

**SUPPORTING STATEMENT FOR 0584-0446**

**Federal Collection Methods for Supplemental Nutrition Assistance Program Recipient  
Claims**

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APPENDIX A: LEGAL AUTHORITY.....

- 7 CFR 273.18.....
- 31 CFR 285 .....
- Food and Nutrition Act of 2008.....
- 31 U.S.C. 3711 (the Debt Collection Improvement Act of 1996).....

APPENDIX B: FNS-209 STATUS OF CLAIMS AGAINST HOUSEHOLDS SCREENSHOT.....

APPENDIX C: PUBLIC COMMENTS ON 60-DAY NOTICE.....

## **Justification – Part A**

### ***1. Circumstances Making the Collection of Information 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 statement supports the request for a revision of a currently approved information collection related to collection methods for Supplemental Nutrition Assistance Program (SNAP) delinquent recipient claims. Section 13(b) of the Food and Nutrition Act of 2008 (The Act) and Supplemental Nutrition Assistance Program (SNAP) regulations at 7 CFR 273.18 require State agencies to refer delinquent debtors for SNAP benefit over-issuance to another Federal government entity as third party disclosure reporting to U.S. Department of the Treasury for collection. The Debt Collection Improvement Act of 1996, 31 U.S.C. 3711 requires these debts to be referred to Treasury for collection when they are 180 days or more delinquent. Through the Treasury Offset Program (TOP), 31 CFR Part 285, payments such as Federal income tax refunds, Federal salaries and other Federal payments payable to these delinquent debtors will be offset and the amount applied to the delinquent debt. TOP places a reporting burden on State agencies report and disclose information on Individuals/Households (former SNAP recipients) who owe delinquent debts must be notified of the debt payment.

## ***2. 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.**

This information will be used by:

- Individuals or households to obtain due process before debts are referred to TOP for offset. These individuals/households (former SNAP recipients) will receive and read the demand letters sent to their addresses by State SNAP agencies.
- State agencies to provide due process to individuals/households; to report and maintain debts in TOP systems; to request addresses; and, to certify to Treasury the accuracy and legality of debts that are submitted to TOP.
- FNS will forward the State agency files to Treasury for action and to provide Federal-level due process, as appropriate.

SNAP regulations at 7 CFR 273.18 require that State agencies establish, collect and efficiently manage SNAP recipient claims. Paragraph 7 CFR 273.18(n)(1) requires State agencies to submit debts for TOP when they are 180 days delinquent. The State agencies submit files containing these delinquent debts to FNS each week. FNS then combines the State files into one file that is sent to Treasury each week.

The burden requirements associated with establishing claims (demand letters) and for reporting activity with the FNS-209 (636 burden hours and 212 total annual responses) are already approved under OMB burden numbers 0584-0492, expiration date 03/31/2021 and 0584-0594, expiration date 09/30/2019, respectively; and therefore, not duplicated in this request.

### ***3. 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 required to comply with the E-Government Act of 2002. State agencies have the authority to use information technology that best suits the needs of their individual and possibly unique systems of operations to comply with this information collection. Virtually every State agency employs an automated system to maintain recipient claims activity and the referral and maintenance of debts subject to TOP.

Automated data processing is used extensively for the collection methods. Electronic data transmission via desktop and from mainframe is used to minimize State agency and Federal resources needed for TOP collection methods. However, currently, there is no FNS electronic system, website or database used to collect or report this information; therefore, none of these responses are reported electronically to FNS.

### ***4. Efforts to Identify Duplication and Use of Similar Information***

**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.**

There are no similar data collection efforts available. FNS solely monitors Federal Collection Methods for Supplemental Nutrition Assistance Program Recipient Claims for SNAP benefits to ensure and protect program integrity. The information required for 7 CFR 273.18, 7 CFR 273.18(n) and FNS-209 is not currently reported to any other entity outside of FNS. Every effort has been made to avoid duplication. FNS has reviewed USDA reporting requirements, state administrative agency reporting requirements and special studies by other government and private agencies

##### ***5. Impacts Small Business 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.**

The mandatory information collected is limited to data necessary to comply with statutory requirements and to protect Program integrity. This information collection does not affect small businesses or other small entities.

##### ***6. Consequences of Collecting 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 mandatory and an ongoing information collection. Information for TOP associated with due process is collected once per delinquent debt when it is determined that the debt is to be referred to TOP. If information were collected less frequently, compliance with the DCIA would not be possible and FNS could not ensure program integrity and Individuals/Households would

not have due process or be notified of delinquent debt and the Departmental participation in TOP would be jeopardized.

Additionally, Treasury requires that debts be maintained while in TOP. If debts are not maintained, the Federal could lose out on offsets or debtors could be over collected.

### ***7. Special Circumstances Relating to the Guideline 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;**

There are weekly reporting requirements State Agencies are required to adhere to by Treasury for debts in TOP.

- **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 other special circumstances that require information collection inconsistent with 5 CFR 1320.5.

***8. Comments in Response to the Federal Register Notice and Efforts to Consult Outside 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 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.**

The 60-day Federal Register Notice was published on April 2, 2019 (84 FR 12577). We received one comment (Appendix C) on the proposed information collection. However, this comment was not related to Federal collection methods for Supplemental Nutrition Assistance Program recipient claims.

Consultation with State agencies regarding the Federal collection of SNAP claims is a continuous process. For this specific Information Collection Renewal, FNS contacted one State agency official that works closely with the TOP to collect delinquent SNAP claims in each of the following States: Colorado Department of Human Services (Sherlyn Stephens, Tax Intercept Data Analyst, sheryln.stephens@state.co.us), Nebraska Department of Health and Human Services (Andrew Vanek, Accounting and Finance Manager, Andrew.Vanek@nebraska.gov), Montana Department of Public Health and Human Services (Brooke Amestoy, Accounts Receivable Unit Manager, BrAmestoy@mt.gov), South Dakota Department of Social Services (Brandin Seibel, Program Administrator, Brandin.Seibel@state.sd.us), Iowa Department of Human Services (Tiffany Vasey, Bureau Chief, tvasey@dhs.state.ia.us). These State agency contacts were sent the Federal Register Notice and asked to share any feedback on the information collected related to TOP to include their views on the frequency of collection, the clarity of instructions and recordkeeping, disclosure, and on the data elements to be recorded, disclosed, or reported. They have not submitted any feedback on the information collection as of July 3, 2019.

### ***9. Explanation of 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 payments or gifts to respondents are provided under this information collection.

### ***10. Assurance 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.**

Section 11 (e)(8) of the Act and implementing regulations at 7 CFR 272.1 limit the use or disclosure of information obtained from applicant households to persons directly connected with either the administration or safeguarding the integrity of SNAP. Additionally, the safeguard provision in IRS Publication 1075 and the Privacy Act of 1974 apply to information used in the TOP process. The information you provide will be kept private, and will not be disclosed to anyone but the program analyst conducting this investigation, except as otherwise required by law.

The notice of delinquency contains personal identifying information<sup>1</sup>. Therefore, the Food and Nutrition Service published a Privacy Act system of records notice (SORN) entitled Claims Against Food Stamp Recipients—USDA/FNS-3. A revised SORN was published on March 30, 2004 in the Federal Register Volume 69 page 16513 to specify the uses to be made of the information in this collection. The Privacy Act Statement will be displayed on any FNS or State designed forms or templates for the respondents review. The personally identifying information

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<sup>1</sup> FNS' template for State agencies to use for TOP notices includes the debtor's name, address and SNAP case number.

that appears in the notice of delinquency is collected by State agency forms that include these requirements. These forms are included under OMB burden number 0584-0064, expiration date 07/31/2020.

### ***11. Justification for Sensitive Questions***

**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 information collection does not ask any questions of a sensitive nature.

### ***12. Estimates of Hour Burden Including Annualized Hourly Costs***

**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.**

We are basing our estimate on an average of the number of records for claims the States sent as third party disclosure to TOP for calendar years 2015, 2016, 2017 and 2018. The total burden for this collection is 56,653.32 (SA Reporting 23,757.40+SA Recordkeeping 689=24,446.40+Individual/Households 32,206.92) (The total number of affected public is 305,073 (Individual/Households 305,020+ State Agency 53). In many instances, each of the 305,020 individuals/households may be contacted more than 1 time; however, these unique

number of respondents are only counted once in the total number of respondents. The total burden for each group and their activities are broken down below.

**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.**

**Table A. 12.1 Estimates of Hour Reporting Burden for Individuals or Households**

**(Debtors):**

Reporting Burden Per Activity	(b) CFR Citation	(c) Number of Respondents	(d) Number of Responses Per Respondent	(e) Estimated Total Annual Responses (cXd)	(f) Hours Per Response	(g) Total Burden Hours (eXf)
Reading State issued notice	Due-Process Notice Requirements at 7 CFR 273.18(n)(2)	305,020	1	305,020	.0835	25,469.17
Reading FNS issued letter to Federal employees		3,000	1	3,000	.0835	250.50
Phone inquiries and informal appeals for State notice		21,351	1	21,351	.25	5,337.75
Phone Inquires		900	1	900	.25	225

and informal appeals for FNS letter						
Formal appeals to State		1,829	1	1,829	.50	914.50
Formal appeals to FNS		20	1	20	.50	10
Summary of Reporting Burden		305,020 I/H counted once	1.088846633	332,120	0.09697	32,206.92

**Table A. 12.2 Estimates of Hour Burden Reporting for State Agencies (FNS is not including 636 burden hours and 212 total annual responses to this burdens for reporting activity with the FNS 209, which are already approved under OMB burden numbers 0584-0594, expiration date 09/30/2019):**

Reporting Burden Per Activity	(b) CFR Citation	(c) Number of Respondents	(d) Number of Responses Per Respondent	(e) Estimated Total Annual Responses (cXd)	(f) Hours Per Response	(g) Total Burden Hours (eXf)
State agency notice production	7 CFR 273.18(n)(2)	53	5,755.09	305,020	.0167	5,093.83
Responding to phone inquiries and informal appeals for State notice		53	402.85	21,351	.25	5,337.75
Responding to formal appeals to State		53	34.51	1,829	.5	914.50
Providing documents for formal appeals to FNS		53	0.38	20	.5	10
Submit yearly certification letter	7 CFR 273.18(n)(1)(ii)	53	1	53	.5	26.5
System accountability	7 CFR 273.18(n)(1)	53	1	53	11.5	609.5

file						
Address file		53	8	424	1.63	693.07
Collections file		53	8	424	6.5	2,756
Testing New system		5	1	5	7	35
State agency profile		53	1	53	0.25	13.25
Weekly submission of debt information for TOP <sup>2</sup>	and 7 CFR 273.18(n)(4)	53	52	2,756	1.5	4,134
Weekly posting of TOP-supplied data to State claims systems		53	52	2,756	1.5	4,134
Summary of Reporting Burden		53 States counted once	6,315.92	334,744	.07	23,757.40

FNS regulations at 7 CFR 272.1(f) require State agencies to retain all records associated with the administration of SNAP for 3 years. The burden this requirement places on State governments as it relates to delinquent SNAP claim collection via TOP is shown in the following Table A.12.3.

There is no recordkeeping burden for individuals and households.

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<sup>2</sup> FNS discloses this information to a third party, the U.S. Department of the Treasury, in order for TOP collections to be made. This disclosure is required by the Food and Nutrition Act of 2008 and Debt Collection Improvement Act of 1996 (see Appendix A).

**Table A.12.3. Recordkeeping for State Agencies:**

Recordkeeping Burden Per Activity	(b) CFR Citation	(c) Number of Respondents	(d) Number of Responses Per Respondent	(e) Estimated Total Annual Responses (cXd)	(f) Hours Per Response	(g) Total Burden Hours (eXf)
Weekly Files	7 CFR 272.1(f)	53	52	2,756	0.25	689
Summary of Recordkeeping Burden		53 States counted once	52	2,756		689

The current recordkeeping burden is based on 53 respondents (State agencies) retaining weekly files, for a total of 2,756 responses and 689 burden hours per year. The proposed burden is for 53 respondents and 689 hours. There is no change in the recordkeeping burden for this collection.

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

**Tables A.12.4a and A.12.4b Estimates of Annualized Cost to Respondents.**

Affected Public	Est. No. of Respondents	No. of Responses per Respondent	Total Annual Responses	Est. total Hours per Response	Total burden hours	Hourly Wage	Total Cost to Respondent
Individuals & Households - Reporting	305,020	1.09	332,120	0.09697	32,206.92	\$7.25	\$233,500.17

Affected Public	Est. No. of Respondents	No. of Responses per Respondent	Total Annual Responses	Est. total Hours per Response	Total burden hours	Hourly Wage	Total Cost to Respondent
SA Reporting	53	6,315.92	334,744	.07	23,757.40	\$8.66	\$205,739.08
SA Recordkeeping	53	52	2,756	0.25	689	\$8.66	\$5,966.74

The current annual cost burden to both affected publics is **\$592,123.97** (281,568.74 State agencies includes fringe benefits, reporting & recordkeeping cost + \$310,555.23

Individuals/households annual base cost includes fringe benefits) we used 0.33 percent to account for fully-loaded wages)

The cost to the State agency staff is based on U.S. Bureau of Labor Statistics’ national estimate of a \$17.32 per hour median wage for Bill and Account Collectors. To estimate public cost, FNS consulted with the U.S Bureau of Labor Statistics’ May 2018 Occupational and Wage statistics – 43-30111 Bill and Account Collectors (<http://www.bls.gov/oes/current/oes433011.htm>).

FNS divided the hourly median wage rate in half to account for the Federal Government share in the total cost to respondents. The rate to State agencies after 50 percent reimbursement by FNS is \$8.66. FNS also used 33 percent to include the fringe benefits in our total cost to respondent for each affected groups. Based on these figures the proposed total annual cost to respondents for State agencies is **\$281,568.74** = \$205,739.08 State agency reporting + \$5,966.74 State agencies recordkeeping + \$ 69,862.92 State agencies fringe benefits for reporting & recordkeeping).

The cost to the Individuals/households is based on Federal minimum wage of \$7.25 per hour.

Based on these figures the proposed total annual cost to respondents for individuals/households is \$ **310,555.23** annually (\$233,500.17 annual base cost + \$77,055.06 fringe benefits using 33 percent of the annual base cost).

### ***13. Estimates of Other Total Annual Cost Burden to Respondents or Record Keepers***

**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 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 capital, start-up and/or annualized maintenance cost associated with this burden.

#### ***14. 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.**

The annual cost to the Federal Government to collect and use the data for TOP is estimated at a total annual cost to the Federal Government with fully-loaded wages is **\$782,527.67** is (\$500,000 contract cost +\$282,527.67 annual base Federal cost including fringe benefits).

This total includes an estimated **\$500,000** (already includes fringe benefits) for contracted computer services, which would not have been incurred without this collection, and an additional \$211,705.82 for the Federal share reimbursed to State agencies' (SAs) burden for reporting and recordkeeping. This information collection also assumes that a total of 20 hours of Federal employee time: for a GS-12, step 6 at \$36.05 per hour for a total of \$721.00. Federal employee pay rates are based on the General Schedule of the Office of Personnel Management (OPM) for 2019. The Federal share reimbursement to State agencies with fringe benefits is (\$211,705.88 Federal share to SAs+ \$721.00 Federal Staff time + \$70,100.85 fringe benefits we used 33 percent of the Federal cost to determine fringe benefits) = **\$282,527.67**

#### ***15. 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 83-1.**

This is a revision of a currently approved information collection. The current reporting burden inventory for this data collection is 47,051 burden hours and we are requesting 56,653 burden hours, an increase of 9,602 reporting hours. The current total annual response is 523,272, we are

requesting 669,620, an increase of 146,348. These adjustments are due to a greater number individuals/household who receives 60-day notices being mailed by States and acted on by individuals/households.

***16. 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.**

There is no plan to publish the data.

***17. Reason(s) Display of OMB Expiration is Inappropriate***

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

There are no forms associated with this information collection. While the content of the notice is mandated by Treasury, it does not mandate a specific format. The address requests and weekly files are submitted via electronic data transmission as required by Treasury. The Agency does display the expiration date for OMB approval of the information collection for all the instruments it does use.

***18. Exceptions to the Certification for Paperwork Reduction Act Submission***

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

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