

970089, 979090 & 970146

SUBJECT: FSP - Montana - Request to Waive Section 6(o) of the Food Stamp Act, as Amended by Section 824 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996

TO: Allan C .Nickels, Regional Director
Food Stamp Program
Mountain Plains Region

This is in response to the Montana State Agency's requests of January 27, 1998, and February 4, 1998, to extend and modify its current waivers of Section 6(o) of the Food Stamp Act, as amended by Section 824 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The State agency is requesting extensions of waiver no. 970089, under which five counties with unemployment rates greater than 10 percent are exempt; waiver no. 970090, under which seven counties designated as Labor Surplus Areas (LSAs) are exempt, and waiver no. 970146, under which seven Indian Reservations are exempt.

We are approving the State agency's request for extensions of all three waivers. Under the extension of waiver no. 970089, residents of Big Horn, Glacier, and Sanders Counties will continue to be exempt from the work requirements of Section 6(o) of the Act based on unemployment greater than 10 percent as determined through recent data from the Bureau of Labor Statistics (BLS). Under the extension and modification of waiver no. 970090, residents of Anaconda/Deer Lodge, Blaine, Lake, Lincoln, Mineral, Musselshell, Powell, Flathead, Golden Valley, Phillips, Rosebud, and Roosevelt Counties will be exempt from the requirements of Section 6(o), based on the designation of the counties as LSAs for fiscal year 1998. Although they were not designated LSAs for fiscal year 1997, Flathead, Golden Valley, and Phillips Counties have been designated as LSAs for fiscal year 1998 and are now included in this waiver. Residents of Lincoln and Rosebud Counties were previously exempt based on unemployment rates exceeding 10 percent in those counties. Although the counties no longer qualify for an exemption on that basis, they will retain their exemption from the requirements of Section 6(o) of the Act based on the current designation of the counties as LSAs.

Residents of all seven Indian reservations currently exempt under waiver no. 970146 will retain their exemption. The extension for the Blackfeet, Crow, Ft. Belknap, Northern Cheyenne, and Rocky Boy Reservations is based on unemployment rates in

excess of 10 percent for each of the reservations calculated through the use of census share ratios. Approval for these reservations is for 1 year. Approval for the Flathead and Ft. Peck Reservations is based on data from the Bureau of Indian Affairs (BIA) indicating employment to population ratios well below the national average. Since the most recent data from the BIA is for calendar year 1995, we are approving the extension for those reservations for 6 months rather than 1 year. We anticipate that more recent data should be available prior to expiration of the waiver.

Our response to the waiver request is attached. If you have any questions, please contact Larry Tropp of my staff at 703-305-2437.

Arthur T. Foley
Director
Program Development Division

Attachment

cc: Joseph Pinto
John Knaus
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All Regions (except MPRO)
Civil Rights
CPB (circulate)
Mike DePiro, OAE
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FINAL:FCS:FSP:PDD:LTropp::final:3/5/98:va

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Waiver Response

1. **Waiver serial number:** 970089, 970090 & 970146
2. **Type of request:** Extension and Modification
3. **Primary regulation citation:** 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, P.L. 104-193.
4. **Secondary regulation citation:**
5. **State:** Montana
6. **Region:** MPRO
7. **Regulatory Requirements:** Section 6(o) of the Food Stamp Act, as amended by Section 824 of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), P.L. 104-193, 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; or did not participate in and comply with requirements of a program under Section 20 or a comparable program established by the State.

Section 6(o) of the Food Stamp Act, as amended by Section 824 of the PRWORA, 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 an extension and/or modification of its current waivers. Under waiver no. 970089, residents of Big Horn, Glacier, Lincoln, Rosebud, and Sanders Counties are currently exempt from the requirements of Section 6(o) of the Food Stamp Act on the basis of unemployment rates in excess of 10 percent. The State agency is requesting an extension for all five counties on the same basis.

Under waiver no. 970090, residents of Anaconda/Deer Lodge, Blaine, Lake, Mineral, Musselshell, Powell, and Roosevelt Counties are exempt from the provisions of Section 6(o) on the basis of insufficient jobs as indicated by the designation of the counties as Labor Surplus Areas (LSAs) by the Employment and Training Administration of the Department of Labor. The State agency is requesting an extension for those counties and is also requesting exemptions for Flathead, Golden Valley, and Phillips Counties, which have been designated as LSAs for FY 1998, although they were not so designated for FY 1997. The State agency has elected not to include Silver Bow County (excluding Silver Bow City, which is not a designated LSA) in this waiver request although it is a designated LSA. Because the majority of the population of the county resides within the city, the State agency feels that the administration of a waiver limited to that portion of the county outside of the city would be time-consuming and error-prone.

The State agency is also requesting an extension of waiver no. 970146, under which residents of the Blackfeet, Crow, Fort Belknap, Fort Peck, Northern Cheyenne, Rocky Boy and Flathead Indian Reservations are exempt from the provisions of Section 6(o) of the Act.

9. **Action and reason for approval or denial: 970089** (Unemployment greater than 10 percent). We are approving the State agency's request for a waiver of Section 6(o) for individuals residing in Big Horn (10.2 percent unemployment rate), Glacier (12.8 percent unemployment rate), and Sanders Counties (10.8 percent unemployment rate) since these counties continue to experience unemployment rates greater than 10 percent based on data from the Bureau of Labor Statistics (BLS). In determining whether the counties included in this waiver qualified for exemptions based on unemployment exceeding 10 percent, we used recent data from the BLS rather than the data for calendar years 1995 and 1996 provided by the State agency. Lincoln and Rosebud Counties, although not qualifying for exemptions based on unemployment greater than 10 percent, as determined through the more recent data, are designated LSAs, and are approved for exemptions on that basis. These counties are included in waiver no. 970090 below.

970090 (Insufficient job opportunities). We are approving exemptions for residents of Anaconda/Deer Lodge, Blaine, Lake, Mineral, Musselshell, Powell, Flathead, Golden Valley, Lincoln, Phillips, Roosevelt, and Rosebud Counties based on their designation as LSAs, our primary indicator of insufficient jobs.

970146 (Indian Reservations) We are approving the State agency's request to extend the current exemptions for all of the Indian Reservations included in the request. Approval for the Blackfeet, Crow, Ft. Belknap, Northern Cheyenne, and Rocky Boy Reservations is based on unemployment rates in excess of 10 percent for

each of the reservations. The unemployment rate was calculated through the use of census share ratios as indicated in the following table. The unemployment rate as calculated through the use of census share data is indicated in the table by **bold type**. The table includes all of the reservations included in the waiver request.

Approval for the above-listed reservations is for a period of 1 year. Census share ratio data does not support exemptions for the Flathead and Ft. Peck Reservations. Approval for those reservations is based on the most recent available data from the Bureau of Indian Affairs (BIA) indicating employment to population ratios below the current national average of 64.1 percent. The ratios, calculated using 1995 BIA data (the most recent period for which data is available for the reservations) were 48.6 percent and 47 percent respectively. Approval for these reservation is for 6 months. To receive an extension the State agency will be required to provide 1997 BIA data on reservation employment, or other data supporting an extension. Individuals residing on that portion of the Flathead Reservation located in Flathead and Sanders Counties are exempt from the provisions of Section 6(o) of the Act for 1 year since the counties are exempt based on LSA designation and unemployment greater than 10 percent, respectively.

Montana Census-Share Unemployment Data

			EMP	UMP	UR
Blackfeet	GLACIER	5886	5135	751	12.8
			0.531545	0.829586	
	PONDERA	3144	3029	115	3.7
			0.051481	0.42268	
Est EMP, UMP, UR			2885	672	18.9
Crow	BIG HORN	4579	4110	469	10.2
			0.423922	0.729979	
	YELLOWSTONE	69550	66691	2859	4.1
			0.002356	0.003862	
Est EMP, UMP, UR			1899	353	15.7
Flathead	FLATHEAD	39321	36717	2604	6.6
			0	0	
	LAKE	10993	10267	726	6.6
			0.884978	0.861214	
	MISSOULA	50633	48486	2147	4.2
			0.008135	0.004846	
	SANDERS	3902	3480	422	10.8
			0.170533	0.087227	
Est EMP, UMP, UR			10074	672	6.3

	BLAINE	2977	2690	287	9.6
			0.214339	0.63961	
	PHILLIPS	2479	2325	154	6.2
			0.010851	0.1625	
Est EMP, UMP, UR			602	209	25.7

Ft. Peck	DANIELS	1347	1322	25	1.9
			0.036715	0	
	ROOSEVELT	4243	3893	350	8.2
			0.822814	0.921753	
	SHERIDAN	2191	2139	52	2.4
			0.032831	0.068966	
	VALLEY	4534	4362	172	3.8
			0.109362	0.415888	
Est EMP, UMP, UR			3799	398	9.5

Northern Cheyenne	BIG HORN	4579	4110	469	10.2
			0.073435	0.109856	
	ROSEBUD	4759	4357	402	8.4
			0.174684	0.575697	
Est EMP, UMP, UR			1063	283	21.0

Rocky Boy	CHOUTEAU	2757	2703	54	2
			0.003794	0.034884	
	HILL	9846	9402	444	4.5
			0.039995	0.281198	
Est EMP, UMP, UR			386	127	24.7

10. **Regulatory or legislative basis for action:** This waiver, as modified above, is approved pursuant to Section 6(o) of the Food Stamp Act, as amended by Section 824 of the PRWORA, which allows the Secretary to waive the applicability of the work requirement provision in Section 6(o) 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 over 10 percent.

11. **Conditions and reasons:** N/A

12. **Information required for extension:** Please submit recent data which relies on BLS data and methods that indicates counties which have unemployment rates over 10 percent, or which supports an exemption for counties which have insufficient jobs. To receive an extension of the waiver for the Flathead and Fort Peck Reservations beyond August 1, 1998, the State agency must submit 1997 BIA indicating that the reservation continues to experience an employment to population ratio below the national average, or other data that would support an extension.

13. **Expiration date:** With the exception of the Flathead and Fort Peck Reservations, these waivers are approved for a 1 year period ending March 31, 1999. The exemptions for the Flathead and Fort Peck Reservations are for a 6-month period ending August 31, 1998. Approval for all of the waivers is retroactive to March 1, 1998.
14. **Limitation on regional office approval of like requests:** These waivers are limited to the Montana State Agency.
15. **Quality Control Procedures:** There are no special quality control procedures needed in conjunction with these waivers.
16. **Date of national office action:**
17. **Date of State agency's request:** January 27, 1998 (970089 & 970090);
February 4, 1998 (970146)
18. **Date of regional office transmittal to the national office:**