

Supporting Statement for
Paperwork Reduction Act
Submission for, Supplemental Nutrition
Assistance Program Regulations, Part 275-
Quality Control
OMB Number 0584-0303

Prepared by:
Tiffany Wilkinson
U.S. Department of Agriculture
Food and Nutrition Service
3101 Park Center Drive, Room 822
Alexandria, VA 22302
703-305-2410
Tiffany.Wilkinson@fns.usda.gov

Table of Contents

Justification

1.	Explanation of Circumstances That Make Collection of Data Necessary	3
2.	Purpose and Use of the Information	5
3.	Use of Information Technology to Burden Reduction	6
4.	Efforts to Identify Duplication and Use of Similar Information	7
5.	Impacts Small Businesses or Other Small Entities	7
6.	Consequences of Collecting the Information Less Frequently	7
7.	Special Circumstances Relating to the Guideline of 5 CFR 1320.5	8
8.	Comments in Response to the Federal Register Notice and Efforts to Consult Outside Agency	8
9.	Explanation of Any Payment or Gift to Respondents	8
10.	Assurance of Confidentiality Provided to Respondents	9
11.	Justification for Sensitive Questions	9
12.	Estimates of Hour Burden Including Annualized Hourly Costs	9
13.	Estimates of Other Total Annual Cost Burden to Respondents or Record Keepers	14
14.	Annualized Cost to Federal Government	14
15.	Explanation for Program Changes or Adjustments	15
16.	Plans for Tabulation and Publication and Project Time Schedule	16
17.	Reason(s) Display of OMB Expiration Date is Inappropriate	16
18.	Exceptions to Certification for Paperwork Reduction Act Submission	16

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 revision of a currently approved data collection. The collection includes the sample plan, arbitration, and good cause aspects of the Supplemental Nutrition Assistance Program's (SNAP) Quality Control (QC) System.

a. Reporting

Section 11(d) of the Food and Nutrition Act of 2008, as amended (the Act), requires each State agency administering SNAP to submit a plan of operation specifying the manner in which the program is conducted. In addition to certain specific areas of program administration, Section 11(e) of the Act authorizes the inclusion of other provisions as required by regulation.

The legislative basis for the operation of SNAP's QC system is provided by Section 16 of the Act. Section 16 requires the U.S. Department of Agriculture (USDA) to establish a system that enhances payment accuracy and improves administration by determining payment error rates, liabilities and performance bonuses. Section 16(c) allows the Department to require a State agency to report any data deemed necessary for determining these factors. Two of the items covered by this burden, the sampling plan and arbitrations of State-Federal differences must be completed prior to determination of the payment and case and procedural (formerly known as negative) error rates, the national average payment and case and procedural error rate, any liability amounts established and applicable performance bonuses awarded.

Part 275 of SNAP regulations implements the QC legislative mandate. The QC system is designed to provide a basis for determining each State agency's error rate through a review of a sample of (SNAP QC) cases. QC data serves as an objective measure of program operations at the State level and is essential to the determination of a State agency's entitlement to a performance bonus or liability for excessive overpayments.

To help ensure that QC data is reliable and unbiased, paragraph 275.11(a) requires each State agency to submit a QC sampling plan to the Food and Nutrition Service (FNS) for approval. The sampling plan is a part of the inclusive State Plan of Operation.

When a State agency disagrees with a Federal QC finding on an individual case selected for review, the regulations at 7 CFR 275.3(c)(4) provide that the State agency may request that the dispute be arbitrated by a FNS Arbitrator, subject to some limitations.

Paragraph 275.23(e)(7) provides a process for a State agency to seek relief from a QC liability that would otherwise be levied on the basis that the State agency had good cause for not achieving the payment error rate below the tolerance level. State agencies desiring such relief must file an appeal with the USDA's Administrative Law Judge in accordance with the procedures established under Part 283.

b. Recordkeeping:

Section 11(a) of the Act mandates that State agencies shall keep "...such records as may be necessary to ascertain whether the program is being conducted in compliance with the provisions of this Act and the regulations issued pursuant to this Act..." The Act also specifies that these records "shall be preserved for such period of time, not less than three years, as may be specified in the regulations issued pursuant to this

Act." SNAP regulations at 7 CFR 272.1(f) specify that program records are to be retained for a period of three years from the month of origin.

2. Indicate how, by whom, how frequently, 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:

Sampling Plan: All State agencies are required to select a QC sample of households from two universes:

- (a) The active universe of households that are participating in SNAP; and
- (b) The case and procedural universe of households, whose participation was denied, suspended or terminated.

Each State agency is responsible for the design and selection of the QC samples, subject to the regulations at 7 CFR 275.11 and FNS approval. Each State agency must submit a QC sampling plan and subsequent modifications of sample design, frame, or procedures to FNS. States presently send their sampling plans mostly through email, though a handful still send their plans using the postal service. The sampling plan must include a complete description of the frame, the method of sample selection, and methods for estimating characteristics of the population and sampling errors. In addition, the sampling plan must include a description of its relationship, if any, to other Federally mandated programs. All sampling procedures used by the State agency, including frame composition and construction, must be fully documented and available for review by FNS.

Arbitration Process: The arbitration process at 7 CFR 275.3 (c)(4) provides a process for State agencies to dispute individual case findings when the State disagrees with Federal findings. State agencies may request

arbitration for individual QC cases by filing this request within 20 calendar days of the date of receipt by the State agency of regional office findings. State agencies are required to submit all required documentation to the FNS National Arbitrator. Arbitration requests may be made over the phone, but there is no standard format required to submit the documentation and therefore may be sent via fax, email or US Postal Mail. The arbitration process provides due process protection for the State agency for individual QC cases that are selected for Federal review. If the National Arbitrator rules that the findings in the individual case should be changed, this change may have an impact on the calculation for the State agency's payment and case and procedural error rate and on the national average payment or case and procedural error rate.

Under the Good Cause process at 7 CFR 275.23(f), a State agency may seek relief from a QC liability claim on the basis that the State agency had good cause for not achieving a payment error rate below tolerance. A State agency desiring such relief must file an appeal with the USDA's Administrative Law Judge in accordance with the procedures under Part 283. This process provides due process protection to the State agency for the QC liability. The outcome of this request could affect the validity and amount of a QC liability.

3. 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:

FNS is committed to comply with the requirements under the E-Government Act of 2002 in the implementation of information technologies in delivery of services to the public. This specific type of collection is not amenable to automated, electronic, mechanical or other technological techniques or other

forms of information technology. However, States are encouraged to automate their sampling plans but are not mandated to do so.

4. 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:

The sample plan, arbitration and good cause processes are unique to the QC system and are not found elsewhere in SNAP. As such, duplication is not a potential issue with this information collection.

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

The collection of information does not involve any small businesses or other small entities.

6. 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:

Sampling Plan: Less frequent collection could allow incorrect or inappropriate State agency sampling methodology to go undetected. Without a QC sampling plan there would be no assurance that State agencies operate their QC system in compliance with the Act and the FSP regulations. This can potentially introduce a bias and adversely affect the integrity of the QC system. There are no technical or legal obstacles to reducing the burden for the sampling plan.

Arbitration and Good Cause: Less frequent reporting or the elimination of the reporting burdens for the arbitration and good cause processes would not be in the interest of the State agencies. It would affect their ability to challenge individual case findings and QC system liabilities levied against them. Because of due process protections that these processes provide, there could potentially be technical or legal obstacles to eliminating these burdens.

7. **Explain any special circumstances that would cause an information collection to be conducted in a manner:**

- **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 that require collection 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, 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:**

A notice was published in the Federal Register at 78 FR 30844 on May 23, 2013, and no comments were received during the 60 day notice.

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 attends an annual meeting with the National Association of Program Information and Performance Measurement (NAPIPM) organization and holds calls regularly with the Quality Control Technical Advisory Group (QC TAG) of this organization, an association made up of state SNAP QC Directors, to discuss various QC topics including requirements of the 275 regulations.

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

No payments or gifts were made 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 complies with the Privacy Act of 1974.

11. 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 clearance.

12. **Provide estimates of the hour burden of the collection of information. The statement should:**

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

Reporting Burden:

Sampling Plan: Fifty-three State agencies are required to have an acceptable sampling plan in place for each annual reporting period. The number of annual responses from each State agency will vary depending upon the revisions needed in a State agency's sampling plan. We estimate that one revision will be needed per State agency per year.

FNS estimates that the number of hours per response will vary from 1 to 20 hours, depending upon the extent of the revision to the sampling plan. If the current sampling plan meets the State's needs and includes all required information as identified in SNAP regulations, State agencies may simply submit the existing plan. Otherwise, the plan must be modified as necessary. Before the initial submission, the respondent burden is dependent upon the frequency and magnitude of the proposed changes to an approved plan. Based on operational experience, FNS estimates an average annual burden of approximately 5 hours per response resulting in a total burden of 265 hours.

Arbitration: Fifty-three State agencies participate in the QC System. The number of annual requests for arbitration of Federal findings for cases in which the State agency disagrees with the Federal finding will vary from year to year and by State agency. On average, we estimate that fifteen State agencies will request arbitration of 2.2 cases per year, totaling 33 arbitrations a year. This estimate is

based on the actual number of cases arbitrated over the past 3 years and the actual number of States that submitted requests for arbitration.

The number of hours per arbitrated case will vary depending on how long the State generally takes to prepare a case and the complexity of the case. Based on operational experience with these cases and the comments received, we estimate that it takes an average of 24 hours per response. This results in an estimated reporting burden relating to the arbitration process of 792 hours.

Good Cause: Fifty-three State agencies participate in the QC System. The number of good cause requests by State agencies will be driven by the number of State agencies that are subject to QC liabilities and fail to pay or settle the claim. Based on operational experience we estimate that only two State agencies will submit one good cause request per year. The number of hours for preparing a good cause request could vary greatly since the grounds for the request will differ according to State circumstances. We estimate a State agency will take about 160 hours to process a good cause request, therefore making a 320 hour good cause annual burden over the last three years.

Recordkeeping Burden:

Sampling Plan: All 53 State agencies are required to maintain records of their sampling plans for the recordkeeping requirement. We estimate that the burden is 1½ minutes (0.0236 hours) per record resulting in a total annual burden of about 1.25 hours.

Arbitration: Each State agency is required to maintain records for the recordkeeping requirement. On average, we estimate that fifteen State agencies will maintain records of 2.2 cases per year and the time it takes is 1½ minutes (0.0236 hours) per record resulting in a total annual burden of approximately 0.7788 hours.

Good Cause: Each State agency is required to maintain records for the recordkeeping requirement. Based on operational experience we estimate that two State agencies will maintain one record per year. We estimate the burden is 1½ minutes (0.0236 hours) per record resulting in a total annual burden of about 0.05 hours.

The overall estimated reporting burden for this collection is 1,377 hours and the overall estimated Recordkeeping burden for this collection is 2,076 hours. Therefore, the total estimated reporting and recordkeeping burden for this collection is 1,379.08 hours.

To estimate public cost, FNS consulted with the U.S. Department of Labor’s May 2012 Occupational and Wage statistics – 21-0000 Community and Social Services Occupations (<http://www.bls.gov/oes/2012/may/oes210000.htm>). The average hourly wage of this occupation area is at \$21.27. However, since State agencies only pay 50 percent of their administrative costs, \$10.64 is used as minimum wage in our calculations to determine the annualized State costs, bringing the overall estimated annualized costs for State agencies to \$14,673.38. This is a \$673.37 increase from the \$14,000.01 collection burden reported in 2010. This increase is mostly due to the increase in number of states using the good cause process claim at the end of the fiscal year.

A) Reporting and Recordkeeping Estimate breakdown:

Reporting Burden						
Affected Public	Requirement	Estimated # of Respondents	Responses Annually per Respondent	Total Annual Responses (Col. bxc)	Estimated Avg. # of Hours per Response	Estimated Total Hours (Col. dxe)
State Agencies	Sampling Plan	53	1	53	5	265
State Agencies	Arbitration Process	15	2.2	33	24	792
State Agencies	Good Cause Process	2	1	2	160	320

Grand Total Reporting		53	----	88	----	1,377
Recordkeeping Burden						
Affected Public	Requirement	Estimated # of Respondents	Number of Reports Annually per State	Number of Total Annual Records	Estimated Time per Record	Estimated Total Recordkeeping Hours
State Agencies	Sampling Plan	53	1	53	0.0236	1.25
State Agencies	Arbitration Process	15	2.2	33	0.0236	0.7788
State Agencies	Good Cause Process	2	1	2	0.0236	0.0472
Grand Total Recordkeeping		53	----	88	----	2.076

B) Combined Reporting and Recordkeeping Burden Hours

Reporting Burden						
Affected Public	Requirement	Estimated # of Respondents	Responses Annually per Respondent	Total Annual Responses (Col. bxc)	Estimated Avg. # of Hours per Response	Estimated Total Hours (Col. dxe)
State Agencies Reporting	Sampling Plan	53	1.660377	88	15.64772727	1,377
State Agencies Recordkeeping	Arbitration Process Good Cause Process	53	1.660377	88	0.02359090	2.076
Grand Total Reporting & Recordkeeping Burden Hours		53	----	176	----	1,379.08

C) Annualized Reporting Costs – States

Type of Respondent	Requirement	Responses Per Year	Hours Per Response	Wage-50% Cost Per Hour	Total Reporting Cost
State Agencies	Sampling Plan	53	5	\$10.64	\$2819.60

State Agencies	Arbitration	33	24	\$10.64	\$8426.88
State Agencies	Good Cause	2	160	\$10.64	\$3404.80
Total Reporting Cost					\$14,651.28

D) Annualized Recordkeeping Costs – States

Type of Respondent	Requirement	Responses Per Year	Hours Per Response	Wage-50% Cost Per Hour	Total Reporting Cost
State Agency	Sampling Plan	53	0.0236	\$10.64	\$13.31
	Arbitration	33	0.0236	\$10.64	\$8.29
	Good Cause	2	0.0236	\$10.64	\$0.50
Total Recordkeeping Cost					\$22.10
Total State Reporting and Recordkeeping annualized costs:					\$14,673.38

13. 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 capital/start-up or ongoing operation/ maintenance costs associated with this information collection.

14. 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

The total annualized cost to the Federal Government (using Federal Salary Table for GS 11/12) on oversight of the states' sampling plans, arbitration activities, and good cause action is estimated at \$90,051.04. This cost includes the federal government's share for (1) printing and postage for arbitration and good cause

claims, (2) 50% of the states' reporting and recordkeeping costs of the three activities, and (3) the average cost for associated federal staff to work on the three activities each year. The Federal salary costs were not in previous OMB submissions and therefore the federal costs appear to have gone up with this submission. These costs are operational costs only as there are no automation costs for these functions.

Requirement Regional Offices	Total Responses Per Year	Hrs Per Response	Regional Office Respondents per Response	Regional Ofc Salary GS11/2	Regional Office Salary Costs
Sampling Plan	53	24	1	\$24.90	\$31,672.80
Arbitration	33	5	2	\$24.90	\$8,217.00
Good Cause	2	0	0	\$24.90	\$0

Requirement National Offices	Total Responses Per Year	Hrs Per Response	N.O Respondents per Response	N.O Salary GS 12/6 base	National Office Salary Costs
Sampling Plan	53	0	0	\$33.69	0
Arbitration	33	18	1	\$33.69	\$20,011.86
Good Cause	2	50	4	\$33.69	\$13,476

Printing/ Postage Costs	50 % Of States' Reporting and Recordkeeping Costs	Federal Salary Costs	Total Federal Costs
\$2,000	\$14,673.38	\$73,377.66	\$90,051.04

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-i:

This is a revision of a currently approved data collection. The annual responses per respondent decreased for the arbitration process (from 2.6 annually to 2.2). The number of respondents for the good cause process increased from one state to two states per year. The adjustments were based on the average number of responses actually received for the FY 2010, 2011 and 2012 QC review periods. The end result yields a net increase of 16 estimated annual burden hours, from 1,363 hours to 1,379.08 hours. Additionally, the annual responses have increased due to an error in the prior ROCIS submission. The annual responses are 176, an increase of 135 responses.

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

There are no plans for tabulation and publication.

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

There are no forms tied to this collection and therefore displaying the expiration date will not be necessary.

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

This information collection conforms to the requirements of 5 CFR 1320.9. There are no exceptions to the certification statement.