

Supporting Statement for Paperwork Reduction Act Submission OMB No. 0584-0081

Forms FNS-388 and FNS-388A, State Issuance and
Participation Estimates

Prepared by:

Autumn McCain

U.S. Department of Agriculture
Food and Nutrition Service
3101 Park Center Drive, Suite 824
Alexandria, VA 22302
703-305-2472
Autumn.McCain@fns.usda.gov

A. Justification

1. Circumstances making the collection of information necessary.

This is a revision of a currently approved collection. Section 11(d) of the Food and Nutrition Act of 2008, (Pub. L. 95-113) (the Act) requires that “the State Plan of Operation shall provide for the submission of such reports and other information as from time to time may be required by the Secretary.”

Section 18(b) of the Food Stamp Act as amended August 14, 1979 by Pub. L. 96-58 requires that “In any fiscal year, the Secretary shall limit the value of those allotments issued to an amount not in excess of the appropriation for such fiscal year.” If in any fiscal year the Secretary finds that the program costs in participating States will exceed the appropriation, the Secretary shall direct State agencies to reduce the value of allotments to participating households. Timely State monthly issuance estimates are necessary for FNS to ensure that it remains within the appropriation and will have a direct effect upon the manner in which allotments would be reduced when necessary. Under 18(d) of the Act the Secretary is required to report to Congress the basis of the Secretary’s determination to reduce allotments, the manner in which the allotments will be reduced, and the action taken by the Secretary to reduce the allotments. In 1998, Section 101 of the Federal Reports Elimination Act of 1998 (Pub. L. 105-362) amended Section 18(a) of the Food Stamp Act to drop the prior requirement in the law that the Secretary report monthly to Congress the issuance data for the second preceding month along with a statement whether there is reason to believe that reductions in the value of allotments issued to households certified to participate in the Supplemental Nutrition

Assistance Program, (formerly the Food Stamp Program will be necessary). Although the monthly report to Congress has been abolished, the need to monitor issuance estimates monthly against the appropriation remains in order to comply with Section 18(b).

The Department published a final rule on May 17, 1985, revising the Form FNS-388 reporting system. Part 274.4(b)(4) of the Supplemental Nutrition Assistance Program (SNAP) regulations requires State agencies to submit on a monthly basis the FNS-388, State Issuance and Participation Estimates.

2. Purpose and Use of the Information.

The FNS-388 report provides monthly Statewide estimated or actual issuance and participation data for the current and previous month, and the actual participation data for the second preceding month. For the report months of January and July, the participation data must be categorized as non-assistance (NA) and public assistance (PA) and provided for each project area. This NA and PA participation data is captured on the FNS- 388 A.

The FNS-388 and FNS-388A reports provide the necessary data for an early warning system to enable the Department to fulfill the requirements of Section 18(b) of the Act. In addition, the FNS-388 and FNS-388A data is used: (1) to validate the Annual SNAP Household Characteristic Survey; (2) to compile a Statistical Summary Report which is used for special studies and in response to Congressional and other inquiries; and (3) to compare against the reconciliation points' FNS-46 (OMB# 0584-0080, expiration date 2/28/2011) issuance data (for electronic benefit transfer (EBT), cash-out, and alternative

issuance) for indications of accountability problems. Examples of project area data use include identifying project areas that require photo identification for heads of households or operate fraud detection units in accordance with the Act. FNS has also used the project area data to determine where to demonstrate pilot projects such as a test of school-based SNAP outreach initiatives. FNS uses the PA and NA data for determining reimbursement of the administrative costs for certification of joint Temporary Assistance for Needy Families/SNAP cases.

State agencies submit one Statewide FNS-388 per month unless they operate more than one type of issuance system. The primary issuance system is electronic benefits transfer (EBT). In July 2009, 53 State agencies operated an EBT system, 5 State agencies operated one or more cash-out projects, and one State agency operated a group residential housing benefit. The separate reporting allows FNS to track the issuance and participation by each type of issuance system, and allows FNS to set aside (obligate) funds each month to pay for each type of issuance. The different issuance systems have different payment mechanisms for FNS to pay for the benefits.

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 at <https://fprs.fns.usda.gov/Home/Reminder.aspx>. As of August 2009, 96 percent of the total responses for the FNS-388 were electronic reports and 4 percent were paper reports. As of January 2009, when the FNS-388As were submitted, 92 percent of the total responses were electronic reports and 8 percent were paper reports. FNS estimates that approximately 48 will continue to submit electronically for both forms.

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

The FNS-46 also collects issuance data. However, the issuance data reported on the FNS-46 involves reconciled (actual) issuance, is collected from reconciliation points, and is due 90 days after the report month. The FNS-388 issuance and participation data is derived from State agencies' master files of each household's issuance activity and is reported on the 19th day of the report month. By collecting from these sources we can verify the accuracy of the State agencies reporting and reconciliation systems. While the FNS-46 data is somewhat similar, the need for timely data requires the FNS-388 report so the Department can fulfill its mandated responsibility of determining in advance the latest cost of the program and whether benefit reductions will be necessary.

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.

The FNS-388 data is reported monthly. If reporting was conducted less frequently, FNS would not be able to effectively monitor its program which would render the data inadequate for making timely projections to fulfill the requirements of Section 18(b) of the Act,

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

In order to monitor benefit expenditures against the appropriation in order to determine whether a benefit reduction will be necessary during the fiscal year as required by Section 18(b) of the Food and Nutrition Act, it is necessary that the FNS-388 collect issuance data monthly and that the FNS-388 A collect project data semi-annually. Less frequent reporting would render the data inadequate for making timely projections and taking action to notify State agencies to initiate benefits reductions to fulfill the requirements of Section 18(b) of the Act.

There are no other special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.5.

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

On November 30, 2009, the Agency published a notice in the Federal Register (74 FR 62556), required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. There were no comments received.

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

Consultation with users of the FNS-388 and 388A 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.

Except for the reports submitted March and September, the monthly FNS-388 Statewide participation and issuance totals report, containing data estimates for the current and preceding months and actual data for the second preceding month, is estimated to take all 53 States approximately 5.6 hours to tabulate and record the data each month, the frequency of response is 11.50 and the total annual responses is 610 this results in a total annual burden of 3,416 hours for a period of 10 months.

For the report submission months of March and September, State agencies tabulate and record Statewide NA/PA totals of households and persons for the second preceding months of January and July on the FNS-388 A. In addition to the Statewide NA/PA participation totals, NA/PA totals by project area are also required as an attachment to the March and September reports. For this added burden we calculated an additional 14.83 hours per response. This is based on an average of 54.9 project areas per State agency (2,911 project areas divided by 53 State agencies) times an estimate of 10 minutes per project area. FNS anticipates 53 State agencies will respond 2.3 times per respondent for a total of 122 annual responses. The total annual burden for these two months' reports is estimated at 1,809.7 hours.

SNAP has 53 agencies that administer SNAP and are respondents as mentioned above. However, some State agencies administer more than one issuance system and thus respond more than once so we have 53 who respond for SNAP in total as shown below to show the total annual responses and total burden.

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 BURDEN HOURS
State Agencies	FNS-388	53	11.509	610	5.6	3,416.00
	FNS-388A	53	2.3018	122	14.83	1,809.7
Total Burden Estimates		53		732		5,225.7

Table A. 12.2 Record Keeping Burden

All 53 State agencies will maintain both FNS-388 and FNS 388-A. It takes record keepers of the FNS 388 .0236 hours to maintain this record, the frequency of response of 11.50 and the total annual records submitted are 610 this results in a total annual burden of 14.40 hours. FNS anticipates recordkeeping for FNS 388-A at .0236 hours to maintain these records State agencies will respond 2.3 times for total annual records submitted are 122 and the total annual burden of 2.88 hours.

Reporting and Recordkeeping Total (5,225.7 + 17.28 = 5, 242.98) rounded up to 5,243 burden hours.

AFFECTED PUBLIC	FORMS	NO. Of Record keepers	NO. Of Annual Reports per State	TOTAL Submitted Records	Total estimated hours	ANNUAL BURDEN HOURS
State Agencies	FNS-388	53	11.509	610	.0236	14.40
	FNS-388A	53	2.3018	122	.0236	2.88
Total Burden Estimates		53	14	732		17.28

Table A. 12.3 Annualized Cost to Respondents

The estimate of respondent cost is based on the burden estimates developed in 12(a) above. Based on the Bureau of Labor statistics, hourly mean wage for State government social and human service assistants, functions performed by State and local agency staff are valued at \$17.46 per staff hour. The estimated annualized cost to respondent is \$45,771.22.

Type of respondents	Type of Survey Instruments	Estimated Burden for Reporting & Recordkeeping	Frequency of Response	Hourly Wage Rate	Respondent Cost
State Agency Staff	FNS-388	5,225.7	11.509	17.46	\$91,240.72
	FNS-388A	17.28	2.3018	17.46	\$301.71
Total		5,242.98			\$91,542.43

\$91,542.43 - \$45,771.22 (Federal Reimbursement) = \$45,771.22

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

Table A. 13.1 Annualized Costs to Government

There are no start-up costs for respondents. However, total annual system operation and maintenance costs for respondents are estimated at \$91,241. With Federal cost sharing, the State’s share is \$45,620.50.

Respondents	Government Share	Annual Burden Hours	Hourly Wage Rate	Government Cost
State Agency Staff	State Share		17.46	\$45,620.50
	Federal Share			\$45,620.50
Total		5,225.7		\$91, 241

14. Annualized Cost to the Federal Government.

The annual cost to the Federal Government to collect and use the data is estimated at \$146,429. This cost includes (1) the cost of printing reporting forms; (2) reviewing and approving the data, entering the data, monitoring participation levels and issuance; (3) providing benefit funds for cash-out and electronic benefit transfer issuance; (4) automated system costs (including labor costs); and (5) the Federal share of State agencies’ burden costs to report the data.

Table A. 14.1 Annualized Costs to Government

Activity	Printing Costs	REG office Reviewing, Monitoring	HQ Data Analyses	Reports to Congress	QTR Allow Funding	Automated System Costs	Federal Share State Costs	Total Federal Costs
FNS-388	\$45.00	\$3,380	\$8,705	\$914	\$129	\$50,000	\$65,059	\$128,232
FNS-	\$0	\$2,997	\$200	\$0	\$0	\$15,000		\$18,197

388A								
Total		\$6,377	\$8,905	\$914	\$129	\$65,000		\$146,429

15. Explanation for Program Changes or Adjustments.

This is an extension of a currently approved collection. The current burden inventory is 5,243 hours and remains unchanged.

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

FNS publishes on an annual basis a State Activity Report which includes tables of State activity. These tables include participation and issuance by State agency compiled from the FNS-388 (for participation) and FNS-46 forms (for final issuance). This report is normally published in June and is distributed internally within FNS and to State agencies; and is available on the FNS public webpage. Utilizing data collected from the FNS-388A, FNS also prepares periodically a “SNAP Statistical Summary of Project Area Operations Report” which provides the Public Assistance and Non-assistance participation by project area.

17. Reason Display of OMB Expiration Date is Inappropriate.

FNS is seeking approval to not display the expiration date of OMB approval on the FNS-388/388A. Upon the date of expiration, the forms would be obsolete which renders the existing supply an economic loss. Although the information on the reports has not changed, the forms would have to be revised and reprinted.

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

There are no exceptions to the certification statement.