



United States General Accounting Office
Washington, DC 20548

Office of the General Counsel

B-283573

September 17, 1999

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: Food Stamp Provisions of the Balanced Budget Act of 1997

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: Food Stamp Provisions of the Balanced Budget Act of 1997" (RIN: 0584-AC63). We received the rule on September 3, 1999. It was published in the Federal Register as an interim rule on September 3, 1999. 64 Fed. Reg. 48246.

The interim rule implements two food stamp provisions of the Balanced Budget Act of 1997. The first provision provides state agencies the authority to exempt from the food stamp time-limit at section 6(o)(2) of the Food Stamp Act of 1977 up to 15 percent of the state's caseload that is subject to the requirement. The second provision provides additional funding for administration of Food Stamp Employment and Training programs. These two provisions enhance state flexibility in exempting portions of a state agency's caseload from the food stamp time limit and increase significantly the funding available to create work opportunities for recipients that are subject to the time limit.

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 the 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. 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.

Sincerely yours,

Robert P. Murphy
General Counsel

Enclosure

cc: The Honorable Shirley R. Watkins
Under Secretary for 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: FOOD STAMP PROVISIONS
OF THE BALANCED BUDGET ACT OF 1997"
(RIN: 0584-AC63)

(i) Cost-benefit analysis

The cost-benefit analysis conducted by FNS shows that the amendments incorporated in the interim rule will increase Food Stamp Program expenditures by \$1.4 billion over the next 5 years.

The benefits include the ability of state agencies to exempt from the time limits an additional 15 percent of the state's caseload subject to the requirement. It will also increase the funding available to state agencies to create work opportunities for recipients subject to the time limit.

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

FNS has certified that the interim 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 interim rule does not impose either an intergovernmental or private sector mandate of over \$100 million in any one year, as defined by the Unfunded Mandates Reform Act of 1995.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

The interim rule was issued as an exception to the notice and comment procedures of 5 U.S.C. 553. The Under Secretary for Food, Nutrition, and Consumer Services has determined, pursuant to 5 U.S.C. 553 (b)(3)(B), that public comment on the rule prior to implementation is impracticable and that good cause exists for making the rule effective less than 30 days after its publication. This determination, according to the rule's preamble, was necessitated by the required effective date contained in the 1997 amendments to the Food Stamp Act of 1977.

However, public comments are solicited in the interim rule and will be considered in the publication of the final rule.

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

The interim rule contains information collections that are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995.

The interim rule's provisions required revision of the previously approved collection entitled "Employment and Training Program Report," which was approved through September 30, 2001, by OMB based on revised burden estimates.

Statutory authorization for the rule

The interim rule was issued pursuant to the authority of sections 1001 and 1002 of the Balanced Budget Act (Pub. L. 105-33) and 7 U.S.C. 2011-2036.

Executive Order No. 12866

The interim rule was found to be an "economically significant" regulatory action and was reviewed and approved by the Office of Management and Budget as complying with the Order.