2000.

## Many Lack Access to Work Activities

The Balanced Budget Act of 1997 (BBA) significantly increased federal funding for Food Stamp Employment and Training (E&T) programs targeted to the ABAWD population. Despite this increase, workfare and other qualifying work activities were not available for everyone subject to time limits. Although most states provided some qualifying work activities, 22 did not offer any activities to at least some ABAWDs subject to time limits (Figure 3). Relatively few states could offer more than one activity to all ABAWDs. The most frequently provided activity was workfare, but only 22 states reported that a workfare slot was available for every ABAWD subject to time limits who wanted one.

**Figure 3: Work Activities Available to Those Who Wanted to Participate**



Note: Data are from fiscal year 1999.

It appears that states could be doing more to provide qualifying work activities to ABAWDs. Furthermore, states were far from using all the federal funds available to create these activities. Overall, states spent only 44 percent of total available federal E&T funds in fiscal year 1999. The BBA required that at least 80 percent of the federal E&T grant be earmarked for qualifying work activities for ABAWDs. The remaining 20 percent may be spent on activities that are not qualifying, such as job search, or on food stamp recipients who are not

subject to time limits. In fiscal year 1999, states spent only 32 percent of the funds earmarked for qualifying activities for ABAWDs.

Why are states not spending the available money? The most frequent reason given by survey respondents was that there are too few ABAWDs to participate in work activities—as noted, the number of ABAWDs is small, and only a small proportion want to participate in any given activity. States are concerned that, because of the structure of federal funding, they will not be able to cover the costs of developing new types of activities. States are reimbursed according to the number of slots in work activities that they create and fill, rather than by their costs, so fixed start-up costs are not covered unless participation in activities is high.

## Many Face Significant Barriers

A recurring theme from our survey was that, even if qualifying work activities were offered, many ABAWDs would not participate in them. State and local staff felt that some ABAWDs lacked motivation. But they also said that many of those subject to time limits faced significant barriers to participating in work activities.

The most frequently mentioned barriers were medical or mental health issues, substance abuse, and homelessness. Some people have medical problems that prevent them from participating in E&T activities, but they are not exempt from time limits because their problem is undiagnosed or not yet documented by a medical professional. ABAWDs who are homeless or transient are difficult to contact, making it especially difficult to find work or work activities for them. Inability to speak English was also cited as a barrier to participation in workfare and most E&T programs. Several respondents noted difficulties finding workfare positions for those with criminal records.

Lack of support services was also a significant barrier to participation in work activities. Federal matching funds for these services are capped at \$12.50 per person per month. Many Food Stamp Program staff indicated that ABAWDs lacked transportation or appropriate clothing for job interviews and employment—and federal funding was too low to provide these necessary services.

## Burdensome Administration Is an Issue

Nearly all of those we interviewed saw time limits as excessively complicated and difficult to administer, especially given the small population affected. Tracking receipt of benefits over a three-year period was viewed as the most difficult aspect of the policy. Only 14 states had statewide, automated tracking systems when the ABAWD provisions went into effect. Some states developed systems over the course of the study, but 12 states had no statewide automated tracking system as of March 2000. Development of these systems was technically challenging, time-consuming, and costly. Even when systems were in place, operational challenges remained. For example, eligibility workers frequently had to contact caseworkers in out-of-state offices if they had reason to believe an individual received benefits in another state.

The complexity of the time limits policy made it difficult for state administrators, eligibility workers, and recipients to understand. For example, eligibility workers complained that allowing ABAWDs to regain eligibility for a second three months within a three-year period was difficult to administer and explain.

## Recommendations for the Future

Time limits were intended to encourage those able to work to become self-sufficient and leave the food stamp rolls. Those who could not find work could avoid time limits by participating in qualifying work activities. Generous federal funding was intended to help states provide adequate qualifying work activities. But nearly 1 million ABAWDs have had their benefits terminated since the time limits took effect, and many more may have left before their benefits ended or may have been discouraged from applying in the first place.

Did those ABAWDs who left the rolls become self-sufficient? While this study does not directly address this important question, we do know that qualifying work activities were not always available and that

food stamp offices reported that many ABAWDs faced significant barriers to employment. These findings are consistent with a study that found more than one-third of ABAWDs in Illinois in extreme poverty two years after leaving the rolls. Furthermore, many had been treated for substance abuse or mental health problems (Rangarajan and Gleason 2001).

During the upcoming reauthorization of the Food Stamp Program, policymakers should weigh the savings from encouraging a relatively small group of individuals to find a job and move off the food stamp rolls against the cost of weakening the safety net. Although the intent of the policy was to impose time limits only on those able to work, evidence suggests that many of those affected by time limits are likely to face significant barriers to employment. In addition, the heavy administrative burden placed on programs and recipients must also be considered.

If time limits are maintained, it will be important to ensure that all ABAWDs who want to participate have access to qualifying work activities. This may involve changing the structure of E&T funding so that states can provide programs for small populations. Furthermore, support services, including mental health and substance abuse treatment, should be made available to help people overcome barriers to work, barriers that often prevent them from participating in E&T activities.

## References

Anu Rangarajan and Philip Gleason. "Food Stamp Leavers: An Untold Story?" *Policy and Practice*, vol. 59, no. 2, June 2001.

For more information, contact John Czajka, (202) 484-4685, [zczajka@mathematica-mpr.com](mailto:zczajka@mathematica-mpr.com). To read the full report on which this brief is based, visit our web site at [www.mathematica-mpr.com/PDFs/redirect.asp?strSite=imposing.pdf](http://www.mathematica-mpr.com/PDFs/redirect.asp?strSite=imposing.pdf). The Food and Nutrition Service of the U.S. Department of Agriculture funded this study.

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