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February 1, 2001

The Honorable Richard G. Lugar
Chairman
The Honorable Tom Harkin
Ranking Member
Committee on Agriculture, Nutrition, and Forestry
United States Senate

The Honorable Larry Combest
Chairman
The Honorable Charles W. Stenholm
Ranking Minority Member
Committee on Agriculture
House of Representatives

Subject: Department of Agriculture, Food and Nutrition Service: Food Stamp Program: Personal Responsibility Provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Department of Agriculture, Food and Nutrition Service (FNS), entitled "Food Stamp Program: Personal Responsibility Provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996" (RIN: 0584-AC39). We received the rule on January 12, 2001. It was published in the Federal Register as a final rule on January 17, 2001. 66 Fed. Reg. 4438.

The final rule implements 13 provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which include numerous restrictions on eligibility for the Food Stamp Program.

Enclosed is our assessment of the FNS' compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review indicates that the FNS complied with the applicable requirements.

If you have any questions about this report, please contact James W. Vickers, Assistant General Counsel, at (202) 512-8210. The official responsible for GAO

evaluation work relating to the subject matter of the rule is Cindy Fagnoni, Managing Director, Education, Workforce, and Income Security. Ms. Fagnoni can be reached at (202) 512-7215.

signed

Kathleen E. Wannisky
Managing Associate General Counsel

Enclosure

cc: The Under Secretary
Food, Nutrition, and Consumer Services
Department of Agriculture

ENCLOSURE

ANALYSIS UNDER 5 U.S.C. § 801(a)(1)(B)(i)-(iv) OF A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF AGRICULTURE,
FOOD AND NUTRITION SERVICE
ENTITLED
"FOOD STAMP PROGRAM: PERSONAL RESPONSIBILITY PROVISIONS
OF THE PERSONAL RESPONSIBILITY AND
WORK OPPORTUNITY RECONCILIATION ACT OF 1996"
(RIN: 0584-AC39)

(i) Cost-benefit analysis

The changes made by the final rule would reduce program costs for Fiscal Years (FY) 1999-2003 by approximately \$1.810 billion. For FY 1999-2003, the estimated yearly savings are \$525 million, \$431 million, \$348 million, \$263 million, and \$243 million, respectively.

(ii) Agency actions relevant to the Regulatory Flexibility Act, 5 U.S.C. §§ 603-605, 607, and 609

The Under Secretary for Food, Nutrition, and Consumer Services has certified that the final rule will not have significant impact on a substantial number of small entities. State and local welfare agencies will be the most affected to the extent that they administer the program.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

As defined in title II, the final rule does not contain an intergovernmental or private sector mandate of more than \$100 million in any one year.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

The final rule was issued using the notice and comment provisions found at 5 U.S.C. 553. On December 17, 1999, FNS published a Notice of Proposed Rulemaking in the Federal Register. 64 Fed. Reg. 70920. In response, it received comments from 28 state agencies, 37 advocate groups, 7 government entities, and 4 individuals. FNS responds to the comments in the preamble to the final rule.

Paperwork Reduction Act, 44 U.S.C. §§ 3501-3520

The information collections associated with the final rule have been approved by the Office of Management and Budget and assigned OMB Control Nos. 0584-0064, 0584-0479, 0584-0492, and 0584-0083.

Statutory authorization for the rule

The final rule was promulgated under the authority of 7 U.S.C. 2011-2036 and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Pub. L. 104-193).

Executive Order No. 12866

The final rule was reviewed by the Office of Management and Budget and found to be an “economically significant” regulatory action.

Executive Order No. 13132 (Federalism)

The final rule does not have sufficient federalism implications to merit the preparation of a federalism assessment under the order. Most of the changes made to the program were statutorily directed and FNS is unaware of any of the discretionary provisions of the rule that would preempt state law. FNS has ongoing formal and informal discussions with the state and local officials who administer the program.