SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM: REVIEW OF MAJOR CHANGES IN PROGRAM DESIGN AND MANAGEMENT EVALUATION SYSTEMS

**PROPOSED RULE (RIN 0584-AD86)**

**SUPPORTING STATEMENT**

**OMB CLEARANCE NUMBER 0584-NEW**

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This information collection request supports a proposed rule which published on May 3, 2011. At the time of publication, competing Agency priorities prevented the completion of a supporting statement for the proposed rule.

1. **Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

This is a request for a new information collection. Section 4116 of the Food, Conservation, and Energy Act of 2008, Pub. L. 110-234 (“FCEA”), Review of Major Changes in Program Design, amended Section 11 of the Food and Nutrition Act of 2008 (the Act) (7 U.S.C. 2020). It requires the Department to develop standards for identifying major changes in the operations of State agencies that administer SNAP; State agencies to notify the Department upon implementing a major change in operations; and State agencies to collect any information required by the Department to identify and correct any adverse effects on program integrity or access, including access by vulnerable households.

USDA published a proposed rule in the Federal Register to amend the Supplemental Nutrition Assistance Program (SNAP) regulations to implement Section 4116 of FCEA. USDA will ultimately publish a final rule in the Federal Register to amend the SNAP regulations (7 CFR Part 272) to incorporate these provisions. This NPRM also proposed to amend the Management Evaluation (ME) Review regulations at 7 CFR 275.3 through 275.7 by modifying the requirements for Federal and State reviews of State agency operations. It also proposes to revise the definitions of large, medium and small project areas. Finally, it proposed to remove sections of the regulations pertaining to coupons and coupon storage since they are obsolete.

Although this proposed rule contained amendments to section 275.3, Federal Monitoring, there are no changes in the burden based on these changes. All required burden for this section is already approved under OMB No. 0584-0010, Performance Reporting System, Management Evaluation, expiration date 4/30/2013.

1. **Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The purpose of this information collection associated with rulemaking is to comply with the requirements of the FCEA. The rule would establish a new reporting burden for State Agencies (SAs) that administer SNAP when they make major changes to their operations. FNS would not be able to properly monitor SA compliance without this collection of information.

1. **Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.**

While FNS is committed to complying with the E-Government Act, 2002 to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, the reporting burden required by the proposed regulations is dependent upon each individual state’s actions. Since FNS’ information needs will vary depending upon the States’ actions, it is not practicable to standardize and automate reporting.

1. **Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purpose described in item 2 above.**

FNS solely administers and monitors SNAP. FNS has reviewed USDA reporting requirements, state administrative agency requirements and there is no similar reporting requirement for States to notify FNS when they make major changes to SNAP. For States that are required to report on the impacts of the major change, the proposed regulations are structured to avoid duplication with other data collections.

1. **If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.**

Information being requested or required has been held to the minimum for the intended use. No small business entities would be affected by the proposed regulation.

1. **Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The information is collected for the purpose of administering an ongoing program. If this information was not collected, or collected less frequently, FNS would not be able to properly monitor for compliance. As proposed, this information collection only requires reporting when there is an identified need based upon implementation of a major change in a States SNAP.

1. **Circumstances that would cause an information collection to be conducted in a manner that is inconsistent with 5 CFR 1320.5:**
* **requiring respondents to report informa­tion to the agency more often than quarterly;**
* **requiring respondents to prepare a writ­ten response to a collection of infor­ma­tion in fewer than 30 days after receipt of it;**
* **requiring respondents to submit more than an original and two copies of any docu­ment;**
* **requiring respondents to retain re­cords, other than health, medical, governm­ent contract, grant-in-aid, or tax records for more than three years;**
* **in connection with a statisti­cal sur­vey, that is not de­signed to produce valid and reli­able results that can be general­ized to the uni­verse of study;**
* **requiring the use of a statis­tical data classi­fication that has not been re­vie­wed and approved by OMB;**
* **that includes a pledge of confiden­tiali­ty that is not supported by au­thority estab­lished in statute or regu­la­tion, that is not sup­ported by dis­closure and data security policies that are consistent with the pledge, or which unneces­sarily impedes shar­ing of data with other agencies for com­patible confiden­tial use; or**
* **requiring respondents to submit propri­etary trade secret, or other confidential information unless the agency can demon­strate that it has instituted procedures to protect the information's confidentiality to the extent permit­ted by law.**

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

1. **If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments.**

FNS published the proposed rule, “Changes in Program Design and Management Evaluation Systems” (0584-AD86) on May 3, 2011 in the Federal Register (76 FR 24820). The proposed rule provided a 60-day comment period on the information collection. During this time, interested members of the public had the opportunity to provide FNS with their input concerning the necessity, practical utility, accuracy, and merit of the information collection activities FNS proposed.

* **Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection,**  **the clarity of instructions and recordkeeping, disclosure, or reporting form, and on the data elements to be recorded, disclosed, or reported.**

FNS consults with Regional offices regarding any proposed changes as the result of legislative, regulatory or administrative changes. Regional offices are in contact with State agencies which provide feedback on FNS processes and procedures for the information collection. In addition, after the FCEA was enacted on June 18, 2008, FNS held a series of conference calls with State agencies and FNS regional offices to explain the SNAP provisions included in the law and to answer questions that State agencies had about implementing the changes to the program. On July 3, 2008, FNS issued an implementation memorandum that described each SNAP-related provision in the FCEA and provided basic information to assist State agencies in meeting statutorily-mandated implementation timeframes. FNS responded to additional questions that State agencies submitted and posted the answers on the FNS website. Another forum for consultation with State officials on implementation of the FCEA provisions included various conferences hosted by FNS regional offices, State agency professional organizations, and program advocacy organizations. During these conferences, held in the latter part of 2008 and early months of 2009, FNS officials responded to a range of questions posed by State agency officials related to implementation of FCEA provisions.

1. **Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

No payment or gift will be provided to respondents.

1. **Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

The Department complies with the Privacy Act of 1974. No confidential information is associated with this information collection.

1. **Provide additional justification for any questions of a sensitive nature**, **such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

There are no questions of a sensitive nature included in this information collection.

1. **Provide estimates of the hour burden of the collection of information. The statement should include:**
* **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.**

FNS is requesting an increase of 7,696 new burden hours for reporting on major changes in States’ SNAP operations. The estimated average number of respondents for this rule is 20 State agencies per year.

**272.12(a)(3) Initial analysis of Major Change:**

Section 272.12(a)(3) requires that States provide both descriptive and analytic information regarding the major change. FNS believes that States will have completed the majority of the analysis in the normal course of their own planning and decision making. The descriptive information should also be readily available and require minimal data gathering since it is the State’s decision to make the major change. We estimate that it will take 8 hours to describe the change and 32 hours to repackage and complete the required analysis for a total of 40 hours per response. Thus, with 20 States reporting one major change per year, the initial reporting and analysis aspect of the rulemaking would be 20 annual responses x 40 hours per State =an estimated 800 burden hours per year (20 States x 1 response per respondent =20 annual responses x 40 hours per respondent to respond = 800 annual burden hours).

FNS believes that for 30 percent of the major changes States report, no additional reporting will be necessary. Therefore for six of the 20 State Agencies, there would be no additional reporting burden.

**272.12(b)(1) Reports required without additional data collection:**

FNS estimates that for 35 percent of the major changes (i.e., seven states), some additional reporting of already available information will be necessary. For the seven states requiring additional reporting without additional data collection, some automated system reprogramming to generate the data will be necessary. At 24 hours per reprogramming effort, this would be 168 hours per year (7 x 24). The reports themselves would be estimated to require 8 hours and that out of 53 States, four States would be required to report monthly and three States quarterly.

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| **Respondents** | **Estimated Annual Responses** | **Responses per year** | **Hours per response** | **Total hours per year** |
| 4 States monthly | 12 | 48 | 8 | 384 |
| 3 States quarterly | 4 | 12 | 8 | 96 |
| 7 States | 16 | 60 | 8 | 480 |

The total for these seven States would be 168 + 480 hours = 648 total hours for reporting.

**272.12(b)(1) Reports required with additional data collection:**

For 35 percent of the major changes, additional data collection will be required with the reports. For the last seven States, the 648 hours from the above would be required in addition to the time needed to collect additional data. Such data will generally be collected through a sample of case reviews. While the required sample sizes may vary based on the type of major change and the proportion of the State's SNAP caseload it may affect, 200 cases per quarter would likely be an upper limit on what FNS could ask of a State. At an estimated one hour to review and report on a case, this would require 800 hours per year per State. Seven States times 800 hours yields 5,600 hours. (7 State respondents x 1 response per respondent = 7 annual responses x 800 hours per respondent to respond = 5,600 annual burden hours). When the 648 hours is added for the non-sample information, the total for these seven States is 6,248 (892.6 per State per year). With four States reporting monthly and three of the Sates reporting quarterly, there would be 60 responses. (4 States x 12 =48 annual responses) + ( 3 states x 4 response per respondent = 12 annual responses) = 60 annual responses. Twenty eight of the 60 reports would contain information from sample data since it would all be reported quarterly from all seven States).

ESTIMATED ANNUAL BURDEN FOR 0584-NEW, 7 CFR PART 272

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM: REVIEW OF MAJOR CHANGES IN PROGRAM DESIGN

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| **Section** | **Requirement** | **States responding per year** | **Responses per respondent** | **Number of responses** | **Hours per response** | **Total Burden hours** |
| 272.12(a)(3) | Initial analysis of Major Change  | 20 | 1 | 20 | 40 | 800 |
| 272.12(b)(1) | Reports required without additional data collection | 7 | 8.57(average) | 60 | 10.8 | 648 |
| 272.12(b)(1) | Reports required with additional data collection | 7 | 8.57 (average) | 60 | 104 | 6,248 |
| **Totals** |  | 20 | 7 (average) | 140 | 54.9 (average) | 7,696 |

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

The estimate of respondent cost is based on the burden estimates and utilizes the U.S. Department of Labor, Bureau of Labor Statistics, May 2011 National Occupational and Wage Statistics, Occupational Group (25-0000) (<http://www.bls.gov/bls/wages.htm>). The hourly mean wage (for education-related occupations) for functions performed by State agency and local education agency staff are estimated at $24.46 per staff hour.

TOTAL COST TO PUBLIC = 7696 hours X $24.46 per hour = $188,244.16.

1. **Provide estimates of the total annual cost burden to respondents or record keepers resulting from the collection of information (do not include the cost of any hour burden shown in items 12 and 14). The cost estimates should be split into two components: (a) a total capital and start-up cost component annualized over its expected useful life; and (b) a total operation and maintenance and purchase of services component.**

There are no start-up, operating or annual maintenance costs for this collection of information.

1. **Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost and any other expense that would not have been incurred without this collection of information.**

It is estimated that federal employees receiving an average General Schedule (GS) grade 12 step 6 wage based on the Washington DC-Northern Virginia locality area take approximately 800 hours (20 Major changes x 40 hours each) to analyze data related to major changes made to States’ SNAP: $41.85 x 800 = $36,880 (estimated annualized cost to federal government).

1. **Explain the reasons for any program changes or adjustments reported in item13 or 14 of the OMB 83-1.**

This is a new information collection. This information collection will increase the OMB inventory by 7,696 burden hours for reporting due to program changes to comply with the requirements in Section 4116 of the Food, Conservation, and Energy Act of 2008, Pub. L. 110-234.

1. **For collections of information whose results are planned to be published, outline plans for tabulation and publication.**

This collection does not employ statistical methods and there are no plans to publish the results of this collection.

1. **If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

We are not seeking approval concerning the display of the expiration date.

**18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act."**

 There are no exceptions to the certification statement.