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California Plays Fast and Loose with Food Stamp Work Requirements

BY KERRY JACKSON

California, not West Virginia, not Mississippi, has the highest poverty rate among the 50 states. Blame policymakers who, rather than solving the problem, have inflamed it. In fact, California officials have gone out of their way to keep hundreds of thousands dependent on government.

The Census Bureau's current Supplemental Poverty Measure says that 20.4 percent live under in the poverty line in this state. Only the District of Columbia, at 21 percent, has a bigger poverty crisis. This should not be the case in such a land of plenty.

Lifting people from poverty is always a struggle. One of the more successful attempts to promote independence has been work requirements. Under federal welfare rules, able-bodied adults 18 to 50 who have no dependents must work a minimum number of hours or attend job training classes to continue receiving food stamps. Those who don't comply are limited to three months of food stamps over three years. The objective is not to punish but to move recipients off welfare and into independent lives.

While Washington has allowed states to waive work requirements during times of economic crisis, some states have subverted the process. None more than California, where 78 percent of the state's 836,000 childless, able-bodied adults who receive food stamps aren't working.

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Under the rules, states are granted waivers when unemployment is high in specific areas. Naturally this led to some creativity in defining areas where the waivers would be in effect. In many cases, counties, cities, and other jurisdictions are lumped together form a single “area” for waiver purposes, says the Foundation for Government Accountability (FGA) in its “Waivers Gone Wild” report.

California has no equal in exploiting this loophole. According to the report, officials “combined every county to achieve an average unemployment 20 percent higher than the national average.” Though many counties would not independently qualify, they received a waiver anyway, says the group.

California has gamed the system in another way. It uses unemployment numbers that are irrelevant to both current and recent conditions. The state gets away with this because it begins its waiver in September, the last month of the federal fiscal year. For example, to initiate its September 2017 waiver, California “was able to use data going as far back as January 2014 to support its request,” says FGA. If it had begun its waiver a month later, “it would have needed to rely on data that began in 2015.”

The timing makes a big difference. By backtracking to 2014, California was able to cite an 8.4 percent jobless rate, nearly twice the 4.3 percent rate in September 2017, to make its case for the exemption.

California unemployment hit a record low of 4.2 percent in December 2017 and has remained there for much of 2018. Yet all 58 counties received waivers last year, says FGA, even though only three counties had jobless rates higher than 10 percent, which is the statutory threshold for “high unemployment.” Thirty counties had unemployment of 5 percent or less and 21 had unemployment of 4 percent or less. Work requirements

were even waived in San Mateo County, where the jobless rate hasn’t reached 4 percent since September 2014.

California officials might think they’re being clever. But skirting work requirements carries a downside. Where they have been properly applied, they’ve successfully pared welfare rolls.

Within three months of establishing work requirements, Maine’s food stamp caseload fell from 13,332 in December 2014 to 2,678 in March 2015, a decrease of nearly 80 percent. Participation in Alabama’s food stamp program fell by 85 percent in the first five months of 2017 in the 13 counties where work requirements were reinstated.

After work requirements were established in Kansas, food stamp rolls fell sharply. Most former food stamp recipients -- almost 60 percent -- found work within 12 months. Their incomes increased on average by 127 percent per year, which “more than offset the food stamps they lost,” FGA said in an earlier report.

Brian Balfour of the Civitas Institute in North Carolina recently listed the “7 Things I’d Do if I Wanted to Keep Poor People Poor.” No. 1 is advocating for “a robust and ever-expanding welfare state,” which includes programs such as “Medicaid, food stamps, unemployment insurance, etc.” California officials might believe they are helping the poor, but they’re actually playing a dangerous game with the rules.

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