

April 11, 2005

970225

SUBJECT: FSP – Alabama – Request to Extend Waiver 970225

TO: Charlie Simmons, Regional Director
Food Stamp Program
Southeast Region

This is in response to the Alabama State agency's memorandum of February 25, 2005, (forwarded to us through email on March 2, 2005), requesting an extension and modification of its current waiver exempting residents of certain areas from the work requirement for Able-Bodied Adults without Dependents (ABAWDs). Under the State's currently approved waiver residents of 37 counties are exempt from the work requirements based on the designation of the counties as Labor Surplus Areas (LSAs) by the Employment and Training Administration of the U.S. Department of Labor. Under the State agency's request residents of 29 counties would be exempt from the work requirement based on an unemployment rate of the requested areas greater than 20 percent above the national average for a 24-month. The State agency has included twenty-five of the counties in three multi-county regions. The State has based its requests for exemption for residents of those counties on the unemployment rate data for the entire region in which the counties are included rather than the individual counties. The eligibility for exemptions for the four remaining counties is based on their individual labor force data. In addition to the above-described 29 counties the State agency is proposing to exempt residents of an additional 14 counties based on their designation as labor surplus areas (LSAs) by the Employment and Training administration of the Department of Labor (DOLETA).

Attached is our response to the State agency's waiver request. With the exception of Morgan and Mobile Counties, we are approving the waiver as requested. If you have any questions, please contact Larry Tropp of my staff via email or telephone at (703) 305-2504.

/s/

Harriet Kornegay
Assistant Branch Chief
Certification Policy Branch
Program Development Division

cc: Bob Dalrymple
Kate Fink, OAE
Civil Rights

FINAL:USDA:FNS:FSP:PDD:CPB:LTropp:4/11/05:je
DIR:I/Cpb/Waivers/FY 2005/970225 AL ABAWD memo and ext (2005)

WAIVER RESPONSE

1. **Waiver Serial Number:** 970225
2. **Type of Request:** Extension/Modification
3. **Primary regulation citation:** 7 CFR 273.24(b)
4. **Secondary regulation citation:** N/A
5. **State:** Alabama
6. **Region:** Southeast
7. **Regulatory Requirement:** Under 7 CFR 273.24(b) individuals are not eligible to participate in the Food Stamp Program as a member of any household if, during the preceding 36-month period, the individual received food stamp benefits for not less than 3 months (consecutive or otherwise), during which the individual did not work 20 hours or more per week, averaged monthly; participate in and comply with the requirements of a work program for 20 hours or more per week; or participate in and comply with requirements of a program under Section 20 or a comparable program established by the State.

Under 7 CFR 273.24(f), upon the request of a State agency, the Food and Nutrition Service (FNS) may waive the applicability of the above provision for any group of individuals in the State if the FNS makes a determination that the area in which the individuals reside has an unemployment rate of over 10 percent, or does not have a sufficient number of jobs to provide employment for the individuals.

8. **Description of proposed alternative procedures:** The Alabama State Agency's current waiver, which expires on March 31, 2005, exempts individuals residing in 37 counties based on their designation as Labor Surplus Areas (LSAs) by the Employment and Training Administration of the Department of Labor. For the period beginning April 1, 2005, the State agency is proposing to exempt residents of 29 counties based on an unemployment rate greater than 20 percent above the national average for a 24-month period. The State is proposing to exempt 25 counties based on their inclusion in three multi-county regions, which qualify for waivers based on their aggregate unemployment rates. The request for the remaining counties is based on the unemployment rates for the counties on an individual county basis. For 27 of the 29 counties the exemption is based on unemployment rate data for the period from December 1, 2002 through November 30, 2004. For two of the counties (Morgan and Mobile), data for the period of October 1, 2002 through September 30, 2004 was used rather than the period ending November 30, 2004. The State agency is also proposing to exempt residents of an additional 14 counties

based on their designation as labor surplus areas by the Employment and Training administration of the Department of Labor (DOLETA). The supporting Excel spreadsheets are attached. Because the State agency inadvertently failed to provide a supporting spreadsheet for Morgan County, we calculated its unemployment rate to verify the figure included in the State's request.

- 9. Action and reason for approval or denial:** We are approving the State agency's request to extend and modify its waiver to exempt residents who reside in the requested counties. As indicated in the following tables the unemployment rates for all of the requested counties are at least 20 percent above the national average (for counties included in multi-county regions this is based on the unemployment rate for the region, rather than for the counties individually). The counties that are included in multi-county regions have been evaluated and exempted based on their inclusion in the region even if they are also eligible for exemptions based on their designation as LSAs.

For the period from December 1, 2002 through November 30, 2004, the 24-month period for all of the exemptions based on inclusion in the multi-county regions and for two of the individual county exemptions, the threshold for waiver approval is 6.8 percent (120 percent of the national average). For the period from October 1, 2002 through September 30, 2004, the period used for Morgan and Mobile Counties, the national average unemployment rate the threshold for waiver approval is 7.0 percent (120 percent of the national average of 5.8 percent for the period).

Sub-region of Region 4:

Area	Unemployment Rate, Dec 2002 – Nov 2004	Area	Unemployment Rate, Dec 2002 – Nov 2004
Chambers County	7.9	Etowah County	6.2
Cherokee County	4.2	Randolph County	7.9
Clay County	6.6	Talladega County	8.9
Cleburne County	5.1	Tallapoosa County	6.3
Coosa County	7.8	Total for sub-region	7.0

Region 5:

Area	Unemployment Rate, Dec 2002 – Nov 2004	Area	Unemployment Rate, Dec 2002 – Nov 2004
Bullock County	12.5	Lowndes County	13.6
Butler County	11.2	Macon County	7.4
Crenshaw County	8.1	Pike County	5.8
		Total for region	8.9

Region 6:

Area	Unemployment Rate, Dec 2002 – Nov 2004	Area	Unemployment Rate, Dec 2002 – Nov 2004
Choctaw County	11.8	Monroe County	9.9
Clarke County	8.4	Perry County	11.0
Conecuh County	8.6	Sumter County	11.6
Dallas County	12.4	Washington County	16.3
Marengo County	4.9	Wilcox County	15.0
		Total for region	10.4

We are approving waivers for the Covington and Lauderdale Counties based on their average unemployment rates for the period from December 2002 through November 2004, which are at least 20 percent above the national average for the same period. We are denying exemptions for Mobile and Morgan Counties. Although the national unemployment rate for the period was slightly lower than the rate for the period used for the other exemptions, the counties' 24-month unemployment rate of 6.9 percent is still below 120 percent of the national average (7.0 percent) which was calculated using standard rounding methodology. We suggest that the State consider using its 15 percent exempt under 7 CFR 273.24(g) to exempt individuals residing in those counties.

Area	Unemployment Rate, Dec 2002 – Nov 2004	Area	Unemployment Rate, Oct 2002 – Sept. 2004 (120% of National Average UER of 5.8% resulting a threshold of 7.0%)
Covington County	7.5	Mobile County	6.9
Lauderdale County	7.6	Morgan County	6.9

In addition, we are approving waivers for Bibb, Colbert, Escambia, Fayette, Franklin, Greene, Hale, Jackson, Lamar, Lawrence, Marion, Pickens, Russell, and Winston Counties based on their designation as LSAs for fiscal year 2005.

10. Regulatory or legislative basis for action: The waiver is approved under the authority of 7 CFR 273.24(f), which allows FNS to waive the applicability of the work requirement provision for any group of individuals in the State if FNS makes a determination that the area in which the individuals reside has insufficient jobs. The

request for Mobile and Morgan counties is denied on the basis that the State failed to establish that the 24-unemployment rate for those counties exceeded 20 percent above the national average for a 24-month period.

- 11. Conditions and reasons:** N/A
- 12. Information required for extension:** To receive an extension, the State agency must provide data indicating that there are insufficient jobs in the affected areas.
- 13. Expiration date:** This waiver is approved retroactive to April 1, 2005 and will expire on March 31, 2006.
- 14. Limitation, if any, on regional office approval of like requests:** This waiver is limited to the Alabama State Agency.
- 15. Quality control procedures:** N/A
- 16. Date of national office action:**
- 17. Date of State agency's request:** February 24, 2005
- 18. Date of regional office email transmittal of request:** March 2, 2005 (via email)
- 19. Date of regional office transmittal of response to State agency:**
- 20. Actual implementation date:**