

STATE WAIVER REQUEST

1. Waiver Serial Number (if applicable):

2. Type of request:
Amendment

3. Statutory citation:
Section 6(o) of the Food and Nutrition Act of 2008, as amended

4. Regulatory citation:
7 CFR 273.24

5. State:
Colorado

6. Region:
MPRO

7. Regulatory requirements:
Section 6(o) of the Food and Nutrition Act of 2008, as amended, provides that no able-bodied adult without dependents (ABAWD) shall be eligible to participate in the Supplemental Nutrition Assistance Program (SNAP) as a member of any household if the individual received program benefits for more than 3 months during any 3-year period in which the individual was subject to but did not comply with the ABAWD work requirement. Section 6(o) also provides that, upon the request of the State agency, the Secretary may waive the applicability of the 3-month ABAWD time limit 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 alternative procedures:
The State of Colorado is requesting to exempt able-bodied adults without dependents (ABAWDs) in 4 counties from SNAP time limits at 7 CFR 273.24.

9. Justification for request:
Under SNAP regulations at 7 CFR 273.24(f)(2)(ii), areas may support a claim of insufficient jobs by submitting evidence that an area has “a low and declining employment-to-population ratio”.

The state of Colorado would like to request a waiver for four counties based on having low and declining employment-population ratios. These are all counties with other indicators that provide evidence of declining employment, such as job losses in shrinking industries or high unemployment rates over the last four years.

The states calculated employment-population ratios by calculating the annual ratio of employed people from an average of employment data from the Bureau of Labor Statistics labor force data for counties, to estimates of the civilian, non-institutionalized population ages 16 and up for counties. These population estimates were calculated by applying county shares of the state population ages 16 and up from the Census Bureau's annual population estimates to BLS estimates for the state civilian, non-institutionalized population ages 16 and up.

Calculated Employment-Population Ratios					
Geography	2012	2013	2014	2015	Percentage Point Difference, 2012 to 2015
United States	58.6%	58.6%	59.0%	59.3%	0.8%
Colorado	63.6%	63.7%	64.5%	64.1%	0.5%
Delta County	53.9%	52.7%	53.0%	53.3%	-0.6%
Pueblo County	53.6%	53.3%	53.6%	53.4%	-0.3%
Montezuma County	59.8%	59.0%	59.3%	57.6%	-2.2%
Rio Blanco County	54.9%	55.1%	54.4%	53.4%	-1.5%
Percentage Point Difference from US					
Delta County	-4.6%	-5.9%	-6.0%	-6.0%	
Pueblo County	-4.9%	-5.3%	-5.4%	-6.0%	
Montezuma County	1.2%	0.4%	0.3%	-1.7%	-2.9%
Rio Blanco County	-3.7%	-3.5%	-4.6%	-6.0%	-2.3%

All of the requested counties had employment-population ratios that declined during the four-year period of 2012 to 2015, and that were at least one percentage point below the employment-population ratio for the United States in the most recent year, of 2015.

All four of these counties have other indicators that also suggest weakening labor markets. All of them have unemployment rates that are close to or above the national average for the 24-month period of January 2014 through December 2015. Both Delta and Pueblo Counties had unemployment rates that were at least 10 percent above the national average for this period.

Bureau of Labor Statistics Local Area Unemployment Data January 2014 through December 2015			
Counties	Unemployed Total	Labor Force Total	Unemployment Rate
Delta County	327,082	20,714	6.3
Pueblo County	1,735,840	112,501	6.5
Montezuma County	302,381	17,684	5.8
Rio Blanco County	69,520	3,901	5.6

National Average	5.7
10% Above National Average	6.3

In addition to these high unemployment rates, further evidence suggests that these rates may be declining due to declining jobs.

In Delta County, a county where coal mining is a major industry and employer, two major coal mines have shut down in recent years due to decreased demand for coal. The Elk Creek mine was closed in 2013, and the Bowie #2 mine was closed in February 2016.¹ According to data from the Bureau of Labor Statistic's Quarterly Census of Employment and Wages, the county's employment in the natural resources and mining sector fell by 37 percent from 2012 to 2015, and fell from 13 percent of all employment in the county to 8 percent.² It is likely that the impact on employment overall is much larger, as other industries in the county also help support the coal industry.

Delta County	Annual averages				
Employment (Quarterly Census of Employment and Wages)	2012	2013	2014	2015	Change, 2012 to 2015
Total, all industries	8,468	8,434	8,320	8,228	-3%
Natural resources and mining	1,092	1,073	954	689	-37%
Natural resources and mining as share of total employment	13%	13%	11%	8%	-35%
Population ages 18 to 64 (Census Bureau Population Estimates)	17,289	16,999	16,717	16,597	-4%

Montezuma County has also experienced several setbacks in recent years that have contributed to declining jobs, as outlined in a 2016 report draft by the Region 9 Economic Development District of Southwest Colorado. The county is a rural county that is home to the Ute Mountain tribe. This report describes how the county has experienced a loss of mining, utilities, and construction jobs in 2015, such as the closing of the engineering and construction firm Skansa. It also described how the reduction in the demand and price for oil has lowered the demand for carbon dioxide, which has caused a sharp decline in the production of Kinder-Morgan carbon dioxide facilities, a company that forms the economic base of the county, generating the majority of tax revenues.³ The impact of declining production could affect jobs for county residents. The report describes how the county is a

¹ For example, see Aldo Svaldi, "Delta County loses another big coal mine with closure of Bowie #2," *Denver Post*, February 26, 2016. <http://www.denverpost.com/2016/02/26/delta-county-loses-another-big-coal-mine-with-closure-of-bowie-2/>

² Please note that employment estimates given here differ from the employment estimates used to calculate employment-population ratios.

³ Region 9 Economic Development District of Southwest Colorado. "Comprehensive Economic Development Strategy, Montezuma County Update 2016", July 1, 2016. P.19. <http://scan.org/index.php?strategy=yes>

designated “Enterprise Zone”, meaning the county meets certain criteria indicating economic distress.⁴

Rio Blanco County is a county where employment in the oil and gas sectors has been declining in recent years. An analysis by Better City described how the oil and gas industry, which has historically been a “mainstay of the local economy”, has been declining compared to other resources in the state due to the types of deposits found in the county.⁵ According to data from the Bureau of Labor Statistic’s Quarterly Census of Employment and Wages, the county’s employment in the natural resources and mining sector fell by 24 percent from 2012 to 2015, and fell from 26 percent of all employment in the county to 21 percent during this period. Other industries, such as goods producing, trade, transportation and utilities and services have also fallen during this period, by 15, 10 and 8 percent, respectively. In contrast, the working-age population (ages 18 to 64) only fell by 3 percent during this period.

Rio Blanco County	Annual averages				
Employment (Quarterly Census of Employment and Wages)	2012	2013	2014	2015	Change, 2012 to 2015
Total, all industries	3,129	3,194	3,071	2,925	-7%
Natural resources and mining	817	748	674	620	-24%
Natural resources and mining as share of total employment	26%	23%	22%	21%	-19%
Goods producing	1,062	1,087	965	900	-15%
Goods producing as share of total employment	34%	34%	31%	31%	-9%
Trade, transportation, and utilities	364	365	347	326	-10%
Trade, transportation, and utilities as share of total employment	12%	11%	11%	11%	-4%
Service providing	946	977	983	875	-8%
Service providing as share of total employment	30%	31%	32%	30%	-1%
Population ages 18 to 64 (Census Bureau Population Estimates)	4,213	4,178	4,131	4,094	-3%

10. Anticipated impact on households and State agency operations:

This waiver will provide consistency for households and State agency operations in areas where unemployment remains higher than the national average.

11. Caseload information, including percent, characteristics, and quality control error rate for affection portion (if applicable):

The caseload for these areas, as of **DATE**, represent **XX%** of the caseload for the state. There are no quality control procedures involved.

⁴ Region 9, p. 11.

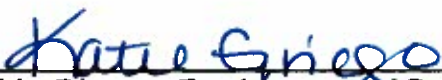
⁵ “Rio Blanco County Economic Development Strategy”, prepared for the Rio Blanco County Economic Development committee by Better City, 2015. <http://www.rbc.us/DocumentCenter/Home/View/531>. An older article in the *New York Times* in 2012 also described the beginning of the decline of the industry: http://www.nytimes.com/2012/06/29/us/energy-boom-turns-to-bust-in-colorado.html?_r=1.

12. Anticipated implementation date and time period for which waiver is needed:
The State is requesting a one-year waiver, from October 1, 2016 through September 30, 2017.

13. Proposed quality control review procedures:
There are no special quality control procedures needed in conjunction with this waiver.

14. State agency submitting waiver request and State contact person:
Colorado Department of Human Services
Jessica Valand

15. Signature and title of requesting official:



Title: Director, Employment and Benefits Division
Email for transmission of response: katie.griego@state.co.us

16. Date of request: August 15, 2016

17. State agency staff contact (name/email/telephone):

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18. Regional office contact person (*to be completed by FNS regional office*):