

March 15, 2005

970046

SUBJECT: FSP - Kentucky - Request to Waive 7 CFR 273.24

TO: Charlie Simmons, Director
Food Stamp Program
Southeast Region

This is in response to the Kentucky State Agency's request to modify and extend its waiver to exempt individuals from the work requirements of 7 CFR 273.24. Under the State agency's request individuals residing areas with an employment rate greater than 20 percent above the national average for calendar years 2002 and 2003 would be exempt from the work requirements of 7 CFR 273.24. The areas utilized by the State in its current request are multi-county areas with common economic characteristics which are designated by the State as Area Development Districts, a concept that the State has been using for a variety of purposes since the early 1960s.

Our response approving the waiver is attached. If you have any questions, please contact Larry Tropp at (703) 305-2504.

/s/

Harriet Kornegay
Assistant Branch Chief
Certification Policy Branch
Program Development Division

Attachment

cc: ALL RO w/Attachment (except SERO)
John Knaus w/Attachment
Bob Dalrymple-OAE w/Attachment
Civil Rights w/Attachment

FINAL:USDA:FNS:FSP:PDD:CPB:LTropp:3/14/05:je

FILE: ABAWDS

DIR:I:CPB:Waivers/FY2005:970046 KY 2005 ext., mod. & memo

WAIVER RESPONSE

1. **Waiver Serial Number:** 970046
2. **Type of Request:** Extension/Modification
3. **Primary regulation citation:** 7 CFR 273.24(b)
4. **Secondary regulation citation:** N/A
5. **State:** Kentucky
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 Kentucky State Agency's current waiver exempts individuals residing in 53 counties based on their designation as Labor Surplus Areas; 14 sub-areas within State's Area Development Districts (ADD), five Labor Market Areas, one Metropolitan Statistical Area, and two counties based on an unemployment rate greater than 20 percent above national average for CY 2001-2002; three counties based on an unemployment rate greater than 20 percent above national average for FY 2002-2003; and one county based on an unemployment rate greater than 20 percent above national average for CY 2002-2003.

Under the State's new proposal residents of fifteen areas within the state, which include 79 counties and one partial county, would be exempt from the work requirements of 7 CFR 273.24.

Each of these areas is a contiguous sub-area of one of the fifteen ADDs in the state. The concept of ADDs originated in Kentucky in the early 1960s with the establishment of Area Development Councils. These Councils were organized in all counties and ultimately became the model for Area Development authorization in landmark federal acts such as the Appalachian Regional Development Act and the Public Works and Economic Development Act of 1965. The fifteen ADDs were formed during between 1966 and 1972. ADDs have both federal and state statutory authority and are responsible for a wide variety of programs which serve local government; both through contractual arrangements with federal, state and local governments and as a designated delivery system for various activities. These programs fall under various arenas: community and economic development, health and human services, public management and administration, and technology support.¹ Kentucky is seeking waivers for contiguous sub-areas of these ADDs based on aggregate average unemployment rates of at least 20 percent above the national average for calendar years 2002 and 2003. During this period, the threshold for waivers based on 120 percent of the national average unemployment rate was 7.1 percent. The State agency calculated the unemployment rate corresponding to the “Total for Sub-area” by using a weighted average obtained from the actual number of unemployed divided by the labor force count. Counties in each ADD that have unemployment rates greater than 7.1, but are not in the vicinity of these sub-areas, will be listed in a separate section of this 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. We have determined that the average unemployment rates for all of the defined areas are at least 20 percent above the national average for calendar years 2002 and 2003.

Sub-area of the Barren River Area Development District:

Area	Unemployment Rate, CY 2002-2003	Area	Unemployment Rate, CY 2003-2003
Allen County	7.3	Logan County	7.3
Butler County	9.5	Monroe County	7.9
Edmonson County	7.2	Simpson County	6.0
Hart County	5.4	Total for Sub-area	7.1

Sub-area of Big Sandy Area Development District

Area	Unemployment Rate, CY 2002-2003	Area	Unemployment Rate, CY 2002-2003
Floyd County	7.2	Martin County	7.6
Johnson County	5.9	Total for Sub-area	7.8
Magoffin County	12.9		

Sub-area Bluegrass Area Development District

Area	Unemployment Rate, CY 2002-2003	Area	Unemployment Rate, CY 2002-2003
Estill County	6.9	Total for Sub-area	7.9
Powell County	8.8		

Sub-area of Buffalo Trace Area Development District

Area	Unemployment Rate, CY 2002-2003	Area	Unemployment Rate, CY 2002-2003
Lewis County	10.3	Robertson County	5.6
Mason County	5.6	Total for Sub-area	7.1

Sub-area of Cumberland Valley Area Development District

Area	Unemployment Rate, CY 2002-2003	Area	Unemployment Rate, CY 2002-2003
Bell County	7.9	Laurel County	6.7
Clay County	9.2	Rockcastle County	5.8
Harlan County	10.6	Whitley County	6.9
Jackson County	5.4	Total for Sub-area	7.4
Knox County	7.3		

Sub-area of FIVCO Area Development District

Area	Unemployment Rate, CY 2002-2003	Area	Unemployment Rate, CY 2002-2003
Boyd County	6.4	Greenup County	6.2
Carter County	11.2	Lawrence County	8.7
Elliott County	9.1	Total for Sub-area	7.6

Sub-area of Gateway Area Development District

Area	Unemployment Rate, CY 2002-2003	Area	Unemployment Rate, CY 2002-2003
Bath County	6.9	Morgan County	10.2
Menifee County	7.4	Total for Sub-area	7.1
Montgomery County	5.9		

Sub-area of Green River Area Development District

Area	Unemployment Rate, CY 2002-2003	Area	Unemployment Rate, CY 2002-2003
Hancock County	7.7	Union County	6.2
McLean County	7.9	Webster County	7.3
Ohio County	9.1	Total for Sub-area	7.8

Sub-area of Kentucky River Area Development District

Area	Unemployment Rate, CY 2002-2003	Area	Unemployment Rate, CY 2002-2003
Breathitt County	10.0	Owsley County	6.1
Knott County	5.1	Perry County	7.7
Lee County	8.1	Wolfe County	8.0
Leslie County	7.8	Total for Sub-area	8.2

Letcher County	10.8		
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Sub-area of Lake Cumberland Area Development District

Area	Unemployment Rate, CY 2002-2003	Area	Unemployment Rate, CY 2002-2003
Adair County	5.8	Pulaski County	6.9
Casey County	7.2	Russell County	10.6
Clinton County	8.0	Taylor County	6.8
Cumberland County	7.4	Wayne County	6.6
Green County	6.4	Total for Sub-area	7.4
McCreary County	10.6		

Sub-area of Lincoln Trail Area Development District

Area	Unemployment Rate, CY 2002-2003	Area	Unemployment Rate, CY 2002-2003
Breckinridge County	8.1	County	6.6
Grayson County	9.4	Nelson County	6.5
Hardin County	6.6	Total for Sub-area	7.1

Sub-area of Northern Kentucky Area Development District

Area	Unemployment Rate, CY 2002-2003	Area	Unemployment Rate, CY 2002-2003
Carroll County	7.9	Total for Sub-area	7.1
Gallatin County	5.9		

First sub-area of Pennyryle Area Development District

Area	Unemployment Rate, CY 2002-2003	Area	Unemployment Rate, CY 2002- 2003
Livingston	6.8	Total for	7.1

County		Sub-area	
Lyon County	7.5		

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Second sub-area of Pennyriple Area Development District

Area	Unemployment Rate, CY 2002-2003	Area	Unemployment Rate, CY 2002- 2003
Christian County	6.5	Muhlenberg County	8.7
Hopkins County	6.8	Total for Sub- area	7.1

Sub-area of Purchase Area Development District

Area	Unemployment Rate, CY 2002-2003	Area	Unemployment Rate, CY 2002-2003
Ballard County	8.7	Graves County	7.2
Calloway County	6.9	Hickman County	7.9
Carlisle County	7.5	Marshall County	8.1
Fulton County	9.7	Total for Sub-area	7.6

In addition, the State is requesting to exempt residents in the five areas listed below based on having an average unemployment rate of at least 20 percent above the national average during calendar years 2002 and 2003. The request includes areas of the State with an average unemployment rate of at least 7.1 percent during calendar years 2002 and 2003.

Area	Unemployment Rate, CY 2002-2003
Boyle County	7.4
Harrison County	7.1
Lincoln County	7.5
Nicholas County	9.2
Richmond city	7.5

- 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.

11. Conditions and reasons: N/A

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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 effective May 1, 2005 through April 30, 2006.

14. Limitation, if any, on regional office approval of like requests: This waiver is limited to the Kentucky State Agency.

15. Quality control procedures: N/A

16. Date of national office action:

17. Date of State agency's request: January 28, 2005

18. Date of regional office fax transmittal of request: February 7, 2005

19. Date of regional office transmittal of response to State agency:

20. Actual implementation date: