MAR 16 2006

970170

SUBJECT: FSP - Minnesota – Request to Extend Waiver of the Requirements of 7 CFR 273.24

TO: Tim English
Midwest Regional Director
Food Stamp Program

This is in response to your memorandum of October 18, 2005 requesting to extend Minnesota's State Agency's request of September 8, 2005 to exempt residents of ten Indian Reservations from the work requirements of 7 CFR 273.24.

Our response to the State Agency's request is attached. Please contact Vicky Robinson at (703) 305-2476 if you have any questions.

/S/
Harriet Kornegay
Assistant Branch Chief
Certification Policy Branch
Program Development Division

Attachment
cc: All Regions (except MWRO)
Bob Dalrymple, OAE
John Knaus
Civil Rights

FINAL:USDA:FNS:FSP:PDD:CPB:VRobinson:03/10/06:so
DIR:I:CPB/Waivers/2006:970170 MN Indian ABAWD: 970170 MN Indian ABAWD ext. & memo

Symbol	Surname	Date	Symbol	Surname	Date
	Kornegay	3/15			3-15

WAIVER RESPONSE

1. **Waiver serial numbers:** 970170

2. **Type of request:** Extension

3. **Primary regulation citation:** 7 CFR 273.24

4. **Secondary regulation citation:**

5. **State**: Minnesota

6. **Region**: MWRO

7. **Regulatory Requirements**: 7 CFR 273.24 provides 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; did not participate in and comply with requirements of a program under Section 20 or a comparable program established by the State; or was exempt from these requirements.

   7 CFR 273.24(f) also provides that, upon the request of a State agency, the Secretary may waive the applicability of the above provision for any group of individuals in the State if the Secretary 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 State Agency is requesting to extend its waiver for two years exempting individuals residing on 10 American Indian reservations from the ABAWD work requirements based on having an unemployment rate of 20 percent above the national average of 4.7 percent for the 36-month period of July 2002 through June 2005, or 5.7 percent.

9. **Justification for Request:** Using data prepared by the State's BLS cooperating agency, Minnesota requests that individuals that reside on the reservations of Fond du Lac, Grand Portage, Leech Lake, Lower Sioux, Mille Lacs, Red Lake, Shakopee, Upper Sioux, White Earth and Vermillion Lake be exempt from the work requirements of 273.24 based on insufficient jobs.

10. **Action and reason for approval or denial:**
We are approving the state agency's request. Able-bodied adults without dependents (ABAWDs) who reside on the following Indian reservations will be exempt from work requirements based on the areas having an unemployment rate greater than 20 percent above the national average for the 36-month period of July 2002 through June 2005. We used the census share ratios that were developed by the State's BLS cooperating agency based on 2000 Census data. The data in the chart below was extracted from spreadsheets provided by the State's BLS cooperating agency.

Reservation/County	Labor Force	Census Share Ratio	Total Unemployed (36-mo)	Reservation Unemployment Rate
Fond du Lac Carlton County & Balance of St. Louis	**66518**	.035068 (153 unemployed divided by 4363 total unemployed)	167917 multiplied .035068= **5889**	5889/66518= **8.9 percent**
Grand Portage Cook County	**13334**	.200000 (35/175)	5383 X .20= **1077**	1077/13334= **8.1 percent**
Leech Lake Betrami, Cass, Hubbard, and Itasca Counties	**175926**	.108660 (463/4261)	154948 X .108660= **16837**	16837/175926= **9.6 percent**
Lower Sioux Redwood	**3223**	.034351 (9/262)	13444 X .034351= **462**	462/3223= **14.3**
Mille Lacs Aitkin, Crow Wing, Kanabec, Mill Lacs, and Pine Counties	**55598**	.050202 (199/3964)	111502 X .050202= **5598**	5598/55598= **10.1 percent**
Red lake Betrami, Clearwater, Kochiching, Lake of the Woods, Marshall, Pennington, Polk, Red Lake, and Roseau Counties	**59644**	.087370 (413/4727)	142951 X .087370= **12490**	12490/59644= **20.9 percent**
Shakopee Scott County	**5557**	.006015 (8/1330)	90894 X .006015= **547**	547/5557= **9.8 percent**
Upper Sioux Yellow Medicine County	**133**	.0065359 (2/306)	10295 X .0065359= **67**	67/133= **50.4 percent**
Vermilion Lake Balance of St. Louis County	**2697**	.003449 (12/3479)	130150 X .003449= **449**	449/2697= **16.6 percent**
White Earth Becker, Clearwater, and Mahnomen Counties	**160182**	.217333 (326/1500)	55639 X .217333= **12092**	12092/160182= **7.5 percent**

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

11. **Conditions and reasons:** n/a

12. **Information required for extension**. To receive an extension the State agency must provide data for the affected areas indicating that there continue to be insufficient jobs for individuals subject to 7 CFR 273.24.

13. **Expiration date**: This waiver is approved for two years retroactively from October 1, 2005 and expires September 30, 2007.

14. **Limitation on regional office approval of like requests:** Approval of this waiver is limited to the Minnesota State Agency.

15. **Quality Control Procedures:** n/a

16. **Date of national office action:** March 10, 2006

17. **Date of State agency's request:** September 8, 2005

18. **Date of regional office transmittal of request to national office:** October 18, 2005

19. **Actual Implementation Date:**

Harriet
11/8/05

United States Department of Agriculture
Food and Nutrition Service

Midwest Region

Reply to attn of: MWFS-100: FS 13-1-3 MN

Subject: Minnesota's Request to Revise and Extend ABAWD Waivers # 980014 and 970170

To: Art Foley, Director
Program Development Division
Food Stamp Program

OCT 18 2005

Attached are Minnesota's requests to revise and extend the list of counties and reservations that are exempt from the ABAWD provisions of 7 CFR 273.24 under waivers # 980014 and 970170, respectively. The requests are for the period of October 1, 2005 through September 30, 2006. The Minnesota Department of Employment and Economic Development has provided unemployment rate data which indicates the counties and Indian reservations that have had an unemployment rate greater than 20 percent above the national unemployment rate of 6.6% for the previous two years. The spreadsheets and the State's request were forwarded electronically to Harriet Kornegay and Vicky Robinson of your staff in September.

Based on the justification provided, we recommend approval of this waiver modification for the areas requested, except for the three counties, Aitkin, Kittson, and Pine) where the rates do not meet the criteria, but are at or within .10 per cent of the 6.6% national unemployment rate. We leave it up to your discretion to approve or deny these three counties.

If you have questions or need further information regarding Minnesota's requests, please contact me or have your staff contact Tina Kopec at 312-353-0578.

Trish Dolls
for TIM ENGLISH
Regional Director
Food Stamp Program

Attachments

Minnesota Department of **Human Services**

September 1, 2005

Mr. Tim English, Regional Director, FSP
USDA, Food and Nutrition Service
77 West Jackson Blvd., 20th Floor
Chicago, IL 60604-3511

Dear Mr. English:

This letter seeks an extension and modification of Minnesota's current waiver exempting individuals from Section 6 (o) of the Food Stamp Act as amended by Section 824 of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996.

In August of 2004, Minnesota received approval of **Waiver #980014** which exempts residents of the following 14 counties from the Able-Bodied Adults Without Dependents (ABAWD) provisions:

> Aitkin, Cass, Clearwater, Grant, Itasca, Kanabec, Kittson, Marshall, Meeker, Mille Lacs, Morrison, Pine, Red Lake, and Roseau.

Approval was based on designation of these 14 counties by the Department of Labor as Labor Surplus Areas (LSA's) as having unemployment rates higher than 20% above the national rate. This waiver expires on September 30, 2005.

We seek an extension and modification of **Waiver # 980014** so that this waiver remains in effect for the period of October 1, 2005 through September 30, 2006.

In addition we seek to modify the list of counties covered by this waiver. The Minnesota Department of Employment and Economic Development has provided unemployment rate data which indicates that 7 of the 14 counties listed above are currently covered by the waiver and have an unemployment rate of more than 20 percent above the national unemployment rate of 6.6% for the previous two years. These counties are:

> Cass, Clearwater, Itasca, Kanabec, Marshall, Mille Lacs, and Red Lake.

In addition the following 3 counties that are currently covered by the waiver are at or within .10 percent of the 6.6% national unemployment rate:

> Aitkin, Kittson and Pine.

We are asking that these 3 counties be included in this waiver due to their Unemployment rate being so close to the national Unemployment Rate.

Upon approval of this request, the Minnesota Department of Human Services will notify the counties that are now included in the ABAWD waiver, that beginning October 1, 2005, the ABAWD time-limited eligibility exemption provisions will no longer apply to participants in the remaining 4 counties.

If you have any questions about this request please contact John Morrison at (651) 297-4623 or Steve Erbes at 651/297-4841.

Sincerely,

Charles E. Johnson
Assistant Commissioner
Children and Family Services

Enclosure

Waiver Request – Minnesota

1. **Waiver serial number:** 980014

2. **Type of request:** Extension and Modification

3. **Primary regulation citation:** 7 CFR 273.24

4. **Secondary regulation citation:** None

5. **State:** Minnesota

6. **Region:** MWRO

7. **Regulatory Requirements:** 7 CFR 273.24 provides 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 comply with the requirements of a work program for 20 hours or more per week; did not participate in and comply with requirements of a program under section 20 or a comparable program established by the State; or received benefits because they were exempt from these requirements.

   7 CFR 273.24(f) provides that, upon the request of a State Agency, the Secretary may waive the applicability of the above provision for any group of individuals in the State if the Secretary 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 Minnesota State Agency is requesting an extension of its Waiver #980014. Under the State's current waiver, recipients residing in 14 counties are exempt from the work requirements of 7 CFR 273.24 based on an unemployment rate greater than 20 percent above the national average. The counties currently approved in Waiver #980014 are:

   Aitkin, Cass, Clearwater, Grant, Itasca, Kanabec, Kittson, Marshall, Meeker, Mille Lacs, Morrison, Pine, Red Lake, and Roseau.

   In addition, modification is requested to the list of counties covered by this waiver. The Minnesota Department of Employment and Economic Development has provided unemployment rate data which indicates that 7 of the 14 counties currently covered by the waiver have an unemployment rate of more than 20 percent above the national unemployment rate of 6.6% for the previous two years. These counties are:

   Cass, Clearwater, Itasca, Kanabec, Marshall, Mille Lacs, and Red Lake.

In addition the following 3 counties that are currently covered by the waiver and are at or within .10 percent of the 6.6% national unemployment rate:

- Aitkin, Kittson and Pine.

We are asking that these 3 counties be included in this waiver due to their Unemployment rate being so close to the national Unemployment Rate.

9. **Justification for Request:** Attached is a map that outlines all of the counties that Minnesota is seeking to have approved for FY 2006 under Waiver # 980014. The counties highlighted in gold are the 7 counties that are exempt under Waiver # 980014 and whose unemployment rate continues to be above the 6.6% national unemployment rate. The counties highlighted in blue are the counties that are at or with .10 percent of the 6.6% national unemployment rate.

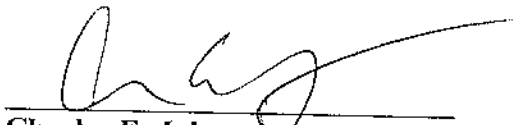
An electronic copy of the map and the data spreadsheet used to determine which counties were at and above the national unemployment rate will be sent to Tina Kopec with FNS for your review.

10. **Anticipated Impact on Households and State Agency Operations:** No change is anticipated because the individuals will be exempt.

11. **Affected Caseload:** Item #8 contains the information about the counties that will be impacted for FY 2006 with this waiver extension and modification.

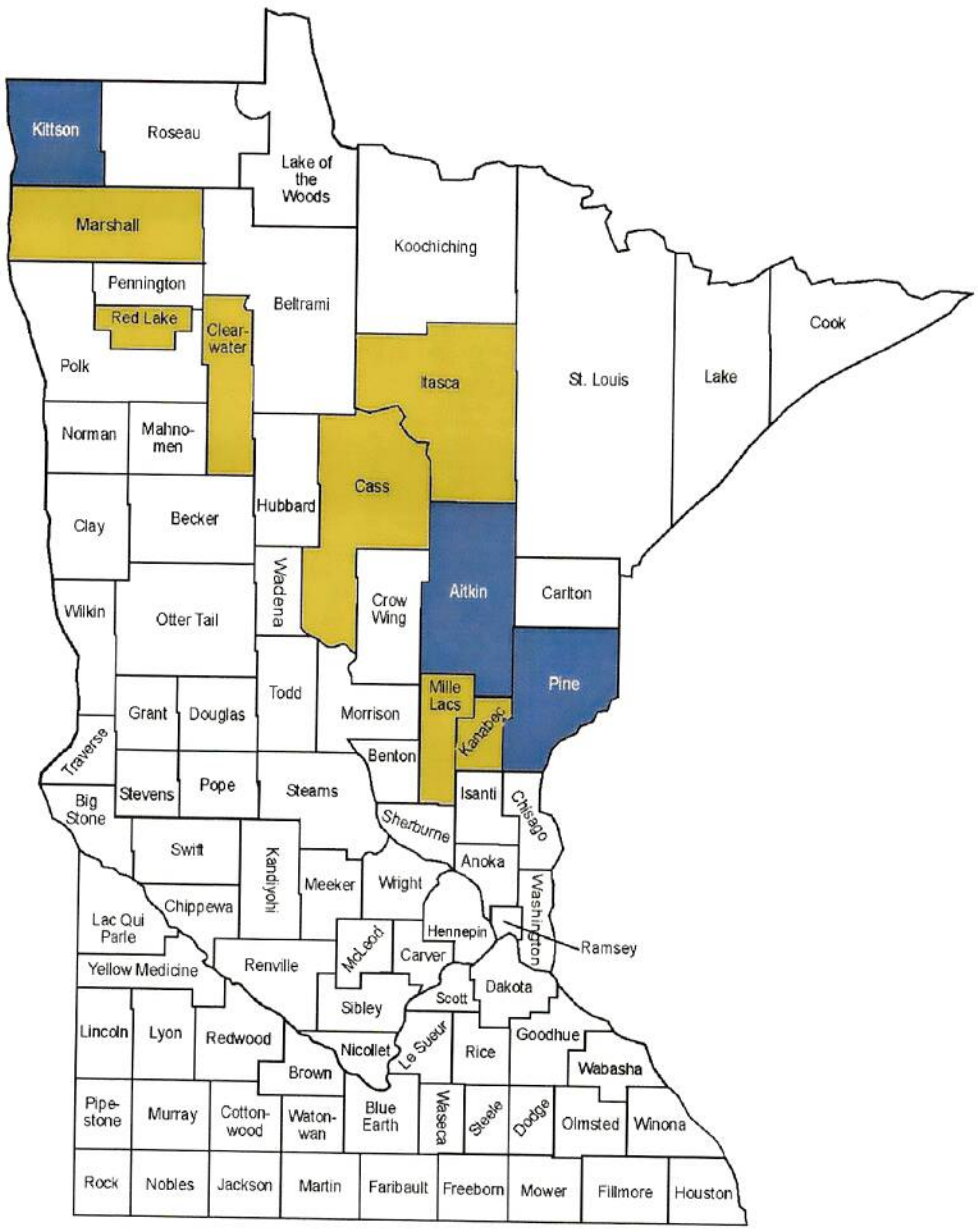
12. **Anticipated Implementation Date and Time Period for which Waiver is needed:** This waiver is requested for the twelve month period from October 1, 2005 through September 30, 2006.

13. **Signature and Title of Requesting Official:**



Charles E. Johnson
Assistant Commissioner
Children and Family Services

FFY 2006 FSET County Waiver Request



MN Department of Employment and Economic Development, 1st National Bank Bldg., 332 Minnesota Street - Suite E200, St. Paul, MN 55101

Minnesota Department of **Human Services**

September 7, 2005

Mr. Tim English, Regional Director, FSP
USDA, Food and Nutrition Service
77 West Jackson Blvd., 20th Floor
Chicago, IL 60604-3511

Dear Mr. English:

This letter seeks an extension of, Minnesota's current **Waiver #970170** exempting individuals living on certain Indian reservations from work requirements at 7 CFR 273.24.

This waiver currently exempts persons residing within the borders of ten Indian Reservations from (able-bodied adults without dependents) ABAWD provisions. Reservations covered under this waiver are: Fond du Lac, Grand Portage, Leech Lake, Lower Sioux, Mille Lacs, Red Lake, Shakopee, Upper Sioux, White Earth, Vermillion Lake. Reservations listed above had an average unemployment rate 20% higher than the national average for the 24-month period specified in the request.

Minnesota seeks an extension of waiver #970170 for the next Federal Fiscal Year from October 1, 2005 through September 30, 2006 for these same Reservations.

Waiver #970170 – Based on an unemployment rate 20% higher than the national average.

Current Coverage	**Proposed Coverage**
Fond du Lac	Fond du Lac
Grand Portage	Grand Portage
Leech Lake	Leech Lake
Lower Sioux	Lower Sioux
Mille Lacs	Mille Lacs
Red Lake	Red Lake
Shakopee	Shakopee
Upper Sioux	Upper Sioux
White Earth	White Earth
Vermillion Lake	Vermillion Lake

SEP 16 2005

10. **Anticipated Impact On Households and State Agency Operations:** No change is anticipated because the individuals will be exempt.

11. **Caseload Information, Including Percent, Characteristics, and Quality control (QC) Error rate for Affected Portion:** As of January 1, 2004 there were approximately 5018 Food Support participants who were exempt from ABAWD provisions due to living in a waivered area. This includes participants living in either counties or reservations covered by waivers. It also includes individuals who may meet other ABAWD exemptions. The increase in participants exempt from ABAWD provisions due to living in a waivered area can be attributed to increased caseloads. ABAWDs are adults between the ages of 18 and 50 who are not disabled, do not have dependent children, and are not exempt under one of the federal exemptions.

Minnesota implemented the ABAWD provisions effective December 1, 1996. In the nine federal fiscal years (FFY) since the ABAWD provisions were implemented, there have been twelve QC payment errors related to the ABAWD provisions. Two payment errors occurred in FFY 1998, one in FFY 2000, one in FFY 2001, two in FFY 2003, five in FFY 2004, and zero in FFY 2005 through 5/31/05.

Since all twelve of the ABAWD payment errors discovered by QC to date have been policy errors in counties not covered by Minnesota's ABAWD waivers, approval of this waiver will not negatively impact Minnesota's payment error rate.

12. **Anticipated Implementation Date and Time Period for Which Waiver is Needed:** This waiver is requested for the twelve month period beginning October 1, 2005 through September 30, 2006.

13. **Quality Control Review Procedures:** Quality Control (QC) verifies the county agency either (1) correctly categorized a Food Support recipient as an ABAWD, or,(2) correctly exempted a recipient from the ABAWD provisions. Persons living in areas covered by a waiver (in Minnesota that would be either counties or reservations) would fall into the second category. Counties and reservations covered by ABAWD waivers are listed in CM 0011.24.

14. **Signature and Title of Requesting Official:**

Charles E. Johnson
Assistant Commissioner
Children and Family Services

15. **Date of Request:**

9/8/05

Date

WAIVER REQUEST – MINNESOTA

1. **Waiver Serial Number:** #970170

2. **Type of Request:** Extension

3. **Primary Regulation Citation, if any:** 7CFR 273.24

4. **Secondary Regulation Citation:** None

5. **State:** Minnesota

6. **Region:** MWRO

7. **Regulatory Requirements:** 7 CFR 273.24 provides 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 under Section 20 or a comparable program established by the State; or was exempt from these requirements.

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

8. Description of proposed alternative procedures: Minnesota requests an extension of waiver #970170 so that the effective dates (April 1, 2005 through September 30, 2005) correspond with the 2005 federal fiscal year. Should this timetable not be acceptable, Minnesota requests a one-year extension from April 1, 2005 through March 31, 2006 for the following reservations:

> Fond du Lac, Grand Portage, Leech Lake, Lower Sioux, Mille Lacs, Red Lake, Shakopee, Upper Sioux, Vermillion Lake and White Earth based on these areas having insufficient jobs for residents and high unemployment rates.

9. **Justification For Request:** Unemployment data prepared by the Minnesota Department of Employment and Economic Development using guidance from General Letters 04-12 and 04-18, the ten above listed reservations have unemployment rates exceeding 20% of the national average for the time period July 1, 2003 to June 30, 2005. Due to the size of the data set as prescribed by the General Letters a copy will be electronically forwarded to FNS staff member, Tina Kopec .

Judy Gibson, Labor Market Analyst from the Minnesota Department of Employment and Economic Development utilizing prescribed methodology from General Letters 04-12 and 04-18, produced unemployment data for this request.

An electronic copy of the data spreadsheet will be sent to Tina Kopec of your staff for FNS review.

If you have any questions regarding this request please contact John Morrison at 651/297-4623 or Steve Erbes at 651/297-4841.

Sincerely,

Charles E. Johnson
Assistant Commissioner
Children and Family Services

Enclosure