

**Supporting Statement for OMB No. 0584-0496**  
**Food Stamp Program**  
**State Agency Options**

**General:** The Food Stamp Act of 1977, as amended by the Farm Security and Rural Investment Act of 2002 (FSRIA), establishes a program whereby needy households may apply for and receive food stamp benefits. It specifies national eligibility standards but allows State agencies certain options in administering the program. The proposal contains four information collection requirements and associated burden estimates related to State options. FSRIA and the proposed rule implementing certain certification provisions of FSRIA affect some of these information collection burdens. The options in this package relate to establishing a homeless shelter deduction; establishing, periodically reviewing, and updating standard utility allowances to be used in excess shelter cost computation; and establishing methodology for offsetting costs of producing self-employment income.

**A. Justification**

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.**

- a. Homeless shelter estimate. Section 273.9(d)(6)(i) of the regulations, as proposed to be amended, allows State agencies to use a homeless shelter deduction.
- b. Establishing and reviewing standard utility allowances. Section 273.9(d)(6)(iii)(B) of the regulations allows State agencies to establish standard utility allowances (SUA) and once established requires State agencies to review and adjust SUAs annually to reflect changes in the cost of utilities.
- c. Mandatory utility standards. Section 273.9(d)(6)(iii) of the regulations, as proposed to be amended, allows State agencies to mandate use of standard utility allowances when the excess shelter cost deduction is computed instead of allowing households to claim actual utility costs provided the standards will not increase program costs.
- d. Self-employment costs. Section 273.11(b) of the regulations allows self-employment gross income to be reduced by the cost of producing such income. The amended regulations allow the State agencies, with approval from FNS, to establish the methodology for offsetting the costs of producing self-employment income, as long as the procedure does not increase Program costs.

The relevant sections of the regulations are included in attachment A. Portions of these regulations will be amended in the final rule, Eligibility and Certification Provisions of the Farm Security and Rural Investment Act of 2002, which should be published within the coming year.

## Supporting Statement for OMB No. 0584-0496

### 2. Indicate how, by whom, and for what purpose the information collection is to be used.

- a. Homeless shelter estimate. State agencies will no longer need to collect information on shelter costs for homeless households. The previous version of the regulation allowed State agencies to use a homeless shelter deduction of up to \$143 a month. FSRIA requires that State agencies choosing to use the homeless shelter deduction must set the deduction at \$143 monthly.
- b. Establishing and reviewing standard utility allowances. Many State agencies already have one or more approved standards, which they update annually. State agencies may use information already available from case files, quality control reviews or other sources and from utility companies. State agencies may make adjustments based on cost-of-living increases. The information will be used to establish standards to be used in place of actual utility costs in the computation of the excess shelter deduction. State agencies are required to submit the amounts of these standards and methodologies used in developing and updating the standards to FNS when they are developed or changed.
- c. Mandatory standards. State agencies may establish additional standards to implement this provision. They must show that mandatory utility standards will not increase program costs. Request for FNS approval to use a standard for a single utility must include the cost figures upon which the standard is based. If the State wants to mandate use of utility standards but does not want individual standards for each utility, the State needs to submit information showing the approximate number of food stamp households that would be entitled to the nonheating and noncooling standard and the average cost of their actual utility costs now plus the standards that State proposes to use and an explanation of how they were computed. If the State does not have actual data, it will need to pull a sample of cases to obtain it.
- d. Self-employment costs. State agencies may submit a request to FNS to use a method of producing a reasonable estimate of the costs of producing self-employment income in lieu of calculating the actual costs for each household with such income. Different methods may be proposed for different types of self-employment. The proposal shall include a description of the proposed method, the number and type of households and percent of the caseload affected, and documentation indicating that the proposed procedure will not increase program costs. State agencies may collect this data from household case records or other sources that may be available.

### 3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques, or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

The Food and Nutrition Service (FNS) has made every effort to provide for electronic submission as an alternative to paper submission in compliance with the E-Government Act. FNS provides funding to support the development of electronic systems through Federal matching of States' administrative costs. State agencies have the authority to use information technology that best suits the needs of their individual or unique systems of operation to comply with the information

## Supporting Statement for OMB No. 0584-0496

collection and reporting requirements contained in this submission. We expect States that rely on case records to use automated systems to identify the appropriate cases and obtain the necessary information. The extent to which information technology is used is at the discretion of the State agencies. Since most of the State agencies utilize computer systems, common software, and email, FNS estimates that 95 percent of the responses created by the State agencies will utilize automated, electronic, mechanical or other collection techniques when collecting and analyzing data.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in item 2 above.**

Most State agencies already use standard utility allowances. This and other information already available may be used with appropriate modifications.

**5. Describe any methods used to minimize burden where the collection of information impacts small businesses or other small entities.**

The only impact on small business and other small entities is in the area of determining average costs of utilities. The burden is expected to be minimal.

**6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing the burden.**

The requirements to allow State agencies to use standard utility allowances and simplified methods of computing self-employment costs are in the law. If States do not submit information showing that mandatory standards are cost neutral, FNS cannot approve their use. We do not establish a frequency in the regulations.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner that is inconsistent with 5 CFR 1320.6.**

There are no special circumstances that cause this information collection to be conducted in a manner that is inconsistent with 5 CFR 1320.6.

**8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost hour burden.**

The agency notice soliciting comments regarding this information collection was published on April 24, 2007, in the Federal Register at 72 FR 20318 (attachment B).

The Department received one comment letter on this information collection with the commenter suggesting that FNS underestimated the time necessary for the development of an initial State

## Supporting Statement for OMB No. 0584-0496

standard utility allowance (SUA). Since this information collection is primarily concerned with updating existing SUAs and that completely new initial SUAs are very seldom developed by State agencies, we have elected not to change the estimate used in this information collection.

**Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

**Consultation with representatives of those from whom information is to be obtained or those who must conduct the information collection and recordkeeping.**

Whenever FNS proposes an amendment to its regulations, copies are made available to the regional offices, State Directors, local officials, and are open to the public for comment. All comments are considered in the development of rulemaking and information collection requirements.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

There was no decision to provide payment or gifts to respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

Section 11(e)(8) of the Act and section 273.1(c) of the regulations limit the use or disclosure of information obtained from applicant households or contained in the casefiles of participating households to persons directly connected with the administration of the Food Stamp Program; other Federal or federally assisted means-tested programs; persons directly connected with the verification of immigration status of aliens; the Office of the Comptroller General of the U.S. for audit and examination authorized by other provisions of law; and to local, State or Federal law enforcement officials for the purpose of investigating an alleged violation of the Food Stamp Act or regulations.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

No answers of a private or sensitive nature will be required.

## Supporting Statement for OMB No. 0584-0496

**12(A). Provide estimates of the hour burden of the collection of information. Indicate the number of respondents, frequency of response, annual hour burden, and provide an explanation of how the burden was estimated; and**

**12(B). If the hour burden will vary, show the range of estimated hour burden and explain the reasons for the variance. If this request covers more than one information collection requirement, provide separate hour burden estimates for each collection and aggregate the hour burdens in item 13.**

a. Homeless shelter estimate. The previous burden package stated that because the deduction is now set at a standard \$143, there will be no burden for States that choose this option. The Department published this estimate in April 2004 and received no comments.

<u>Number of Respondents</u>	<u>Frequency of Response</u>	<u>Hours per Response</u>	<u>Annual Burden</u>
23	0	0	0

b. Establishing and reviewing standard utility allowances. Currently 52 State agencies have a standard that includes heating or cooling costs and 41 have a standard for utility costs other than heating or cooling. In addition, 51 State agencies have a telephone allowance standard. State agencies are required to review the standards yearly to determine if increases are needed due to the cost of living. We estimate a minimum of 2.5 hours annually to make this review and adjustment (2.5 hours X 52 State agencies = 130 hours). Total burden for this provision is estimated to be **130 hours per year**.

<u>Number of Respondents</u>	<u>Frequency of Response</u>	<u>Hours per Response</u>	<u>Annual Burden</u>
52	1	2.5	130

c. Mandatory utility standards. Currently, forty (40) State agencies selected to mandate the use of standard utility allowances. We do expect that additional states will decide to implement a mandatory SUA. There is not an additional burden in developing the standards since these agencies already calculate the standard utility allowance. Therefore, since there is no additional burden, the total annual burden associated with mandatory utility standards is **zero**.

<u>Number of Respondents</u>	<u>Frequency of Response</u>	<u>Hours per Response</u>	<u>Annual Burden</u>
40	0	0	0

d. Self-employment costs. We estimate that 10 State agencies will submit a request of this type each year for the next three years. It is estimated that these States will incur a one-time burden of at least 10 working hours gathering and analyzing data, developing the methodology, determining the cost implication, and submitting a request to FNS for a **total burden of 100 hours annually**. State agencies are not required to periodically review their approved methodologies. We do not anticipate that State agencies will voluntarily review their methodologies for change on a regular basis, thus burden is not being assessed for this purpose at this time.

<u>Number of Respondents</u>	<u>Frequency of Response</u>	<u>Hours per Response</u>	<u>Annual Burden</u>
10	1	10	100

## Supporting Statement for OMB No. 0584-0496

- e. Record keeping burden only: Each State agency would be required to keep a record of the information gathered and submitted to FNS. We estimate this to be 7 minutes per year for the 53 State agencies to equal a total of **6 burden hours annually**. (53 X 7 minutes/60 minutes per hour = 6 hours annual burden)

<i>Number of Respondents</i>	<i>Frequency of Response</i>	<i>Hours per Response</i>	<i>Annual Burden</i>
53	1	0.11	6

- f. Number of responses: The number of responses has not changed from the previous submission. In the previous submission, 115 annual responses were requested. This submission maintains the number of responses. Please note, however, that each State agency may respond to one or more of the burdens identified in this package. Therefore, the number of responses may change but not the number of respondents.
- g. Number of respondents: There currently are 53 State agencies involved with the Food Stamp Program burdens identified here. Please note, however, that each State agency may respond to one (1) or more of the burdens identified in this package. Therefore, the number of responses may change but not the number of respondents.
- h. Total annual burden. The total annual burden remains unchanged from the previously approved burden of 236 hours.

**Number of Responses on the previous 2004 ICR submission request:**

Activity	Number of Respondents	Frequency of Response per year	Equals number of responses per year
a. Homeless shelter estimate	0	0	0
b. Establishing and reviewing standard utility allowances	52	1	52
c. Mandatory utility standards	19	0	0
d. Self-employment costs	10	1	10
e. Record keeping burden	53	1	53
<b>TOTAL</b>			<b>115</b>

**Summary of burden for the current 2007 ICR submission request:**

Activity	Number of Respondents	No. responses per respondent	Total Annual Responses	Hours Per Response	Total Burden
a. Homeless shelter estimate	0	0	0	0.0	0.00
b. Establishing and reviewing standard utility allowances	52	1	52	2.50	130.00
c. Mandatory utility standards	40	0	0	0.0	0.00
d. Self-employment costs	10	1	10	10.00	100.00
e. Record keeping burden	53	1	53	0.11	5.83
<b>TOTAL BURDEN</b>	<b>53</b>	<b>2</b>	<b>115</b>	<b>2.05</b>	<b>235.83</b>

## Supporting Statement for OMB No. 0584-0496

**12(C). Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. Do not include the cost of contracting out or paying outside parties for information collection activities here, these costs should be included in item 14.**

Food Stamp Program information collection requirements described herein are imposed on State welfare agency clerks and eligibility workers. Standard wage rate categories used in determining burden costs to these public were based on the Bureau of Labor and Statistics (BLS) website which indicates the pay rate of \$20.72 per hour for State and local government administrative support staff.

<b>State agency staff (\$20.72/hour)</b>	<b>Annual burden hours</b>	<b>Cost (US\$)</b>
Homeless shelter estimate	0	0
Establishing and reviewing standards	130	\$2,694
Mandatory standards	0	0
Self-employment costs	100	\$2,072
Recordkeeping	6	\$124
<b>Total</b>	<b>236</b>	<b>\$4,890</b>
<b>Minus Federal share</b>		<b>\$2,445</b>
<b>Costs to the public</b>		<b>\$2,445</b>

**13. Provide an estimate of the capital and start-up costs and total operation and maintenance and purchase of service costs to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in items 12 and 14.)**

There are no capital, start-up, operational, or maintenance and purchase costs associated with the information collection, reporting or record keeping requirements addressed in this submission.

**14. Provide estimates of annualized cost to the Federal government. Also provide a description of the method used to estimate costs.**

Fifty percent of the costs incurred by State welfare agencies are reimbursed by FNS. Thus, the wage rates for State agency staffs noted above have been reduced by 50 percent. No costs associated with burden will be accredited towards individuals applying for Food Stamp benefits since the State agency options do not require a burden on the applicant households. Therefore, the Federal share is \$2,445 annually.

**15. Explain the reasons for any program changes or adjustments reported in item 13 or item 14 of the OMB Form 83-1.**

This is an extension for a previously approved information collection.

## Supporting Statement for OMB No. 0584-0496

**16. Outline plans for tabulation and publication of any collection of information where results will be published.**

There are no plans for tabulation and publication of this collection of information.

**17. If seeking approval to not display the expiration date of OMB approval of the information collection, explain the reasons that display would be inappropriate.**

The agency is seeking approval to not display the expiration date of OMB approval. There are no federally designed forms/formats on which information will be collected. The information collections are obtained through use of State-designed forms, notices or other formats that do not require the display of OMB approval numbers.

**18. Explain each exception to the certification statement identified in item 19, “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-1.”**

There are no exceptions to the certification statement.