

FEB 10 2006

970046

SUBJECT: Kentucky Waiver Request - 7 CFR 273.24

TO: Peggy Fouts, Regional Director
Food Stamp Program
Southeast Region

We are approving the State of Kentucky's ABAWD waiver request, effective May 1, 2006 through April 30, 2007. The base numbers that justified the approval of 15 Area Development Districts were drawn from the Bureau of Labor Statistics web-site, which provides detailed labor force, unemployed, and employment statistics.

Our detailed response is attached. If you have any questions, please e-mail Dwight Ricker.

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Harriet Kornegay
Assistant Branch Chief
Certification Policy Branch
Program Development Division

FINAL:USDA:FNS:FSP:PDD:CPB:DRicker:02/03/06:so
FILE: Waivers Kentucky
DIR:I:CPB:WAIVERS:2006:970046 KY

WAIVER RESPONSE

1. **Waiver serial number:** 970046
2. **Type of request:** Modification and Extension
3. **Primary regulation citation, if any:** 7 CFR 273.24 (f)
4. **Secondary regulation citation, if any:**
5. **State:** Kentucky
6. **Region:** Southeast
7. **Regulatory requirements:** The Food Stamp Program Regulations at 7 CFR 273.24 provide that no individual shall be 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; did not participate in and comply with the requirements of a work program for 20 hours or more per week; or did not participate in and comply with requirements of a program under Section 20 or a comparable program established by the State.

The Food Stamp Program Regulations at 7 CFR 273.24 (f) allow States the opportunity to request a waiver when it is determined that the area in which the individual resides has an unemployment rate over 10 percent; or there are not sufficient jobs to provide employment for the individuals. The regulations at 7 CFR 273.24(f) establish the procedures for approving such waivers.

8. **Proposed procedures:** Kentucky is seeking waivers for fourteen areas within the state, which are contiguous Sub-regions of one of the fifteen Area Development Districts (ADDs) in the state.

Kentucky is requesting to exempt residents in the three areas listed below, based on the area's aggregate average unemployment rate of at least 20 percent above the national average during calendar years 2003 and 2004. To qualify for a waiver, an area must have an average unemployment rate of at least 6.9 during calendar years 2003 and 2004.

Sub-region of Green River Area Development District

| Area | Unemployment Rate, CY 2003-2004 | Area | Unemployment Rate, CY 2003-2004 |
|---------------|------------------------------------|-----------------------------|------------------------------------|
| McLean County | 7.0 | Ohio County | 6.8 |
| | | Total for Sub-region | 6.9 |

McLean County qualifies based on having average unemployment rates of at least 20 percent above the national average during CV 2003-2004. Ohio County qualifies based on the area's aggregate average unemployment rate, which is at least 20 percent above the national average during CY 2003-2004.

Sub-region of Lake Cumberland Area Development District

| Area | Unemployment Rate, CY 2003-2004 | Area | Unemployment Rate, CY 2003-2004 |
|-------------------|---------------------------------|-----------------------------|---------------------------------|
| Case County | 6.3 | McCreary County | 8.7 |
| Clinton County | 7.9 | Russell County | 6.6 |
| Cumberland County | 7.0 | Wayne County | 6.0 |
| | | Total for Sub-region | 6.9 |

Cumberland Valley Area Development District

| Area | Unemployment Rate, CY 2003-2004 | Area | Unemployment Rate, CY 2003-2004 |
|----------------|---------------------------------|-----------------------------|---------------------------------|
| Bell County | 7.8 | Knox County | 7.1 |
| Clay County | 9.0 | Laurel County | 6.0 |
| Harlan County | 8.8 | Rockcastle County | 5.5 |
| Jackson County | 7.1 | Whitley County | 6.4 |
| | | Total for Sub-region | 7.0 |

Bell, Clay, Harlan, Jackson, and Knox Counties qualify based on having average unemployment rates of at least 20 percent above the national average during CY 2003-2004. Laurel, Rockcastle, and Whitley Counties qualify based on the area's aggregate average unemployment rate, which is at least 20 percent above the national average during CV 2003-2004.

The State is seeking waivers for contiguous Sub-regions of these ADDs based on aggregate average unemployment rates of at least 20 percent above the national average during November 2003-October 2005. The request includes areas of the State with an average unemployment rate of at least 6.4 during November 2003-October 2005.

Sub-region of Purchase Area Development District

| Area | Unemployment Rate, NOV. 2003-OCT. 2005 | Area | Unemployment Rate, NOV. 2003-OCT. 2005 |
|-----------------|--|-----------------------------|--|
| Ballard County | 6.7 | Hickman County | 8.2 |
| Carlisle County | 7.1 | Marshall County | 6.4 |
| Fulton County | 8.5 | Calloway County | 5.1 |
| Graves County | 7.9 | Total for Sub-region | 6.7 |

Ballard, Carlisle, Fulton, Graves, Hickman, and Marshall Counties qualify based on having average unemployment rates of at least 20 percent above the national average during November 2003-October 2005. Calloway County qualifies based on the area's aggregate average unemployment rate, which is at least 20 percent above the national average during November 2003-October 2005.

Sub-region of Pennyriple Area Development District

| Area | Unemployment Rate, NOV. 2003-OCT. 2005 | Area | Unemployment Rate, NOV. 2003-OCT. 2005 |
|-------------------|---|-----------------------------|---|
| Christian County | 6.6 | Lyon County | 7.0 |
| Hopkins County | 5.6 | Muhlenberg County | 7.6 |
| Livingston County | 5.8 | Trigg County | 5.7 |
| | | Total for Sub-region | 6.4 |

Christian, Lyon, and Muhlenberg Counties qualify based on having average unemployment rates of at least 20 percent above the national average during November 2003-October 2005. Hopkins, Livingston, and Trigg Counties qualify based on the area's aggregate average unemployment rate, which is at least 20 percent above the national average during November 2003-October 2005.

Sub-region of the Barren River Area Development District

| Area | Unemployment Rate, NOV. 2003-OCT. 2005 |
|-----------------------------|--|
| Butler County | 6.8 |
| Edmonson County | 6.2 |
| Total for Sub-region | 6.5 |

Butler County qualifies based on having average unemployment rates of at least 20 percent above the national average during November 2003-October 2005. Edmonson County qualifies based on the area's aggregate average unemployment rate, which is at least 20 percent above the national average during November 2003-October 2005.

Sub-region of Lincoln Trail Area Development District

| Area | Unemployment Rate, NOV. 2003-OCT. 2005 | Area | Unemployment Rate, NOV. 2003-OCT. 2005 |
|---------------------|---|-----------------------------|---|
| Breckinridge County | 6.3 | Meade County | 6.2 |
| Grayson County | 7.4 | Total for Sub-region | 6.7 |

Grayson County qualifies based on having average unemployment rates of at least 20 percent above the national average during November 2003-October 2005.

Breckinridge and Meade Counties qualify based on the area's aggregate average unemployment rate, which is at least 20 percent above the national average during November 2003-October 2005.

Sub-region of Big Sandy Area Development District

| Area | Unemployment Rate, NOV. 2003-OCT. 2005 | Area | Unemployment Rate, NOV. 2003-OCT. 2005 |
|-----------------|---|-----------------------------|---|
| Floyd County | 7.2 | Martin County | 7.6 |
| Johnson County | 6.4 | Pike County | 6.6 |
| Magoffin County | 12.2 | Total for Sub-region | 7.2 |

Floyd, Johnson, Magoffin, Martin, and Pike Counties qualify based on having average unemployment rates of at least 20 percent above the national average during November 2003-October 2005.

Sub-region 1 of Bluegrass Area Development District

| Area | Unemployment Rate, NOV. 2003-OCT. 2005 |
|-----------------------------|--|
| Boyle County | 6.3 |
| Lincoln County | 6.7 |
| Total for Sub-region | 6.5 |

Lincoln County qualifies based on having average unemployment rates of at least 20 percent above the national average during November 2003-October 2005. Boyle County qualifies based on the area's aggregate average unemployment rate, which is at least 20 percent above the national average during November 2003-October 2005.

Sub-region 2 of Bluegrass Area Development District

| Area | Unemployment Rate, NOV. 2003-OCT. 2005 |
|-----------------------------|--|
| Estill County | 7.1 |
| Powell County | 7.9 |
| Total for Sub-region | 7.5 |

Estill and Powell Counties qualify based on having average unemployment rates of at least 20 percent above the national average during November 2003-October 2005.

Sub-region of Buffalo Trace Area Development District

| Area | Unemployment Rate, NOV. 2003-OCT. 2005 | Area | Unemployment Rate, NOV. 2003-OCT. 2005 |
|----------------|--|-----------------------------|--|
| Fleming County | 5.6 | Mason County | 5.7 |
| Lewis County | 8.4 | Robertson County | 5.9 |
| | | Total for Sub-region | 6.4 |

Lewis County qualifies based on having an average unemployment rate of at least 20 percent above the national average during November 2003-October 2005. Fleming, Mason, and Robertson Counties qualify based on the area's aggregate average unemployment rate, which is at least 20 percent above the national average during November 2003-October 2005.

Sub-region of Gateway Area Development District

| Area | Unemployment Rate, NOV. 2003-OCT. 2005 | Area | Unemployment Rate, NOV. 2003-OCT. 2005 |
|----------------|--|-----------------------------|--|
| Bath County | 7.2 | Montgomery County | 6.3 |
| Menifee County | 7.4 | Morgan County | 8.6 |
| | | Total for Sub-region | 7.1 |

Bath, Menifee and Morgan Counties qualify based on having average unemployment rates of at least 20 percent above the national average during November 2003-October 2005. Montgomery County qualifies based on the area's aggregate average unemployment rate, which is at least 20 percent above the national average during November 2003-October 2005.

Kentucky River Area Development District

| Area | Unemployment Rate, NOV. 2003-OCT. 2005 | Area | Unemployment Rate, NOV. 2003-OCT. 2005 |
|------------------|---|-----------------------------|---|
| Breathitt County | 7.2 | Letcher County | 7.3 |
| Knott County | 6.4 | Owsley County | 7.3 |
| Lee County | 7.6 | Perry County | 7.5 |
| Leslie County | 8.3 | Wolfe County | 9.5 |
| | | Total for Sub-region | 7.4 |

Breathitt, Knott, Lee, Leslie, Letcher, Owsley, Perry, and Wolfe Counties qualify based on having average unemployment rates of at least 20 percent above the national average during November 2003-October 2005.

FIVCO Area Development District

| Area | Unemployment Rate, NOV. 2003-OCT. 2005 | Area | Unemployment Rate, NOV. 2003-OCT. 2005 |
|---------------|---|-----------------------------|---|
| Boyd County | 6.0 | Greenup County | 6.1 |
| Carter County | 8.2 | Lawrence County | 7.8 |
| Elliot County | 9.7 | Total for Sub-region | 6.8 |

Carter, Elliott and Lawrence Counties qualify based on having average unemployment rates of at least 20 percent above the national average during November 2003-October 2005. Boyd and Greenup Counties qualify based on the area's aggregate average unemployment rate, which is at least 20 percent above the national average during November 2003-October 2005.

In addition, the State is requesting to exempt residents in Nicholas County based on having an average unemployment rate of at least 20 percent above the national average during November 2003-October 2005. Nicholas County is not in the vicinity of either previously identified Bluegrass Sub-area, and therefore, is requested separately.

| Area | Unemployment Rate, NOV. 2003-OCT. 2005 |
|-----------------|--|
| Nicholas County | 7.1 |

9. **Action and reason for approval or denial:** As stated in number 8 above, the areas listed above have an average unemployment rate of at least 20 percent above the national average during a recent 24-month time period. All of the raw data supporting the numbers are from the Bureau of Labor Statistics (BL5) website. The waiver is approved.
10. **Regulatory or legislative basis for action:** This waiver is approved pursuant to 7 CFR 273.24(f) (1) (ii), which allows the Food and Nutrition Service (FNS) to waive the applicability of the work requirement provision in 7 CFR 273.24 for any group of individuals in the State if FNS makes a determination that the area in which the individuals reside has an insufficient number of jobs.

11. **Conditions and reasons:** N/A
12. **Information required for Extension:** Please submit supporting unemployment data that relies on standard Bureau of Labor Statistics data and/or methods and data indicating unemployment over 10 percent or a lack of sufficient jobs.
13. **Expiration date:** April 30, 2007
14. **Limitation:** Waiver approval applies solely to the State of Kentucky.
15. **Quality Control Procedures:**
16. **Date of national office action:**
17. **Date of State agency's request:**
18. **Date of regional office transmittal of response to national office:**
19. **Actual implementation date:**