

**SUPPORTING STATEMENT - PART A for**

**OMB Control Number 0584-NEW**

**Supplemental Nutrition Assistance Program: Student Eligibility, Convicted Felons,  
Lottery and Gambling, and State Verification Provisions of the Agricultural Act of 2014**

Proposed Rule: **Supplemental Nutrition Assistance Program: Student Eligibility, Convicted Felons, Lottery  
and Gambling, and State Verification Provisions of the Agricultural Act of 2014**

(RIN 0584-AE41)

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**A1. 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 information collection request associated with proposed rulemaking titled Supplemental Nutrition Assistance Program: Student Eligibility, Convicted Felons, Lottery and Gambling, and State Verification Provisions of the Agricultural Act of 2014 (RIN 0584-AE41). Section 4009 of the Agricultural Act of 2014 (the Act) makes SNAP participants with substantial lottery and gambling winnings ineligible for SNAP benefits. Section 4009 of the Act also provides that State SNAP agencies are required to the maximum extent practicable to establish cooperative agreements with gaming entities within the State to identify SNAP recipients with substantial winnings. USDA will implement Section 4009 through rulemaking.

**A2. Purpose and Use of the Information.**

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

State SNAP agencies are required to the maximum extent practicable to establish cooperative agreements with gaming entities within the State to identify SNAP recipients with substantial winnings. Gaming entities (both State public agency and private business gaming entities) that enter into the cooperative agreements will share information with the State SNAP agency on individuals within their gaming establishment who win amounts over a threshold to be established by the Secretary. The Department does not anticipate that the student disqualification, felon disqualification, and state eligibility verification systems provisions will have a burden impact requiring adjustments to any information collection burdens.

### **A3. Use of information technology and burden reduction.**

**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 compliance with the E-Government Act of 2002. The State SNAP agencies may use their information technologies to collect this information where feasible to ease administration and reduce burden. FNS anticipates that cooperative agreements between State SNAP agencies and State public agency and private business gaming entities will most likely involve the creation of an electronic data matching system to identify SNAP participants with substantial winnings. Currently, States utilize electronic data matching systems to collect information to verify legal alien status, prisoner verification, and deceased matches.

Additionally, many States use their own electronic systems to intercept game winnings of individuals who are delinquent on child support payments.

### **A4. Efforts to identify 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.**

FNS has reviewed USDA reporting requirements, State administrative agency reporting requirements, and special studies by other government and private agencies. USDA will solely establish what is considered substantial lottery and gambling winnings for SNAP participants. Every effort has been made to avoid duplication. Many States conduct similar information collections for the purpose of collecting past due child support payments for non-custodial parents. These States intercept lottery and gambling winnings of individuals that owe back-child support. States are encouraged to utilize existing data matching systems that collect information from State public agency and private business gaming entities, such as the child support matching systems. However, existing collections differ from this collection in purpose and threshold amounts that trigger the process.

**A5. Impacts on small businesses or other small 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.**

FNS has determined that the requirements for this information collection do not adversely impact small private business gaming entities. Information being requested or required has been held to the minimum required for the intended use. Although smaller private business gaming entities may be involved in this data collection effort, they have to meet the same requirements for cooperative agreements as all other gaming entities based on this rulemaking. FNS estimates that one percent of private business gaming entity respondents will be small entities, approximately 1-2 respondents.

**A6. Consequences of collecting the information less frequently.**

**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.**

This is an ongoing data collection. In the cooperative agreements established with State public agency and private business gaming entities, State SNAP agencies are expected to describe the frequency of information collection. FNS will direct State SNAP agencies through rulemaking to collect this information as frequently as is practicable. Failure to conduct this information collection would be in violation of Section 4009 of the Agricultural Act of 2014, which requires that cooperative agreements with gaming entities for data collection be established to the maximum extent practicable. Collecting this information with less frequency would prevent FNS ability to ensure integrity established by the terms of the State SNAP agencies' cooperative agreements with gaming entities could allow an ineligible person to remain on SNAP, in violation of Section 4009 of the Agricultural Act of 2014, which makes SNAP recipients with substantial winnings ineligible for SNAP benefits.

#### **A7. Special circumstances relating to the Guidelines of 5 CFR 1320.5.**

**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. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.5.

**A8. Comments to the Federal Register Notice and efforts for consultation.**

**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 3 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.**

FNS will publish a 60-day notice embedded in the proposed rule titled (Student Eligibility, Convicted Felons, Lottery and Gambling, and State Verification Provisions of the Agricultural Act of 2014, 0584-AE41) published in the Federal Register. FNS will collect comments during the comment period for this proposed rule and summarize in the information collection package during the Final Rule.

**A9. Explain any decisions to provide any payment or gift to respondents.**

**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.

**A10. Assurances of confidentiality provided to respondents.**

**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.

**A11. Justification for any 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.**

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

**A12. Estimates of the hour burden of the collection of information.**

**Provide estimates of the hour burden of the collection of information. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated.**

**A. 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.**

**First Year Burden Hours**

The affected public for this collection is 53 State SNAP agencies, 53 State public agency gaming entities, and 159 private business gaming entities. It is estimated that each of the 53 State SNAP agencies will establish cooperative agreements once with one State public agency gaming entity within the State and 3 private business gaming entities within the State for a total of 212 annual responses which will take approximately 320 hours per response for a total of 67,840 annual burden hours. This one time activity includes time for the State SNAP agency to reach out to the State public agency gaming entities and private business gaming entities in the State, negotiate



terms for sharing identifying information of winners, establish secure connections for sharing information, and to complete all necessary reviews of agreements by legal counsel and State leadership. Each of the 53 State public agency gaming entities will also incur a burden entering into cooperative agreements with their State SNAP agency, which will take approximately 320 hours per response for a total of 16,960 burden hours. This one time activity includes time for the State public agency gaming entity to negotiate terms for sharing identifying information of winners, establish secure connections for sharing information, and to complete all necessary reviews of agreements by legal counsel and State public agency gaming entity leadership. It is estimated that each of 159 affected private business gaming entities will establish cooperative agreements once with their respective State SNAP agency, which will take approximately 320 hours per response for a total of 50,880 annual burden hours. Our estimate assumes all 53 State SNAP agencies receiving SNAP funding will implement this rule despite large variations in gaming activities from State to State.

It is estimated that each of 53 State SNAP agencies will create a data matching system once to match information on winners from State public agency gaming entities and private business gaming entities within the State with SNAP participation lists, which will take approximately 160 hours per response for a total of 8,480 annual burden hours. All State SNAP agencies currently make use of other computerized data matching systems (e.g. SAVE for immigration verification), so costs assume States will re-program existing systems.

### **Ongoing Yearly Costs**

Once the matching system is in place, for every year thereafter, the State public agency and private business gaming entities will have to enter information into the system for every

individual who wins over the threshold for winnings. There is no national database of how many people win large amounts of money in State lotteries or through other gaming activities. For this estimate, it is assumed that each of the 53 State public agency gaming entities would have 200 individuals who win over the threshold in a given year for a total of 10,600 annual responses. It will take approximately 0.08 hours for the State public agency gaming entity to identify the winner and enter the appropriate information into the matching system for a total of 848 annual burden hours per year. In addition, it is estimated that each of the 159 private business gaming entities will identify 100 individuals per year who have won over the threshold for a total of 15,900 annual responses. It will take approximately 0.08 hours for the private business gaming agency to identify the winner and enter the appropriate information into the matching system for a total of 1,272 annual burden hours per year.

Once the matching system is in place, for every year thereafter, the matches between the winner list and SNAP participation list should occur automatically and with negligible cost. For this estimate, it is assumed that each of 53 State SNAP agencies will positively match with the one State public agency and three private business gaming entities in their respective States an average of 35 records per year for a total annual response of approximately 1,855 SNAP participants nationally. Each of 53 State SNAP agencies will have to identify among the responses above those that are misidentified as SNAP participants because of a similar name, inaccurate reporting etc. FNS anticipates that each of 53 State SNAP agencies will receive approximately 5 total annual records with misidentified participants for a total annual response of 265 records. It will take approximately 0.667 hours to identify these types of misidentifications for a total annual burden of 176.76 burden hours. Additionally, each of the 53

State SNAP agencies will have to follow-up with and disqualify SNAP participants discovered through the above matches to have actual substantial lottery or gambling winnings. FNS anticipates approximately 30 records annually per State SNAP agency will be households with actual substantial winnings and it will take approximately 1 hour of the State SNAP agency's time for this activity for a total of approximately 1590 annual burden hours.

Lottery or gambling winners who lose eligibility for SNAP will need to be re-evaluated according to normal program rules if they again decide to apply for SNAP benefits. In some States, this will require an asset test that is typically waived for most other program applicants. In order to identify applicants subject to the asset test, eligibility workers will need to identify if a current SNAP applicant previously lost eligibility due to substantial winnings. This can be done through a routine search of past enrollment files at the time of application. In most cases, eligibility workers are already doing this search to identify other relevant information for the current household application, and as a result the cost is negligible.

There is no recordkeeping burden required for this information collection request.

Reg. Section	Respondent Type	Description of Activity	Estimated Number of Respondents	Annual Report or Record Filed	Total Annual Responses	Number of Burden Hours Per Response	Estimated Total Burden Hours	Hourly Wage Rate*	Estimate Cost to Respondents
7 CFR 272.17	State SNAP Agency Managers	**Establish cooperative agreements with State public agency and private business gaming	53	4	212	320	67,840	\$45.64	\$3,096,217.60

		entities							
7 CFR 272.17	State Public Agency Gaming Entity Managers	**Establish cooperative agreements with State SNAP agency	53	1	53	320	16,960	\$45.64	\$774,054.40
7 CFR 272.17	State SNAP Agency Managers	**Create a data matching system with State public agency and private business gaming entities	53	1	53	160	8,480	\$45.64	\$387,027.20
272.17 and 273.11(r)	State SNAP Agency Eligibility Worker	Eligibility worker follow-up - misidentified winners	53	5	265	0.667	176.76	\$20.41	\$3,607.57
7 CFR 272.17 and 7 CFR 273.11(r)	State SNAP Agency Eligibility Worker	Eligibility worker follow-up - true winners	53	30	1590	1	1590	\$20.41	\$32,451.90
7 CFR 272.17	State Public Agency Gaming Entity Staff Member	Input data into data matching system for use by State SNAP agency	53	200	10,600	0.08	848	\$18.46	\$15,654.08
<b>State Agency Subtotal Reporting</b>			<b>53</b>	<b>241</b>	<b>12,773</b>	<b>-</b>	<b>95,894.76</b>	<b>-</b>	<b>\$4,309,012.60</b>
7 CFR 272.17	Private Business Gaming Entity Managers	**Establish cooperative agreements with State SNAP agency	159	1	159	320	50,880	\$71.79	\$3,652,675.20
7 CFR 272.17	Private Business Gaming Entity Staff Member	Input data into data matching system for use by State SNAP agency	159	100	15,900	0.08	1272	\$13.25	\$16,854
<b>Business Subtotal Reporting</b>			<b>159</b>	<b>101</b>	<b>16,059</b>	<b>-</b>	<b>52,152</b>	<b>-</b>	<b>\$3,669,529.20</b>
<b>States and Business Reporting Grand Total Burden Estimates</b>			<b>212</b>		<b>28,832</b>		<b>148,046.76</b>	<b>-</b>	<b>7,978,541.80</b>

\*Based on the Bureau of Labor Statistics May 2014 Occupational and Wage Statistics. The salaries of State SNAP agency managers and public gaming entity managers are considered to be “General and Operations Managers, Local Government (11-1021).” The salaries of private gaming entity managers are considered to be “General and Operations Managers, Management in Companies and Enterprises (11-1021).” The salaries of private gaming entity managers are considered to be “Gaming Managers (11-9071).” The salaries of the eligibility workers are considered to be “Eligibility Interviewers, Government Programs (43-4061).” The salaries of public gaming entity staff member are considered to be “Information and Record Clerks, All Other (43-4199).” The salaries of private gaming entity staff member are considered to be “Gaming Cage Workers (43-3041).” (<http://www.bls.gov/oes/home.htm>)

\*\* These are only first year costs and are next expected to re-occur annually.

**B. 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 Department of Labor, Bureau of Labor Statistic, May 2015 National Occupational and Wage Statistics, Occupational Groups (11-1021), (11-9071), (43-4061), (43-4199), and (43-3041).

The total annual cost to respondents is \$7,978,541.80. This includes \$3,669,529.20 for Business and \$ 4,309,012.60 for State Agencies. It is estimated that State SNAP agency mangers in the General and Operations Managers for Local Government occupation group (11-1021) in the 53 State SNAP agencies will spend a total of 67,840 hours to establish cooperative agreements with State public agency and private business gaming entities at a rate of \$45.64 per hour for a total estimated cost of \$3,096,217.60 for all respondents in the first year.

It is estimated that State public agency gaming entity managers in the General and Operations Managers for Local Government occupation group (11-1021) in the 53 State SNAP agencies will spend a total of 16,960 hours to establish cooperative agreements with State SNAP agencies at a rate of \$45.64 per hour for a total estimated cost of \$774,054.40 for all respondents in the first year.

It is estimated that State SNAP agency managers in the General and Operations Managers for Local Government occupation group (11-1021) in the 53 State SNAP agencies will spend a total of 8480 hours to establish data matching systems with State public agency and private business gaming entities at a rate of \$45.64 per hour for a total estimated cost of \$387,027.20 for all respondents in the first year.

It is estimated that State SNAP agency eligibility workers in the Eligibility, Interviews, Government Programs occupation group (43-4061) in the 53 State SNAP agencies will spend a total of 176.76 hours to review matches for misidentified winners at a rate of \$20.41 per hour for a total estimated cost of \$3,607.57 for all respondents annually.

It is estimated that State SNAP agency eligibility workers in the Eligibility, Interviews, Government Programs occupation group (43-4061) in the 53 State SNAP agencies will spend a total of 1590 hours to follow-up with and disqualify correctly matched winners at a rate of \$20.41 per hour for a total estimated cost of \$32,451.90 for all respondents annually.

It is estimated that State public agency gaming entity staff in the Information and Record Clerks, All Other occupation group (43-4199) in the 53 State public agency gaming entities will spend a total of 848 hours to enter appropriate information into the data matching system with the State SNAP agency at a rate of \$18.46 per hour for a total estimated cost of \$15,654.08 for all respondents annually.

It is estimated that private gaming entity managers in the General and Operations Managers,

Management in Companies and Enterprises occupation group (11-1021) in the 159 private business gaming entities will spend a total of 50,880 hours to establish cooperative agreements with State SNAP agencies at a rate of \$71.79 per hour for a total estimated cost of \$3,652,675.20 for all respondents in the first year.

It is estimated that private business gaming entity staff in the Gaming Cage Workers occupation group (43-3041) in the 159 private business gaming entities will spend a total of 1272 hours to enter appropriate information into the data matching system with the State SNAP agency at a rate of \$13.25 per hour for a total estimated cost of \$16,854 for all respondents annually.

**A13. Estimates of other total annual cost burden.**

**Provide estimates of the total annual cost burden to respondents or recordkeepers resulting from the collection of information, (do not include the cost of any hour burden shown in questions 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 additional capital/start up or ongoing operation/maintenance costs associated with this information collection.

**A14. Provide estimates of annualized cost to the Federal government.**

**Provide estimates of annualized cost to the Federal government. 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.**

State SNAP agencies' allowable SNAP administrative costs are eligible for 50 percent Federal reimbursement. The Federal government's estimated total annual cost is 50 percent of the State agency SNAP cost to create cooperative agreements and establish data matching systems annualized over 3 years or \$580,540.80, as well as 50 percent of the ongoing yearly costs to

manage the data matches or \$18,029.74. In addition, the cost to the Federal government to create this data collection was 20 staff hours for a GS 12 (Step 5) at a rate of \$42.08/hour for a total of \$841.60. The total Federal annualized cost is \$599,412.14.

**A15. Explanation of program changes or adjustments.**

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

This is a new information collection request as a result of program changes and will add 28,232 responses and 148,046.76 hours of burden to OMB's inventory.

**A16. Plans for tabulation, and publication and project time schedule.**

**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 for statistical analyses.

**A17. Displaying the OMB Approval Expiration Date.**

**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.

**A18. Exceptions to the certification statement identified in Item 19.**

**Explain each exception to the certification statement identified in Item 19 of the OMB 83-I" Certification for Paperwork Reduction Act."**

The agency is able to certify compliance with all provisions under Item 19 of OMB Form 83-I.