

November 14, 2005

2030065

SUBJECT: FSP – Ohio ABAWD – Request to Extend Waiver of 7 CFR 273.24

TO: Tim English, Regional Director
Food Stamp Program
Midwest Regional Office

This is in response to your memorandum of August 26, 2005, forwarding the Ohio State agency's request to extend and modify waiver #2030065. Currently, individuals residing in the seven counties of Adams, Coshocton, Meigs, Monroe, Morgan, Perry, and Vinton are exempt from the work requirements of 7 CFR 273.24 based on having an unemployment rate greater than 10 percent for a 12-month period (March 2004 through February 2005). The current waiver's expiration date is June 30, 2006.

In its current waiver request the State agency is requesting to add 39 counties, for a total of 46 counties. The State agency claims that a majority of the counties have an unemployment rate of 20 percent above the national average for the 24-month period of calendar years 2003 and 2004. However, for Athens County, the State agency submitted a URL link to the Appalachian Regional Commission (ARC) website to identify Athens County as distressed instead of using U.S. Department of Labor (DOL) data to show insufficient employment. Also, the State agency used maps and economic indicator studies to show insufficient employment for other counties.

Our response is attached. If you have any questions, please contact Vicky Robinson at (703) 305-2476.

/s/

Patrick Waldron
Chief
Certification Policy Branch
Program Development Division

Attachment

cc: All Regions (except MWRO)
Bob Dalrymple, OANE
Civil Rights

FINAL:FNS:FSP:PDD:CPB:VRobinson:10/19/05:so
File:I:CPB:Waivers:FY 2006: 2030065 OH 2006 mod & ext

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WAIVER RESPONSE

1. **Waiver Serial Number:** 2030065
2. **Type of Request:** Modification and extension
3. **Primary Regulation Citation:** 7 CFR 273.24
4. **Secondary Regulation Citation:** None
5. **State:** Ohio
6. **Region:** Midwest
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; 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 for the individuals.

8. **Proposed Alternative Procedures:** The Ohio State agency's current ABAWD waiver approval of the seven counties of Adams, Coshocton, Meigs, Monroe, Morgan, Perry, and Vinton expires June 30, 2006. The State agency is requesting to modify its current waiver by adding 39 counties effective September 1, 2005 and extending the approval through June 30, 2007. Total number of counties requested is 46.

Of the 46 counties, the seven named above are already approved and the majority of the requested counties have an unemployment rate of 20 percent above the national average for the 24-month period of calendar years 2003 and 2004, or 6.91 percent (5.76 national average multiplied by 120 percent). However, instead of using DOL data to show insufficient employment for Athens County, the State submitted a link to the Appalachian Regional Commission (ARC) website showing that the county is distressed or at risk. Also, the State agency is using economic indicator studies or maps to show insufficient employment in other counties.

9. **Action and reason for approval or denial:** We are approving the State agency's request to modify and extend its current waiver in part. Of the 46 counties requested, we are approving a total of 35 and denying 11.

The following 35 counties are approved based on having an unemployment rate of 20 percent above the national average for the 24-month period of calendar years 2003 and 2004, or 6.91 percent (5.76 national average multiplied by 120 percent):

20 Percent Counties CY03-04			
Adams—12.3	Allen—7.1	Ashland—7.5	Ashtabula—8.6
Brown—7.7	Carroll—8.1	Clark—7.2	Columbiana—7.9
Coshocton—9.7	Crawford—8.9	Gallia—7.9	Guernsey—8.4
Harrison—7.6	Hocking—8.6	Huron—9.5	Jackson—9.2
Jefferson—8.1	Lucas—8.1	Mahoning—8.0	Meigs—15.9
Monroe—11.0	Morgan—17.5	Muskingum—8.3	Noble—8.8
Ottawa—8.5	Perry—10.8	Pike—10.3	Richland—7.9
Ross—7.7	Sandusky—7.4	Scioto—9.1	Seneca—7.7
Trumbull—7.9	Vinton—13.5	Williams—7.2	

We are denying the 11 counties of Athens, Franklin, Hamilton, Montgomery, Summit, Cuyahoga, Geauga, Lake, Lorain, Medina, and Stark as the State agency did not provide sufficient evidence that these counties had insufficient jobs. The details for the denial of these counties are explained as follows:

Athens—Although the regulations at 7 CFR 273.24(f)(2)(ii) provide alternative methods that the State agency may use to prove a lack of sufficient jobs, the URL link the State agency provided was not sufficient by itself to show that Athens County had insufficient jobs. The State agency did not provide any supporting documentation for Athens County. To assist the State, reviewed the methodology the ARC uses to determine if an area is distressed. Based on our review, it appears that Athens County is considered distressed not because of a lack of jobs, but because its per capita market income (PCMI) is low. Just because the residents of a county have low income does not mean there is a lack of jobs in that particular county. In fact, Athens County's unemployment rate for CY03-04 was 5.0 percent, below the national unemployment rate of 5.76, and well below the 6.91 percent to show a sufficient lack of jobs.

Lorain—Although the State agency did provide data from an economic indicator report that mentions employment and wage trends for Northeast Ohio, the report did not show that Lorain County meets any of the other criteria under 7 CFR 273.24(f)(2)(ii) to show it has insufficient jobs.

Franklin, Hamilton, Montgomery, and Summit—The State agency submitted two maps to show loss of employment. One map titled “Ohio Priority Investment Areas for 2005” does not specifically list Franklin, Hamilton, Montgomery, or Summit counties as being distressed or as having labor surpluses. The other map titled “Loss of Employment Due to Establishment Closures in 2003” only shows that, although there was employment loss in the aforementioned counties in 2003, the map alone is not sufficient to show that there are a lack of jobs in declining occupations or industries or that the employment-to-population ratio is low or declining as specified under 7 CFR 273.24 (f)(2)(ii).

The map summary states that 47% of the jobs lost occurred in retail trade industries, with those in food and beverage industries accounting for a large portion of that figure. However, the State’s computations of each county’s unemployment rate for CY03-04 shows Hamilton and Summit counties at 5.4 and 5.9 percent, respectively. Franklin County is listed as having the highest number of worksite closures, yet its unemployment rate for CY03-04 is 5 percent, below the national average of 5.76 percent. Therefore, it appears that individuals who may have lost jobs in the retail industry in 2003 were still able to get other employment.

Cuyahoga, Geauga, Lake, Medina, and Stark— None of the economic indicator studies provided by the State agency provided detailed data that showed that these particular counties had insufficient jobs. The issue with Ohio’s Center for Economic Development report is that the rankings of the MSAs are compared with other MSAs in other States. Just because a county is within a potentially eligible Metropolitan Statistical Area does not mean that county within the MSA meets the criteria for insufficient jobs. Either the MSA has insufficient jobs as an area, in which case the State agency would need to provide computations to support this, or the county has data that shows it has lack of jobs on its own.

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:** The State agency may not revise this waiver by adding or removing any counties without the prior approval of FNS.
- 17.