

Attachment G

Estimate of the Information Collection Burden Associated with the Final Rule -- Food Stamp Program: Eligibility and Certification Provisions of the Farm Security and Rural Investment Act of 2002

(OMB No. 0584-0064, OMB No. 0584-0496 and OMB No. 0584-0083)

This document explains the calculation of information collection burden for the Supplemental Nutrition Assistance Program or SNAP (called the Food Stamp Program when the subject information collection burdens were most recently approved by OMB) as revised to include the reporting and recordkeeping requirements contained in the final rule “Food Stamp Program: Eligibility and Certification Provisions of the Farm Security and Rural Investment Act of 2002,” which is currently in clearance. The rule implements various provisions of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) (FSRIA), and certain provisions of the Food, Conservation and Energy Act of 2008 (Pub. L. 110-265) (2008 Farm Bill), to be consistent with current law. This rulemaking amends SNAP regulations to implement 11 provisions of FSRIA that establish new eligibility and certification requirements for the receipt of SNAP benefits.

Adjustments were necessary for the following reason(s):

1. The number of SNAP participants increased since the proposed rule was published on April 16, 2004 at 69 FR 20724.
2. The information burden collections for OMB No. 0584-0064, OMB No. 0584-0496, and OMB No. 0584-0083 were revised as a result of the extension requests dated June 22, 2007 at 74 FR 3447.

OMB No. 0584-0064

AFFECTED PUBLIC: STATE AGENCIES

REPORTING REQUIREMENTS

1. Section 273.2(c) requires every State agency that maintains a website to make its SNAP application available on the website in every language for which a printed copy is available. State agencies are not required to accept applications on-line. Because States already develop applications, and all States already maintain websites, FNS does not project any additional ongoing reporting burden resulting from this requirement. In the proposed rule, FNS estimated that State agencies would incur a reporting burden of 80 hours in startup costs to post their applications on their websites. Because this was a one-time only cost it does not affect the current reporting burden.

2. Section 273.12(a)(1)(vi) entitles every household that is obligated to pay legally owed child support to either an exclusion or deduction of those payments. FSRIA allows State agencies to rely solely on information from the State's Child Support Enforcement (CSE) agency in determining a household's obligation and actual child support payments.

Household burden: Due to the State agency's reliance on information from the CSE, households would not have further reporting and verification requirements.

State agency burden: This provision was intended to simplify the process by allowing State agencies to rely solely on information from the CSE in determining the amount of child support payments made. If a State agency uses CSE data, it will not have to perform other verification of payments reported by the household. Most States already have a link to the CSE agency, and would experience no additional burden to set up an interface with the CSE agency.

FNS estimates that modifying instructions to workers regarding the new process to determine child support payments will result in a burden of 20 hours per State agency. FNS anticipates 5 State agencies in each of the next 3 years will choose this option, resulting in a total of 100 burden hours annually (5 States X 20 hours = 100 hours).

The 100-hour burden estimate is identical to the estimate in the proposed rule. As indicated in the most recent survey of State options, FNS projects that States will continue to change their method of handling child support payments from treating the payments as an income deduction to income exclusion. FNS is using the original estimate.

3. 7 CFR 273.12(a)(5), formerly 7 CFR 273.12(a)(1)(vii) provides State agencies with the option of requiring most households to submit a report if their income exceeds 130 percent of the Federal poverty level. Households assigned certification periods of more than 6 months are required to submit an interim report at some point during their certification periods. The proposed rule provided that: (1) the State agency may include any household certified for at least 4 months within a simplified reporting system, except that the state agency may not include households with no earned income in which all adult members are elderly or disabled; (2) households exempt from periodic reporting, including homeless households and migrant and seasonal farm workers, may be subject to simplified reporting but may not be required to submit periodic reports; (3) the State agency may require other households subject to simplified reporting to submit periodic reports on their circumstances from once every 4 months up to once every 6 months; and (4) households subject to simplified reporting must report when their monthly gross income exceeds the monthly gross income limit for their household size. The final rule implements Section 4109 of FSRIA and provisions from Section 4105 of the FCEA in order to be consistent with current law with regard to simplified reporting requirements, which removed restrictions placed on the participation of certain

households in simplified reporting by the FSRIA. These households include the homeless, migrant farm workers, and households in which all adult members are elderly or disabled with no earned income. As a result of changes made by the FCEA, all households with certification periods of 4 months or longer may be assigned to simplified reporting as of October 1, 2008. Current law at Section 6(c)(1)(A)(i), (ii), and (iii) of the Act limits the frequency of interim reporting by these households to 4 months, except that elderly or disabled households with no earned income are limited to interim reporting every 12 months. The final rule removes language from the proposed rule that restricted the participation of these households in simplified reporting, and, permits State agencies the option of including most households in their SR systems as well assigning certification periods of 6 months or less thus eliminating the need for interim reports. Section 273.12(a)(5)(iii)(A) of program regulations specifies the frequency limitations for submitting interim reports, which is once every 4 to 6 months for households assigned certification periods greater than 6 months, except for households in which all adults are elderly or disabled with no earned income.

The only other mandatory reporting requirement applies to certain able-bodied adults without dependents (ABAWDs). Under Section 6(o) of the Act and 7 CFR 273.24, ABAWDs are limited to three months of SNAP eligibility in a 36-month period unless they are employed for an average of the 80 hours a month. ABAWDs, regardless of their household's reporting system, are required to report changes in their employment status that may affect their eligibility.

Based on a 2009 survey of State choices and program data from the National Data Bank, out of 53 State agencies, 50 State agencies have implemented simplified reporting. From this, FNS estimates that 3,940,307 households are newly subject to the expanded simplified reporting option. Of these households, FNS estimates that without simplified reporting 265,577 would otherwise have been subject to quarterly reporting, and 3,674,730 would have

been subject to change reporting requirements.

The expanded use of simplified reporting reduces the State agency burden for processing reports. With the exception of households consisting entirely of elderly or disabled persons with no earned income, which are certified for up to 24 months and subject to a reporting requirement at an interval of up to 12 months, simplified reporting typically requires a household to file a report once every 6 months, and also at any time that the household's gross income exceeds 130 percent of the poverty level. This means that State agencies choosing the simplified reporting option will have fewer household reports to process. Under simplified reporting, all of these households will submit one report annually. (Note: simplified reporting households that would be excluded from filing interim reports include elderly or disabled households with no earned income that are assigned certification periods of 12 months or less and at a State agency's option, other households with certification periods between 4 and 6 months.) FNS estimates that a State agency spends 11 minutes or .1837 hours processing 78,806.14 reports. The total burden for all 50 States is 723,834 burden hours ($50 \times 78,806.14 \times 1 = 3,940,307$ reports $\times .1837$ hours = 723,834 hours.)

In the proposed rule, FNS estimated the time required for a State agency to process interim or quarterly reports is 19 minutes or .3173 hours. In the final rule, FNS used a processing time of 11 minutes or .1837 hours. The original estimate was based on the assumption that the processing time for these reports would be similar to the processing time of initial or recertification applications. Upon reevaluation, FNS is now using the lower estimate since the interim (or quarterly report) is equivalent to the monthly report, which only addresses certain changes that may affect household eligibility and requires less time to evaluate.

Quarterly reporting households submit 3 reports annually and change reporting households submit an estimated average of 3.5 reports annually. FNS estimates that the State agency spends 11 minutes or .1837 hours processing each quarterly report and 5 minutes or .0835 hours processing each change report. If simplified reporting households continued instead to submit change or quarterly reports, the State agency would have a burden of 1,220,299 hours [(265,577 quarterly reporting households x 3 reports x .1837 hours = 146,359 hours) + (3,674,730 change reporting households x 3.5 reports x .0835 hours = 1,073,940 hours) = 1,220,299 hours]. As a result, FNS had estimated that the simplified reporting option would result in an estimated net reduction of 496,465 burden hours (723,834 hours – 1,220,299 hours = -496,465 hours) for State agencies implementing the option contained in the final rule.

In the proposed rule, FNS estimated the burden associated with the interim report at 656,550 hours for State agencies. In the final rule, the estimate was increased to 723,834 hours. This change was the result of several factors. Since the data was originally extracted there has been a significant increase in program participation. In addition, the number of State agencies opting to utilize simplified reporting has increased from 32(based on the 2003 FNS survey of State options used for proposed rule estimates) to 50 according to the 2009 survey utilized for the estimate in the final rule. Although there has been a net increase, the magnitude of the increase would have been greater had several State agencies not opted to utilize certification periods of 6 months or less, thus reducing the number of households required to submit interim reports.

4. 7 CFR 273.12(b)(1), 273.12 (b)(2), and 273.12(h)(2) give States the option to postpone acting on changes that would affect the amount of deductions, except for changes in shelter

expenses due to a change in residence and changes in earned income. If the State adopts this option, it must include a notice on all report forms that any reported changes that affect deductions will not be acted on until the household's next recertification.

The notification would be added to a State's existing reporting forms, so this option would not impose an additional burden for creating or sending a new notice. However, States that choose this option would have to revise their reporting forms to include notification about postponing changes in deductions. We estimate that modifying existing report forms will result in a burden of 20 hours per State agency. In the final rule, FNS assumed that 5 States in each of the next 3 years would choose this option, resulting in a burden of 100 hours annually (5 States X 20 hours = 100 hours). Based on a more recent review of State agency options, FNS assumes that no additional households will elect to utilize this option.

5. 7 CFR 273.29 provides State agencies with the option to offer transitional benefits to families leaving the TANF program. FSRIA amended and expanded the transitional benefit alternative pursuant to the regulatory authority. Current regulations require that States opting to provide transitional benefits provide a Transition Notice (TN) to households. The final rule also provides for a TN but has substantially different requirements for the notice. State agencies that opt to offer transitional benefits must provide families eligible for transitional benefits a TN that includes detailed and specific information about the household's transitional benefits and rights.

The Notice of Expiration (NOE) and the TN are comparable notices, and the TN will replace the NOE in some cases. FNS assumes that the ongoing burden for the TN will be minimal and will be incorporated into the NOE burden calculations. Because of the substantial changes to the current TN that are required by this provision, FNS had anticipated a burden of 20 hours per State agency for developing the TN for both States that

currently provide transitional benefits pursuant to the regulatory authority and those States that have not yet provided transitional benefits. As of August 2008, 18 States have chosen to implement the transitional benefit option. FNS calculated an average annual burden of 120 hours each year (6 X 20 hours = 120 hours) based on 6 States adopting this option each year over a 3 year period.

In the proposed rule, FNS estimated an ongoing burden for State agencies electing to utilize the transitional benefits option of 100 hours. As indicated above, FNS has incorporated the burden of the TN (20 burden hours) into the burden associated with NOE (100 burden hours) and is no longer treating it as a separate item.

RECORDKEEPING REQUIREMENTS

This rule does not affect the current recordkeeping burden for State agencies involved with OMB No. 0584-0064. The current recordkeeping burden for State agencies including household casefiles and procedures required to check against duplicate participation is 4,433,811 hours and remains the same.

AFFECTED PUBLIC: PARTICIPATING HOUSEHOLDS

REPORTING REQUIREMENTS

1. Section 273.12(a)(1)(vi) entitles every household that is obligated to pay legally owed child support to either an exclusion or deduction of those payments. FSRIA allows State agencies to rely solely on information from the State's Child Support Enforcement (CSE) agency in determining a household's obligation and actual child support payments. As a result of this change, the household would not have further reporting and verification requirements. This provision will reduce the

reporting burden for some households because the State agency will rely on the information from the CSE agency instead of requiring additional verification from the household. We estimate that households spend an average of 19 minutes or .3173 hours in total completing an application for initial certification or recertification. Since only 1.5 percent of all SNAP households received the child support deduction in FY 2008 and only some of those households will be subject to the new requirement since it is a State option. The average time to complete an application will not be measurably affected by this change. Therefore, we do not estimate a change in household burden from this provision.

2. 7 CFR 273.12(a)(5), formerly 7 CFR 273.12(a)(1)(vii) provides State agencies with the option of requiring most households to report only if their income exceeds 130 percent of the Federal poverty level. Households assigned certification periods of more than 6 months are required to submit an interim report at the midpoint of their certification periods. The proposed rule provided that: (1) the State agency may include any household certified for at least 4 months within a simplified reporting system, except that the State agency may not include households with no earned income in which all adult members are elderly or disabled; (2) households exempt from periodic reporting, including homeless households and migrant and seasonal farm workers, may be subject to simplified reporting but may not be required to submit periodic reports; (3) the State agency may require other households subject to simplified reporting to submit periodic reports on their circumstances from once every 4 months up to once every 6 months; and (4) households subject to simplified reporting must report when their monthly gross income exceeds the monthly gross income limit for their household size.

The final rule implements Section 4109 of FSRIA and provisions from Section 4105 of the FCEA in order to be consistent with current law with regard to simplified reporting requirements,

which removed restrictions placed on the participation of certain households in simplified reporting. These households include the homeless, migrant farm workers, and households in which all adult members are elderly or disabled with no earned income. As of October 1, 2008, changes resulting from the FCEA allowed all households with certification periods of 4 months or longer the option to be assigned to simplified reporting. Current law at Section 6(c)(1)(A)(i), (ii), and (iii) of the Act limits the frequency of interim reporting by these households to 4 months, except that elderly or disabled households with no earned income are limited to interim reporting every 12 months. The final rule removes language from the proposed rule that restricted the participation of these households in simplified reporting, and allows State agencies the option of including most households in their SR systems as well assigning certification periods of 6 months or less thus eliminating the need for interim reports. Section 273.12(a)(5)(iii)(A) of the program regulations specifies the frequency limitations for submitting interim reports, which is once every 4 to 6 months for households assigned certification periods greater than 6 months. This excludes households in which all adults are elderly or disabled with no earned income.

The only other mandatory reporting requirement applies to certain able-bodied adults without dependents (ABAWDs). Under Section 6(o) of the Act and 7 CFR 273.24, ABAWDs are limited to three months of SNAP eligibility in a 36-month period unless they are employed an average of the 80 hours a month. ABAWDs, regardless of their household's reporting system, are required to report changes in their employment status that may affect their eligibility.

The expanded use of simplified reporting allowed under FSRIA reduces the household reporting burden by reducing the number of reports certain households must file with the agency as a condition of their ongoing eligibility for benefits. Based on a 2009 survey of State choices and program data from the National Data Bank, out of 53 State agencies, 50 State

agencies implemented simplified reporting. From this, we estimate that 3,940,307 households are newly subject to the expanded simplified reporting option. Of these households, we assume that without simplified reporting 265,577 would otherwise have been subject to quarterly reporting, and 3,674,730 would have been subject to change reporting requirements. We estimate that it takes a household 8 minutes or .1336 burden hours to complete an interim report under simplified reporting or a quarterly report and 5 minutes or .0835 burden hours to complete a change report. FNS expects households to submit one report annually under simplified reporting; 3 reports annually under quarterly reporting; and an average of 3.5 reports annually under change reporting. Based on these estimates, households subject to simplified reporting have a burden of 526,425 hours (3,940,307 simplified reporting households x 1 report x .1336 hours = 526,425 hours). Under quarterly or change reporting, we estimate that these households would have had a burden of 1,180,383 hours [(265,577 quarterly reporting households x 3 reports x .1336 hours = 106,443 hours) + (3,674,730 change reporting households x 3.5 reports x .0835 hours = 1,073,940 hours) = 1,180,383 hours]. The difference indicates a net decrease in expected household burden hours of 653,958 hours (526,425 – 1,180,383 = -653,958 hours).

In the proposed rule, FNS estimated the burden for households at 241,887 hours. In the final rule the estimate was increased to 526,425 hours. This increase was the result of several factors. Since the data was originally extracted there has been a significant increase in program participation. In addition, the number of State agencies opting of States opting to utilize simplified reporting has increased from 32, based on the 2003 FNS survey of State options, to 50 based on the 2009 survey. The estimate for the final rule also reflects an increase in the estimated time required for each household to complete the report from .1169

hours (7 minutes) per report to .1336 hours (8 minutes) per report.

OMB No. 0584-0496

AFFECTED PUBLIC: STATE AGENCIES

REPORTING REQUIREMENTS

1. 7 CFR 273.9(d)(6)(iii)(B) allows State agencies to establish standard utility allowances (SUAs) and requires State agencies to review and adjust established SUAs annually to reflect changes in the cost of utilities. 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, utility companies or other sources. State agencies may make adjustments based on cost-of-living increases. The information is 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 standard amounts and methodologies to FNS when they are developed or changed.

Currently, 52 State agencies out of 53 have a standard that includes heating or cooling costs and 31 have a standard for utility costs other than heating or cooling. In addition, 44 State agencies have a telephone allowance standard. State agencies are required to review the standards each year to determine if cost-of-living increases are needed. We estimate a minimum of 2.5 hours annually to review and adjust the standards (2.5 hours X 52 State agencies = 130 hours). Total burden for this provision is estimated to be 130 hours per year.

This burden concerns a mandatory annual State agency requirement and is unchanged from the projection in the proposed rule.

7 CFR 273.9(d)(6)(iii)

The final rule provides State agencies with the option of mandating the use of the SUA. State agencies are permitted to 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 non-heating and non-cooling 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. Currently, 40 State agencies have elected to mandate the use of SUAs. FNS expects that additional States may decide to implement a mandatory SUA. There is not an additional burden in developing the standards since these agencies already establish the SUA. Therefore, since there is no additional burden, the total annual burden associated with mandatory utility standards is zero.

2. 7 CFR 273.11(b) allows self-employment gross income to be reduced by the cost of producing such income. The regulations allow 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. 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.

FNS estimates that 10 State agencies will submit a request of this type each year for the next 3 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.

RECORDKEEPING REQUIREMENTS

Each State agency would be required to keep a record of the information gathered and submitted to FNS for the SUA and self-employment costs. We estimate this to be 7 minutes or .1169 hours per year for the 53 State agencies to equal a total of 6 burden hours annually. (53 X .1169 hours = 6 hours annual burden).

OMB No. 0584-0083

AFFECTED PUBLIC: STATE AGENCIES

REPORTING REQUIREMENTS

The changes mandated by FSRIA will require a one-time amendment to the State Plan of Operations. One commenter suggested that FNS allow States to make a generalized statement in the State plan about options adopted; specific information on State options would be provided to the appropriate FNS Regional office. This comment was not related to the burden estimate provided in the 60-day notice embedded in the proposed rule. A response was provided to this commenter on October 8, 2009. This response is attached to this package.

1. 7 CFR 272.2 requires that State agencies plan and budget program operations and establish objectives for each year. State agencies submit these plans to the FNS regional offices for review and approval. This rulemaking amends Part 7 CFR 272.2(d) of the SNAP regulations to require State agencies that opt to implement certain provisions of FSRIA, to include these options in their State Plans 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. The regulations at 7 CFR 272.2(f) require that State agencies only have to provide FNS with changes to these plans as they occur.

Out of 53 State agencies, 50 States have adopted simplified reporting; 18 states have adopted transitional benefits; 43 States have adopted simplified definition of income; 36 States have adopted simplified definition of resources; 27 States have adopted the homeless household deduction; 8 States have adopted the option to simplify determination of deductions; and 14 states have chosen to treat legally obligated child support payments made to non-household members as an income exclusion while 39 States will continue to count the payments as a deduction. In view of the number of States that have already selected the above options, we estimate that very few additional States will elect to adopt them in the future and that the additional reporting burden resulting from revising State plans will be minimal.

Accordingly, the additional public reporting burden for this proposed collection of information is estimated to average an additional .25 hours per response. The total burden for this collection is 40 hours (53 respondents (State agencies) x 3 responses per year per respondent x .25 hours per response). Due to a miscalculation, the proposed rule used total

burden hours of 42.

RECORDKEEPING REQUIREMENTS

There is no impact on the recordkeeping burden involved with OMB No. 0584-0083.