

**SUPPORTING STATEMENT**

**Supplemental Nutrition Assistance Program: State Options**

**OMB No: 0584-0496**

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Attachment A: Food and Nutrition Act (2008), Section 5(e)(6)(C) - Standard Utility Allowance

Attachment B: Food and Nutrition Act (2008), Section 6(m)(1) - Self Employment Costs

Attachment C: 7 CFR 273.9(d)(6) - Standard Utility Allowance

Attachment D: 7 CFR 273.11(b) - Self Employment Costs

OMB 83-I Form

**A. Justification**

**1. Circumstances making the collection necessary.**

This collection is an extension without change of a currently-approved collection, Supplemental Nutrition Assistance Program: State Agency Options, No. 0584-0496. The Food, Conservation and Energy Act of 2008, Public Law 110-246, Section 4001-4002, amended the Food and Nutrition Act of 2008 (the Act) to rename the Food Stamp Program the “Supplemental Nutrition Assistance Program” or SNAP. The Act establishes SNAP as a means-tested program under which needy households may apply for and receive assistance to supplement their ability to purchase food. The Act specifies national eligibility standards and imposes certain administrative requirements on State agencies in administering the program. The program is directly administered by State welfare agencies, which are responsible for determining the eligibility of applicant households and issuing benefits to those households entitled to benefits under the Act. This information collection is necessary because it addresses the reporting burden of State agencies resulting from the State Options: Standard Utility Allowance (SUA) and Self- Employment Costs.

The SNAP regulations at 7 CFR Part 273 contain the requirements for the application, certification and continued eligibility for SNAP benefits. This notice extends the collection burden, which was recently revised and approved by OMB on March 26, 2010, to account for changes required by the Farm Security and Rural Investment Act of 2002 final rule, published January 29, 2010 (75 FR 4912).

## 2. Purpose and use of information.

a. Establishing and reviewing standard utility allowances. State agencies can elect to use standard utility allowances or SUAs for all households in place of actual utility costs. Many State agencies have one or more approved standards, which they update annually. State agencies may use information from case files, quality control reviews, utility companies or other sources. 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.

Mandatory utility standards. To implement mandatory utility standards, States must show that these standards will not increase program costs. Requests to FNS for approval of use of a standard for a single utility must include the cost figures upon which the standard is based. If the State wants to mandate the use of utility standards but does not want individual standards for each utility, it needs to submit information showing the approximate number of SNAP households that would be entitled to the non-heating and non-cooling standard, the average cost of their actual utility expenses, the standards that the 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.

b. Self-employment costs. State agencies may submit a request to FNS to use a newly developed or recently changed method to estimate 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 household, percent of the caseload affected, and documentation indicating that the proposed procedure will not increase program costs. It is not anticipated that State agencies that choose to incorporate this option will voluntarily review their methodologies for a change on a regular basis. State agencies may collect this data from household case records or other sources that may be available.

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

FNS has made every effort to provide for electronic submission as an alternative to paper submission in compliance with the E-Government (E-Gov) Act, 2002. 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 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. State agencies have the authority to use the information technology that best suits the needs of their individual or unique systems of operation to comply with the information collection and reporting requirements contained in this submission. All State agencies (100%) have automated their SNAP eligibility systems. States send aggregate level data on participation, benefits issued, and other basic program information to FNS using the Food Programs Reporting System (FPRS) via this website: <https://fprs.fns.usda.gov>. FNS does not receive client-specific data, such as applications or individual case records.

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

There is no duplication of efforts. FNS has reviewed USDA reporting requirements, state administrative agency reporting requirements, and special studies by other government and private agencies. FNS solely approves and monitors the standard utility allowances used by State agencies that have opted to use SUAs to determine ongoing eligibility in SNAP. This and other information already available may be used with appropriate modifications.

**5. Impacts Small Businesses or Other Small Entities.**

State agencies are involved in the administration of SNAP at the state level and the data collection for this effort. All State agencies deliver the same program benefits and perform the same function regardless of population size. Thus, they maintain the same kinds of information on file. Of our 53 respondents, none are small entities.

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

The requirements to allow State agencies to use standard utility allowances and simplified methods of computing self-employment costs are collected in compliance with the law. If States do not submit information showing that standards are cost neutral, FNS cannot approve, monitor or reimburse their use or cost.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner that is inconsistent with 5 CFR 1320.5.**

There are no special circumstances that cause this information collection to be conducted in a manner that is inconsistent with 5 CFR 1320.5.

**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).** The agency notice soliciting comments regarding this information collection was published on May 4, 2010, in the Federal Register at 75 FR 23665 (included with this submission). The Department received no comments on this information collection. FNS regional offices monitor and communicate with individual State agencies on a regular basis about State operation of the program. FNS also participates in regional and national meetings with State SNAP administrators, affording State agencies the opportunity to discuss policy issues and best practices, including state options such as SUAs and self-employment costs.

**9. Explanation of Any Payment or Gift to Respondents.**

There was no decision to provide payments 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.**

The Department will comply with the Privacy Act of 1974. Section 11(e)(8) of the Act and section 272.1(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 SNAP; 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 and Nutrition Act or regulations.

**11. Justification for Sensitive Questions.**

No private or sensitive questions will be asked.

**12. Estimates of Hour Burden Including Annualized Hourly Costs.**

The estimated reporting burden for each individual component of this information collection, including the number of respondents, frequency of response, average time to respond and annual hour burden is shown in Table 1(below) and described in more detail following the table.

<b>OMB # 0584-0496</b>	<b>Title</b>	<b>Estimated # Respondent s</b>	<b>Report Filed Annually</b>	<b>Total Annual Response s</b>	<b>Estimated Avg. No. of Man-hours Per Response</b>	<b>Estimated total man- hours</b>
<b>Regulation Citation</b>						
<b>State Agencies</b>						
273.9(d)(6)(iii) (A) & 273.9(d)(6) (iii)(B)	Standard Utility Allowance	52	1	52	2.5	130
273.11(b)	Self-employment costs	10	1	10	10	100
<b>Reporting Burden</b>	Reporting Totals	<b>52</b>		<b>62</b>		<b>230</b>
	Recordkeeping	53	1	53	.1169	6
<b>Recordkeeping Burden</b>	Recordkeeping Totals	<b>53</b>		<b>53</b>		<b>6</b>
	Total Recordkeeping and Reporting Burden	<b>53</b>		<b>115</b>		<b>236</b>



a. Reporting burden:

Establishing and reviewing standard utility allowances. Out of 53 State agencies, 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.**

Mandatory utility standards. Out of 53 State agencies, 37 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.

Self-employment costs. Based on FNS' 8<sup>th</sup> Edition of the State Options Report (June 2009), 16 State agencies currently utilize standardized self-employment costs. We estimate that another 10 States may opt to utilize this option over the next three years and that each State 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. **This leads to a total burden of 100 hours annually (10 State agencies x 10 working hours = 100 burden hours).** 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 a burden is not being assessed for this purpose.

- b. 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 State agencies x .1169 hours = 6 hours annual burden).**
- c. 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.

**12c. 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.**

SNAP 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) Occupational Employment Statistics site, <http://www.bls.gov/bls/wages.htm>, which indicates the pay rate of approximately \$17.88 per hour for State and local government administrative support staff. However, 50 percent of the administrative costs incurred by State agencies are reimbursed by FNS.

<b>State agency cost per hour (\$17.88 x 50% Federal Share =\$8.94)</b>	<b>Hours</b>	<b>Cost (US\$)</b>
Standard Utility Allowance	130	\$1162
Self-employment costs	100	\$894
Recordkeeping	6	\$54
<b>Total State Agency Cost</b>		\$2110

### 13. Estimate of Other Total Annual Cost Burden to Respondents or Record Keepers.

There are no capital/start-up or ongoing operation or maintenance costs associated with this information collection.

### 14. Annualized Cost to Federal Government.

Fifty percent of the administrative costs incurred by State welfare agencies are reimbursed by FNS. Thus, the estimated wage rates for State agency staffs noted above have been reduced by 50 percent to reflect cost sharing (\$8.94). Costs associated with the burden imposed on SNAP applicants and recipients are not reimbursed. The Federal cost also includes the cost of Federal worker time (headquarters) in providing guidance and assistance in the collection and submittal of information for SNAP.

	Hours	Hourly Wage Rate*	Total
GS-11/1 Program Analyst	40	\$29.93	\$1197
GS-13/4 Assistant Branch Chief	10	\$46.93	\$469
GS-14 Branch Chief	5	\$50.41	\$252
<b>Federal workers total cost:</b>			<b>\$1918</b>

Federal share of annualized costs @ 50% = \$2,110

Federal workers cost = \$1918

**Total Federal Cost: \$4,028**

\* OPM website for Washington-Baltimore area:

<http://www.opm.gov/oca/10tables/indexGS.asp>

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

This is an extension of a currently approved data collection. There is no change in use.

There is no change in the burden.

Current OMB inventory: **236 hours**

Total annual hours requested: **236 hours**

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

There are no plans to publish statistical analyses.

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

The agency plans to display the expiration date for OMB approval of the information collection on all instruments.

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

There are no exceptions to the certification statement.