

May 6, 2005

970148

SUBJECT: Arizona Able-bodied Adults Without Dependents (ABAWD) Waiver
Extension Request— High Unemployment

TO: Dennis Stewart, Director
Food Stamp Program
Western Region

This is in response to your memorandum dated March 16, 2005, transmitting Arizona's request to extend waiver 970148. We are approving Arizona's request for the following reservations based on an unemployment rate over 10 percent in a 12-month period: Papago (12.7%) and Pascua Yaqui (20.5%).

We are approving the San Xavier Reservation (9.4%) for having an unemployment rate greater than 20 percent above the national average for 2002-2003.

We are also approving the request to continue to exempt all ABAWD participants residing in the following counties: Apache, Coconino, Navajo, Conchise, Gila, Graham, Greenlee, Pinal, Santa Cruz, La Paz, Mohave, Yavapai and Yuma. These counties were compiled into three labor areas which had total unemployment rates that exceeded 20 percent of the rate for each area.

The State also compiled the following cities into a single labor area within Pima County: the City of South Tucson, the Town of Ajo and the Town of Sells. Based on data from the Arizona Department of Labor's Employment and Training Administration, we are approving their request to exempt all ABAWD participants based on their having a combined unemployment rate greater than 20 percent above the national average for period January 2002 through December 2003. The State also proposed to exempt participants residing in the Maricopa County portion of the City of Apache Junction based on their having an unemployment rate of 17.7 percent for the 12-month period of January 2004 through December 2004.

We are also approving the request to exempt ABAWD participants residing in the following Labor Surplus Areas designated by the Department of Labor for FY 2005: The cities of Avondale and Surprise in Maricopa County, the balance of Maricopa County minus the cities of Apache Junction, Chandler, Glendale, Goodyear, Mesa, Peoria, Phoenix, Scottsdale, Tempe, and the town of Gilbert.

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Our response explaining our findings is attached. If you have any questions, please contact Susan Burgess of my staff at 703-305-2437.

/s/

Harriet Kornegay
Acting Branch Chief
Certification Policy Branch

Attachment

cc: Bob Dalrymple
Mike DePiro
Civil Rights

FINAL:USDA:FNS:FSP:PDD:CPB:Sburgess:04/29/05:je
FILE:I:/CPB/Waivers/FY2005/ 970148 AZ Res ABAWD Ext.

WAIVER RESPONSE

1. **Waiver serial number:** 970148
2. **Type of request:** Extension
3. **Primary regulation citation:** 7 CFR 273.24(f)
4. **Secondary regulation citation:**
5. **State:** Arizona
6. **Region:** Western
7. **Regulatory requirements:** Under section 273.24(b) of the Food Stamp Program (FSP) regulations, an individual is not eligible to participate in the FSP as a member of any household if the individual received food stamps for more than three countable months during any three-year period. A countable month is any month during which an individual receives food stamps for the full month but does not comply with the program's work requirement, is not exempt from the work requirement, is not covered by a waiver, or does not receive benefits that are prorated in accordance with 7 CFR 273.10.

Section 273.24(f) permits State agencies to request a waiver of the work requirement for a group of individuals in the State if 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. **Proposed alternative procedures:** The Arizona State Agency is requesting an extension of waiver 970148. This waiver permits the State Agency to exclude from the work requirement individuals residing in the State of Arizona and on Arizona Indian Reservations where the unemployment rate is greater than 10 percent or there is an aggregate unemployment rate of 7.1 percent for calendar years 2003 and 2003 which exceeds the national average by 20 percent. The State agency is seeking an extension of the waiver and a modification based on the above criteria to cover the following areas: Apache County, Conconino County, Navajo County, Conchise County, Gila County, Graham County, Greenlee County, Pinal County, Santa Cruz County, La Paz County, Mohave County, Yavapai County, Yuma County, the Papago Reservation, the San Xavier Reservation and the Pascua Yaqui Reservation. Although these three reservations are currently exempt from the ABAWD work requirements in waiver 970149, they are not located in whole within one of the geographic areas included in this waiver request or in one of the labor surplus areas for 2005.

The State agency is proposing to exempt individuals residing in the following Labor Surplus Areas as designated by the Department of Labor for FY 2005: The cities of Avondale and Surprise in Maricopa County, and the balance of Maricopa County minus

the cities of Apache Junction, Chandler, Glendale, Goodyear, Mesa, Peoria, Phoenix, Scottsdale, Tempe and the town of Gilbert.

The State is also proposing to exempt participants residing the following cluster within Pima County: the City of South Tucson and the towns of Ajo and Sells stating that they have recorded a 6.9 percent unemployment rate for the period January 2003 through December 2004.

Finally, the State proposed to exempt residents of the Maricopa county portion of the city of Apache Junction from the three-month time limit because the area has an unemployment rate of over 10 percent for the 12-month period of January 2004-December 2004. This is based upon data from ETA.

9. **Action and reason for approval or denial:** We are approving the State agency's request to extend waiver 970149 for all of the reservations and the following areas listed in their request: Apache, Coconino, Navajo, Conchise, Gila, Graham, Greenlee, Pinal, Santa Cruz, La Paz, Mohave, Yavapai, and Yuma counties, the Papago Reservation, the Pasca Yaqui Reservation and the San Xavier Reservation. All of these areas met one of two tests that our agency uses to calculate the unemployment rate of reservations and other regions across the country. We had to use an alternative formula to the one submitted by the State Agency to approve the request for the San Xavier Reservation because the figures submitted by the State Agency did not meet our criteria to establish an unemployment rate over 10 percent. Additionally, we are approving the request to exempt ABAWD participants residing in the following Labor Surplus Areas as designated by the US Department of Labor for FY 2005: the cities of Avondale and Surprise in Maricopa County, and the balance of Maricopa County less the cities of Apache Junction, Chandler, Glendale, Goodyear, Mesa, Peoria, Phoenix, Scottsdale and Tempe, and the town of Gilbert.

Although the unemployment rate for the cluster within Pima County of the City of South Tucson, the Town of Ajo, and the Town of Sells, was based on data from ETA, we are approving the request for this area based on the area having a unemployment rate that exceeded the national unemployment rate by 20 percent for the time period of January 2003 through December 2004. Additionally, we are approving the request as to the Maricopa county portion of the city of Apache Junction based on the data gathered from the Arizona Department of Labor which demonstrated that the area had an unemployment rate of 17.7 percent for the 12-month period of January 2004 through December 2004.

The following table summarizes our findings for all of the reservations listed in the request based on data from the Bureau of Labor Statistics and 1990 census-share ratios for each reservation.

Reservation	County Employment 2004	Census Share	County Unemployment 2004	Census Share	Reservation Employment 2004	Reservation Unemployment 2004	Reservation Labor Force 2004	Reservation Unemployment Rate
Papago Reservation								
Pima	5039642	0.004851	203181	0.017415	24447.3033	3538.3971	27985.7005	
Maricopa	20520685	0.000028	887305	0.000154	574.5792	136.6450	711.2242	
Pinal	891002	0.003149	52702	0.007117	2805.765298	375.080134	3180.845432	
Total						4050.1222	31877.7700	12.7%
Pasqua Yaqui								
Pima	5039642	0.001520	203181	0.009717	24447.3033	3538.3971	27985.7005	20.5%

Using 2003-2004	County Employment	Census Share	County Unemployment	Census Share	Reservation Employment	Reservation Unemployment	Reservation Labor Force	Reservation Unemployment Rate
San Xavier Reservation								
Pima	9957795	0.001095	428345	0.00265	10903.7855	1135.1143	12038.8998	9.4%

National Average Jan 2003-Dec 2004: 5.75%
20% above National Average: 6.9%

The following table summarizes our findings for the Regional Areas based on data from BLS:

Labor Area	Total Labor Force 2002-2003	Total Unemployment 2002-2003	Unemployment Rate 2002-2003
Northeast Region (Apache, Coconino and Navajo)	3518477	331875	9.4%
Southeast Region (Conchise, Gila, Graham, Greenlee, Pinal and Santa Cruz)	4083595	288726	7.1%
Western and Central Arizona (La Paz, Mohave, Yavapai and Yuma)	5659463	580338	10.3%

National Average Jan 2002-Dec 2003: 5.9%
20% above National Average: 7.1%

The following table summarizes our findings for the Regional Area based on data from the Arizona Department of Labor:

Labor Area	Labor Force 2003-2004	Unemployment 2003-2004	Unemployment Rate 2003-2004
City of South Tucson	55159	5636	
Town of Ajo	24483	1432	
Town of Sells within Pima County	19976	1817	
Total	99618	8885	8.9%

National Average Jan 2003-Dec 2004: 5.75%
 20% above National Average: 6.9%

The following numbers reflect the data for the Maricopa County portion of the City of Apache Junction:

Total Labor Force 2004	966
Total Unemployment 2004	171
Unemployment Rate 2004	17.7%

10. **Regulatory or legislative basis for action:** The State agency's request to extend waiver 970149 is approved for the areas listed above, pursuant to 7 CFR 273.24(f), which permits the Food and Nutrition Service, at a State agency's request, to waive the work requirement for a group of individuals in the State if the agency determines 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.
11. **Conditions and reasons:** None.
12. **Information required for extension:** Please submit information to verify the basis for the waiver in each county and reservation. Please ask the State to submit future requests no later than 30 days prior to the expiration date.
13. **Expiration date:** The waiver is approved for a period of one year, effective May 1, 2005. The waiver will expire on April 30, 2006.
14. **Limitation on regional office approval of like requests:** Approval of this waiver is limited to the Arizona State agency.
15. **Quality control procedures:** N/A
16. **Date of national office action:**

- 17. Date of State agency's request:** March 7, 2005
- 18. Date of regional office transmittal of response to State agency:**
- 19. Actual implementation date:**