

July 25, 2005

970134

SUBJECT: FSP – Florida – Request to Waive 7 CFR 273.24

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

This is in response to Florida's request for an extension and modification of waiver no. 970134 exempting individuals from the work requirements of 7 CFR 273.24. The State agency's request includes exemptions for residents of 14 counties located in two multi-county regions, based on an unemployment rate greater than 20 percent above the national average for the regions for calendar years 2003 and 2004; residents of Miami-Dade and Palm Beach Counties based on the inclusion within the counties of five cities containing a majority of the counties' food stamp recipients that have been designated as LSAs although the counties themselves have not been so designated; and residents of 20 counties with employment to population ratios below 40 percent (four of those counties also qualify for exemptions based on other criteria).

We are approving the State request for exemptions from the work requirements of 7 CFR 273.24 for residents of the two multi-county areas; subject to the exception mentioned in the attached waiver response for Hamilton County, we are denying the request to exempt residents of the counties for which the request is based solely on a low employment to population ratio. We are also denying the State agencies request to exempt Miami-Dade and Palm Beach Counties in their entirety and instead are limiting approval to those areas specifically designated as LSAs.

As requested by the State agency, we are approving the extension and modification this waiver for the period from October 1, 2005 through September 30, 2006.

If you have any questions, please contact Larry Tropp of my staff via email or telephone at (703) 305-2504.

/s/

Patrick Waldron
Chief
Certification Policy Branch
Program Development Division

cc: Bob Dalrymple
Mike DePiro, OANE
Civil Rights

FINAL:USDA:FNS:FSP:PDD:CPB:LTROPP:so
FILE:I:CPB:Waivers:FY 2005/970134 FL ABAWD 2005 Extension

WAIVER RESPONSE

1. **Waiver serial number:** 970134
2. **Type of request:** Modification and Extension
3. **Primary regulation citation:** 7 CFR 273.24
4. **Secondary regulation citation:** N/A
5. **State:** Florida
6. **Region:** Southeast
7. **Regulatory requirements:** Under 7 CFR 273.24 (b), an individual is 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 the 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 Food and Nutrition Service (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. **Proposed Alterative Procedures:** The Florida Department of Children and Families (DCF) is requesting to exemptions for individuals throughout the state who are residing in areas that do not have a sufficient number of jobs. There are 12 counties and seven cities that meet the definition of a Labor Surplus Area (LSA) because their average unemployment rate is at least 20 percent above the national average for calendar years 2003 and 2004, based on data from the Bureau of Labor Statistics (BLS). The State agency developed data for its request using the BLS information, and other data from the Florida Agency for Workforce Innovation, in our proposal to exempt counties using three different criteria: residing in contiguous counties where the aggregate unemployment rate is above the national average; residing in a county where some cities have an unemployment rate that is above the national average; and residing in a county where the employment to population ratio is low.

8a - Contiguous Counties:

DCF requested exemptions for the following two contiguous multi-county regions within the State based on the regions' aggregate unemployment rates of at least 20 percent above the national average for calendar years 2003 and 2004. The national average unemployment rate plus 20 percent for this period was 6.9%.

Upper Gulf Coast Region:

Area (County)	Labor Force	Unemployed	Unemployment Rate (Percent)
Dixie	106,882	5,746	5.4
Taylor	183,484	14,444	7.9
Total	290,366	20,190	7.0

Central Florida Region:

Area (County)	Labor Force	Unemployed	Unemployment Rate (Percent)
DeSoto County	214,118	17,912	8.4
Glades	92,144	8,608	9.3
Hardee	228,973	20,268	8.9
Hendry	375,149	46,910	12.5
Highlands	743,215	43,415	5.8
Indian River	1,308,972	104,491	8.0
Martin	1,376,241	74,924	5.4
Okeechobee	402,337	29,161	7.2
Polk	5,331,445	328,679	6.2
St. Lucie	2,197,002	177,761	8.1
Total	12,269,896	852,129	6.9

8b – Cities Over the National Average / County Waived:

Although the State identified the following cities qualify based on their average unemployment rates for calendar years 2003 and 2004, it is limiting its request to the areas in Miami-Dade and Palm Beach Counties.

Area	Unemployment Rate, 2003 – 2004	Area	Unemployment Rate, 2003 – 2004
Dania Beach City (Broward County)	9.0%	Miami City (Miami-Dade County)	8.4%
Delray Beach City (Palm Beach County)	8.0%	Riviera Beach City (Palm Beach County)	10.0%
Hallandale Beach City (Broward County)	7.4%	West Palm Beach City (Palm Beach County)	7.2%
Lauderdale Lakes City (Broward County)	7.6%		

Rather than waive individual cities, the State is requesting to waive Miami-Dade and Palm Beach Counties, in order to more efficiently administer the program.

Miami-Dade County is comprised of eight main cities, and the city of Miami, an LSA, is the largest and accounts for 39.2% of the entire labor force, and 45.5% of the unemployment in 2004. Sixty-eight percent of all Miami-Dade County Able-Bodied Adults Without Dependents (ABAWDs) reside in the city of Miami.

Additionally, the second largest city in Miami-Dade County is the city of Hialeah. In 2004, its unemployment rate was 6.8%. These two cities combined account for 63.8% of the labor force and 70.3% of the unemployment. There are 247,679 food stamps recipients in these two cities (83.5% of all Miami-Dade County recipients) and 81.1% of all Miami-Dade County ABAWDs. Due to high unemployment rates and limited employment opportunities for ABAWDs in this area, the State requested a waiver for all of Miami-Dade County.

Palm Beach County is comprised of ten main cities, including the three LSA cities (Delray Beach, Riviera Beach, and West Palm Beach). These three cities account for 33% of labor force and 43.3% of the unemployment in 2004. There are 28,551 food stamp recipients in these three cities, accounting for 54.2% of all Palm Beach County recipients, and 51.1% of all the county's ABAWDs. Due to higher than average unemployment rate and limited employment opportunities for ABAWDs in this area, the State agency has requested a waiver for all of Palm Beach County.

8c - Employment to Population Ratio:

The State agency has requested waivers for the twenty counties in Florida that have experienced a decline in the employment to population ratio over the last five years, from 2000 through 2004. These counties are mainly in rural areas of Florida. During our review of the State request we calculated the 2-year (CY 2003-2004) unemployment rates for the areas (in parenthesis).

Calhoun County (4.8%)	Highlands County (also a contiguous county)
Charlotte County (4.9%)	Lafayette County (2.4%)
Citrus County (5.5%)	Levy County (4.7%)
DeSoto County (also an LSA)	Madison County (5.0%)
Dixie County (also a contiguous county)	Marion County (4.5%)
Flagler County (5.5%)	Putnam County (5.7%)
Gulf County (4.2%)	Sumter County (3.7%)

Hamilton County (6.3%)	Taylor County (also an LSA)
Hardee County (also an LSA)	Union County (3.4%)
Hernando County (5.4%)	Washington County (4.1%)

The State agency is requesting exemptions for residents of these counties based on guidance that we had issued indicated that a declining employment to population ratio was a criterion that would be considered in determining the eligibility of certain areas for ABAWD waivers. According to the State the areas are all rural counties with declining labor markets. All of the areas have an employment to population ratio below 40 percent. According to recent data from the BLS, the national average employment to population ratio is approximately 63 percent, the highest ratio for Florida was 56.1 percent and the State average was 43 percent.

9. **Action and reason for approval or denial:** We are approving the State request for exemptions from the work requirements of 7 CFR 273.24 for residents of the two multi-county areas, described in paragraph 8a, above. Subject to an exception for Hamilton County, described in detail below, we are denying the request to exempt residents of the counties (listed in paragraph 8c) based solely on a low employment to population ratio. We are also denying the State agency's request (described in paragraph 8b) to exempt Miami-Dade and Palm Beach Counties in their entirety and are instead limiting approval to those areas within the counties specifically designated as LSAs.

As indicated in paragraph 8a, above, both of the multi-county regions have combined unemployment rates greater than 20 percent above the national average for the 24-month period that includes calendar years 2003 and 2004, and qualify for exemptions on that basis.

With respect to the counties listed in paragraph 8c. We are only approving the State's request for an exemption based on low employment to population ratio for Hamilton County. Because they qualify for exemptions under other criteria, specifically their inclusion in the designated contiguous multi-county areas, described in paragraph 8a, we are not addressing the State's request for exemptions based on a low-employment to population ratio for DeSoto, Hardee, Highlands and Taylor Counties. With the exception of Hamilton County, we are denying the State's request for exemptions for residents of the remaining counties listed paragraph 8c. While a low employment to population ratio is a factor that we may take into consideration in determining whether the residents of an area may qualify for an exemption from the work requirements of 7 CFR 273.24, it is not a sole determining factor. With the exception of Hamilton County which has a 2-year average unemployment rate of 6.3 percent, and three of the counties which qualify for exemptions based on other criteria, all of the counties listed in paragraph 8c (exemptions requested on the basis of a low-employment to population ratio), have relatively low unemployment rates and the

majority have a disproportionately large percentage of residents 65 years of age or older, a factor, which contributes to a low employment to population ratio, but is not necessarily indicative of a weak job market. Because a high proportion of elderly residents are retired they are usually not considered part of an area's labor force, and additionally, are not considered ABAWDs, who by definition, are under the age of 50.

In the case of Hamilton County, its 2-year unemployment rate of 6.3 percent is well above the national average of 5.8 percent and its percentage of elderly residents (11.2 percent) is actually below both the national average (12.4 percent) and the State average (17.6 percent), indicating that its low employment to population ratio is much more likely attributable to a weak job market than a high percentage of retirees.

We are denying the State's request to exempt residents of entire counties of Miami-Dade and Palm Beach. Although the cities of Miami and Hialeah in Miami-Dade County are both designated as LSAs and, according to the State agency both contain a majority of the county's labor force and unemployed residents, we do not feel that the State's request to exempt the entire county is justified based on the workforce data that we calculated. We are approving exemptions for five cities located in the county designated as LSAs (Miami, Hialeah, Homestead, North Miami and Miami Beach). According to our calculations the five designated LSAs represent 35.5 percent of the county's labor force and 44.6 percent of its unemployed residents (based on the average data from the BLS for calendar years 2003 and 2004). During the period the average labor force for the county as whole was 1,098,602 with an average unemployment total of 63,627. The combined average totals for the five LSAs for the period were 398,851 and 28,370, respectively. We reviewed the spreadsheet for the county provided by the State and have determined that the State made a critical error in calculating the unemployment rate for the county as a whole. It appears to us that the State calculated the unemployment rate for the county by combining labor force numbers for the cities in the county with populations over 25,000. This methodology ignored the smaller cities and towns as well as unincorporated areas within the county.

We are denying the States request for Palm Beach County for the same reason. We note the three designated LSA cities in Palm Beach County (Delray Beach, Riviera Beach and West Palm Beach) do not contain a either a majority of the population or labor force of the county, and that the combined average unemployment rate for the county was 5.7 percent for calendar years 2003 and 2004. We are, however, approving exemptions for the three cities designated as LSAs.

10. **Regulatory or legislative basis for action:** This waiver is approved under 7 CFR 273.24(f), which allows FNS to waive the applicability of the work requirement provision in 7 CFR 273.24 for any group of individuals in the State if FNS makes a determination that the area in which the individuals reside does not have a

sufficient number of jobs to provide employment for the affected individuals .

11. **Conditions and reasons:** N/A
12. **Information required for extension:** To receive an extension the State agency must provide unemployment rate data for the affected areas compiled by the Bureau of Labor Statistics (BLS) or its cooperating agency or by calculations using census data and labor force data supplied by BLS or its cooperating agency indicating either unemployment greater than 10 percent or a lack of sufficient jobs.
13. **Expiration date:** The waiver will be effective October 1, 2005 and will expire on September 30, 2006.
14. **Limitation, if any, on regional office approval of like requests:** This waiver is limited to the Florida Department of Children and Families.
15. **Quality Control Procedures:** N/A
16. **Date of national office action:**
17. **Date of State agency's request:** June 13, 2005
18. **Date of regional office transmittal of request to national office:**
20. **Actual implementation date:**