



DEPARTMENT OF AGRICULTURE

Food and Nutrition Service

Agency Information Collection Activities: Supplemental Nutrition Assistance Program: Reporting of Lottery and Gambling, and Resource Verification

AGENCY: Food and Nutrition Service (FNS), USDA.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, this notice invites the general public and other public agencies to comment on this proposed information collection.

This is a revision of a currently approved collection and existing burden in use in the Supplemental Nutrition Assistance Program (SNAP). This information collection captures the burden associated with the requirement that States make ineligible SNAP participants with substantial lottery or gambling winnings and establish cooperative agreements with gaming entities within their States to identify SNAP participants with substantial winnings. Individuals and households are required to report substantial winnings.

DATES: Written comments must be received on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

ADDRESSES: Comments may be sent to: Program Design Branch, Program Development Division, Food and Nutrition Service, U.S. Department of Agriculture, 1320 Braddock Place, 5th Floor, Alexandria, VA 22314. Comments may also be submitted via email to Jessica Luna at 703-305-4391 or via email to SM.FNS.SNAPPDBRules@usda.gov. Comments will also be accepted through the Federal eRulemaking Portal. Go to <http://www.regulations.gov>, and follow the online instructions for submitting comments electronically.

All responses to this notice will be summarized and included in the request for Office of Management and Budget approval. All comments will be a matter of public record.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies

of this information collection should be directed to Jessica Luna at 703-305-4391.

SUPPLEMENTARY INFORMATION:

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions that were used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on those who are to respond, including use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Title: Supplemental Nutrition Assistance Program: Reporting of Lottery and Gambling, and Resource Verification

Form Number: N/A

OMB Control Number: 0584-0621

Expiration Date: December 31, 2025

Type of Request: Revision of a currently approved collection.

Abstract:

Lottery and Gambling

In accordance with section 4009 of the Agricultural Act of 2014, households in which members receive substantial lottery and gambling winnings are ineligible for SNAP until they meet allowable financial resources and income eligibility requirements. Substantial winnings are defined as winnings that are equal to or greater than the resource limit for elderly or disabled households as defined in 7 CFR 273.8(b). States are also required to work cooperatively with entities responsible for gaming in their State to identify individuals or households with substantial winnings. SNAP individuals or households must report substantial winnings to State SNAP agencies.

In the previous approval for this collection, the Agency assumed that 3 State SNAP agencies did not have lottery or gambling entities and were not likely to incur burden related to the lottery and gambling requirements. After further research, the Agency is adjusting this assumption for the purposes of this renewal. Five States, AL, AK, HI, NV, and UT, do not have lottery entities, though NV has a gambling entity.^{1,2} Therefore, the Agency assumes that four State SNAP agencies are not likely to incur burden related to the lottery and gambling requirements.

The Agency assumes that the 49 State SNAP agencies subject to this requirement have already established cooperative agreements with the public agency gaming entities (1 per State, 49 total) and private gaming entities (4 per State, 196 total) in their State. These agreements use computerized data matching personal identifiable information to identify winnings within the SNAP participation list. The gaming entities must input data on each individual with winnings over the winnings threshold into the matching system, which FNS estimates to take 5 minutes (.0835 hours). There is no national database of how many people win large amounts of money in State lotteries or through gaming activities. Therefore, FNS will continue to use the previously approved estimates as there has been no indication that they require adjustment. The Agency assumes that each of the public and private gaming entities would have 6,000 SNAP individuals who win over the threshold each year and whose data would need to be uploaded to the matching system. For clarity, these individuals are not necessarily SNAP applicants or participants, they are members of the general public with winnings that, if they applied for SNAP, would be over the threshold. The information technology staff from each State SNAP agency maintains the matching system, which the Agency estimates take 320 hours per year. Once the data is

¹ 2022 Annual Survey of State Government Finances Tables, Income and Apportionment of State-Administered Lottery Funds: 2022. <https://www.census.gov/data/tables/2022/econ/state/historical-tables.html>

² American Gaming Association's Commercial Gaming Revenue Tracker, Calendar Year 2023. https://www.americangaming.org/wp-content/uploads/2024/01/CY-2024_CGRT_v2.pdf

uploaded, the Agency assumes that matches occur automatically.

FNS estimates that 27,500 SNAP households will receive substantial lottery winnings per year, with most instances identified via the matching systems. FNS assumes that the matching systems will identify approximately 35,280 SNAP participants (average 720 per State agency) nationally each year. Of these, the State agencies will find that an estimated 22,540 (average 460 per State agency) have actual substantial winnings (the others may be simply misidentified because of a similar name, inaccurate reporting, etc.). These matches are hereinafter referred to as “substantive matches.” Under 7 CFR 272.17 and 7 CFR 273.11(r), FNS estimates that the 49 State SNAP agencies will receive approximately 6,860 records (average 140 per State agency) annually with misidentified participants. It will take about 40 minutes (.668 hours) for eligibility workers to identify each misidentification.

For each substantive match, an eligibility worker will do the following:

- The eligibility worker will generate a request for contact (RFC) requesting more information. The burden associated with RFCs is already accounted for in OMB Control Number 0584-0064 (expiration 6/30/2027) regarding RFCs. Therefore, FNS estimates that eligibility workers will handle approximately 18,032 returned RFCs (average 368 per State agency) from substantive matches.
- If the matched participant responds to the RFC and the eligibility worker finds them to be a substantial winner, the worker will close the case and send a notice of adverse action. If the participant does not return the RFC (an estimated 20 percent), the worker will close the case and send a notice of adverse action for failure to return the RFC. The burden associated with notices of adverse action is accounted for in OMB Control Number 0584-0064 (expiration 6/30/2027) and is not counted in the total burden of this collection.

Under 7 CFR 273.11(r), individuals or households are also required to report their substantial

winnings to their State SNAP agency. Out of the 27,500 SNAP individuals or households who will receive substantial lottery winnings, FNS estimates 23,000 substantial winners will be identified through the matching process and 4,410 individuals or households will self-report lottery and gambling winnings. In response to the 4,410 (average 90 per State agency) households that self-report winnings, State eligibility workers will do the following:

- Under 7 CFR 272.17 and 7 CFR 273.11(r), eligibility workers will review the information submitted by the participant. FNS estimates that this will take eligibility workers approximately 11 minutes (0.1837 hours). This estimate is based on a prior estimate in OMB Control Number 0584-0064 (expiration 6/30/2027) for a similar simplified reporting requirement for able-bodied adults without dependents.
- If the eligibility worker finds the participant to be a substantial winner, the worker will close the case and send notice of adverse action. Again, this burden is accounted for in OMB Control Number 0584-0064 (expiration 6/30/2027) and is not counted in the total burden of this collection.

Under 7 CFR 273.11(r), SNAP individual and household participants identified as substantial lottery winners via the matching process will receive and potentially respond to RFCs and notices of adverse action. The participant burdens associated with RFCs and notices of adverse action are accounted for in OMB Control Number 0584-0064 (expiration 6/30/2027) and are not counted in the total burden of this collection. FNS estimates that self-reporting households will spend 10 minutes (.167 hours) per response to report their substantial winnings to the State SNAP agency. FNS utilized the estimate of 10 minutes based on a prior estimate in OMB Control Number 0584-0064 (expiration 6/30/2027) for the time it takes a household to complete a periodic report.

FNS recognizes that households who previously lost eligibility for SNAP due to lottery or gambling winnings may later re-apply to the program. The burden associated with submitting

and processing applications is accounted for in OMB 0584-0064 (expiration 6/30/2027) and is not counted in the total burden of this collection. This section of the information collection does not require any recordkeeping burden.

Resource Verification

Per Section 5(g) of the Food and Nutrition Act, all applicant households must meet the SNAP resource limits unless they are considered categorically eligible (Section 5(j) of the Food and Nutrition Act) for SNAP benefits. State eligibility workers must evaluate the resources available to each household to determine whether these households meet the SNAP resource limits as defined by 7 CFR 273.8(b). Resources are one of several criteria that SNAP State agencies use to determine SNAP eligibility, and States may elect to mandate verification of resources (7 CFR 273.2(f)(3)). All States must verify any resource information that appears to be questionable, in accordance with 7 CFR 273.2(f)(2)(i).

Individuals or households are considered categorically eligible for SNAP if each member receives certain cash assistance benefits, including Supplemental Security Income (SSI) and Temporary Assistance for Needy Families (TANF) assistance. States also have the option to implement broad-based categorical eligibility policies to deem recipients of non-cash or in-kind TANF benefits or services to be categorically eligible for SNAP. Out of 53 SNAP State agencies, 44 have adopted broad-based categorical eligibility policies. Therefore, only 9 States currently collect resource information as part of the SNAP eligibility determination process.³ State agencies conducting this process may need to contact financial institutions, Departments of Motor Vehicles, and other entities to obtain documentation of a household's resources. Households may need to submit proof of their available resources.

³ SNAP State Options Report, 16th Edition. <https://fns-prod.azureedge.us/sites/default/files/resource-files/snap-16th-state-options-report-june24.pdf>

In 2025, FNS consulted with all 9 States operating the resource test to estimate the amount of time that State agency staff spent verifying resources with clients at initial certification and subsequent recertifications. Through this consultation, FNS learned that 3 States verify resources when reported resources are close to the limit or questionable (hereinafter referred to as “High Limit” States), 2 States only verify when the report is questionable (“Self-Attestation” States), and 2 States always verify resources (“Always” States). For the purposes of this estimate, FNS assumes the 8th State verifies resources for all cases (“Always”) and the 9th State verifies when a household is close to the asset limit or questionable (“High Limit”).

Using the estimates obtained during State consultation on resource verification, FNS estimates that State SNAP agency staff spend the following average times on resource verification:

- “Always” Staff: 32.04 minutes (0.534 hours) per case at initial certification and 19.26 minutes (0.321 hours) (per case at recertification).
- “High Limit” Staff: 33.15 minutes (0.554 hours) per case at initial certification and 33.2 minutes (0.550 hours) per case at recertification.
- “Self-Attestation” Staff: 6.44 minutes (0.201 hours) per case at initial certification and 8.1 minutes (0.135 hours) per case at recertification.

To estimate the total burden hours on State agencies, FNS applied these average times to the most recently available participation data (FY24) for SNAP initial applicants and recertification applicant households in the 9 States that verify resources.⁴

FNS then estimated the burden hours for households to provide verification using the same FY24 participation data. The Agency estimates that providing verification would take 4 minutes

⁴ National Data Bank data from FY2024, FNS 366-B, Initial Applications Approved and Recertification Applications Approved. OMB Control Number 0584-0594 (expiration 9/30/2026).

(0.0668 hours) per household at initial certification and 6 minutes (.1002 hours) at recertification. These time estimates come from other verification activities in OMB Control Number 0584-0064 (expiration 6/30/2027). Using the estimates above for the number of households in each State subject to verification requirements, FNS then calculated the total number of households in each State that would have to participate in this annual burden in the chart below.

This information collection does not require any new recordkeeping burden. The related recordkeeping burden for State agencies is currently covered under the approved information collection burden for application processing, OMB Control Number 0584-0064 (expiration 6/30/2027), which accounts for the case file documentation the States maintain for each SNAP household at 7 CFR 273.2(f)(6).

Reporting

Affected Public Individuals/Household

Respondent Type: SNAP households

Estimated Number of Respondents: 1,744,793

Estimated Number of Responses per Respondent: 1.00

Estimated Total Annual Responses: 1,744,793

Estimated Time per Response: 0.082

Estimated Total Annual Burden on Respondents: 142,426.08

Affected Private Businesses

Respondent Type: SNAP households

Estimated Number of Respondents: 196

Estimated Number of Responses per Respondent: 6,000

Estimated Total Annual Responses: 1,176,000

Estimated Time per Response: 0.0835

Estimated Total Annual Burden on Respondents: 98,196.00

Affected Public State Agencies

Respondent Type: State SNAP agencies (51), State gambling and gaming entities (49)

Estimated Number of Respondents: 100

Estimated Number of Responses per Respondent: 20,637.35

Estimated Total Annual Responses: 2,063,735

Estimated Time per Response: 0.377

Estimated Total Annual Burden on Respondents: 778,528.90

Total Affected Public

Respondent Type: SNAP households, State SNAP agencies, State gambling and gaming entities, and business private gambling and gaming entities

Estimated Number of Respondents: 1,745,089

Estimated Number of Responses per Respondent: 2.86

Estimated Total Annual Responses: 4,984,528

Estimated Time per Response: 0.204

Estimated Total Annual Burden on Respondents: 1,019,150.98

Reference burden table below.

Burden Activities	Reg. Section	Respondent Type	Description of Activity	Estimated Number of Respondents	Estimated Frequency of Response	Estimated Total Annual Responses	Estimated Number of Burden Hours Per Response	Estimated Total Burden Hours
Lottery & Gambling	7 CFR 273.11(r)	SNAP Individuals/ Households	*Self-report lottery or gambling winnings to State SNAP Agency	4,410	1	4,410	0.1670	736.47
Resource Verification	7 CFR 273.2(f)(1) & (2)	SNAP Individuals/ Households	Verification of resources at initial application	978,945	1	978,945	0.0668	65,393.53
	7 CFR 273.2(f)(8)(i)	SNAP Individuals/ Households	Verification of resources at recertification	761,438	1	761,438	0.1002	76,296.09
SNAP Individual/Household Subtotal Reporting				1,744,793	1.00	1,744,793	0.0816	142,426.08
Lottery & Gambling	7 CFR 272.17 (a) & (b)	State SNAP Agency Managers	**Establish cooperative agreements with State public agency and private business gaming entities	0	0	0	0.0000	0.00
	7 CFR 272.17 (c)	State Public Agency Gaming Entity Managers	**Establish cooperative agreements with State SNAP agency	0	0	0	0.0000	0.00
	7 CFR 272.17 (c)	State SNAP IT Staff	**Create a data matching system with State public agency and private business gaming entities	0	0	0	0.0000	0.00
	7 CFR 272.17 and 7 CFR 273.11(r)	State SNAP Agency Eligibility Worker	Eligibility worker follow-up (matched, misidentified)	49	140	6,860	0.6680	4,582.48
	7 CFR 272.17 and 7 CFR 273.11(r)	State SNAP Agency Eligibility Worker	Eligibility worker RFC follow-up (matched, substantive)	49	368	18,032	0.3340	6,022.69
	7 CFR 272.17 and 7 CFR 273.11(r)	State SNAP Agency Eligibility Worker	Eligibility worker follow-up (self-reported winners)	49	90	4,410	0.1837	810.12
	8 CFR 272.17 and 7 CFR 273.11(r)	State SNAP Agency Eligibility Worker	***Eligibility worker work new applications (churn)	0	0	0	0.0000	0.00
	7 CFR 272.17 (c)	State Public Agency Gaming Entity Staff Member	Input data into data matching system for use by State SNAP agency	49	6,000	294,000	0.0800	23,520.00
	7 CFR 272.17 (c)	State SNAP IT Staff	Maintain a data matching system with State public agency and private business gaming entities	49	1	49	320.0000	15,680.00
Resource Verification	7 CFR 273.2(f)(1) & (2)	State SNAP Agency Eligibility Worker	Verification of resources at initial application (States verifying all resources)	4	108,772	435,088	0.5340	232,336.99
	7 CFR 273.2(f)(1) & (2)	State SNAP Agency Eligibility Worker	Verification of resources at initial application (States verifying resources if questionable)	2	108,772	217,544	0.2010	43,726.34

	7 CFR 273.2(f)(1) & (2)	State SNAP Agency Eligibility Worker	Verification of resources at initial application (States verifying resources if close to the limit)	3	108,772	326,316	0.5540	180,779.06
	7 CFR 273.2(f)(8)(i)	State SNAP Agency Eligibility Worker	Verification of resources at recertification (States verifying all resources)	4	84,604	338,416	0.3210	108,631.54
	7 CFR 273.2(f)(8)(i)	State SNAP Agency Eligibility Worker	Verification of resources at recertification (States verifying resources if questionable)	2	84,604	169,208	0.1350	22,843.08
	7 CFR 273.2(f)(8)(i)	State SNAP Agency Eligibility Worker	Verification of resources at recertification (States verifying resources is close to the limit)	3	84,604	253,812	0.5500	139,596.60
State Agency Subtotal Reporting				100	20,637.35	2,063,735	0.3772	778,528.90
Lottery & Gambling	7 CFR 272.17 (a) & (b)	Private Business Gaming Entity Managers	**Establish cooperative agreements with State SNAP agency	0	0	0	0.0000	0.00
	7 CFR 272.17 (c)	Private Business Gaming Entity Staff Member	Input data into data matching system for use by State SNAP agency	196	6,000	1,176,000	0.0835	98,196.00
Business Subtotal Reporting				196	6,000	1,176,000	0.0835	98,196.00
Reporting Grand Total Burden Estimates				1,745,089	2.86	4,984,528	0.2045	1,019,150.98

* FNS assumes that all participants reporting lottery and gambling winnings will also have either an initial or recertification application in the same year. To avoid double counting, these households are not separately included in the total number of respondents for this section.

James C. Miller,
Administrator,
Food and Nutrition Service.

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