

SUPPORTING STATEMENT - PART A for

OMB Control Number 0584-XXXX

Proposed Rule: Standardization of State Heating and Cooling Standard Utility Allowances

(RIN 0584-AE69)

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Appendix A: Standardization of State Heating and Cooling Standard Utility Allowances (RIN 0584-AE69)

Appendix B: Legal Authority: Section 5(e)(6) of the Food and Nutrition Act of 2008

Appendix C: Legal Authority: 7 CFR 273.9(d)(6)(iii).

Appendix D: Tribal Summary Impact Statement for Proposed Rule (RIN 0584-AE69)

1. 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.

The agency is revising the CFR as a result the FNS is requesting a new OMB control number for this information collection request associated with this proposed rulemaking, Standardization of State Heating and Cooling Standard Utility Allowances (SUAs), which would create a clearer and more consistent nationwide policy by standardizing the methodology for standard utility allowances. Heating and cooling SUAs would be calculated annually by FNS instead of this being a State responsibility. Other types of allowances for other utility costs would subsequently be capped at a percentage of the heating and cooling allowance (with the exception of an updated telecommunications SUA that would be a capped amount rather than percentage and set nationally by FNS). State agencies would still be responsible for calculating SUAs other than the HCSUA, however, the amounts may not exceed the cap set by FNS. These figures would continue to be updated annually and reflective of utility costs in each State. The Department believes that standardizing the SUA methodology would help make SUAs and the program more equitable and would also improve program integrity by ensuring SUAs better reflect what households are paying for utilities.

Once FNS receives OMB approval for the collection associated with this rule, FNS intends to merge these data collection requirements with OMB Control Number: 0584-0496; Expiration Date: 3/31/2020 following final rulemaking, additionally, the agency plans to publish another notice in the Federal Register announcing to the public OMB's approval. Once this final notification is published, the agency will discontinue the newly assigned OMB control number.

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.

The purpose of this information collection associated with rulemaking is to comply with the requirements of the Food and Nutrition Act of 2008 which establishes uniform national eligibility standards for SNAP, including allowable deductions from gross income. With the exception of a standard deduction for all households, most allowable deductions are available to households based on their circumstances. To help streamline the application and certification process, Section 5(e)(6) of the Act permits States to use standard utility allowances (SUAs) in lieu of actual utility expenses in determining a household's shelter costs for the purposes of the excess shelter deduction.

States may currently develop their own SUAs in accordance with standards set forth in 7 CFR 273.9(d)(6)(iii). Multiple SUAs may be created by the State to reflect the differences in utility expenses that SNAP households incur. Current regulations do not require States to use a particular methodology when developing SUAs. In the absence of formal guidelines outlining recommended methodologies, States have enjoyed considerable flexibility in developing their SUA methodologies and amounts. The current policy allows for disparities to arise from State to State, as two households may have comparable utility costs on opposite sides of a State border but receive a higher or lower benefit amount because of the choices their State has made in developing their SUAs.

In August 2017, USDA published a study that reviewed State's SUA methodologies titled,

Methods to Standardize State Standard Utility Allowances (extant data from OMB control number 0584-0064, expiration date 7/31/2020). This review of State methodologies found discrepancies between established HCSUA values and average household utility expenses in many States.

Therefore, to address the variations found in the 2017 study and ensure benefit equity across States, the Department is proposing to standardize the methodology used to calculate a State's HCSUA. The proposed standardization would set the HCSUA at the 80th percentile of utility costs for low-income households in the State. This new standardized methodology would (with a few exceptions) apply to all States and all allowable utility costs with a standard allowance.

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 committed to complying with the E-Government Act of 2002, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes. This collection includes reporting burden only which does not involve electronic collection techniques.

4. 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.

Every effort has been made to avoid duplication. FNS has reviewed USDA recordkeeping requirements, state administrative agency recordkeeping requirements, and special studies by other government and private agencies. FNS solely monitors and administers the Supplemental Nutrition Assistance Program.

5. 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.

Information being requested or required has been held to the minimum required for the intended use. No small entities are impacted by this collection of information.

6. 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, mandatory data collection required by statute. The information is collected for the purpose of ensuring integrity and compliance with SNAP regulations by State agencies and applicant house, local educational agencies and local schools. If this information is not collected or is collected less frequently, State would not be in compliance, FNS would not know if States are using the correct SUAs to properly certify households and millions of dollars in SNAP benefits could be issued incorrectly.

7. 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 circumstances that will cause the information collection to be inconsistent with the guidelines of 5 CFR 1320.5.

8. 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.

A 60-day Federal Register Notice is embedded in the proposed rule titled *Standardization of State Heating and Cooling Standard Utility Allowances* published October 3, 2019 in 84 FR Page 52809. Comments will be received and evaluated on the information collection requirements.

During this time, interested members of the public have the opportunity to provide FNS with comments concerning the necessity, practical utility, accuracy, and merit of the information collection activities proposed. Comments will be address during the final stage of rulemaking.

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.

When FNS revises an information collection package, the information is posted on the Agency

Web page for review and comment by FNS Regional Offices, State agencies, community groups, and the public. FNS also consults with its Regional Offices regarding any proposed changes as the result of legislative, regulatory or administrative changes. FNS Regional offices are in contact with State agencies which provide feedback on processes and procedures for the information collection.

9. Explain any decisions to provide any payment or gift to respondents.

No payment or gift will be provided to respondents.

10. Assurances of confidentiality provided to respondents.

The Department complies with the Privacy Act of 1974. No confidential information is associated with this information collection.

11. 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 clearance package.

12. 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.

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.

Currently it takes 53 SA ten (10) hours each to gather, compile, review and submit the SUA

compliances. This requirements allows State agencies to establish SUAs in place of the actual utility costs incurred by a household. State agencies are required to review and adjust SUAs annually to reflect changes in the costs of utilities. States must provide the amounts of the standards to FNS when they have changed, and submit methodologies used in developing and updating standards to FNS for approval when the methodologies are updated or changed.

53 State agencies will respond once time annually and spend an estimated 1 hour per State to respond to this data collection for a total of 53 total annual burden hours.

There are no new recordkeeping or third party disclosure requirements resulting from this proposed rule. The following table reflects burden associated with the new information collection requirements as well as the current estimates and the differences due to rulemaking.

ESTIMATED ANNUAL BURDEN FOR 0584-NEW, STANDARDIZATION OF STATE HEATING AND COOLING STANDARD UTILITY ALLOWANCES

Reg. Section	Affected Public	Estimated Number of Respondents	Estimated Frequency of Response	Total Annual Responses	Number of Burden Hours Per Response	Estimated Total Burden Hours	Previous Submission Total Person Hours	Difference due to Program Changes	Differences due to adjustments	Hourly Wage Rate*	Estimated Cost to Respondents
273.9(d)(6)(iii)(B)	State Agencies	53	1	53	1	53	530	477	0	40.06	\$2,123
<u>Grand Total</u>		53	1	53	1	53	<u>530</u>	<u>477</u>	<u>0</u>	40.06	\$2,123

*Based on the Bureau of Labor Statistics May 2018 Occupational and Wage Statistics - the salaries of the case managers are considered to be “Social Workers – other” functions performed by State and local agency staff are valued at \$30.12 per staff hour 21-1029 (<https://www.bls.gov/oes/current/oes211029.htm>). [Base wages have been adjusted by 33% to reflect fringe benefits.](#)

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

The estimated total annual cost to respondents with fully-loaded wages is \$2,123(\$1,596 annual base

cost + \$526 fringe benefits). FNS used the estimate of 0.33 percent to account for fully-loaded wages. The estimate of respondent cost is \$2,123 and is based upon the burden estimates and utilizes the U.S. Department of Labor, Bureau of Labor Statistics, May 2018 National Occupational and Wage Estimates Statistics, Social Workers, 21-1029 <http://www.bls.gov/oes/current/oes434061.htm>). The hourly mean wage for functions performed by State agency staff is estimated at \$30.12 per staff hour. .

13. Estimates of other total annual cost burden.

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 is no start-up or annual maintenance costs for this collection of information.

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.

The estimated total annual cost to the Federal government is \$6,379 (\$4,196 annual base cost + \$1,385 fringe benefits cost + \$798 reimbursement cost to the States). State SNAP agencies' allowable SNAP administrative costs are eligible for 50 percent Federal reimbursement, or approximately 50 percent of the \$1,596 cost estimated for State agencies which is (\$798); additionally, the information collection also assumes that a total of 80 hours to draft the information collection for a Federal employee GS-12 Step 6 in the Washington-DC locality, at \$45.59 per hour for a total of **\$3,647.20** and a 10 hours for a Branch Chief Federal employee GS 14 Step 1 to review this information collection at \$54.91 per hour for a total of **\$549.10**.

Additionally, the Federal government reimburse State agencies approximately 50 percent of their

State administrative cost which is \$1,596. This cost is added back into the cost to the Federal government which is estimated at \$798.

Federal employee pay rates are based on the General Schedule of the Office of Personnel Management (OPM) effective January 2019.

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-I.

The agency is revising the CFR as a result the FNS is requesting a new OMB control number for this information collection request with this proposed rulemaking, Standardization of State Heating and Cooling Standard Utility Allowances (SUAs), as a result of program changes associated with rulemaking for 0584-AE69 Standardization of State Heating and Cooling Standard Utility Allowances. This information collection will increase the OMB inventory by 53 burden hours and 53 total annual responses.

While FNS is requesting a new OMB Control Number for these requirements in this proposed rule, this proposal would reduce the existing burden on State agencies currently approved under OMB Control Number 0584-0496; Expiration Date 3/31/2020. FNS intends to merge this new collection to currently approved burden after the final rulemaking information collection request is approved.

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.

This collection does not entail planned statistical use and there are no plans to publish the results of this collection for statistical analyses.

17. 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.

We are not seeking approval concerning the display of the expiration date.

18. 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."

There are no exceptions to the certification statement.