

Supporting Statement for Paperwork Reduction Act Submission OMB No. 0584-0083

Forms FNS-366A and FNS-366B, Program and Budget
Summary Statement

Prepared by:

Karen Peko & Autumn McCain

U.S. Department of Agriculture

Food and Nutrition Service

3101 Park Center Drive, Room 816

Alexandria, VA 22302

703-305-2481

Karen Peko@fns.usda.gov

Table of Contents

Part A Justification

A.1	Explanation of Circumstances That Make Collection of Information Necessary.....	1
A.2	How the Information Will Be Used, By Whom, and for What Purpose.....	4
A.3	Use of Improved Information Technology to Reduce Burden.....	5
A.4	Efforts to Identify and Avoid Duplication.....	6
A.5	Efforts to Minimize Burden on Small Businesses or Other Entities.....	6
A.6	Consequences of Less Frequent Data Collection.....	7
A.7	Special Circumstances Requiring Collection of Information in a Manner Inconsistent with Section 1320.5(d)(2) of the Code of Federal Regulations.....	7
A.8	Federal Register Comments and Efforts to Consult with Persons outside the Agency.....	7
A.9	Payments to Respondents.....	8
A.10	Assurance of Confidentiality.....	8
A.11	Questions of A Sensitive Nature.....	8
A.12	Estimates of Respondent Burden.....	9
A.13	Estimates of Other Annual Costs to Respondents.....	12
A.14	Estimates of Annualized Government Costs.....	12
A.15	Changes in Hour Burden.....	13
A.16	Time Schedule, Publication, and Analysis Plans.....	14
A.17	Display of Expiration Date for OMB Approval.....	14
A.18	Exceptions of Certification Statement.....	14

List of Attachments

Attachment A: FNS - 366A, Budget Projection Statement

Attachment B: FNS - 366B, Program Activity Statement

Attachment C: Federal Register Notice

Supporting Statement for OMB No. 0584-0083
(Operating Guidelines, Forms and Waivers)

A. Justification

1. Circumstance making the collection of information necessary.

This is a revision of a currently approved collection. This information collection package consists of four major components of State agency reporting: (1) a budget projection statement, (2) a program activity report, (3) State plans of operation updates, and (4) other plans and submissions such as advance planning documents for information systems and for electronic benefit transfer (EBT) systems.

Budget Projection Statement, Program Activity Report, and State Plan of Operation Updates

Under section 16 of the Food & Nutrition Act of 2008 (the Act), 7 U.S.C. 2025, the Secretary is authorized to pay each State agency an amount equal to 50 percent of all administrative costs involved in each State agency's operation of the Supplemental Nutrition Assistance Program (SNAP). Under corresponding SNAP regulations at 7 CFR 272.2(c), the State agencies must submit annually to FNS for approval, a Budget Projection Statement (Form FNS-366A), which projects the total costs for major areas of SNAP operations, and a Program Activity Statement (Form FNS-366B), which provides a summary of SNAP operations during the preceding fiscal year. The reports are required to substantiate the costs the State agency expects to incur during the next fiscal year. Form FNS-366A is submitted annually by August 15, for the upcoming fiscal year and Form FNS-366B must be submitted no later than 45 days after the end of each State agency's fiscal year.

In accordance with section 11(d) of the Act, 7 U.S.C. 2020, State agencies are also required to submit a Plan of Operation specifying the manner in which SNAP will be conducted within the

State in every political subdivision. Section 11(e) of the Act provides that the State plan of operation shall provide for State agency verification of household eligibility prior to certification, completion of certification within 30 days of the filing of the application, fair hearings, submission of reports as required by the Secretary, and other provisions as may be required by regulations. Section 16(a) of the Act authorizes 50 percent Federal reimbursement for State agency costs to administer the program. Part 272.2(a) of SNAP regulations requires that State agencies plan and budget program operations and establish objectives for the next year. The basic components of the State Plan of Operation are the Federal/State Agreement, the Budget Projection Statement, and the Program Activity Statement (272.2(a)(2)). Under Part 272.2(c), the State agency shall submit to FNS for approval a Budget Projection Statement (which projects total Federal administrative costs for the upcoming fiscal year) and a Program Activity Statement (which provides program activity data for the preceding fiscal year). In addition, certain attachments to the plan as specified in subparagraphs (c) and (d) are to be submitted. As specified in subparagraph (f), State agencies only have to provide FNS with changes to these attachments as they occur. Consequently, these attachments are considered State plan updates.

On January 17, 2001, FNS published a final rule (66 FR 4438) to amend 272.2(d) to require State agencies who opt to implement the personal responsibility provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) to include these options in the State Plan of Operation. The optional provisions that must be included in the State Plan of Operation are: imposing comparable disqualifications based on disqualifications in other means-tested public assistance programs, requiring custodial and non-custodial parents' cooperation with child support enforcement agencies, and disqualification for child support

arrears. Since these are new options, State agencies who choose these options must include them in their State Plan of Operations the year they begin these options, and any subsequent year only if there are changes.

The Farm Security and Rural Investment Act of 2002 (FSRIA) established new eligibility and certification requirements for the receipt of benefits. This final rule amends 272.2 (d) to require State agencies that opt to implement certain provisions of FSRIA to include these options in the State Plan of Operation. The optional provisions that must be included in the State Plan of Operation are: simplified definition of resources, simplified definition of income, optional child support deduction, homeless household shelter deduction, simplified reporting, simplified determination of deductions, and transitional benefits. Since these are new options, State agencies who choose these options must include them in their State Plan of Operations this year (or the year they begin these options), and any subsequent year only if there are changes.

Advance Planning Documents for Information Systems

Under Section 11(o) of the Act each State agency is required to develop and submit plans for the use of automated data processing (ADP) and information retrieval systems to administer SNAP. Section 16(a) of the Act authorizes partial Federal reimbursement of State costs for State ADP systems that the Secretary determines will assist meeting the requirements of the Act, meets conditions prescribed by the Secretary, are likely to provide more efficient and effective administration of the program, and are compatible with certain other Federally-funded systems. Under Section 277.18(c)(1) of the program regulations, State agencies must obtain prior written approval from FNS when it plans to acquire ADP equipment with a total acquisition cost of \$5

million or more in Federal and State funds. The State agency must submit an Advance Planning Document (APD) prior to acquiring planning services and an Implementation APD prior to acquiring ADP equipment or services.

2. Purpose and Use of the Information.

Budget Projection: State agencies are required to submit to FNS for approval a Budget Projection Statement, Form FNS-366A, which includes projections of the total Federal costs for major areas of program operations. The budget projection allows FNS to estimate funding needs so we can fund the State administrative costs for the fiscal year.

Program Activity Statement: State agencies are required to submit to FNS a Program Activity Statement, Form FNS-366B, providing a summary of program activity for the State agency's operations during its preceding fiscal year. The activity report is required annually to substantiate the costs the State agency expects to incur during the next fiscal year. It provides data on the number of applications processed, number of fair hearings, and fraud control activity. FNS uses the data to monitor State agency activity levels and performance.

State Plan of Operation Updates: State agencies submit the operations planning documents to the appropriate regional office for approval. This information explains how States are operating the program for monitoring purposes and allows FNS to know which States have implemented which activities and options for data and cost analysis purposes.

Advance Planning Documents: The Advance Planning Documents (APD) for State automated data processing and information systems are useful to FNS because they explain how the system will work and help explain the estimated cost of the system. The information allows FNS to determine whether the system meets the statutory criteria for approval for Federal reimbursement.

Financial Reporting: FNS requires State agencies to report expenditures for administrative costs and cash-out benefit costs using SF-425 in conjunction with the FNS 366-A which requests Federal funding. A copy is maintained for 3 years.

The agency is working closely with OMB to publish a 60 day notices announcing our plans to use FPRS as a reporting instrument that will take the place of SF 425 for required burden crossing various programs, once the new collection have been submitted to and approved by OMB.

3. Use of Information Technology and Burden Reduction.

FNS makes every effort to comply with E-Government Act, 2002 (E-Gov) and to provide for alternative submission of information collections. 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 collection and individual reporting requirements contained in this submission.

Currently, States submit electronic reporting to Food Programs Reporting System (FPRS) at <https://fprs.fns.usda.gov/Home/Reminder.aspx>. Because budgets come in before and for the upcoming fiscal year while program activity reports come in after the completed fiscal year, the time frames for the two reports in this submission are different by necessity. In fiscal year (FY) 2009, 100% of these responses were reported electronically.

4. Efforts to Identify Duplication and Use of Similar Information.

The FNS-366A, which includes projections of the total Federal costs for major areas of program operations, is submitted prior to the start of the fiscal year and is necessary as part of the budget approval process. State agencies report actual cost data to FNS after the fact; actual cost data is not duplicative of the data collected on the FNS-366A.

In order to eliminate duplication on APDs, FNS works closely with the Department of Health and Human Services on integrated systems affecting both Departments. The State agency submits the same documentation to each Department concurrently. Coordination of decisions and responses to State requests for approval are executed between the two Departments routinely.

5. Impacts Small Businesses or Other Small Entities.

Information being requested or required has been held to the minimum required for the intended use. Although two smaller State, Local, or Tribal Government Agencies are involved in this data collection effort, they delivered the same program benefits and perform the same function as any

other State Agencies. Thus, they maintain the same kinds of information on file. FNS estimates that 4 percent of our respondents are small entities, approximately 2 respondents.

6. Consequences of Collecting the Information Less Frequently.

Form FNS-366A is submitted annually by August 15 for the upcoming fiscal year and Form FNS-366B is submitted no later than 45 days after the end of each State agency's fiscal year. Less frequent reporting would disrupt budget planning and delay appropriation distributions. State Plans of Operation are a one-time effort with updates provided as necessary.

The frequency of the APD requirement is at the discretion of respondents and their need to apply for Federal Financial Participation for the cost of their ADP equipment and services acquisition.

7. Special Circumstances Relating to the Guidelines of 5 CFR 1320.5.

There are no special circumstances that require the information to be collected in a manner that is inconsistent with 5 CFR 1320.5.

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

On February 23, 2010, FNS published in the Federal Register a 60-day notice 75 FR 8035 regarding this information collection. Comments were solicited on this information collection as part of the comment period of the proposed rule.

FNS received two comments from State agencies, who requested clarification on what the revision of this collection was. We advised the State agencies that the only small revision was that the previous version of the notice used Food Stamp Program (FSP) and that it now has been revised to read Supplemental Nutrition Assistance Program (SNAP). Unfortunately, FNS misplaced comments but were sufficiently addressed with the commenter's.

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

Consultation with users of the FNS-366A and the FNS-366B has been a continuous process over the years.

9. Explanation of Any Payment or Gift to Respondents.

FNS has no plans to provide payments or gifts to respondents.

10. Assurance of Confidentiality Provided to Respondents.

Agency complies with the Privacy Act of 1974.

11. Justification for Sensitive Questions.

There are no sensitive questions included in this submission.

12. Estimate of Hour Burden Including Annualized Hourly Costs

I. Provide estimates of the number of respondents, frequency of response, annual hour burden, and explanation of how the burden was estimated.

The burden consists of five major components. It covers the FNS-366A, the FNS-366B, the plan of operation updates submitted as attachments to the FNS-366B, other Advance Planning Documents (APD) and update submissions, and quarterly financial reporting. The estimated total annual burden for this collection is 7,537 (3,146 reporting hours and 4,391 recordkeeping hours). The calculation of the burden for each of these components is described below:

Reporting:

FNS-366A. The annual burden for the FNS-366A is 689 hours. Form FNS-366A provides an estimate of the funding needed to operate the program. A copy is maintained for 3 years. The reporting burden is estimated to be 13.00 hours annually per respondent.

FNS-366B. The annual reporting burden for the FNS-366B report is 17.93 hours per respondent for the 53 States to complete the form. The reporting burden for the FNS-366B alone is 950.29 hours.

Plan of Operation Updates. The total reporting burden for submission of updates to State Plans of Operation as attachments to the FNS-366B is 9.93 hours per respondent for the 53 State agencies. The burden for the State Plan of Operation updates is 526.29 hours.

Other Plans and Submissions. We estimate that up to 53 State agencies may submit on an average of five (5) APD, plan, or update submission for a total of 265 annual responses at an average estimate of 2.5 hours per respondent. The reporting burden is 662.5 hours.

Financial Reporting. FNS requires State agencies to report expenditures for administrative costs and cash-out benefit costs using SF-425 in conjunction with the FNS 366-A which requests Federal funding. FNS estimates that 53 State agencies will submit 1 report quarterly, the total annual responses is 212 and the estimated burden per response is 1.50 hours for a total reporting burden of 318 hours annually. (The burden for SF 269 was previously approved under [OMB Control Number 0348-0039], but will now be included as part of this FNS collection using SF 425.) The agency is working closely with OMB to publish a 60 day notices announcing our plans to use FPRS as a reporting instrument that will take the place of SF 425 for required burden crossing various programs, once the new collection have been submitted to and approved by OMB.

Table A. 12.1 Reporting Estimates of Hour Burden

AFFECTED PUBLIC	FORMS	NUMBER OF RESPONDENTS	FREQUENCY OF RESPONSE	TOTAL ANNUAL RESPONSES	TIME PER RESPONSE (HRS)	ANNUAL REPORTING BURDEN HOURS
State Agencies	FNS-366A	53	1	53	13.00	689.00
	FNS-366B	53	1	53	17.93	950.29
	Plan of Operation	53	1	53	9.93	526.29
	Other APD Plan or Update	53	5	265	2.5	662.50
	Financial Reporting	53	4	212	1.50	318
Total Burden Estimates		53	-	636	-	3,146.08

Recordkeeping:

FNS-366A. There is a total number of 53 recordkeepers for each activity. A copy is maintained for 3 years. Total annual recordkeeping burden for FNS-366A is estimated at 2.65 hours annually per recordkeeper.

FNS-366B. The annual recordkeeping burden for FNS-366B is estimated annually at 2.65 hours per recordkeeper.

Plan of Operation Updates. The annual recordkeeping burden for updates to State Plans of Operation as attachments to the FNS-366B is 3.71 hours per recordkeeper.

Other Plans and Submissions. We estimate that up to 53 State agencies may submit an average of 5 APD, plan, or update submission and approximately 265 records at an average estimate of .11 minutes per recordkeeper for an estimated total of 29.15 recordkeeping burden for this activity hours per recordkeeper.

Financial Reporting. The annual recordkeeping burden for financial reporting is estimated at 4,353 hours for 53 recordkeepers at approximately 212 records per State Agencies submitted quarterly. A copy is maintained for 3 years. (This burden SF 269 was previously approved under [OMB Control Number 0348-0039], but will now be included as part of this FNS collection using SF 425.) The agency is working closely with OMB to publish a 60 day notices announcing our plans to use FPRS as a reporting instrument that will take the place of SF 425 for required

burden crossing various programs, once the new collection have been submitted to and approved by OMB.

Table A. 12.2 Record Keeping Burden

(b) Form Number or activity	(c) No. Recordkeepers	(d) No. Records Per Respondent	(e) Est. Total Annual Records (cxd)	(f) Hours Per Recordkeeper	(g) Total Burden (exf)
RECORDKEEPING					
366A	53.00	1.00	53.00	0.05	2.65
366B	53.00	1.00	53.00	0.05	2.65
Plan of Operations	53.00	1.00	53.00	0.07	3.71
Other APD Plan or Update	53.00	5.00	265	0.11	29.15
Financial Reporting	53.00	4.00	212.00	20.53	4,353.00
	53.00	-	636	-	4,391.16

II. Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage categories.

The estimate of respondent cost is based on the burden estimates developed in 12(a) above. Based on the Bureau of Labor Statistics May 2009 Occupational and Wage Statistics – 13-0231 (<http://www.bls.gov/oes/current/oes132031.htm>), hourly mean wage for budget analyst functions performed by State and local agency staff are valued at \$33.29 per staff hour.

Table A. 12.3 Annualized Cost to Respondents

TYPE OF RESPONDENTS	TYPE OF SURVEY INSTRUMENTS	REPORTING AND RECORDKEEPING BURDEN	HOURLY WAGE RATE	RESPONDENT COST – PRIOR TO FEDERAL COST SHARING
State Agency	FNS-366A	691.65	\$33.29	\$23,025
Staff	FNS-366B	952.94	\$33.29	\$31,723
	Plan of Operation	530	\$33.29	\$17,644
	Other APD Plan or Update	691.65	\$33.29	\$23,025
	Financial Reporting	4,671	\$33.29	155,498
Total		7,537.24	\$33.29	\$250,915

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

There are no capital, start-up and/or annualized maintenance costs associated with this burden.

14. **Annualized Cost to the Federal government.**

Table A. 14.1 Annualized Costs to Government

ACTIVITY	PRINTING COSTS	HOURS REVIEWING AND MONITORING	COST PER HOUR	COSTS REVIEWING PRINTING AND MONITORING	AUTOMATED SYSTEM COSTS	FEDERAL SHARE OF STATE COSTS	TOTAL FEDERAL COSTS
FNS-366A	\$80.00	424	\$37.37	\$15,845	\$529,277	\$11,468	\$556,670
FNS-366B	\$22.00	106	\$37.37	\$3,961	\$39,240	\$15,879	\$59,103
Plan of Operation	\$0	477	\$37.37	\$17,825	\$0	\$8,822	\$26,647
Other APD Plan or Update	\$0	2,618	\$37.37	\$97,835	\$0	\$11,244	\$109,078
Financial Reporting	0	3,200	\$37.37	\$119,584	\$257,143	0	376,727
Total	\$102	6,825	\$37.37	\$270,932	\$825,660	\$47,413	\$1,128,225

The annual cost to the Federal Government using the 2010 Federal Salary Wage Table for two Management Analyst's GS 12, Step 5 to collect and use the data is estimated at \$37.37 an hour.

In addition to the wage data the annualized cost to the Federal Government also includes (1) the cost of printing reporting forms; (2) reviewing, approving, and tracking State administrative budgets and disbursing funds; (3) reviewing and approving State plans and automated system project planning documents; (4) data entry and retrieval; (5) automated system costs; and (6) the Federal share of State agencies' burden costs to report the data. Total cost to the Federal Government is \$1,128,225.

15. Explanation for Program Changes or Adjustments.

This is a revision of a currently approved collection. The burden hours have increased from 3,262 to 7,537. The reason for ht increase is due to accounting for burden for the SF 425 (which was previously approved under the SF 269 [OMB Control Number 0348-0039], but will now be included as part of this FNS collection.)

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

This data is included in the annual SNAP State Activity Report that is produced for and used by FNS for analysis and evaluation purposes. The report also published on the USDA FNS website at <http://www.fns.usda.gov/pd/snapmain.htm>. The report is usually published in the first quarter of the calendar year.

17. Reason Display of OMB Expiration Date is Inappropriate.

We are seeking approval to not display an expiration date on State plans of operation, and

APD's. State plans of operation and APD's are narrative documents prepared by the State agency. The contents of the planning or activity documents do not become obsolete at the end of 3 years. It would add additional burden to State agencies to resubmit a plan that is unchanged and still in effect simply to add a new expiration date.

18. Exceptions to the certification statement for Paperwork Reduction Act Submissions.

There are no exceptions to the certification statement.