May 6, 2024

The Honorable Ron Wyden
Chairman
The Honorable Mike Crapo
Ranking Member
Committee on Finance
United States Senate

The Honorable Jason Smith
Chairman
The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
House of Representatives

Subject: Social Security Administration: Expand the Definition of a Public Assistance Household

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Social Security Administration (SSA) entitled “Expand the Definition of a Public Assistance Household” (RIN: 0960-AI81). We received the rule on April 19, 2024. It was published in the Federal Register as a final rule on April 19, 2024. 89 Fed. Reg. 28608. The effective date of the rule is September 30, 2024.

According to SSA, this final rule expands the definition of a public assistance (PA) household for purposes of its programs, particularly the Supplemental Security Income (SSI) program, to include the Supplemental Nutrition Assistance Program (SNAP) as an additional means-tested public income-maintenance (PIM) program. SSA also announced that it was revising the definition of a PA household from a household in which every member receives some kind of PIM payment to a household that has both an SSI applicant or recipient, and at least one other household member who receives one or more of the listed PIM payments.

Enclosed is our assessment of SSA’s compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact Charlie McKiver, Assistant General Counsel, at (202) 512-5992.

Shirley A. Jones
Managing Associate General Counsel
Enclosure

cc: William P. Gibson
    Senior Regulation Writer
    Social Security Administration
(i) Cost-benefit analysis

The Social Security Administration (SSA) conducted an economic analysis of this final rule. SSA estimated that the implementation of the rule would result in a total increase in Federal Supplemental Security Income (SSI) payments of $15 billion over fiscal years (FYs) 2024 through 2033. SSA stated that when the effects of implementing the rule are fully realized, the annual increase in Federal SSI payments is estimated to be about two percent relative to what would have occurred under previous rules. SSA also estimated that once the rule is implemented and the effects have been stabilized, in FY 2033 roughly 277,000 Federal SSI recipients (4 percent of all SSI recipients) will have an increase in monthly payments compared to current rules, and an additional 109,000 individuals (1 percent increase) will receive Federal SSI payments who would not have been eligible under current rules.

SSA estimated that this proposal will result in a total net administrative cost of $83 million for the 10-year period from FY 2024 to FY 2033, particularly those related to updating systems, sending notices to inform current recipients of the policy changes and addressing inquiries from the notices, verifying receipt of SNAP benefits, and performing additional post-eligibility actions to account for changes in living arrangements. In addition to also assessing qualitative costs and benefits of the changes, SSA further reported that it considered alternative proposals, including making no change to the program.

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

SSA certified that this final rule will not have a significant economic impact on a substantial number of small entities because it affects individuals only.


SSA indicated in its regulatory impact analysis that this final rule will not impose unfunded federal mandates on state, local, and tribal governments, in the aggregate, or on the private sector, of $100 million, updated annually for inflation, nor is trade analysis applicable to this rule.


Section 270 of the Administrative Pay-As-You-Go-Act of 2023 amended 5 U.S.C. § 801(a)(2)(A) to require GAO to assess agency compliance with the Act, which establishes requirements for administrative actions that affect direct spending, in GAO’s major rule reports. In guidance to Executive Branch agencies, issued on September 1, 2023, the Office of Management and
Budget (OMB) instructed that agencies should include a statement explaining that either: “the Act does not apply to this rule because it does not increase direct spending; the Act does not apply to this rule because it meets one of the Act’s exemptions (and specifying the relevant exemption); the OMB Director granted a waiver of the Act’s requirements pursuant to section 265(a)(1) or (2) of the Act; or the agency has submitted a notice or written opinion to the OMB Director as required by section 263(a) or (b) of the Act” in their submissions of rules to GAO under the Congressional Review Act. OMB, Memorandum for the Heads of Executive Departments and Agencies, Subject: Guidance for Implementation of the Administrative Pay-As-You-Go Act of 2023, M-23-21 (Sept. 1, 2023), at 11–12. OMB also states that directives in the memorandum that supplement the requirements in the Act do not apply to proposed rules that have already been submitted to the Office of Information and Regulatory Affairs, however agencies must comply with any applicable requirements of the Act before finalizing such rules.

SSA determined that this final rule is not subject to the Act’s requirements because it is not estimated to increase direct spending by at least $100 million for FY 2024 (the first FY during the 10-year period).

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

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

On September 29, 2023, SSA published a proposed rule. 88 Fed. Reg. 67148. SSA received 221 comments on the notice of proposed rulemaking, which SSA summarized and responded to in this final rule. SSA also made 219 of these comments available for public viewing online.

Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501–3520

SSA determined that this final rule contains information collection requirements under the Act. SSA submitted a single new information collection request which encompasses revisions to information collections currently under OMB Numbers 0960-0174, 0960-0456, and 0960-0529 to OMB for approval. SSA projected the estimated burden savings for all respondents as a result of the rule to be 78,693 hours. SSA also estimated the total anticipated annual opportunity cost to be $5,834,336, though it noted that there is no actual charge to respondents to complete the application, and this figure instead only represents theoretical opportunity costs for the additional time respondents will spend to complete the application.

Statutory authorization for the rule

SSA promulgated this final rule pursuant to sections 205(a), 702(a)(5), 1631(d)(1), 1631(e)(1)(A), and 1633(a) of the Social Security Act. 42 U.S.C. §§ 405(a), 902(a)(5), 1383(d)(1), 1383(e)(1)(A), and 1383b(a).

Executive Order No. 12866 (Regulatory Planning and Review)

OMB determined that this final rule is economically significant under the Order and submitted it to OMB review.
Executive Order No. 13132 (Federalism)

SSA determined that this final rule does not have sufficient federalism implications to warrant the preparation of a federalism assessment.