Supporting Justification for OMB Clearance for the Scanner Capability Assessment of SNAP-Authorized Small Retailers (SCANR) Study

Part A

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PART A: JUSTIFICATION

A.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.

Circumstances that make the collection necessary. This is a new information collection request. This OMB Package is for planned data collection activities during 2018. The Agricultural Act of 2014, Section 4002 (otherwise known as the 2014 Farm Bill) (Appendix A.1) requires all authorized Supplemental Nutrition Assistance Program (SNAP) retailers to use scanning technologies to redeem SNAP benefits, unless the retailers are located in a geographic region that has severe food access limitations. This is due to the concern that participants may use their EBT cards for noneligible items. The best method of preventing such abuse is to use electronic scanning technologies that are integrated with the EBT terminals at the point-of-sale (POS) and which identify noneligible items. SNAP, which is administered by the U.S. Department of Agriculture, Food and Nutrition Service (USDA, FNS), is designed to be a supplement to household food purchases with the goals of reducing food insecurity and increasing access to a healthy diet. SNAP provides food benefits to eligible low-income households through electronic benefit transfer (EBT) cards that are reloaded by state agencies every month. SNAP participants pay for eligible food items by swiping their EBT card at POS devices in one of more than 250,000 business that are authorized retail food stores, of which approximately 125,000 are small, independent stores.

The Scanner Capability Assessment of SNAP-Authorized Small Retailers (SCANR) Study will provide FNS with an understanding of the extent to which small retailers participating in SNAP

are able to meet the 2014 Farm Bill requirement. Understanding the number of small retailers that lack scanning technologies that meet the requirement, the costs of adopting and maintaining scanning technologies, and the barriers small retailers face in adopting the technology are key to informing rulemaking for the 2014 Farm Bill requirement. The last study to examine POS technologies in SNAP-authorized retailers dates to 1998, before the full implementation of EBT (USDA, FNS, 1998). At the time, an average of 32% of authorized SNAP retailers used scanning technologies, with supermarkets representing the vast majority that used these scanning technologies (88%) and a much lower percentage of small retailers (5% to 25%) using them. Over the past 18 years, technologies and scanning equipment have evolved, yet some small retailers still do not use an automated scanning technology. FNS requires an updated study to determine the number of small retailers that do not have scanning capabilities that can identify SNAP-eligible food items and the reasons for not adopting scanning technologies.

Legal or Administrative Requirements. This study is necessary to implement Sec. 17(a)(1) of the Food and Nutrition Act of 2008 (Appendix A.2). This legislation directs the U.S. Department of Agriculture (USDA) to carry out research to help improve the administration and effectiveness of SNAP in delivering nutrition-related benefits.

FOOD AND NUTRITION ACT OF 2008

SEC. 17. [7 U.S.C. 2026] RESEARCH, DEMONSTRATION, AND EVALUATIONS

(a)(1) The Secretary may enter into contracts with or make grants to public or private organizations or agencies under this section to undertake research that will help improve the

administration and effectiveness of the supplemental nutrition assistance program in delivering nutrition-related benefits. The waiver authority of the Secretary under subsection (b) shall extend to all contracts and grants under this section.

A.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.**

How the information is to be used. The information collected will be used in the following ways. First, the study will describe the requirements and costs of installing and operating scanning technologies in small SNAP-authorized retailers. Second, the information will be used to estimate the proportion of small retailers who currently do not use scanning technologies that will meet the Farm Bill requirement. Differences in characteristics of stores that do and do not use scanning technologies will be analyzed to examine what proportion of stores may implement scanning technologies to comply with the Farm Bill requirement. Third, the information will be used to identify economic and technological barriers to adoption of scanning technologies by small SNAP-authorized retailers. Analyses will be conducted that examine how these barriers vary by store type. The study plan posed specific research objectives and questions (Appendix B) that will be answered by the data collection components described in this section.

From whom the information will be collected. The study includes three primary data collection components that will each occur once with Business-for-profit: industry interviews with vendors (Appendix C), a nationally representative survey of small retailers (referred to as the SCANR Survey) (Appendix D), and follow-up interviews with a subset of retailer survey respondents (Appendix E). The industry interviews will be structured telephone interviews with

nine vendors of POS scanning technologies (which excludes the 1 pretest respondent and 3 informal discussions on the scanning systems). The target population for the nationally representative survey is small SNAP-authorized retailers defined as small grocery stores, medium grocery stores, convenience stores (franchise and nonfranchise), and specialty stores, excluding stores previously identified by FNS that have 10 or more outlets under the same owner because large chains are likely to meet the Farm Bill requirement. We will use the FNS Store Tracking and Redemption Subsystem (STARS) database to create the sampling frame. A preliminary STARS dataset was used to create a preliminary sampling frame to inform the sample design and recruit pretest participants for this data collection. We estimate that there will be approximately 125,000 small, independent stores that are eligible for participation, and 1,377 of these stores (this excludes the 50 individuals contacted for the pretest) will be selected for the survey sample with an expected 936 completed surveys (which excludes the 8 pretest respondents); approximately 234 participants will refuse or choose not to participate. The sample design for the survey will be sufficiently powered to provide national and subgroup estimates by store type and urbanicity. The survey approach will use multiple modes to facilitate response including a paper questionnaire (Appendix D.6), a Web-based survey (Appendix D.7), and telephone contacts (Appendix D.5) with nonrespondents to maximize the response rate. While the website is not yet developed or deployed, the survey will be housed in RTI's Enhanced Security Network with a URL that will be similar to https://survey.rti.org/SCANR. FNS has provided screenshots and will adhere to the public display requirements of the Paperwork Reduction Act. The follow-up interviews will be conducted with 50 retailers that responded to the SCANR Survey (Appendices E.5 and E.6). Approximately half of the retailers selected for the interviews will be stores that reported on the SCANR Survey that they currently use scanning

technologies that meet the Farm Bill requirement and half will be stores that do not meet the requirement.

How the information will be collected. For the industry interviews, candidate vendors will receive an initial email inviting them to participate in the interview (Appendix C.1), followed by a second email to schedule the interview (Appendix C.2). A structured interview guide will be used to collect information on the requirements and costs of scanning technologies (Appendix C.3). FNS is interested in the requirements and costs for two options of functionality for scanning technologies: (1) scanning technologies that can identify which items are eligible to be purchased with SNAP and scan the item's price but not integrated with the EBT terminal and (2) scanning technologies that can identify which items are eligible to be purchased with SNAP and scan the item's price *and* are integrated with the EBT terminal. The first option will allow a retailer to meet the minimum requirements as outlined in the 2014 Farm Bill. The cost data will be combined with the survey data and data from secondary sources (e.g., labor rates) to conduct a cost analysis to estimate store-level and industry-level costs for complying with the 2014 Farm Bill requirement.

The SCANR Survey will collect information on the characteristics of the point-of-sale system currently used by retailers to assess whether their system meets the 2014 Farm Bill requirement, and for those that do not meet the requirement, possible barriers to adoption of scanning technology. Participation in the survey by retailers is voluntary. We will employ a 6-month, two-phase design that uses mail, Web, and computer-assisted telephone interviewing (CATI) to gather data. Following Office of Management and Budget (OMB) approval, the contractor will

mail all sampled retailers a cover letter from FNS describing the study and emphasizing the relevance to retailers (Appendix D.1), a frequently asked questions (FAQ) document (Appendix D.2), and a paper questionnaire (Appendix D.6) with an invitation to complete the survey via the Web (instead of completing the paper questionnaire) (Appendix D.7). Six weeks after the initial contact, retailers that have not participated will receive a reminder letter with a second paper questionnaire and an invitation to complete the survey via the Web (Appendix D.3). At month 3, the contractor will send nonresponders another reminder letter, paper questionnaire, and Web invitation (Appendix D.4) via Federal Express (or U.S. Priority Mail for retailers with a Post Office box). Two weeks after the FedEx mailing, trained interviewers will begin calling all nonresponding retailers (Appendix D.5). Interviewers can complete the survey with retailers over the phone (Appendix D.8), or if preferred, they can help retailers complete the survey by mail or via the Web.

The purpose of the follow-up interviews (Appendices E.1-E.8) with a subset of the retailers that responded to the SCANR Survey is to obtain qualitative data on barriers/inducements to using scanning technologies and to collect information on installation and operating costs. Approximately half of the retailers selected for the follow-up interviews will be stores that reported on the survey that they currently are using scanning technologies that meet the Farm Bill requirement and half will be stores that do not meet the requirement. During the follow-up, a mix of phone and in-person interviews will be used; all the follow-up interviews with stores that have scanning technologies will be conducted in-person so that the type of technologies in place can be observed and documented using photographs (Appendix E.5 and E.6). As part of the script for the interview, permission will be obtained for taking photographs and no store

employees or customers will be visible in the photographs (Appendix E.5). For recruiting the selected retailers for follow-up interviews, we will contact retailers either by letter or email (Appendix E.1 and E.2). After the letter or email, we will contact the retailers to schedule the interview either in person or by phone (Appendix E.3 and E.4). In some cases, we may be unable to reach the retailer by letter or email and the initial contact will be by phone to introduce the retailer to the study and if the retailer agrees, to schedule an interview. If the initial contact is by phone and the participant is not reached, we will leave a generic message on the participant's voicemail to let him/her know to call back to schedule an in-person interview or complete a telephone interview (Appendix E.8). For interviews conducted by phone, a thank you letter will be mailed (Appendix E.7).

Interviewers will use a semi-structured interview guide to conduct the interviews (Appendices E.5 and E.6). The interviews will provide the opportunity to learn about costs, benefits, and challenges associated with implementing and operating scanning technologies from a group of retailers that have technologies in place that meet the Farm Bill requirement and about concerns of retailers that do not meet the requirement. Interview questions will also provide insight regarding the level of knowledge about scanning technology among small retailers and the information gaps, particularly among nonusers.

F**requency of information collected.** Vendors that participate in the industry interviews will complete one interview. The small-SNAP authorized retailers contacted will complete the SCANR Survey once. A subset of 50 participants who responded to the SCANR Survey will be asked to participate in one follow-up interview.

Information shared with any other organizations inside or outside USDA or the

government. The aggregated and analyzed data will be published and be available to the public.

All results will be presented in aggregated form in the final report made available in the research

section of the USDA Food and Nutrition Service website http://www.fns.usda.gov/ops/research-

and-analysis.

**A.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 complying with the E-Government Act of 2002, to promote the use of

technology. When feasible, improved technology has been incorporated into data collection to

reduce respondent burden and to improve data quality, efficiency, and responsiveness. For the

SCANR Survey, we will employ mail, Web, and CATI to gather the survey data. Despite the

advantages of web-based surveys, not all respondents will be able to or want to respond via the

web; therefore, offering the paper and CATI alternatives will help to maximize the response rate

for the survey.

The initial contact to sampled retailers (Appendix D.1) will simultaneously offer a paper

questionnaire (Appendix D.6) and an invitation to complete the survey via the Web (Appendix

D.7). While the website is not yet developed or deployed, the survey will be housed in RTI's

Enhanced Security Network with a URL that will be similar to https://survey.rti.org/SCANR.

FNS has provided screenshots and will adhere to the public display requirements of the Paperwork Reduction Act. To offer flexibility, the Web survey can be completed on mobile devices. If respondents choose to complete the survey on their mobile device, they would willingly incur mobile device charges if applicable. Respondents will not be reimbursed for any mobile device charges. Providing a Web-based questionnaire will provide the respondent with an additional option for completing the survey and is often less burdensome for the respondent. It is also more cost-effective compared with other forms of survey administration. Additionally, data quality is improved with a Web-based survey because skip patterns are automated so respondents can complete the survey more quickly and easily, and the quality of the data and efficiency of data collection are improved. Also, with Web-based surveys submission is automatic, while a paper-based survey requires respondent time to submit the survey by mail (a pre-paid self-addressed envelope will be provided). Moreover, automated data collection will minimize processing time at the end of the field period.

Two additional mailings, sent to those who do not complete the survey initially, (Appendixes D.3 and D.4) will be conducted and will again offer respondents the choice of completing a paper questionnaire or completing the survey via the Web. Approximately 3 months after the initial mailing, interviewers will begin calling all nonresponding retailers (Appendix D.5) using CATI to help maximize the response rate for the survey. Interviewers can complete the survey with retailers over the phone (Appendix C.8), or if preferred, they can help retailers complete the survey by mail or via the Web. Use of CATI will make possible accurate skip patterns, response code validity checks, and consistent checking and editing, all of which will improve the pace and flow of survey administration and thus reduce respondent burden and improve data quality and

the efficiency of data collection. An estimated 48% (448/936) of the responses will be collected via the Web questionnaire, 24% (225/936) of the responses will be completed via CATI, and the remaining 28% (263/936) of the responses will be completed by mail (the denominator excludes the 8 pretest respondents).

A.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.**

Every effort has been made to avoid duplication. Through careful review of the data requirements, we have determined that no current data are similar to that proposed for collection in this study. The last study to examine POS technologies in SNAP-authorized retailers dates to 1998, before the full implementation of EBT (USDA, FNS, 1998)[1]. At the time, an average of 32% of authorized SNAP retailers used scanning technologies; supermarkets represented the majority of retailers that used scanners (88%), and a much lower percentage of small retailers (5% to 25%) used scanners. Over the past 18 years, technologies and scanning equipment have evolved, yet some small retailers still do not use an automated scanning technology to identify SNAP-eligible food items. FNS requires an updated study to determine the number of small retailers that do not have scanning capabilities and the reasons for their lag in technological adoption to inform rulemaking for the 2014 Farm Bill requirement.

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[1] The OMB approval number is not available; however, this study was conducted to address a congressional mandate.

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

The purpose of the study is to provide FNS with information to inform rulemaking for the 2014 Farm Bill requirement that all authorized SNAP retailers use scanning technologies to redeem SNAP benefits; therefore, by definition of the study objectives, data will need to be collected from small retailers. Data collection will include a survey administered to a nationally representative sample of all small SNAP-authorized retailers and follow-up interviews with a subset of survey respondents. It is important to collect information from small retailers because there is limited information available on the number that use scanning technologies, and these establishments are more likely to be adversely affected by new regulatory actions. FNS will minimize the burden on small retailers by only collecting information that is required for rulemaking, thus keeping the average burden for completing the survey to 15 minutes and the average burden for the follow-up interviews to 20 to 30 minutes. Additionally, for the SCANR Survey, we will use stratified sampling by store type (small grocery store, medium grocery store, convenience store franchise, convenience store nonfranchise, and specialty store) and urbanicity (urban vs. rural) to achieve nationally representative estimates and employ a multimodal data collection approach: a paper questionnaire and an invitation to complete the survey via the Web will be offered simultaneously and nonresponders contacted by phone to complete the survey via CATI. To offer additional flexibility, the Web survey can be completed on mobile devices. If completed by Web survey or via CATI, skip patterns will be utilized thus decreasing respondent burden. Furthermore, both the survey and interview guides were pretested with eight retailers and reviewed by trade associations to ensure they are easy to understand. A summary of our pretest methods and findings can be found in Appendix F. Retailers will not be asked to refer to

records to complete the survey or answer interview questions—best estimates are acceptable.

Out of 1,443 business' we estimate that approximately 99% (1,429) are considered small

businesses.

A.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.

This is a one-time voluntary data collection. The purpose of the study is to provide FNS with

information to inform rulemaking for the 2014 Farm Bill requirement that all authorized SNAP

retailers use scanning technologies with the capability to identify SNAP-eligible food items to

redeem SNAP benefits. Without this data collection, FNS will not be able to ensure integrity,

have current information on the extent to which small retailers are complying with the required

scanning technology and the reasons for noncompliance.

A.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;**

For the nationally representative survey of small SNAP-authorized retailers, we encourage

respondents to complete the survey within 2 weeks. In our experience, a quick turnaround

encourages respondents to complete the survey when received instead of procrastinating,

which may lead to nonresponse. Our follow-up procedures include second and third mailings

of the paper questionnaire (Appendices D.3, D.4, and D.6), invitations to complete the

questionnaire via the Web (Appendix D.7), and CATI follow-ups (Appendix D.5) with

nonresponders. In the follow-up contacts, we ask respondents to complete the survey within

the next week.

- **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 other special circumstances.

A.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.

Notice of this study was published in the Federal Register on Friday, February 24, 2017 (Vol. 82,

No. 36, pp 11523 - 11525). (Included with this request). No comments were received.

Consultations outside the agency

In addition to soliciting comments from the public, informal discussions were conducted by telephone with three vendors and industry experts as part of the instrument development process (see Table A8.1). These discussions focused on the types of scanning technologies that are available, pricing models for these technologies, and service contracts. These informal contacts were particularly useful in describing the different types of scanning technologies in terminology that is easy to understand and familiar to respondents to help facilitate retailers' response to the SCANR Survey and follow-up interviews.

Table A8.1. Consultations from outside the agency

Name	Affiliation	Phone Number	Email Address
Scott Childress	goEBT	1-800-277-5156, Ext. 286	scottchildress@goebt.com
Joe Jurich	DUMAC Business Systems, Inc.	1-817-607-9000, Ext. 404	jjurich@dumac.com
Josh Wiles	Novo Dia Group	1-512-371-4234, Ext. 3344	josh@novodiagroup.com
Keri Bailey	California Grocers Association	(916) 448-3545	kbailey@cagrocers.com
David Overfelt	Missouri Retailers Association	(573) 636-5128	dave@moretailers.com
Anna Ready	National Association of Convenience Stores	(703) 518-4227	aready@convenience.org
Greg Ferrara	National Grocers Association	(703) 516-8811	gferrara@nationalgrocers.org
Joe Williams	Texas Retailers Association	(512) 472-8261	jwilliams@txretailers.org
Michael Zeher	Walmart	(479) 277-7233	Michael.zeher@wal-mart.com

The information collection request has been reviewed by Josephine Akato, phone number: 202-720-2641, email: Josephine.akato@nass.usda.gov] of the National Agricultural Statistics Service (NASS) of USDA with special reference to the statistical procedures. Appendix G provides a listing of NASS's comments and how they were addressed.

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

For the follow-up interviews with retailers (Appendices E.1-E.8), we plan to conduct interviews with store owners from different locations to obtain geographic diversity, to represent a mix of store types (e.g., small grocery stores, convenience stores) and urbanicity (urban versus rural), and to determine whether or not the store has scanning technology that meets the Farm Bill requirement. This diversity is important so that the cost analysis reflects the range of small SNAP-authorized retailers. As noted in Appendix F, when recruiting individuals to pretest the interview guide for the follow-up interviews, we noted the lack of willingness of some store owners to participate. Additionally, for the pretests conducted in-person, we found that the owner was often the only employee at the store so the owner had to stop to assist customers during the interviews making the interview an inconvenience. Based on our experience conducting the pretest, we believe that the 50 retailers participating in follow-up interviews will endure an additional inconvenience for participating because they are small business owners who are trying to run their store; therefore, we propose to offer store owners a $20 Visa gift card to compensate them. This compensation will likely improve data quality by increasing the diversity of the store owners participating in the interviews (i.e., mix of location, store type, urbancity, and use of scanning technology) and decreasing response bias.

Additionally, offering an incentive will help to increase the response rate and decrease the number of refusals and help to reduce survey costs. We anticipate that without the incentive, we would need to contact more store owners to complete the desired number of interviews. The current number of owners we plan to contact to complete 50 interviews is 71 owners.

Other FNS studies approved by OMB have provided incentives to businesses that were of a comparable amount for similar burden. This approach has yielded high response rates and high quality data on those studies, including the School Nutrition and Meal Cost Study (OMB control number 0584-0596, expiration date 8/31/2017) and the School Nutrition Dietary Assessment IV (OMB control number 0584-0527, expiration date 9/30/2012).

The $20 incentive reflects the amount that is appropriate to motivate participation and demonstrates appreciation for taking part in the study. The $20 incentive will be in the form of a Visa gift card and will be provided upon completion of the interview (delivered in-person for the in-person interviews and sent by mail for the phone interviews) (Appendix E.7 provides a letter for mailing the gift card). In summary, the planned incentive is designed to promote cooperation and high data quality and to reduce participant burden and participant costs associated with data collection.

A.10 Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

FNS complies with the Privacy Act of 1974. For the SCANR Survey, information regarding privacy is included in the recruiting materials, specifically documented in the FAQ (Appendix D.2). For the mail and web versions of the SCANR Survey, we are not engaging in a formal consent process but recognize that by completing the survey the individual agrees to participate. If the survey is completed by phone, we will ask for verbal consent which is included in the

telephone script. For the industry interviews and follow-up interviews with retailers, the trained interviewer will ask the respondent for a verbal consent to proceed with the interview before beginning the interview and will obtain consent to record the interview.

All project staff and subcontractors will sign a privacy and nondisclosure agreement (Appendix H) that conforms with requirements specified by the Privacy Act of 1974 (5 USC §552a) and the FNS-8 USDA/FNS Studies and Reports. Names and phone numbers will not be linked to participants' responses, survey respondents will have a unique ID number, and analyses will be conducted on data sets that include only respondents' unique ID numbers. All data will be stored on password-protected computers and accessible only to project staff who have signed the privacy and nondisclosure agreement. Names and contact information will be destroyed within 12 months after the end of the data collection and processing period (approximately March 2020). FNS published a system of record notice (SORN) titled FNS-8 USDA/FNS Studies and Reports in the *Federal Register* on April 25, 1991, volume 56, pages 19078-19080, that discusses the terms of protections that will be provided to respondents.

This study was considered exempt by RTI's Committee for the Protection of Human Subjects, which serves as the organization's Institutional Review Board (IRB) (see Appendix I).

A.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.**

This study does not contain questions of a sensitive nature.

A.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.**

Table A12.1 shows the annual estimates of the respondent burden (including non-respondents and pretesting burden of those who chose not to participate) for the proposed data collection, including the affected public (Business-for-profit) estimated number of respondents (1,443), estimated frequency of response (approximately 2.5308), estimated total annual responses (3,652) estimated average time to respond (0.101246), and estimated annual hour burden (370.285). These estimates reflect the contractor's prior experience in collecting data and burden estimates from the pretests that were conducted for this study (described in Section B.4).

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

Table A12.2 shows the estimated annualized cost to respondents. The estimate of respondent

cost is based on the burden estimates and utilizes the U.S. Department of Labor, Bureau of Labor

Statistics, May 2016 Occupational Group 11-0000 for Management Occupations and

Occupational Group 11-1021 for General and Operations Managers. The hourly mean wage for

11-0000 (Management Occupations) is $56.74 per staff hour (for scanning technology vendors),

the hourly mean wage for 11-1021 (General and Operations Managers) is $58.70 per staff hour

(for retailers).[2] No respondents will be asked to keep records of data; therefore, no burden hours

have been estimated for recordkeeping.

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[2] May 2016 National Occupational Employment and Wage Estimates for the United States, median hourly rates, available at
www.bls.gov/oes/current/oes_nat.htm.

Table A12.1. Estimates of respondent burden

Type of Respondent	Type of Survey Instrument	Appendix	Sample Size	Responsive					Nonresponsive					Total Annual Hour Burden
				Number of Respondents	Frequency per Response	Total Annual Responses	Hours per Response	Annual Burden (Hours)	Number of Non-respondents	Frequency per Response	Total Annual Responses	Hours per Response	Annual Burden (Hours)	
Industry interviews with vendors														
Informal discussions with vendors	Telephone discussion for draft instruments	N/A	3	3	1	3	1	3	0	0	0	0	0	3.0
Industry interviews with vendors	Telephone pretest of interview guide	N/A	1	1	1	1	1	1	0	0	0	0	0	1.0
Industry interviews with vendors	Initial recruitment email	B.1	12	9	1	9	0.033	0.297	3	1	3	0.033	0.099	0.396
Industry interviews with vendors	Recruitment scheduling email	B.2	9	9	1	9	0.033	0.297	0	0	0	0	0	0.297
Industry interviews with vendors	Telephone interview guide	B.3	9	9	1	9	1	9	0	0	0	0	0	9.0
Vendor Participant Total			16	13	-------	31	-------	13.594	3	-------	3	-------	0.099	13.693
Survey with small SNAP-authorized retailers (SCANR Survey)														
Small SNAP-authorized retailers	Hard copy pretest of Site Survey[a]	N/A	50	8	1	8	1	8	42	1	42	0.033	1.386	9.386
Small SNAP-authorized retailers	Email invitation with information request, brochure, FAQ document, survey questionnaire, and web link	C.1, C.2, C.6, C.7	1377	293	1	293	0.25	73.25	1084	1	1084	0.033	35.772	109.022
Small SNAP-authorized retailers	Letter for second mailing with survey questionnaire and web link	C.3, C.6, C.7	878	293	1	293	0.25	73.25	585	1	585	0.033	19.305	92.555
Small SNAP-authorized retailers	Letter for third mailing with survey questionnaire and web link	C.4, C.6, C.7	585	29	1	29	0.25	7.25	556	1	556	0.033	18.348	25.598
Small SNAP-authorized retailers	Nonresponse phone follow-up and CATI survey[b]	C.5, C.8	556	321	1	321	0.25	80.25	235	1	235	0.033	7.755	88.005

Table A12.1. Estimates of respondent burden (continued)

Type of Respondent	Type of Survey Instrument	Appendix	Sample Size	Responsive					Nonresponsive					Total Annual Hour Burden
				Number of Respondents	Frequency per Response	Total Annual Responses	Hours per Response	Annual Burden (Hours)	Number of Non-respondents	Frequency per Response	Total Annual Responses	Hours per Response	Annual Burden (Hours)	
Follow-up interviews with SNAP-authorized retailers [c]														
Small SNAP-authorized retailers	Initial recruitment email	E.1, E.2	71	50	1	50	0.033	1.65	21	1	22	0.033	0.726	2.376
Small SNAP-authorized retailers	Scheduling script	E.3, E.4	50	50	1	50	0.083	4.15	0	0	0	0	0	4.15
Small SNAP-authorized retailers	Interview guide for on-site/telephone interviews	E.5, E.6	50	50	1	50	0.5	25	0	0	0	0	0	25.0
Small SNAP-authorized retailers	Thank you letter if gift card is mailed	E.7	50	25	1	25	0.02	0.5	0	0	0	0	0	0.5
Retailer Participant Total			1427	944	-------	1094	-------	272.8	483	-------	2524	-------	83.292	356.5992
TOTAL			**1443**	**957**		**1125**		**286.394**	**486**		**2527**		**83.391**	**370.285**

[a] The SCANR Survey and the Follow-Up interview guide were pretested concurrently with the same set of people.

[b] For the nonresponse telephone-follow up call, some respondents will complete by CATI (225) and some by Web (96).

[c] Not included in the Total for Number of Respondents because these respondents are a subset of participants to the SCANR Survey.

Table A12.2. Annualized cost to respondents

Type of Respondents	Type of Survey Instrument	Total Annual Hour Burden	Hourly
Vendors	Telephone discussion for draft instruments	3.0	$56
Vendors	Telephone pretest of interview guide	1.0	$56
Vendors	Initial recruitment email	0.396	$56
Vendors	Recruitment scheduling email	0.297	$56
Vendors	Telephone interview guide	9.0	$56
Small SNAP-authorized retailers	Hard copy pretest of Site Survey	9.386	$58
Small SNAP-authorized retailers	Email invitation with information request, brochure, FAQ document, survey questionnaire, and web link	109.022	$58
Small SNAP-authorized retailers	Letter for second mailing with survey questionnaire and web link	92.555	$58
Small SNAP-authorized retailers	Letter for third mailing with survey questionnaire and web link	25.598	$58
Small SNAP-authorized retailers	Nonresponse telephone follow-up call and CATI survey	88.005	$58
Small SNAP-authorized retailers	Initial recruitment email	2.343	$58
Small SNAP-authorized retailers	Scheduling script	4.15	$58
Small SNAP-authorized retailers	Interview guide for on-site/telephone interviews	25.0	$58
Small SNAP-authorized retailers	Thank you letter if gift card is mailed	0.5	$58
Total		**370.252**	

ª Wage rates were taken from BLS. The estimated annualized cost is $56.74 per hour for scanning system vendors (job category "Management Occupations" code #11-0000) and $58.70 per hour for retailers (job category "General and Operations Managers" code #11-1021).

A.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 other costs to respondents beyond those presented in section A.12.

A.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 annual cost to the Federal government is $317,927. The overall cost for the duration of this project is $953,782. The largest cost to the federal government is to pay a contractor $880,919.00 over a 30-month period to of the study and deliver data files and reports. This contract cost includes overhead costs as well as the cost for computing, copying, supplies, postage, shipping, setting up the website, and other miscellaneous items.

This information collection also assumes the cost of FNS employees which is estimated to be $72,863.00. This cost was calculated as follows. The FNS employee, Program Analyst, involved in project oversight which is estimated at GS-13, step 10 at $59.29 per hour based on 2,080 hours per year. We anticipate this person will work 400 hours per year for 2.5 years for a combined total of 1,000 hours. The total cost for the FNS Program Analyst is $59,290. The cost of the FNS employee, Branch Chief, involved in project oversight with the study is estimated at GS-14, Step 4 at $59.29 per hour based on 2,080 hours per year. We anticipate that this person will work 100 hours for a cost of $5,929. The cost of FNS employees providing expert subject matter guidance on retailers and redemption is estimated at, on average, GS-12, Step 1, at $38.33 per hour based

on 2,080 hours per week. We anticipate that these individuals will work a combined total of 200 hours, for a cost of $7,644. Federal employee pay rates are based on the General Schedule of the Office of Personnel Management for 2017 for the Washington, DC, locality.

A.15   Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-1.

This is a new information collection request as a result of program changes and will add 370 burden hours and 3,652 total annual responses to OMB's information collection inventory.

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

Table A16.1 provides the planned schedule for the data collection. Findings will be summarized in a final report and posted on the FNS Web site.

Table A16.1. Data collection and reporting schedule

Project Activity	Months after OMB Approval
Conduct industry interviews	1 month after OMB approval
Conduct survey of small SNAP-authorized retailers	1 month after OMB approval
Conduct follow-up interviews with subset of survey respondents	4 months after OMB approval
Prepare final report	16 months after OMB approval
Publication of final report	19 months after OMB approval

a.   Analysis of the Industry Interview Data

The information collected from the industry interviews will allow for a thematic analysis to describe (1) the technical requirements for scanning technologies that meet the Farm Bill

requirement, (2) requirements to install and operate electronic scanning technologies, (3) requirements to maintain these scanning technologies, and (4) requirements to upgrade an existing technology. These interviews will also provide information for the cost analysis, which includes estimating store-level costs and industry-level costs.

b. Analysis of the Survey Data

The analysis of the SCANR Survey data will produce descriptive statistics using appropriate survey weights to provide national estimates of the use of scanning technologies with different levels of functionality by small SNAP-authorized retailers and other key data constructs to address the study research questions. Bivariate analysis will examine whether the use of scanning technologies with different levels of functionality varies by urbanicity and type of small retailer (small grocery, medium grocery, specialty store, franchise convenience, and nonfranchise convenience).

c. Analysis of the Follow-Up Interview Data

Information collected from the follow-up interviews with a subset of SCANR Survey respondents will provide inputs to the cost analysis as well as allow for a thematic analysis to describe similarities and differences among retailers in different settings (e.g., store type or urbanicity) or with different characteristics (e.g., number of cash registers).

d. Cost Analysis

We will conduct a cost analysis to determine the store-level and industry-wide cost for all small SNAP-authorized retailers to comply with the 2014 Farm Bill requirement. Using data from the industry interviews and follow-up interviews with retailers, we will develop a structured cost estimation spreadsheet that accounts for all costs associated with the purchase, installation, and maintenance of scanning technologies that meet the Farm Bill requirement. Using data from the SCANR Survey, we will estimate the weighted number of small retailers that lack scanning technologies by store type and urbanicity and use this information and the store-level costs to estimate the total cost for all small SNAP-authorized retailers to comply with the 2014 Farm Bill requirement. Additionally, we will conduct analyses to provide a descriptive assessment of the technological and economic barriers small SNAP-authorized retailers face in using scanning technologies. The results of the study will provide FNS with the knowledge base to better understand the barriers to adopting scanning technologies and how they can be mitigated, thus ensuring successful implementation of the 2014 Farm Bill requirement without negatively affecting food access for SNAP clients.

e. Method of Dissemination

A final report will be available in its entirety on the FNS website.

A.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.**

The agency plans to display the expiration date for OMB approval of the information collection

on all instruments.

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

This study does not require any exceptions to the Certificate for Paperwork Reduction Act (5

CFR 1320.9).