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Washington, DC 20548

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January 18, 2017

The Honorable Pat Roberts
Chairman
The Honorable Debbie Stabenow
Ranking Member
Committee on Agriculture, Nutrition, and Forestry
United States Senate

The Honorable K. Michael Conaway
Chairman
The Honorable Collin C. Peterson
Ranking Member
Committee on Agriculture
House of Representatives

Subject: *Department of Agriculture, Food and Nutrition Service: Supplemental Nutrition Assistance Program (SNAP): Eligibility, Certification, and Employment and Training Provisions of the Food, Conservation and Energy Act of 2008*

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 “Supplemental Nutrition Assistance Program (SNAP): Eligibility, Certification, and Employment and Training Provisions of the Food, Conservation and Energy Act of 2008” (RIN: 0584-AD87). We received the rule on January 6, 2017. It was published in the *Federal Register* as a final rule and interim final rule on January 6, 2017, with a stated effective date of March 7, 2017. 82 Fed. Reg. 2010.

The final rule and interim final rule implements statutory provisions affecting the eligibility, benefits, certification, and employment and training (E&T) requirements for applicant or participant households in the Supplemental Nutrition Assistance Program (SNAP). The rule will (1) exclude military combat pay from the income of SNAP households; (2) raise the minimum standard deduction and the minimum benefit for small households; (3) eliminate the cap on the deduction for dependent care expenses; (4) index resource limits to inflation; (5) exclude retirement and education accounts from countable resources; (6) clarify reporting requirements under simplified reporting; (7) permit states to provide transitional benefits to households leaving state-funded cash assistance programs; (8) allow states to establish telephonic and gestured signature systems; (9) permit states to use E&T funds to provide job retention services; and (10) update requirements regarding the E&T funding cycle. FNS intends for these provisions to more accurately reflect needs, reduce barriers to participation, and improve efficiency in the administration of the program. This rule also replaces language in SNAP certification regulations with the new program name and updates procedures for accessing SNAP benefits in drug and alcohol treatment centers and group living arrangements with use of electronic benefit transfer (EBT) cards. In addition, this rule provides states with regulatory options for

conducting telephone interviews in lieu of face-to-face interviews and for averaging student work hours.

This rule also includes an interim final rule (with a request for additional comment) that will require that drug and alcohol treatment and group living arrangements centers: submit completed change report forms to the state agency when a resident leaves the center; notify the state agency within 5 days when the center is not able to provide the resident with their EBT card at departure; and return EBT cards to residents with pro-rated benefits based up on the date of their departure.

Enclosed is our assessment of 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 of the procedural steps taken indicates that FNS complied with the applicable requirements.

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 Shirley A. Jones, Assistant General Counsel, at (202) 512-8156.

signed

Robert J. Cramer
Managing Associate General Counsel

Enclosure

cc: Lynnette Thomas
PRAO Branch Chief
Food and Nutrition Service
Department of Agriculture

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF AGRICULTURE,
FOOD AND NUTRITION SERVICE
ENTITLED
“SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP):
ELIGIBILITY, CERTIFICATION, AND EMPLOYMENT AND
TRAINING PROVISIONS OF THE FOOD,
CONSERVATION AND ENERGY ACT OF 2008”
(RIN: 0584-AD87)

(i) Cost-benefit analysis

The Food and Nutrition Service (FNS) described the costs and benefits of this final rule. FNS found that the benefits of this rule are increased SNAP benefits for certain households and reduced participant burden by streamlining program administration. FNS estimates the costs will be reductions in the household-level burden of over 40 million hours, resulting in an annualized cost savings of approximately \$286 million. FNS estimates the total SNAP costs to the federal government (transfers to beneficiaries) at \$831 million in fiscal year (FY) 2010 and \$5.619 billion over the 5 years FY 2010 through FY 2014.

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

FNS certified that this final rule does not have a significant impact on small entities.

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

FNS determined that this final rule contains no federal mandates under the Act that impose costs on state, local, or tribal governments or to the private sector of \$146 million (\$100 million, adjusted for inflation) or more 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.

On May 4, 2011, FNS published a proposed rule. 76 Fed. Reg. 25,414. A total of 118 commenters submitted comments. These commenters included the following: 59 advocacy groups, 18 food banks, 15 individuals, 13 non-profit organizations, 7 associations, and 6 state agencies. FNS discussed the comments in the final rule, with some general exceptions.

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

FNS identified 13 provisions or set of provisions of this final rule with related information collection requirements under the Act. FNS estimated that the total state agency burden would be 522,658 hours. FNS estimated that the total household burden would be reduced by 41,054,094 hours.

Statutory authorization for the rule

FNS promulgated this final rule under the authority of sections 2011 to 2036 of title 7, United States Code.

Executive Order No. 12,866 (Regulatory Planning and Review)

This rule has been designated an economically significant rule under the Order and has been reviewed by the Office of Management and Budget.

Executive Order No. 13,132 (Federalism)

In the final rule FNS described its prior consultation with state officials, the nature of concerns and the need to issue the rule, as well as the extent to which FNS met those concerns.