

Supplemental Nutrition Assistance Program: Trafficking Controls and Fraud

Investigations (Card Replacement Rule)

FINAL AND INTERIM FINAL RULE (RIN 0584-AE26)

SUPPORTING STATEMENT

OMB CLEARANCE NUMBER 0584-NEW

Christine Daffan, Program Analyst

Food and Nutrition Service, USDA

Program Accountability and Administration Division

Supplemental Nutrition Assistance Program (SNAP)

3101 Park Center Drive

Alexandria, VA 22302

PH: 703-305-2473

Christine.Daffan@fns.usda.gov

Table of Contents

1. Explanation of Circumstances That Make Collection of Data Necessary.....2

2. How the Information Will Be Used, By Whom, and For What Purpose.....3

3. Use of Improved Information Technology to Reduce Burden.....5

4. Efforts to Identify and Avoid Duplication.....5

5. Efforts to Minimize Burden on Small Businesses or Other Entities.....6

6. Consequence of Less Frequent Data Collection.....7

7. Special Circumstances.....7

8. Federal Register Comments and Efforts to Consult with Persons Outside
the Agency.....8

9. Payments to Respondents.....9

10. Assurance of Confidentiality.....9

11. Questions of a Sensitive Nature.....10

12. Estimates of Respondent Burden.....11

13. Estimates of Other Annual Costs to Respondents.....13

14. Estimates of Annualized Government Costs.....13

15. Program changes or adjustments.....14

16. Time Schedule, Publication, and Analysis Plans.....15

17. Display of Expiration Date for OMB Approval.....15

18. Exceptions to Certification Statement.....15

The Proposed Rule for Supplemental Nutrition Assistance Program: Trafficking Controls and Fraud Investigations (Card Replacement Rule), RIN 0584-AE26, indicated there were no Paperwork Reduction Act (PRA) requirements. Thus, FNS did not develop or submit an Information Collection Request to OMB. However, the proposed rule stated that States may choose to withhold the benefit card when the client has requested an excessive number of replacements, until the client makes contact with the State agency and provides an explanation for the request. State agencies taking up this option must notify the household when the threshold for excessive card replacements is reached and when it is exceeded. The option to notify the household when the threshold for excessive card replacements is reached and a second time if it is exceeded are Notices subject to the requirements of the PRA. Further, based on a comment to the proposed rule, FNS is requiring State agencies to monitor requests for EBT card replacements and send an Excessive Replacement Card Notice. The Excessive Replacement Card Notice is subject to the PRA for State and local agencies. The Excessive Replacement Card Notice is not subject to the PRA for households since household members are not required to respond to this Notice. This requirement is being issued as an interim final rule.

1. Explanation of Circumstances That Make Collection of Data Necessary

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 new collection, however, once OMB approval is complete, the Food and Nutrition Service (FNS) will merge the burden hours with OMB control number 0584-0064 titled, “Supplemental Nutrition Assistance Program (SNAP) Forms: Applications, Periodic Reporting, Notices”, expiration date 4/30/2016.

The Food and Nutrition Act of 2008 (the Act), as amended, specifies national eligibility standards and imposes certain administrative requirements on State agencies in administering the program. Information must be collected from households to assure that they are eligible for the program and that they receive the correct amount of SNAP benefits. Information collected is limited to that necessary for the administration and enforcement of the SNAP Program.

USDA is publishing an Interim Final and Final Rule in the Federal Register entitled “Supplemental Nutrition Assistance Program: Trafficking Controls and Fraud Investigation” RIN 0584-AE26. The rule includes provisions for new information collection notices in 7 CFR 274.6(b)(5) and 274.6(b)(6).

2. How the Information Will Be Used, By Whom, and For What Purpose

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 issue Notices regarding multiple requests for EBT replacement cards and excessive EBT card replacement.

REPORTING BURDEN:

Withhold Replacement Card Warning Notice and Replacement Card Withheld Notice -

Under 274.6(b)(5), State agencies may require an individual member of a household to provide an explanation in cases where the number of requests for card replacements is determined excessive. The State agency must notify the household in writing when it has reached the threshold, indicating that the next request for card replacement will require the client to contact the State agency to provide an explanation for the requests, before the replacement card will be issued. The State agency must also notify the household in writing once the threshold has been exceeded and the State agency is withholding the card until contact is made.

Excessive Replacement Card Notice – Under 274.6(b)(6), State agencies must monitor all client requests for EBT card replacements and send a notice, upon the fourth request in a 12-month period, alerting the household that their account is being monitored for potential, suspicious activity. The State agency shall be exempt from sending the Excessive Replacement Card Notice if they have chosen to exercise the option to withhold the replacement card until contact is made with the State agency in accordance with 274.6(b)(5) and the State agency has chosen to use the minimum threshold, which requires sending the first notice on the fourth card replacement request within 12 months.

3. Use of Improved Information Technology to Reduce Burden

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.

In compliance with E-Government Act of 2002 (E-Gov), State agencies have the authority to use the technology that best suits the needs of their individual or unique systems of operation to comply with the reporting and recordkeeping requirements contained in this submission. FNS has made every effort to provide for electronic submission as an alternative to paper submission in compliance with the E-Gov. FNS provides funding to support the development of electronic systems through Federal matching of States' administrative costs. However, for this ICR, there is no information that will be collected electronically.

4. Efforts to Identify and Avoid Duplication

Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Question 2.

For SNAP purposes, States are required to limit collection to information necessary to comply with the SNAP statutory requirements and to protect program integrity without imposing undue burden on respondents.

Because of the numerous Federal or State means-tested programs with variations in eligibility rules and benefit criteria, duplication of information collection and reporting may result for both States and households.

SNAP regulations permit State agencies to use multi-program forms and notices. Most States use a joint application for the Temporary Assistance to Needy Families Program (TANF) and SNAP, allowing applicants to apply for both programs with a single application form. Some States also include applications for the Medicaid program and general assistance programs with the TANF/SNAP application. While this may reduce the reporting burden for some information, if applications for too many programs are included in the same form, the forms may become too long and complicated and may deter households from applying.

5. Efforts to Minimize Burden on Small Businesses or Other Entities

If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

State agencies administer SNAP at the State level and collect the necessary data to ensure correct eligibility determinations and delivery of benefit. 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 the 53 SNAP State agency respondents, none are small entities.

6. Consequence of Less Frequent Data Collection

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.

In order to certify households for SNAP, certain information collection is necessary. Changing the frequency of the information collection or reporting requirements as they relate to the application, certification, and continued eligibility of households would result in a direct violation of the Act and its implementing regulations (i.e., the Act sets the eligibility standards and allows State agencies to set certification periods for most households up to 12 months). Further, benefits could be over-issued, under-issued, or provided to ineligible households if the necessary information is not collected or actions are not taken timely.

7. Special Circumstances

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 cause this information collection to be conducted in a manner that is inconsistent with 5 CFR 1320.5.

8. Federal Register Comments and Efforts to Consult with Persons Outside the Agency

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), 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. Specifically address comments received on cost and hour burden.

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 format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three years even if the collection of information activity is the same as in prior years. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

The 60-day Federal Register Notice was published in the Final and Interim Final rule: Supplemental Nutrition Assistance Program: Trafficking Controls and Fraud Investigations (Card Replacement Rule). This notice solicits public comments that will be addressed at the close of the comment period.

9. Payments to Respondents

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

No payments or gifts are provided to respondents under this collection.

10. Assurance of Confidentiality

Describe any assurance of confidentiality provided to respondents and the basis for the

assurance in statute, regulation, or agency policy.

Section 11(e)(8) of the Act and 7 CFR 272.1(c) of the regulations limit the use or disclosure of information obtained from applicant households or contained in the case files of participating households to persons directly connected with the administration of SNAP (i.e., 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 any other provisions of law; local, State, or Federal law enforcement officials for the purpose of investigating an alleged violation of the Act or regulations; agencies of the Federal Government for purposes of collecting the amount of an over issuance from Federal pay; and any Federal, State or local law enforcement officer if the member is a fleeing felon or a parole violator.) The application for benefits contains personal identifying information on individuals doing business with FNS. Therefore, FNS published a Privacy Act Notice System of Records Notice (SORN) March 31, 2000, entitled USDA/FNS-10: Persons Doing Business with the Food and Nutrition Service, in the Federal Register (65 FR 17251) to specify the uses to be made of the information collected.

11. Questions of a Sensitive Nature

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.

The notices do not contain questions of a sensitive nature.

12. Estimates of Respondent Burden

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

The estimated reporting and recordkeeping burdens for this collection, including the number of respondents, frequency of response, average time to respond and estimated man-hours, are shown in the following table. The total annual responses are based upon data from FY2012 regarding the number of households having greater than four card replacements.

Burden hours per response are based upon existing information on response time for the issuance of similar SNAP Notices.

SNAP information collection requirements described herein are imposed primarily on State agency eligibility workers. Standard wage rate categories used in determining annualized burden costs are based on the Bureau of Labor and Statistics (BLS) May 2011 Occupational

Employment and Wages Statistics report which indicated a median wage rate of \$19.74 per hour for eligibility interviewers in government programs. States would incur an annualized administrative cost of \$19.74 per hour burden in the information collection. Fifty percent of the administrative costs to the State agencies are reimbursed by FNS. This results in a reimbursement value of \$9.87 per burden hour. The Federal minimum wage rate of \$7.25 per hour is used to calculate annualized costs for households applying for SNAP benefits.

ESTIMATED ANNUAL BURDEN FOR 0584-NEW SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM: TRAFFICKING CONTROLS AND FRAUD, 7 CFR 274								
CFR	Title	Number of Respondents	Annual Reports	Total Annual Responses	Burden Hours per Response	Total Burden Hours	Hourly Cost to Respondent	Cost to Respondent
Affected Public: State and Local Agencies								
274.6(b)(5)	Withhold Replacement Card Warning Notice	26.5	449.26	11,905.5	0.0334	397.64	\$ 9.87	\$3,924.74
274.6(b)(5)	Replacement Card Withheld Notice	26.5	449.26	11,905.5	0.0334	397.64	\$ 9.87	\$3,924.74
274.6(b)(6)	Excessive Replacement Card Notice	26.5	449.26	11,905.5	0.0334	397.64	\$ 9.87	\$3,924.74
Subtotal		53	673.896	35,716.5	0.0334	1,193		\$ 11,774.23
Affected Public: Households								
274.6(b)(5)	Withhold Replacement Card Warning Notice	11,905.5	1	11,905.5	0.3000	3,571.65	\$ 7.25	\$25,894.46

274.6(b)(5)	Replacement Card Withheld Notice	11,905.5	1	11,905.5	0.3000	3,571.65	\$ 7.25	\$25,894.46
Subtotal		23,811	1	23,811	0.3000	7,143.30		\$ 51,788.93
Grand Total		23,864	2.494	59,527.50	0.1400	8,336		\$ 63,563.15

The 8,336 burden hours will be merged with OMB #0584-0064

13. Estimates of Other Annual Costs to Respondents

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.

14. Estimates of Annualized Government Costs

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.

Fifty percent of the administrative costs incurred by State agencies are reimbursed by FNS.

Thus, the estimated wage rates for State agency staffs noted above have been reduced by 50% to reflect cost sharing. Costs associated with the burden imposed on SNAP applicants and recipients are not reimbursed.

The Federal cost also includes the cost associated with the preparation of this information collection package. This includes Federal worker time at FNS for the following:

	Hours	Hourly Wage*	Total
GS-12 Program Analyst	20	\$37.07	\$741.40
GS-14 Branch Chief	40	\$57.13	\$2,285.20
Senior Consultant	20	\$55	\$1100.00

Cost of Federal workers:

\$4,126.60

*Wage rates determined in accordance with the Office of Personnel Management salaries and wages information (<http://www.opm.gov/oca/12tables/index.asp>)

OMB No. 0584-NEW

Total governmental costs: \$ **11,774.23**

State Share @ 50%: \$ **5,887.12**

Federal share @ 50%: \$ **5,887.12**

Cost of Federal workers: = \$**4,126.60**

Total cost to the Federal government: \$ 10,013.71

15. Program changes or adjustments

Explain the reasons for any program changes or adjustments reported in item 13 or 14 of the OMB 83-1.

This is a new collection. The purpose of this information collection associated with rulemaking is to issue Notices regarding multiple requests for EBT replacement cards and excessive EBT card replacement. This rulemaking will add 8,336 burden hours to the OMB information collection inventory. Once OMB approval is complete, FNS will merge the burden hours with OMB control number 0584-0064 titled, "Supplemental Nutrition Assistance Program (SNAP) Forms: Applications, Periodic Reporting, Notices."

16. Time Schedule, Publication, and Analysis Plans

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

There are no plans to publish statistical analyses.

17. Display of Expiration Date for OMB Approval

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

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

18. Exceptions to Certification Statement

Explain each exception to the certification statement identified in Item 19

"Certification for Paperwork Reduction Act."

There are no exceptions to the certification statement.