

APR 19 2005

970084

SUBJECT: FSP – Tennessee – Request to Extend Waiver No. 970084 (ABAWDS
– 7 CFR 273.24)

TO: Charlie Simmons, Regional Director
Food Stamp Program
Southeast Region

This is in response to the Tennessee State Agency's memorandum of February 17, 2005, forwarding its request to extend and modify its current waiver of 7 CFR 273.24.

Our response to the State agency's request is attached. With the exception of three counties, we approving the waiver as requested. If you have any questions, please contact Larry Tropp by email or telephone at (703) 305-2504.

SIGNED

Harriet Kornegay
Assistant Branch Chief
Certification Policy Branch
Program Development Division

Attachments

cc: ALLRO w/Attachment (except SERO)
Kate Fink - OAE w/Attachment

FINAL:USDA:FNS:FSP:PDD:CPB:LTropp
DIR:I:/Cpb/Waivers/FY 2005/970084 TN (2005ext)

Signature	Date	Symbol	St
<i>AK</i> <i>Kornegay</i>	<i>4/15-05</i> <i>4/18/05</i>		

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WAIVER RESPONSE

1. **Waiver Serial Number:** 970084
2. **Type of Request:** Extension/Modification
3. **Primary regulation citation:** 7 CFR 273.24
4. **Secondary regulation citation:** N/A
5. **State:** Tennessee
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 state agency is requesting exemptions from the work requirements of 7 CFR 273.24 for residents of 76 counties based on the following criteria:

- Four counties based on an unemployment rate greater than 10 percent.
- 39 counties based on their designation as Labor Surplus Areas (LSAs) for fiscal year 2005 by the Department of Labor's Employment and Training Administration.
- Five counties based on an unemployment rate greater than 20 percent above the national average for fiscal years 2003 and 2004.
- 16 counties (included in multi-county cluster areas) based on an unemployment rate greater than 20 percent above the national average for fiscal years 2002 and 2003 for the cluster areas.

- Two counties (included in multi-county cluster areas) based on an unemployment rate greater than 20 percent above the national average for fiscal years 2003 and 2004 for the cluster areas.

9. Action and reason for approval or denial:

We are approving the State agency's request to exempt residents of the requested counties; however our basis for approval is somewhat different than the basis for the exemptions stated in the State agency's request. Because it is our practice to use only a single criterion to determine whether counties qualify for exemptions, we are exempting all of the counties that the State had included in multi-county cluster areas, based on their inclusion in such areas even if they qualify for exemptions based on an unemployment rate greater than 10 percent or designations as LSAs. Listed below are the counties included in this waiver and the reasons for their exemptions.

We are approving the State agency's request to exempt residents of Houston County based on an unemployment rate greater than 10 percent for calendar year 2004 (based on unemployment of 3,718 and a workforce of 32,661, resulting in an unemployment rate of 11.4 percent). The exemptions for Clay, Haywood and Lauderdale Counties which were also included in this part of the State's waiver request, are based on their inclusion in multi-county cluster areas rather than unemployment greater than 10 percent

We are approving exemptions for Bedford, Humphreys, Monroe, Morgan, Scott, Stewart and Trousdale Counties and Memphis and Morristown Cities based on their designation as LSAs for FY 2005. All of the other counties designated as LSAs are exempt based on their inclusion in multi-county cluster areas (described in the tables below) rather than their designation as LSAs.

We are approving exemptions for residents of the counties listed below based on an unemployment rate greater than 20 percent above the national average (7.0 percent or 120 percent of 5.8 percent) for the 24-month period covering fiscal years 2003 and 2004. Tipton County, which was included in this category in the State's request, is exempt based on its inclusion in Workforce Area 12, rather than its unemployment rate as a single county.

County	Labor Force (FY03/04)	Unemployment (FY03/04)	Unemployment Rate
Fayette	345,040	23,990	7.0
Greene	899,767	64,375	7.2
Obion	380,001	27,239	7.2
Smith	258,073	18,574	7.2

We are approving exemptions for residents of the counties included in Workforce Areas (listed below) based on an unemployment rate greater than 20 percent above the national average (7.1 percent or 120 percent of 5.9 percent national average for the period) for the 24-month period covering calendar years 2002 and 2003.

Workforce Area 12

County	Labor Force (CY02/03)	Unemployment (CY02/03)	Unemployment Rate
Crockett	181,360	16,278	9.0%
Dyer	432,286	32,443	7.5%
Gibson	489,082	50,012	10.2%
Lake	64,782	3,893	6.0%
Lauderdale	228,939	28,356	12.4%
Obion	387,924	24,838	6.4%
Tipton	599,291	39,395	6.6%
Total/Average	2,383,664	195,215	8.2%

Workforce Area 11

County	Labor Force (CY02/03)	Unemployment (CY02/03)	Unemployment Rate
Benton	176,538	15,556	8.8%
Carroll	292,679	35,957	12.3%
Chester	202,967	11,821	5.8%
Decatur	126,300	12,091	9.6%
Hardeman	237,387	23,467	9.9%
Hardin	292,746	26,342	9.0%
Haywood	217,995	25,038	11.5%
Henderson	349,170	28,536	8.2%
Henry	348,751	28,797	8.3%
Madison	1,236,585	70,454	5.7%
McNairy	276,410	20,924	7.6%
Weakley	413,435	31,399	7.6%
Total/Average	4,170,963	330,382	7.9%

Workforce Area 10

County	Labor Force (CY02/03)	Unemployment (CY02/03)	Unemployment Rate
Giles	384,074	34,298	8.9%
Hickman	203,021	14,419	7.1%
Lawrence	466,770	49,191	10.5%
Lewis	103,313	11,133	10.8%
Marshall	297,197	28,697	9.7%
Maury	915,272	51,342	5.6%
Perry	80,939	5,724	7.1%
Wayne	173,355	17,204	9.9%
Total/Average	2,623,941	212,008	8.1%

Sub-area of Workforce Area 5

County	Labor Force (CY02/03)	Unemployment (CY02/03)	Unemployment Rate
Bledsoe	91,890	7,712	8.4%
Marion	312,032	18,875	6.0%
McMinn	528,457	44,559	8.4%
Meigs	115,172	9,717	8.4%
Polk	162,939	10,698	6.6%
Rhea	292,410	17,737	6.1%
Sequatchie	114,519	6,250	5.5%
Total/Average	1,617,419	115,548	7.1%

Sub-area of Workforce Area 1

County	Labor Force (CY02/03)	Unemployment (CY02/03)	Unemployment Rate
Carter	649,183	42,875	6.6%
Johnson	163,127	14,894	9.1%
Unicoi	192,846	13,240	6.9%
	1,005,156	71,009	7.1%

Sub-area of Workforce Area 7

County	Labor Force (CY02/03)	Unemployment (CY02/03)	Unemployment Rate
Cannon	130,995	7,444	5.7%
Clay	69,125	8,187	11.8%
DeKalb	221,386	10,832	4.9%
Fentress	151,694	13,890	9.2%
Jackson	120,462	9,949	8.3%
Macon	220,325	18,722	8.5%
Overton	229,115	14,976	6.5%
Pickett	53,402	4,053	7.6%
Smith	251,959	15,143	6.0%
Van Buren	59,884	4,925	8.2%
White	259,868	19,655	7.6%
Total/Average	1,768,215	127,776	7.2%

Sub-area of Workforce Area 2 (Based 120 percent of the UER for CY03/04 (5.7 percent) resulting in a 6.9 percent threshold for approval)

County	Labor Force (CY03/04)	Unemployment (CY03/04)	Unemployment Rate
Cocke	402,512	33,520	8.3%
Grainger	246,906	15,778	6.4%
Greene	899,767	64,375	7.2%
Hancock	62,779	5,210	8.3%
Hawkins	618,122	39,152	6.3%
Sevier	1,007,811	67,049	6.7%
Total/Average	3,237,897	225,084	7.0%

We are denying the State agency's request for an exemption for the Sub-area of Workforce Area 4 on the basis that the area's unemployment rate of 7.0 percent is below the threshold for a waiver (7.1 percent or 120 percent of the 24-month unemployment rate for the period ending December 31, 2003 (5.9 percent)). Campbell, Cumberland and Roane do not qualify for exemptions on any basis; we are granting exemptions for residents of Monroe, Morgan and Scott Counties based on their designation as LSAs. Those counties are listed along with the other counties that are being exempted based on their designation as LSAs.

Sub-area of Workforce Area 4

County	Labor Force (CY02/03)	Unemployment (CY02/03)	Unemployment Rate
Campbell	419,320	25,989	6.2%
Cumberland	592,890	34,479	5.8%
Monroe	452,146	35,887	7.9%
Morgan	163,167	18,564	11.4%
Roane	587,140	31,685	5.4%
Scott	216,347	24,652	11.4%
Total/Average	2,431,010	171,256	7.0%

10. Regulatory or legislative basis for action: With the exception of the three counties in the Sub-area of Workforce Area 4, this waiver is approved under the authority in 7 CFR 273.24(f) which allows the FNS to waive the applicability of the work requirement provision in 7 CFR 273.24 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 affected individuals. The request to exempt the three counties in the Sub-area of Workforce Area 4 is denied on the basis that they fail to meet any of the criteria for waiver approval under 7 CFR 273.24. We suggest that the State agency consider exempting residents of those counties under the 15 percent exemption authority of 7 CFR 273.24(g).

11. Conditions and reasons: N/A

12. **Information required for extension:** To receive an extension the State agency must provide verifiable data as outlined in 7 CFR 273.24(f) indicating that there are insufficient jobs in the affected areas.
13. **Expiration date:** The waiver is approved retroactively to April 1, 2005, and will expire on March 31, 2006.
14. **Limitation, if any, on regional office approval of like requests:** This waiver is limited to the Tennessee State Agency.
15. **Quality control procedures:** N/A
16. **Date of national office action:**
17. **Date of State agency's request:** February 17, 2005
18. **Date of regional office transmittal of request to national office:** March 11, 2005
19. **Date of regional office transmittal of response to State agency:**
20. **Actual implementation date:**