

stamp vehicle rules will experience minor increases or decreases in burden associated with the complexity or simplicity of each case. States that elect to retain the food stamp vehicle rules will experience no change in burden. The Department has concluded that burden will vary from case to case and State to State but not enough to affect the average total processing time data upon which all burden estimates for food stamp certification (and re-certification) are based.

Unfunded Mandate Reform Act of 1995 (UMRA)

Title II of UMRA establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments and the private sector. Under § 202 of the UMRA, the Department generally must prepare a written statement, including a cost-benefit analysis, for proposed and final rules with "Federal mandates" that may result in expenditures to State, local, or tribal governments in the aggregate, or to the private sector, of \$100 million or more in any one year. When such a statement is needed for a rule, § 205 of the UMRA generally requires the Department to identify and consider a reasonable number of regulatory alternatives and adopt the least costly, more cost-effective or least burdensome alternative that achieves the objectives of the rule. This notice contains no Federal mandates (under the regulatory provisions of Title II of the UMRA) for State, local, and tribal governments or the private sector of \$100 million or more in any one year. This rule is, therefore, not subject to the requirements of § 202 and § 205 of the UMRA.

Civil Rights Impact Analysis

The Department has reviewed this proposed rule in accordance with the Department Regulation 4300-4, "Civil Rights Impact Analysis" to identify and address any major civil rights impacts the proposed rule might have on minorities, women, and persons with disabilities. After a careful review of the rule's intent and provisions, and the characteristics of food stamp households and individuals participants, the Department has determined that there is no adverse effect on any of the protected classes. The Department has minimal discretion in implementing many of these changes. The changes required by law have been implemented. All data available to the Department indicate that protected individuals have the same opportunity to participate in the Food Stamp

Program as non-protected individuals. The Department specifically prohibits the State and local government agencies that administer the program from engaging in actions that discriminate based on race, color, national origin, gender, age, disability, marital or family status. Regulations at 7 CFR 272.6 specifically state that "State agencies shall not discriminate against any applicant or participant in any aspect of program administration, including, but not limited to, the certification of households, the issuance of coupons, the conduct of fair hearings, or the conduct of any other program service for reasons of age, race, color, sex, handicap, religious creed, national origin, or political beliefs. Discrimination in any aspect of program administration is prohibited by these regulations, the FSA, the Age Discrimination Act of 1975 (Pub. L. 94-135), the Rehabilitation Act of 1973 (Pub. L. 93-112, § 504), and title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d). Enforcement action may be brought under any applicable Federal law. Title VI complaints shall be processed in accord with 7 CFR part 15." Where State agencies have options, and they choose to implement a certain provision, they must implement it in such a way that it complies with the regulations at 7 CFR 272.6.

Regulatory Impact Analysis

Need for Action

This action is needed to implement § 846 and § 847 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act 2001, Public Law 106-387. The proposed rule would increase the amounts of the maximum excess shelter expense deductions, and for future years, index them to the Consumer Price Index. It would also allow States the option of substituting their TANF vehicle rules for their food stamp vehicle rules when doing so would result in a lower attribution of resources to a household.

Benefits

Section 846, maximum excess shelter expense deduction provision: the proposed rule would allow a larger income deduction for shelter expenses to low-income families whose shelter expenses exceed 50 percent of their monthly income, after all other applicable deductions have been made. The Department does not expect raising the excess shelter deduction limit to significantly increase food stamp participation. Instead, we estimate that the change will raise benefits for 7.6

percent of current participants. Applying this percentage to the participation projections for the President's FY 2004 budget baseline, we estimate that 1.65 million persons will each receive an average of \$6.02 more per month in food stamp benefits in FY 2004. These impacts are already incorporated into the President's FY 2004 budget baseline.

Section 847, vehicle provision: the proposed rule will allow food stamp applicants to benefit when State agencies elect to use more expansive vehicle policy rules that will allow them to own a reliable vehicle and still be eligible for food stamps. The Department estimates that this provision will increase average participation in the FSP by 243,000 persons in FY 2004 and that their average monthly food stamp benefit will be \$74.11. These impacts are already incorporated into the President's FY 2004 budget baseline. State agencies will benefit from the increased flexibility in program administration afforded by the proposed rule and from an anticipated decrease in payment errors.

Costs

Section 846: the Department estimates that the cost of implementing § 846 will be \$119 million in FY 2004 and \$705 million over the five years, FY 2004 through FY 2008. These impacts are already incorporated into the President's FY 2004 budget baseline.

Section 847: the Department estimates that the cost of implementing § 847 will be \$216 million in FY 2004 and \$1.115 billion over the five years, FY 2004 through FY 2008. These impacts are already incorporated into the President's FY 2004 budget baseline.

List of Subjects in 7 CFR Part 273

Administrative practice and procedure, Food stamps, Fraud, Grant programs, Social programs, Resources, Vehicles.

Accordingly, the Department proposes to amend 7 CFR part 273 as follows:

PART 273—CERTIFICATION OF ELIGIBLE HOUSEHOLDS

1. The authority citation for part 273 continues to read as follows:

Authority: 7 U.S.C. 2011-2036.

2. In § 273.8, add new paragraph (f)(4) to read as follows:

§ 273.8 Resource eligibility standards.

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(f) * * *

(4) A State agency may substitute for the vehicle evaluation provisions in