

May 23, 2005

970090 and 970146

SUBJECT: FSP - Montana - Request to Waive 7 CFR 274.24

TO: Ralph E. Anzur, Acting Regional Director  
Food Stamp Program  
Mountain Plains Region

This is in response to the March 11, 2005 request from the Montana State Agency to extend and modify its current waivers of 7 CFR 273.24(b). The State Agency is requesting an extension and modification of waiver 970090. This waiver would exempt four economic areas whose aggregate unemployment rate exceeds 20 percent of the national average for the 24-month periods of either calendar year (CY) 2002-2003 or CY 2003-2004. The areas are: Sub-Areas A and B of the Billings Economic Area, Great Falls Economic Area, and Missoula Economic Area. These areas contain a total of 21 counties.

Montana is also requesting another modification and extension of waiver 970146. This waiver would exempt 3 Indian Reservations – Fort Belknap, Fort Peck, and Rocky Boy's. These reservations have unemployment rates that are greater than 20 percent above the national average for the 24-month period CY 2003-2004.

Our response is attached. If you have any questions, please contact Patricia Maggi of my staff at 703-305-2468.

/s/

Harriet Kornegay  
Assistant Branch Chief  
Certification Policy Branch  
Program Development Division

Attachment

cc: Dan Wilucz, QCB, PAD  
Barbara Hallman, SAB, PAD  
All Regions (except MPRO)  
David Young  
Civil Rights

FINAL:USDA:FNS:FSP:PDD:CPB:PMAGGI: 05-06-05; 2<sup>nd</sup> rev. 5-19-05:je  
File:I:CPB:Waivers:FY2005 970090 and 970146 MT 2005 ABAWD extension



## Waiver Response

1. **Waiver serial number:** 970090 and 970146
2. **Type of request:** Extension and Modification
3. **Primary regulation citation:** 7 CFR 273.24(b).
4. **Secondary regulation citation:** 7 CFR 273.24(f)
5. **State:** Montana
6. **Region:** MPRO
7. **Regulatory Requirements:** 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; 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.

Under 7 CFR 273.24(f), FNS may waive the above work requirements for any 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. Under 7 CFR 273.24(f)(3)(iii) waivers of the work requirements of 7 CFR 273.24(b) are readily approvable by FNS if the State provides data from the Bureau of Labor Statistics (BLS) or a BLS cooperating agency indicating that area has a 24-month average unemployment rate that exceeds the national average by 20 percent for any 24-month period no earlier than the same period that the Employment and Training Administration of the Department of Labor (ETA/DOL) uses to designate Labor Surplus Areas (LSAs) for the current fiscal year. Under 7 CFR 273.24(f)(2)(ii) the State may support a claim of lack of sufficient jobs by submitting evidence that an area is determined by the Department of Labor's Unemployment Service as qualifying for extended unemployment benefits; has a low and declining employment to population ratio; has a lack of jobs in declining occupations or industries; is described in an academic study or other publications as an area where there are a lack of jobs.

8. **Description of proposed alternative procedures:**

**970090:** Montana is requesting an exemption for 21 counties, which are grouped into four economic areas as defined by the Bureau of Economic Analysis (BEA) of the Department of Commerce. Each BEA Economic Area consists of one or more economic nodes

(metropolitan areas or similar areas that serve as centers of economic activity) and the surrounding counties that are economically related to the nodes. The main factor used in 970090 and 970146

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determining the economic relationships among counties is commuting patterns, so each economic area includes, as far as possible, the place of work and the place of residence of its labor force.

The four BEA Economic Areas qualify for exemptions because their aggregate unemployment rate for a 24-month period exceeds the national unemployment rate by 20 percent or more. The areas are:

- Sub-Area A of Billings Economic Area includes: Big Horn, Carbon, Golden Valley, Musselshell, Petroleum, Rosebud, Stillwater and Treasure Counties. The aggregate average unemployment rate for Sub-Area A for calendar years (CY) 2002-2003 is 7.1 percent.
- Sub-Area B of the Billings Economic Area includes: Daniels and Roosevelt Counties. The aggregate average unemployment rate Sub-Area B for CY 2003-2004 is 6.9 percent.
- The Great Falls Economic Area includes: Chouteau, Glacier, Liberty, and Toole Counties. The aggregate average unemployment rate for the Great Falls Economic Area for CY 2003-2004 is 6.6 percent.
- The Missoula Economic Area includes: Flathead, Lake, Lincoln, Mineral, Ravalli, and Sanders Counties. The aggregate average unemployment rate for the Missoula Economic Area for CY 2003-2004 is 6.9 percent.

**Waiver 970147:** Montana originally requested an exemption for seven Indian Reservations. The State agency subsequently submitted a modification and is now asking for an exemption of three Indian Reservations – Fort Belknap, Fort Peck, and Rocky Boy’s – because their unemployment rates for CY 2003-2004 were greater than 20 percent above the national average.

**9. Action and reason for approval or denial:**

**970090:** We are approving the waiver based on the following unemployment rates and thresholds. All unemployment rates are based on the spreadsheets that Montana provided.

The average national unemployment rate for CY 2002 – 2003 is 5.9 percent. An area must have an unemployment rate for CY 2002-2003 of 7.1 percent or greater in order to be exempt from the ABAWDs work requirements of 7 CFR 273.24(b).

<i>Economic Area</i>	<i>Counties</i>	<i>Combined Unemployment Rate %</i>
<b>The following 8 counties qualify for a waiver together, based on their combined (weighted) average unemployment rate for CY 2002 through 2003. The counties' unemployment rate exceeded the national unemployment rate for the same period by 20% (the threshold is 7.1%)</b>		
<i>Sub-Area A of the Billings Economic Area</i>	Big Horn Carbon Golden Valley Musselshell Petroleum Rosebud Stillwater Treasure	7.1

The average national unemployment rate for CY 2003 – 2004 is 5.7 percent. An area must have an unemployment rate for CY 2003-2004 of 6.8 percent or greater in order to be exempt from the ABAWDs work requirements of 7 CFR 273.24(b).

<i>Economic Area</i>	<i>Counties</i>	<i>Combined Unemployment Rate %</i>
<b>The following 12 counties qualify for a waiver based on their combined (weighted) average unemployment rate for CY 2003 through 2004. The counties' unemployment rate exceeded the national unemployment rate for the same period by 20% (the threshold is 6.8%)</b>		
<i>Sub-Area B of the Billings Economic Area</i>	Daniels Roosevelt	6.9
<i>Great Falls Economic Area</i>	Chouteau Glacier Liberty Toole	6.9
<i>Missoula Economic Area</i>	Flathead Lake Lincoln Mineral Ravalli Sanders	6.9

**970146**

We calculated the unemployment rates for Fort Belknap, Fort Peck and Rocky Boy's Indian Reservations by adding up the unemployment, employment, and labor force data for the 24-month period CY 2003-2004 for each county included in the Reservation. We then calculated the 24-month average for the employment, unemployment, and labor force figures for each county in the Reservation and then applied the 2000 census share ratios to these figures. The calculations are as follows:

Reservation	Census Share Emp	Census Share	County Emp	County Unemp	Reservation Emp [Ctny Emp x Census]	Reservation Unemp [Ctny Unemp x Census]	Reservation Civilian Labor Force [Res Emp + Res Unemp]	Reservation Unemp [Res Unemp / Res LF]	Total Reservation Unemp % (Rounded)
<b>Fort Belknap</b>									
<i>Blaine Cnty</i>	0.286124	0.695906	2470	136.3333	706.72628	94.87518	801.6015		
<i>Phillips Cnty</i>	0.017641	0.127659	2035.167	91.625	35.90237517	11.69676	47.59913		
<b>Total</b>					742.6286552	106.5719	849.2006	<b>0.125497</b>	<b>12.6</b>
<b>Fort Peck</b>									
<i>Daniels Cnty</i>	0.039867	0.000000	1096.833	22	43.72745	0	43.72745		
<i>Roosevelt Cnty</i>	0.814067	0.968144	3826.208	323	3114.79	312.7105	3427.5		
<i>Sheridan Cnty.</i>	0.021843	0.057971	1845.542	59.33333	40.31217	3.439613	43.75178		
<i>Valley Cnty.</i>	0.109085	0.318407	4155.083	144.5833	453.2573	46.03635	499.2936		
<b>Total</b>					3652.087	362.1865	4014.273	<b>0.090225</b>	<b>9.0</b>
<b>Rocky Boy's</b>									
<i>Hill Cnty</i>	0.081861	0.262195	9025.583	360.1667	738.8433	94.4339	833.2772	<b>0.113328</b>	<b>11.3</b>
<b>Total</b>									

The three Reservations have unemployment rates that exceed the 6.8 percent threshold for CY 2003-2004.

10. **Regulatory or legislative basis for action:** We are approving the waiver pursuant to 7 CFR 273.24(f)(3) which allows FNS to waive the applicability of the work requirement provisions for any group of individuals in the State if the area in which the individuals reside: (i) has an unemployment rate of over 10 percent; or (ii) does not have a sufficient number of jobs to provide employment for the individuals.
11. **Conditions and reasons:** N/A
12. **Information required for extension:** Please submit recent data that relies on BLS data and methods that indicates the State or areas with the State (counties or Indian Reservations) qualify for waivers based on insufficient jobs.
13. **Expiration date:** The waiver is approved retroactively to May 1, 2005 and will expire on April 30, 2006.

14. **Limitation on regional office approval of like requests:** The waiver is limited to the Montana State Agency.
15. **Quality Control Procedures:** There are no special quality control procedures needed for this waiver.
16. **Date of national office action:**
17. **Date of State agency's request:** February 24, 2005
18. **Date of regional office transmittal to the national office:** March 11, 2005