

SUPPORTING STATEMENT - PART A for

OMB Control Number 0584-0496:

**Supplemental Nutrition Assistance Program (SNAP): State Agency Options for
Standard Utility Allowances and Self-Employment Income**

Arpan Dasgupta

Program Analyst

Supplemental Nutrition Assistance Program

7 CFR 271, 272, 273

USDA, Food and Nutrition Service

1320 Braddock Place

Alexandria, Virginia 22314

Table of Contents

A1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY.....3
A2. PURPOSE AND USE OF THE INFORMATION.....3
A3. USE OF INFORMATION TECHNOLOGY AND BURDEN REDUCTION.....4
A4. EFFORTS TO IDENTIFY DUPLICATION.....5
A5. IMPACTS ON SMALL BUSINESSES OR OTHER SMALL ENTITIES.....5
A6. CONSEQUENCES OF COLLECTING THE INFORMATION LESS FREQUENTLY.....6
A7. SPECIAL CIRCUMSTANCES RELATING TO THE GUIDELINES OF 5 CFR 1320.5.....6
A8. COMMENTS TO THE FEDERAL REGISTER NOTICE AND EFFORTS FOR CONSULTATION.....7
A9. EXPLAIN ANY DECISIONS TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS.....8
A10. ASSURANCES OF CONFIDENTIALITY PROVIDED TO RESPONDENTS.....9
A11. JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE.....9
A12. ESTIMATES OF THE HOUR BURDEN OF THE COLLECTION OF INFORMATION.....10
A13. ESTIMATES OF OTHER TOTAL ANNUAL COST BURDEN.....13
A14. PROVIDE ESTIMATES OF ANNUALIZED COST TO THE FEDERAL GOVERNMENT.....13
A15. EXPLANATION OF PROGRAM CHANGES OR ADJUSTMENTS.....14
A16. PLANS FOR TABULATION, AND PUBLICATION AND PROJECT TIME SCHEDULE.....15
A17. DISPLAYING THE OMB APPROVAL EXPIRATION DATE.....15
A18. EXCEPTIONS TO THE CERTIFICATION STATEMENT IDENTIFIED IN ITEM 19.....15

Appendices

- Appendix A: Legal Authority: Section 5(e)(6)(C) of the Food and Nutrition Act of 2008
- Appendix B: Legal Authority: Section 5(m) of the Food and Nutrition Act of 2008
- Appendix C: Legal Authority: 7 CFR 273.9(d)(6)(iii)
- Appendix D: Legal Authority 7 CFR 273.11(b)
- Appendix E: Food Programs Reporting System (FPRS) Form Images FNS 388 and 388A
- Appendix F: Public Comments
 - Appendix F1: Public Comment Jane Quilter
 - Appendix F2: Public Comment Jean Fitzgerald
 - Appendix F3: Public Comment Shyla Patera
 - Appendix F3a: FNS Response to Shyla Patera
- Appendix G: Burden Hour Estimate

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 revision of a currently approved information collection. This information collection addresses the State agency reporting burden associated with the options States have under the Supplemental Nutrition Assistance Program (SNAP) for developing standard utility allowances (SUAs) and developing a methodology for offsetting the cost of producing self-employment income. This information collection request is required by law so that State agencies report on the options and methodologies chosen under 7 CFR 273.9(d)(6)(iii) for SUAs and 7 CFR 273.11(b) for self-employment income.

The Food and Nutrition Act of 2008 (the Act), as amended (Appendix A), develops or creates SNAP as a means-tested program under which low-income households may apply for and receive assistance to supplement their ability to purchase food. The Act specifies national eligibility standards and imposes certain administrative requirements on State agencies in administering the program. The Federal procedures for implementing the certification processes described in this section are in Part 273 of Title 7 of the Code of Federal Regulations (CFR) (Appendix B). Part 273 contains procedures for the certification of eligible households.

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.

SNAP regulations at 7 CFR 273.9(d)(6)(iii) allow State agencies to develop SUAs in place of the actual utility costs incurred by a household. When choosing this option, 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.

SNAP regulations at 7 CFR 273.11(b) allow for self-employment income to be reduced by the cost of producing such income. The regulations allow State agencies, with annual approval from FNS, to create the methodology for offsetting the costs of producing self-employment income, as long as the procedure does not increase program costs. Most State agencies provide methodology information on written letterhead and typically submit it via email. Once approved by FNS, States can use these methodologies to determine net self-employment income for SNAP eligibility purposes.

SNAP regulations at 7 CFR 273.9(d)(6)(iii) and 7 CFR 273.11(b) required to keep and maintain one record of the information gathered and submitted to FNS for SUA and self-employment options. States store this record and it serves as a baseline for future changes. States use different systems to store this information.

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.

In compliance with E-Government Act of 2002 (E-Gov), State agencies have the authority to use the technology that best suits the needs of their individual or unique systems of operation to comply with the reporting and recordkeeping requirements contained in this submission. All State agencies submit SUA and self-employment methodology information to FNS via email.

FNS has made every effort to provide for electronic submission as an alternative to paper submission in compliance with the E-Gov. FNS provides funding to support the development of electronic systems through Federal matching of States' administrative costs. All State agencies have automated their SNAP eligibility systems. In order to avoid duplication, this collection does use data from form FNS-388 and 388A, (approved under OMB# 0584-0594 expiration date 01/31/2020 currently under OMB's review) as supplemental information in reviewing SUA and self-employment methodology information. These forms are available through the Food Programs Reporting System (FPRS; <https://fprs.fns.usda.gov>), and allow States to send aggregate level data on participation, benefits issued, and other basic program information to FNS. This collection is not seeking any additional burden hours for the use of these forms. See Appendix C for FNS-388 and 388A screenshots. Approximately 75 percent of this data collection is submitted electronically, the other 25 percent is submitted via email.

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.

There is no similar data collection available. 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. States are required to limit collection to information necessary to comply with the SNAP statutory requirements and to protect program integrity without imposing undue burden on respondents. FNS solely approves and monitors the SUAs used by State agencies that have opted to use SUAs in place of actual costs in determining a household's excess shelter deduction. This and other information already available may be used with appropriate modifications.

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.

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.

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 mandatory information collection request. The requirements to allow State agencies to use standard utility allowances and simplified methods of computing self-employment costs are necessary and collected on an annual basis in compliance with the law. FNS will only approve States' standard utility allowances and simplified calculations of self-employment income if the methodologies are sound.

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 that will cause this information collection to be conducted in a manner that is inconsistent with 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.

FNS published a notice soliciting comments regarding this information collection on October 25, 2019 in the Federal Register at Volume 84 Page 57386 Number 207. Three comments were received in response to the solicitation for comments (Appendix F). However, one of the comments provided substantive feedback on the information collection's burden time, cost or practical utility indicating they believe this collection is unnecessary. FNS provided a response indicating the need for this data collection (see Appendix F3a FNS Response Shyla Petera). The other two comments provided feedback on ongoing Department rulemaking and were not relevant to the renewal of this information collection request.

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 consulted with three State agency representatives involved in developing and reviewing

SUAs, and self-employment income methodologies. All State agency representatives were asked to provide feedback on the burden estimate in the previously approved information collection request, and details on their process for complying with the information collection requirements for developing and reviewing SUAs, reviewing the self-employment income methodology, and keeping and maintaining a record of information gathered for SUA and self-employment options. The individuals/organizations consulted about the information collection are listed in the table below.

Contact	Organization	Email	Phone
Karla Maraccini	Colorado Department of Human Services	karla.maraccini@state.co.us	303-866-2535
Cynthia Zabin	Massachusetts Department of Transitional Assistance	cynthia.zabin@state.ma.us	617-348-8464
Kimberlin Donald	Georgia Division of Family and Children Services	Kimberlin.donald@dhs.ga.gov	404-657-3608

Based on feedback provided by the State agency representatives contacted as part of the consultation process, FNS increased the number of hours needed to create or modify SUAs from 10 hours to 25 hours. In addition, FNS increased the number of hours needed to keep and maintain one record of the information gathered and submitted to FNS for SUA and self-employment options from 0.1169 hours (7 minutes) to 0.25 hours (15 minutes). The burden estimates presented in Section A12 of this document incorporate changes made to hourly burden estimates as a result of these consultations.

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 payments or gifts 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 will comply with the Privacy Act of 1974.

Section 11(e)(8) of the Act and the applicable regulations at 7 CFR 272.1(c) limit the use or disclosure of information obtained from applicant households or contained in the casefiles of participating households to persons directly connected with the administration or enforcement of the provisions of the Act or regulations, other Federal or federally assisted means-tested programs; persons directly connected with the administration or enforcement of programs required to participate in the State income and eligibility verification system; persons directly connected with the verification of immigration status of aliens; persons directly connected with the administration of the Child Support Program; employees of the Office of the Comptroller General of the U.S. for audit and examination authorized by other provisions of law; Local, State, or Federal law enforcement official investigating an alleged violation of the Act or regulations and law enforcement officers if the household member is a fleeing felon or a parole violator. FNS published the Privacy Act: System of Records Notice (SORN) on March 31, 2000, in the Federal Register (65 FR 17251) entitled “USDA/FNS-10 Persons Doing Business with the Food and Nutrition Service” to specify the uses of the information that is collected.

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.

FNS is requesting an estimated 1,568 total annual burden hours and 129 total annual responses from 53 State agencies who are required to develop SUAs methodology outline below, no individuals or households are involved in this information collection request.

Reporting Burden

FNS estimates 53 State agencies will submit one request each to develop, create or modify SUAs, for a total annual response of 53 requests at 25 hours per response. The total burden for this provision is estimated to be 1,325 hours (53 State agencies x 1 SUA request per State agency x 25 hours per request = 1,325 hours). This burden estimate represents an increase of 795 hours from the previous submission for this activity. The increase is a result of adjusting the estimated hours per response from 10 hours to 25 hours based on information received from State agency representatives during the consultation process.

FNS estimates 23 State agencies have incorporated a methodology for determining the cost of doing business in self-employment cases. This is an increase from 21 States in the previously approved information collection. FNS estimates that the 23 State agencies will submit one request each, totaling 23 annual responses. Each State will incur a burden of 10 working hours gathering and analyzing data, developing the methodology, determining the cost implication and

submitting a request to FNS, for a total burden of 230 hours annually (23 State agencies x 1 request per State agency x 10 working hours per request = 230 hours). This burden estimate represents an increase of 20 hours from the previous submission due to the increase in the number of State agency respondents.

Recordkeeping Burden

All 53 State agencies are required to keep and maintain one record of the information gathered and submitted to FNS for SUA and self-employment options, and FNS estimates this process takes 15 minutes or 0.25 hours per year. The total annual burden for this provision is estimated at 13.25 hours (53 State agencies x 1 record per State agency x 0.25 hours = 13.25 hours). This burden estimate represents an increase of 7.05 total burden hours from the previous submission for this activity. The increase is a result of adjusting the estimated hours per response from 0.1169 hours to 0.25 hours based on information received from State agencies during the consultation process.

Requirement and Reg. Section	Estimated Number of Respondents	Estimated Frequency of Response	Total Annual Responses	Number of Burden Hours Per Response	Estimated Total Burden Hours	Previous Submission Total Hours	Difference due to Program Changes	Differences due to adjustments	Hourly Wage Rate ¹	Estimated Cost to Respondents
Affected Public: State Agencies										
7 CFR 273.9(d)(6) (iii) - Developing and Reviewing Standard Utility Allowances (SUAs)	53	1	53	25	1,325	530	0	795	\$27.44	\$36,358.00
7 CFR 273.11(b) - Developing Self-Employment	23	1	23	10	230	210	0	20	\$27.44	\$6,311.20

¹ For the purposes of this chart, this represents fully loaded wages.

Costs Methodology										
Reporting Total	53		76		1,555	740	0	815		\$42,669.20
Affected Public: State Agencies										
7 CFR 273.9(d)(6) (iii) and 7 CFR 273.11(b) - Recordkeeping for SUA and self-employment options	53	1	53	.25	13.25	6	0	7.25	\$27.44	\$363.58
Recordkeeping Total	53		53		13.25	6	0	7.25		\$363.58
Grand Total	53		129		1568.25	746	0	822.25		\$43,032.78

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

The total annual cost to respondents is \$21,516.39 fully loaded wages. The information collection requirements described herein are imposed on State agencies. In determining the public burden costs associated with these requirements, FNS used Bureau of Labor and Statistics (BLS) Occupational Employment Statistics estimates. In particular, FNS used hourly wage rates for BLS Occupation Code 43-4061, Eligibility Interviewers, Government Programs (https://www.bls.gov/oes/current/naics4_999200.htm#43-0000). Based on the most recent Occupational Employment and Wage Estimates from May 2018, this category of workers earns a mean hourly wage of \$20.63 and a fully loaded wage of \$27.44 (we used 33% of the base hourly wage rate to calculate fully loaded wages). Therefore, according to the burden hours shown above, FNS estimates that this information collection will result in a total cost across State agencies of \$43,032.78. However, final costs are estimated at \$21,516.39 after 50 percent of the administrative costs incurred by State agencies are reimbursed by FNS.

State and Local Agency cost per hour (\$20.63 x 1.33 x 50% Federal Share =\$13.72)	Hours	Cost (US \$)
Developing and Reviewing SUAs	1,325	\$18,179.00
Review of Self-Employment Methodology	230	\$3,155.60
SUA Recordkeeping Requirements	13.25	\$181.79
Total State and Local Agency Cost	1,568.25	\$21,516.39

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 capital/start-up or ongoing operation or 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.

The total annual cost to the Federal Government is \$34,823.89. This cost includes reimbursement of 50 percent of the administrative costs incurred by State agencies, which we estimated at \$21,516.39 (refer to Section A12.B of this document); the costs associated with a contractor that supports FNS regulatory efforts in the amount of \$41,007.00; the fully-loaded federal wages associated with hours to annually review SUA and self-employment submissions; and the fully-loaded federal wages associated with hours to draft and review this information collection.

Using the 2020 GS Federal Wage rate, the Federal labor cost for FNS staff to annually review

53 State agency SUA submissions and 23 State agency self-employment income methodology submissions is \$7,400.00.

Using the 2020 GS Federal Wage rate, the Federal labor cost for FNS staff to draft and review this information collection is as follows. The information collection assumes that it takes a total of 80 hours to draft the information collection for a Federal employee (GS-12 Step 6) in the Washington, DC locality, at \$48.26 per hour for a total of \$3,860.80, which is then multiplied by 1.33 to represent the fully loaded-wage inclusive of fringe benefits for a total of \$5,134.40. This information collection also assumes that it takes a total of 10 hours for a Branch Chief Federal employee (GS 14 Step 1) to review this information collection at \$58.13 per hour for a total of \$581.30, which is then multiplied by 1.33 to represent the full-loaded wage inclusive of fringe benefits for a total of \$773.10.

The breakdown of the burden on the Federal government with labor categories and hourly burden for FNS staff is as follows:

Burden – Federal Government	Hours	Estimated Hourly Wage Rate²	Annual Cost (US\$)
50% Federal Reimbursement Cost to States	N/A	N/A	\$21,516.39
Contract that supports FNS regulatory efforts	N/A	N/A	\$41,007.00
Review of State agency SUA and Self-Employment Methodologies - National Office Program Analyst (GS-13/1)	58	\$65.42	\$3,794.36
Review of State agency SUA and Self-Employment Methodologies - National Office Branch Chief (GS-14/1)	26	\$77.31	\$2,010.06
Review of State agency SUA and Self-Employment Methodologies - Regional Office	29	\$55.02	\$1,595.58

² Federal General Schedule Salary Table 2016-DCB: https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/DCB_h.pdf. The base wage rate was multiplied by 1.33 to represent fully loaded wages.

Burden – Federal Government	Hours	Estimated Hourly Wage Rate	Annual Cost (US\$)
Program Specialist (GS-12/1)			
Draft of Information Collection – National Office Program Analyst (GS 12/6)	80	\$64.18	\$5,134.40
Review of Information Collection – National Office Branch Chief (14/1)	10	\$77.31	\$773.10
Total			\$75,830.89

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 revision of a previously approved information collection. This revision reflects a higher burden as a result of increases in the number of State agencies opting to create a methodology for offsetting the costs of producing self-employment income and increases in the hourly burdens for some information collection activities based on consultations with State agencies. The current burden inventory is 746.20 total annual burden hours and 127 total annual responses. In this revision, FNS is requesting 1,568.25 total annual burden hours and 129 total annual responses. This revision reflects an increase of 822.05 total annual burden hours and 2 total annual responses.

The increase in burden is the result of two program changes and one adjustment. The first program change is the estimated hourly burden per response for developing and reviewing SUAs has increased from 10 hours to 25 hours, based on consultations with State agencies. The second program change is the estimated hourly burden for SUA and self-employment methodology option recordkeeping requirements has increased from 0.1169 hours to 0.25 hours, based on consultations with State agencies. The adjustment for this collection request is the number of State agencies opting to develop a methodology for offsetting the costs of producing

self-employment income has increased from 21 States to 23 States.

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 entail planned statistical use 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.

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

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.”

There are no exceptions to the certification statement.