



B-285915

August 4, 2000

The Honorable Richard G. Lugar  
Chairman  
The Honorable Tom Harkin  
Ranking Minority Member  
Committee on Agriculture, Nutrition, and Forestry  
United States Senate

The Honorable Larry Combest  
Chairman  
The Honorable Charles W. Stenholm  
Ranking Minority Member  
Committee on Agriculture  
House of Representatives

Subject: Department of Agriculture, Food and Nutrition Service: Food Stamp Program: Recipient Claim Establishment and Collection Standards

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: Recipient Claim Establishment and Collection Standards" (RIN: 0584-AB88). We received the rule on July 24, 2000. It was published in the Federal Register as a final rule on July 6, 2000. 65 Fed. Reg. 41752.

The final rule aims to improve claims management in the Food Stamp Program while providing state agencies increased flexibility in their efforts to increase claims collection. The final rule incorporates changes mandated by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and includes federal debt management regulations and statutory revisions into recipient claim management.

Enclosed is our assessment of the FNS' 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 of the 60-day delay in the effective date discussed below, the FNS complied with the applicable requirements.

Portions of the final rule have an announced effective date of August 1, 2000. Other sections of the rule are made effective retroactive to August 22, 1996, the date of enactment of the PRWORA. The Congressional Review Act requires major rules to have a 60-day delay in their effective date following publication in the Federal Register or receipt of the rule by Congress, whichever is later. Since the rule was published on July 6, 2000, and received by Congress on July 24, 2000, it will not have the required 60-day delay in its effective date.

If you have any questions about this report, please contact James W. Vickers, Assistant General Counsel, at (202) 512-8210. The official responsible for GAO evaluation work relating to the subject matter of the rule is Larry Dyckman, Director, Food and Agriculture Issues. Mr. Dyckman can be reached at (202) 512-5138.

Robert P. Murphy  
General Counsel

Enclosure

cc: The Honorable Shirley R. Watkins  
Under Secretary  
Food, Nutrition, and Consumer Services  
Department of Agriculture

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: RECIPIENT CLAIM ESTABLISHMENT  
AND COLLECTION STANDARDS"  
(RIN: 0584-AB88)

(i) Cost-benefit analysis

FNS performed a regulatory impact analysis that considered the cost and benefits of the final rule. The increased collections under the final rule will reduce food stamp program costs by \$392.5 million for the 5-year period of fiscal year 2001 through fiscal year 2005. The federal government and state agencies will benefit by increased recipient claims collections through the use of the additional collection tools and streamlined requirements and procedures.

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

The Undersecretary 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 a federal mandate, as defined in title II, on either state, local, or tribal governments or the private sector of over \$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 contained at 5 U.S.C. 553. FNS published a Notice of Proposed Rulemaking on May 28, 1998, in the Federal Register. 63 Fed. Reg. 29303. FNS received 96 comment letters in response to the proposal and responds to the comments in the preamble to the final rule.

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

The final rule contains information collections that have been approved by the Office of Management and Budget (OMB) and been assigned control numbers 0584-0069, 0584-0446, and 0584-0492.

**Statutory authorization for the rule**

The final rule is issued under the authority of 7 U.S.C. 2011-2036 and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104-193.

**Executive Order No. 12866**

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

**Executive Order No. 13132 (Federalism)**

The final rule was found to have federalism implications and FNS prepared a federalism impact statement, which is contained in the preamble to the final rule.