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DEPARTMENT OF AGRICULTURE

Food and Nutrition Service

7 CFR Parts 272 and 273

[Amendment No. 376]

RIN: 0584-AB57

Food Stamp Program: Anticipating Income and Reporting Changes

AGENCY: Food and Nutrition Service, USDA.

ACTION: Final rule.

SUMMARY: This rule finalizes provisions of a proposed rulemaking published December 17, 1996. It revises the current requirement that households report a change of more than \$25 in monthly gross income by increasing the reporting threshold for unearned income to \$50 and by allowing State agencies two options for reporting requirements for changes in the amount of earned income. The rule also provides State agencies with the option of establishing a quarterly reporting system for all nonexempt households. The rule also includes a technical amendment addressing procedures for the handling of certain recurring income in a retrospective budgeting system.

DATES: *Effective date:* This rule is effective May 29, 2003.

Implementation date: This rule must be implemented no later than November 1, 2003.

FOR FURTHER INFORMATION CONTACT: Patrick Waldron, Branch Chief, Certification Policy Branch, Program Development Division, Food and Nutrition Service, USDA, 3101 Park Center Drive, Alexandria, Virginia, 22302, (703) 305-2516. The e-mail address is Patrick.Waldron@FNS.USDA.gov.

SUPPLEMENTARY INFORMATION:

I. Procedural Matters

Executive Order 12866

This rule has been determined to be significant and was reviewed by the Office of Management and Budget under Executive Order 12866.

Executive Order 12372

The Food Stamp Program is listed in the Catalog of Federal Domestic Assistance under No. 10.551. For the reasons set forth in the final rule in 7 CFR part 3015, Subpart V and related Notice (48 FR 29115), this Program is excluded from the scope of Executive Order 12372 which requires intergovernmental consultation with State and local officials.

Regulatory Flexibility Act

This rule has been reviewed with regard to the requirements of the Regulatory Flexibility Act of 1980 (5 U.S.C. 601-612). The Under Secretary for Food, Nutrition, and Consumer Services has certified that this final rule will not have a significant economic 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 Food Stamp Program (FSP).

Paperwork Reduction Act

The information collection requirements associated with this rulemaking have been reviewed by the Office of Management and Budget (OMB) and approved under OMB No. 0584-0064. We did not publish a separate notice requesting comments on the proposed information collection associated with this rule. We did, however, solicit comments concerning the information collection in the proposed rule, which was published on December 17, 1996 at 61 FR 66233. We specifically requested comments on: (a) Whether the proposed collection of information was necessary; (b) the accuracy of the agency's burden estimate; (c) ways to enhance quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on potential respondents. We received no comments specifically concerning the proposed information collection.

Although this rule eliminates or reduces the need to report certain changes in household circumstances,

households will still be required to report other changes. Therefore, we believe that households will still be required to submit an average of one change report form per year. At the time we issued the proposed rule we estimated that approximately 9,342,000 households are subject to change reporting. Based on an estimated average of .167 hours per report and one report per year, we estimated that the report form results in a total burden of 1,507,691 hours per year.

Executive Order 13132

Federalism Summary Impact Statement

Executive Order 13132 requires Federal agencies to consider the impact of their regulatory actions on State and local governments. We note that all references to State agencies when used in the context of Federalism also refer to local welfare agencies in States in which the FSP is administered by local governments. In developing this rule the Food and Nutrition Service (FNS) has considered the impact on State agencies. This rule increases State agency flexibility by increasing the number of options that State agencies will have regarding procedures for the reporting of information by Food Stamp Program recipients. To a large extent this rule codifies procedures that are currently being utilized by State agencies through waivers, and imposes no new requirements on State agencies.

Prior Consultation With State and Local Officials

Before drafting this rule, we received input from State agencies at various times. Because the FSP is a State-administered, federally funded program, our regional offices have formal and informal discussions with State and local officials on an ongoing basis. These discussions involve implementation and policy issues. This arrangement allows State agencies to provide feedback that forms the basis for many discretionary decisions in this and other FSP rules. In addition, FNS officials attend regional, national, and professional conferences to discuss issues and receive feedback from State officials at all levels. Lastly, the comments on the proposed rule from State officials were carefully considered in drafting this final rule.