

**SUPPORTING STATEMENT**

**Waivers Under Section 6(o) of the Food Stamp Act**

**OMB No: 0584-0479**

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## **A. Justification**

### **1. Circumstances making the collection of information necessary.**

Section 824 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L.104-193 (PRWORA) establishes a time limit for the receipt of food stamp benefits for certain able-bodied adults who are not working. The provision authorizes the Secretary of Agriculture, upon a State agency's request, to waive the provision for any group of individuals if the Secretary determines "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." On January 17, 2001, the Food and Nutrition Service (FNS) published a final rule in the Federal Register at 66 FR 4438, implementing the personal responsibility provisions of PRWORA. The rule added a new 7 CFR 273.24 that set forth both the work requirements mandated by Section 6(o) of the Food Stamp Act and procedures required of State agencies seeking waivers of such requirements. As required in the statute, in order to receive a waiver the State agency must submit sufficient supporting information so that FNS can make the required determination as to the area's unemployment rate or sufficiency of available jobs. This collection of information is therefore necessary in order to obtain waivers of the food stamp time limit.

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

FNS will use the information provided by State agencies to evaluate whether the statutory requirements for a waiver of the food stamp time limit have been met, specifically whether the designated area's unemployment rate is over 10 percent or whether there is a lack of sufficient jobs available.

**3. Use of Information Technology and Burden Reduction.**

FNS makes every effort to comply with the E-Government Act of 2002. To comply with the information collection and reporting requirements contained in this submission, State agencies have the authority to use the information technology that best suits the needs of their individual systems of operations. It has been the recent experience of FNS that State agencies have been increasing the utilization of automated systems in the compilation and analysis of data used to support the waivers covered by this information collection.

**4. Describe efforts to identify duplication.**

There is no report or publication that meets the needs of FNS to evaluate a State agency's request for a waiver of the provisions of 7 CFR 273.24. Although the Department of Labor (DOL) and the Bureau of Labor Statistics (BLS) publish unemployment rates county by county and some other sub-state areas, unemployment rate data may not be available for all areas for which State agencies are seeking waivers. In addition, the State agency must still identify with specificity the areas for which waivers are sought, and the basis and supporting data for a waiver based on lack of available jobs.

**5. Describe the impact of the information collection on small businesses or other entities.**

The information collection in this submission has no impact on small businesses or entities. The information collected is limited to data necessary to grant waivers in accordance with the statutory requirements of 7 CFR 273.24. There is no unnecessary burden imposed on respondents.

**6. Consequences of Collecting the Information Less Frequently.**

If the information collection was not conducted, State agencies could not obtain waivers of the time limits contained in 7 CFR 273.24. The information required to be reported is the minimum amount of information needed to support the waiver request, and must be submitted when an initial request or a request for an extension is made. The only way to reduce the frequency of collection would be to increase the length of the waivers, which would reduce the extent to which the approved waiver actually reflected current labor market conditions. Waivers will be approved for as long a period as is both practicable and consistent with the underlying data.

**7. Special Circumstance Relating to the Guideline of 5 CFR 1320.5.**

There are no special circumstances that would cause an information collection to be conducted in a manner inconsistent with 5 CFR 1320.5(d)(2).

**8. Comments in Response to the Federal Register Notice and Efforts to Consult Outside Agency.**

A notice soliciting comments on this information collection was published on June 18, 2008 at 73 FR 34701. In the notice, FNS estimated a time per response of 35 hours preparation time per waiver request. We received two comments in response to the notice.

**9. Explain any decision to provide any payment or gift to respondents.**

No payments or gifts will be given to any respondents.

**10. Assurance of Confidentiality Provided to Respondents.**

The data required for this information collection is not confidential. No information on recipients or applicants is collected for the evaluation of the waiver requests.

**11. Provide additional justification for any questions of a sensitive nature.**

There are no sensitive questions involved in this information collection.

**12. Provide estimates of the hour burden of the collection of information.**

During the past three years, FNS has experienced an increase in the number of requests for waivers. FNS believes that this increase is directly related to the increase in the average unemployment rate. Fifty-three State agencies administer the Food Stamp Program. Because 7 CFR 273.24 requires that waivers be requested for specific areas of the State, and also requires that the requested area have either an unemployment rate exceeding 10 percent, or insufficient jobs for individuals subject to the work provisions of that section, a number of State agencies have submitted multiple waivers requests. For example, State agencies may request waivers for some areas (cities, counties, Indian reservations, etc.) based on unemployment exceeding 10 percent and request waivers for other areas based on insufficient job opportunities. Additionally, FNS allows State agencies to use different criteria to determine whether there are insufficient job opportunities. The most commonly used criteria includes designation of given areas as Labor Surplus Areas (LSAs) by the Employment and Training Administration of the DOL, unemployment at least 20 percent above the national average over a 2-year period, and declining employment to population ratios. To determine whether there are insufficient job opportunities on Indian reservations, FNS also uses employment to population ratios below 50 percent (the national average is approximately 63 percent). During the last collection period, FNS received approximately 53 requests for waivers from an average of 48 State agencies. This is because some requests are for 2-year waivers, as not all State agencies submit new requests annually. FNS anticipates that the recent experience of 53 separate requests from 48 State agencies will continue in the future.

In order to maximize the numbers of areas waived, the majority of States elected to combine individual areas (usually counties) into multi-county regions. To qualify for a waiver, the region must meet the waiver approval threshold of an unemployment rate at least 20 percent above the national average, although not every individual area within the region is required to meet the threshold. Because the regulations at 7 CFR 273.24 provide State agencies with some latitude in selecting both the time period used to determine whether an area or region qualifies for a waiver and which areas may be included within a multi-county region, State agencies frequently test alternate scenarios to determine how to maximize the number of areas exempted. This process requires more planning than merely selecting individual areas, thus resulting a greater reporting burden than that indicated in FNS previous submittals.

#### **TOTAL BURDEN HOURS AND COSTS TO THE PUBLIC**

53 respondents (State agencies)

48 responses per year (the number of responses per respondent is not uniform)

x 35 hours per response (average)

**1680 TOTAL ANNUAL BURDEN HOURS**

**\$20,160 TOTAL COST TO THE PUBLIC** (Cost per hour (for State and local government employees) is \$24<sup>1</sup>, less 50 percent of the Federal reimbursement: \$1,680 x \$24 = \$40,320 x .50 = \$20,160)

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<sup>1</sup> Average hourly wage for state and local government employees from Bureau of Labor Statistics

**13. Estimates of Other Total Annual Cost Burden to Respondents or Record Keepers.**

No start-up costs will be incurred by State agencies in order to provide the required information.

**14. Provide estimates of annualized cost to the Federal government of this information collection.**

FNS pays 50 percent of the States' administrative costs associated with operating the Food Stamp Program. Based on an estimated average of 48 responses per year, and 35 hours per response, at rate of \$24 per hour, we estimate that the Federal share of this information collection activity is \$20,160 (48 x 35 = 1680 hours x \$24 per hour = \$40,320 total cost x .50=\$20,160).

FNS will also spend an estimated 8 hours evaluating and responding to each request for a total of 384 hours. Assuming an hourly cost of \$27.65 (the estimated hourly salary for a GS-12/1<sup>2</sup>) we estimate the cost of reviewing and responding to these requests at approximately \$10,618

The total cost to the Federal government of this information collection activity is estimated to be \$30,778 (\$10,618+\$20,160).

**15. Explanation for Program Changes or Adjustments.**

There is an increase in annual respondents due to State agencies requests for more complex waivers based on multi-county regions requiring more staff time. Hence, there is an increase in total burden hours.

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<sup>2</sup> Hourly rate for a GS-12/1 from the Office of Personnel Management General Schedule for Calendar Year 2008

**16. Plans for Tabulation and Publication and Project Time Schedule.**

There are no plans to publish this information collection.

**17. Reason(s) Display of OMB Expiration Date is Inappropriate.**

FNS is not seeking such approval.

**18. Exceptions to Certification for Paperwork Reduction Act Submissions.**

There are no exceptions to the certification statement identified in Item 19.