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United States Government Accountability Office
Washington, DC 20548

B-298406

June 27, 2006

The Honorable Saxby Chambliss
Chairman
The Honorable Tom Harkin
Ranking Minority Member
Committee on Agriculture, Nutrition, and Forestry
United States Senate

The Honorable Bob Goodlatte
Chairman
The Honorable Collin C. Peterson
Ranking Minority Member
Committee on Agriculture
House of Representatives

Subject: *Department of Agriculture, Food and Nutrition Service: Food Stamp Program: Employment and Training Program Provisions of the Farm Security and Rural Investment Act of 2002*

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: Employment and Training Program Provisions of the Farm Security and Rural Investment Act of 2002" (RIN: 0584-AD32). We received the rule on June 12, 2006. It was published in the Federal Register as a final rule on June 9, 2006. 71 Fed. Reg. 33376.

The final rule amends the Food Stamp Program and, among other provisions, establishes a reasonable formula for allocating the 100 percent federal grant authorized to carry out the Food Stamp Employment and Training Program each fiscal year. The final rule also makes available up to \$20 million a year in additional unmatched federal E&T funds for state agencies that commit to offer an education/training or workfare opportunity to every applicant and recipient who is an able-bodied adult without dependents, limited to 3 months of food stamp eligibility in a 36-month period, who would otherwise be terminated.

The final rule has an announced effective date of August 8, 2006. The Congressional Review Act requires a 60-day delay in the effective date of a major rule from the date

of publication in the Federal Register or receipt of the rule by Congress, whichever is later. 5 U.S.C. 801(a)(3)(A). The rule was received by Congress on June 14, 2006, and was published in the Federal Register on June 9, 2006. Therefore, the final rule does not have the required 60-day delay in its effective date.

Enclosed is our assessment of the FNS's 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, with the exception in the delay in the effective date, 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.

signed

Kathleen E. Wannisky
Managing Associate General Counsel

Enclosure

cc: Eric M. Bost
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: EMPLOYMENT AND TRAINING PROGRAM
PROVISIONS OF THE FARM SECURITY AND
RURAL INVESTMENT ACT OF 2002"
(RIN: 0584-AD32)

(i) Cost-benefit analysis

FNS's regulatory impact analysis shows that the provisions of the final rule are expected to reduce federal outlays by \$36 million in Fiscal Year (FY) 2005 and by \$188 million in FY 2009.

(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 a significant economic impact on a substantial number of small entities.

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

The final rule does not contain either an intergovernmental or private sector mandate, as defined in title II, 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 procedures found at 5 U.S.C. 553. On March 19, 2004, FNS published a Notice of Proposed Rulemaking in the Federal Register. 69 Fed. Reg. 12981. In response, 24 comments were received and are discussed in the preamble to the final rule.

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

The final rule contains an information collection that has been previously approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act

and assigned OMB control number 0584-0339. The burden has been revised and increased by 9 hours, which has been approved by OMB.

Statutory authorization for the rule

The final rule is promulgated under the authority found in 7 U.S.C. 2011-2036.

Executive Order No. 12866

The final rule was reviewed by OMB and found to be an “economically significant” regulatory action under the order.

Executive Order No. 13132 (Federalism)

FNS has prepared a federalism impact analysis as required by the order that discusses the steps the agency took to involve state and local agencies in the drafting of the final rule.