

**SUMMARY OF CLEARANCE  
NATIONAL SCHOOL LUNCH PROGRAM  
REGULATIONS - 7CFR PART 210  
OMB CLEARANCE NUMBER 0584-0006**

The purpose of this submission is to obtain a revision of the currently approved information collection cleared under OMB Number 0584-0006 of the National School Lunch Program (NSLP) 7 C.F.R. Part 210.

This submission requests approval for the increase of 5,272.5 reporting hours to the NSLP. The program change reflects new requirements in Parts 210.23(d)(1), 210.23(d)(2), and 210.23(d)(3).

The recordkeeping hours in this submission are unchanged. Explanation of the burden hours are explained in questions 12 and 15.

**JUSTIFICATION STATEMENT  
7 CFR PART 210**

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.**

The National School Lunch Act (NSLA, P.L. 79-396), as amended, authorizes the National School Lunch Program (NSLP). Under Section 2 thereof, "It is hereby declared to be the policy of Congress, as a measure of national security, to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other food, by assisting the States, through grants-in-aid and other means, in providing an adequate supply of foods and other facilities for the establishment, maintenance, operation, and expansion of nonprofit school lunch programs." Section 10 of the Child Nutrition Act (CNA) of 1966 (P.L. 89-642), as amended, requires the Secretary of Agriculture to "prescribe such regulations as the Secretary may deem necessary to carry out this Act and the Richard B. Russell National School Lunch Act (NSLA)..." Pursuant to that provision, the Food and Nutrition Service (FNS) of USDA has issued Part 210 to implement the NSLP. Part 210 includes requirements governing:

- a. The application by local level organizations to initiate NSLP operations and the execution of grant agreements with them.
- b. The maintenance of records by State and local organizations to document their compliance with NSLP requirements.
- c. The submission of reports on the results of program operations and the use of program funds.

The NSLP is a food assistance program. The program benefit is a lunch that meets the nutritional requirements prescribed by USDA in accordance with Subsection 9(a) of the NSLA. That provision requires that "Lunches served by schools participating in the school lunch program under this Act shall meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research..."

Needy children may receive their lunches free or at a reduced price. Paragraph 9(b)(3) of the NSLA requires that "Any child who is a member of a household whose income, at the time the application is submitted, is at an annual rate which does not exceed the applicable family-size income level of the income eligibility guidelines for free lunches, as determined under paragraph (1), shall be served a free lunch. Any child who is a

member of household whose income, at the time the application is submitted, is at an annual rate greater than the applicable family-size income level of the income eligibility guidelines for free lunches, as determined under paragraph (1), but less than or equal to the applicable family-size income level of the income eligibility guidelines for reduced-price lunches, as determined under paragraph (1), shall be served a reduced-price lunch." 7 CFR Part 245, Determining Eligibility for free and Reduced-Price Meals and Free Milk in schools (OMB No. 0584-0026) sets forth policies and procedures for implementing these provisions. Part 245 requires schools operating the NSLP to determine children's eligibility for free and reduced-price lunches on the basis of each child's household income and size, and to establish operating procedures that will prevent physical segregation, or other discrimination against, or overt identification of children unable to pay the full price for meals or milk.

Under Executive Orders 13279 and 13280, State agencies would collect and report information related to faith-based and community organizations currently participating and applying to participate in Food and Nutrition Service (FNS) nutrition assistance programs. This information would be added to existing collections for the affected programs. It would enable FNS to determine the level of participation of faith-based and community organizations and evaluate the effectiveness of its technical assistance and outreach efforts. It will not adversely impact the application or participation of any organization or institution.

**2. Indicate how, by whom, how frequently, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The FNS form included in this clearance is the FNS-640, Coordinated Review Effort (CRE) Data Report. The FNS-640 is the form used by states to report on an annual basis the results of comprehensive on-site administrative evaluations they conduct of school food authorities and schools operating the school lunch program. Data from this report is compiled and evaluated by the Agency and used in responding to inquiries regarding program operations at the local level.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

Since the program participants vary considerably in level of sophistication, information related to the use of improved information technology to reduce burden is limited. FNS strives to comply with the Government Paperwork Elimination Act (GPEA). The FNS-640

is provided to the states electronically. FNS is still reviewing and implementing the use of electronic systems with other associated forms. To the extent possible, agencies within the States use electronics to transfer information for SFAs to establish children's eligibility for Federal NSLP assistance; SFAs use electronics to transfer program participation data to SAs for the preparation and submission of claims for reimbursement; and SAs use electronics to transfer program participation and other reporting data to FNS for payment of claims.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purpose(s) described in Item 2 above.**

We are unaware of any other program that has similar information already available or that requires the maintenance of the same records needed to document the proper operation of the NSLP. Each entity administering or operating the NSLP is requested to report information on its program results. No State or local organization collects this same information for other Federal agencies, as the NSLP is administered at the Federal level solely by FNS.

**5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-1), describe any methods used to minimize burden.**

Some SFAs undoubtedly meet the definition of "small organizations". However, no correlation exists between the applicant's size and its eligibility to operate the NSLP. Each SA must determine whether the information it requests for use in monitoring compliance can be abridged in the case of small SFAs under its jurisdiction. Although smaller SFAs record fewer financial transactions involving the NSLP, they deliver the same program benefits and perform the same functions as any other SFA. Thus, they maintain the same kinds of information on file. The SA, in its capacity as administering agency, has the flexibility to prescribe less detailed procedures for use by small SFAs in documenting program compliance. However, the SA must be guided by its responsibility to ensure proper disbursement and accountability for Federal program funds. The NSLP grant formula necessitates the reporting of certain information, regardless of the size of the respondent organization. The SA cannot determine the amount of Federal funds due to the SFA without knowing the number of lunches of each category served in schools under the SFA's jurisdiction.

The following organizations administer or operate the NSLP at the State and local levels:

57 SAs  
20,710 SFAs  
100,398 Schools

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121,165 Total Respondents

As a general rule, the NSLP information collection burden on these organizations could not be modified through probability sampling because the information collected pertains to transactions between a grantor agency and each individual grantee. To initiate program operations and the receipt of program benefits, the latter must apply to the former. Each organization administering or operating the NSLP must be prepared to establish, through appropriate records, that it has complied with the terms and conditions of its NSLP grant. Since each grantee's grant performance (i.e., number of units served) determines the amount of Federal funds it will receive, each grantee's performance must be determined individually. A legislative change would be required to authorize the disbursement of NSLP funds on the basis of statistical sampling.

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The information is collected for the purpose of administering an ongoing program. Applications can be accepted and agreements executed at any time, although SFAs generally execute agreements at or shortly before the beginning of each school year. SFAs submit claims for reimbursement for every month they operate the NSLP. Because funds for the NSLP are budgeted on a fiscal year basis, a collection period greater than one year would raise serious legal and accountability questions.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner inconsistent with the general information collection guidelines in 5 CFR 1320.6.**

NSLA require that States reimburse SFAs on a monthly basis. Therefore, SFAs are required to submit data on the number of meals served on a monthly basis to receive their reimbursement. Hence quarterly reporting of such data is insufficient to meet the legislative requirement for NSLP participation.

**8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

**Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

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Proposed rule 7 CFR 210, 220, 225, 226, 246, and 251, Data Collection Related to Institutions and Organizations, is currently under review by OMB. A 60-day notice has been embedded in the rule requesting public comment on the proposed changes to this burden. Any comments on the associated burden will be summarized in a subsequent supporting statement, if necessary, at the end of this comment period and before the publication of the final rule.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

No payment or gift was provided to respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

The application for school meal benefits requires the current income, the names of all household member and the social security number of the adult household number who signs the application or indication that such adult does not possess a social security number. However, if the application is being made for a member of a food stamp household or a Temporary Assistance for Needy Family Programs, the application must enable the household to provide the appropriate case number in lieu of names of all household members, household income information and social security number.

Section 9(b) of the National School Lunch Act (Public Law 103-448) restricts the use or disclosure of any eligibility information to persons directly connected with the administration or enforcement of the program.

Section 7(b) of the Privacy Act of 1974 (P.L 93-579, U.S.C. 552a note) requires that Federal, State or local government agencies which request individuals to disclose their social security number be informed (1) whether that disclosure is mandatory or voluntary, (2) by what statutory authority or other authority each number is solicited, and (3) what uses will be made of the number. The Department's prototype Privacy Act Statement which fulfills these criteria has been incorporated into section 245.6(a)(1) and 245.6a(a)(2) of the regulations governing free and reduced price eligibility and has been included in the Department's prototype free and reduced price application.

Section 9(b) of the National School Lunch authorizes States and local school food authorities to conduct verification of the eligibility for free and reduced price meals. The social security numbers may be used to identify household members in carrying out efforts to verify the correctness of information stated on the application.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.**

There are no questions of a sensitive nature included in this clearance package.

**12. Provide estimates of the hour burden of the collection of information.**

To estimate reporting and recordkeeping burdens for this submission, FNS analyzed each provision involving information collection to identify tasks necessary for compliance. We then identified the frequency with which a "typical" SA, SFA, school, etc., performs each task and estimated the amount of time needed to perform the task based on information provided by staff that had either performed the task or worked closely with staff at the State and local levels who had performed the task. In this instance, we recognize that no "typical" SA, SFA, etc., exists. The NSLP is a State administered program, and each SA establishes its own policies and procedures for administering it within the Federal regulations and policies. Each SFA establishes its own operating procedures within the frame of reference set by the SA.

Therefore, our estimate must fairly present the aggregate work generated by 57 different State level and approximately 20,700 different local level program management systems. Thus, we structured our task analysis around fundamental functions that any SA, SFA, etc., would perform. For example, every SA carries out the process of paying claims, regardless of how many steps are built into its respective claims payment procedure or how the steps are apportioned between program administrators and financial officers. We have attempted to make generalizations about the entire universe, in all its variety, on the basis of the information available.

We determined the number of respondents by counting agreements that produced the following:

57 SAs
20,710 SFAs
<u>100,398</u> Schools
121,165 Total Respondents

Although each SA executes NSLP agreements with SFAs, the program benefits are actually delivered at the individual school. The principal variation in the size and complexity of different SFAs lies in the number of schools in which the SFA operates the NSLP, the greater the number of meal counts it must record, consolidate and report to the SA. We have factored such variations into our estimates by accounting for paperwork completed at the school level as well as at the SFA level.

At the State level, the number of SFAs with which the SA has executed NSLP agreements largely determines variation in burden. The more agreements a SA has, the more claims for reimbursement it must process; the more reviews it must conduct and document; the more improper claims and overpayments it must resolve, etc. The estimates presented in the attached worksheets are nationwide averages.

The proposed response and burden hour entries on the OMB 83-1 for reporting were obtained as follows:



**REPORTING** – The reporting hours in this submission will increase by 5,272.5 burden hours. This increase is due to the additional State agency reporting requirements reflected in 7 CFR Parts 210.23(d)(1), 210.23(d)(2), and 210.23(d)(3). State agencies shall collect data related to currently participating organizations and applicant organizations for Federal fiscal years 2006 through 2009, and determine the numbers of faith-based organizations. In addition State agencies must document the process used to determine the data and report that process to FNS, on or before March 1 of each year from 2007 through 2010 and on or before March 1 of each year from 2007 through 2010, State agencies must report to FNS, as designated by FNS, data compiled for the prior Federal fiscal year.

**RECORDKEEPING** – This submission does not change the recordkeeping hours.

Total Reporting Hours	1,313,131
<u>Total Recordkeeping Hours</u>	<u>8,172,837</u>
Total Part 210 Burden Hours	9,485,968

## PUBLIC COST

To estimate public cost, we made the assumption that the "typical" State or local program operator incurs paperwork cost at a rate of \$10.00 per hour. We also assumed that an appropriate portion of State level cost would be funded under the State Administrative Expense (SAE) Program (7 CFR Part 210; OMB No. 0584-0006). During the most recent fiscal year for which we have data on SA expenditure of both SAE and State appropriated funds, SAs funded a percent from State sources. Therefore, we computed SA compliance cost at a rate of \$2.60 per hour rather than \$10.00. Given this prologue, we made the following computations:

### Reporting

SA Level	10,755 hours x \$ 2.60	= \$ 27,963
SFA Level	469,073 hours x \$10.00	= \$ 4,690,730
School Level	<u>833,303 hours</u> x \$10.00	= <u>\$ 8,333,030</u>
Total	1,313,131 hours	\$13,051,723

### Recordkeeping

SA Level	= 75,360 hours x \$ 2.60	= \$ 195,936
SFA Level	= 2,186,235 hours x \$10.00	= \$ 21,862,350
School Level	= <u>5,911,242 hours</u> x \$10.00	= <u>\$ 59,112,420</u>
TOTAL	= 8,172,837	\$81,170,706

### **13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.**

There are no annual start-up or maintenance costs.

### **14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information.**

## FEDERAL COST

We used the following procedure to estimate this cost:

We identified functions performed by FNSRO and Headquarters staff that benefits the

NSLP and obtained estimates of the total number of staff hours spent performing these functions.

Next we allocated an appropriate portion of each staff hour estimates to the NSLP. The NSLP allocation percentage for each function was obtained by consulting with personnel who perform that function. Respondents estimated the percentage of their time spent on work that benefits the NSLP. In the case of FNSRO functions, we assumed the NSLP accounted for two thirds of the burden. We applied the allocation percentages obtained through these interviews to the hourly amounts identified in step 1, above.

We made the assumption that 60 percent of NSLP staff hours are spent monitoring reporting, including applications and agreements, and 40 percent are spent on recordkeeping. We allocated the staff hours obtained in step 2 accordingly.

We made one exception for the burden of audit resolution. Responding to audits is a SA reporting requirement, so we allocated 100 percent of the audit burden to reporting.

We extended the hourly totals by \$25,000 to obtain the cost of wages and salaries.

The remaining computations are presented below:

	<u>Reporting</u>	<u>Recordkeeping</u>
Salaries	\$1,252,450	\$754,575
Add Printing cost: (90 Federal Register pages x 500 copies x \$15/1000 pages = \$675)	405	270
<b>TOTALS</b>	<b>\$1,252,855</b>	<b>\$754,845</b>

**15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB 83-1.**

Under Executive Orders 13279 and 13280, State agencies would collect and report information related to faith-based and community organizations currently participating and applying to participate in Food and Nutrition Service (FNS) nutrition assistance programs. This information would be added to existing collections for the affected programs. It would enable FNS to determine the level of participation of faith-based and community organizations and evaluate the effectiveness of its technical assistance and outreach efforts. It will not adversely impact the application or participation of any organization or institution.

The increase in reporting hours is due to the additional State agency reporting requirements reflected in 7 CFR Parts 210.23(d)(1), 210.23(d)(2), and 210.23(d)(3). State agencies shall collect data related to currently participating organizations and applicant organizations for Federal fiscal years 2006 through 2009, and determine the numbers of faith-based organizations. In addition State agencies must document the process used to determine the data and report that process to FNS, on or before March 1 of each year from 2007 through 2010 and on or before March 1 of each year from 2007 through 2010, State agencies must report to FNS, as designated by FNS, data compiled for the prior Federal fiscal year.

**16. For collections of information whose results will be published, outline plans for tabulation and publication.**

This collection does not employ statistical methods and there are no plans to publish the results of this collection for statistical use.

**17. If seeking to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

We are seeking approval not to display the expiration date for OMB approval on the forms included in this clearance. To display the expiration date would mean destroying the entire supply of forms used in NSLP, even when there are no changes in the data elements of the forms.

**18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-1.**

There are no exceptions to the certification statement.

FEDERAL COST OF NSLP PERSONNEL

ATTACHMENT #1

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Function</u>	<u>Done by</u>	<u>Total Staff Hours</u>	<u>NSLP Allocation Percentage</u>	<u>Portion to NSLP (3 x 4)</u>	<u>Reporting Hours (5 x .60)</u>	<u>Recordkeeping Hours (5 x .40)</u>
MEs of SAs	FNSRO	25,814	.5	12,907	7,744	5,163
Assistance to SAs	FNSRO	20,576	.4625	9,516	5,710	3,806
Audit Resolution	FNSRO	7,025	.45	3,161	3,161	-0-
	HQ	2,496	.66667	1,664	1,664	-0-
ROAP Activity (Includes ROAP Audit Resolution)	FNSRO	37,168	.46667	17,345	10,407	6,938
Financial Monitoring	HQ	14,904	.45	6,707	4,024	2,683
Drafting/Clearing Regulations	HQ	18,720	.6	11,232	6,739	4,493
Policy Development and Guidance	HQ	12,480	.5	6,240	3,744	2,496
Program Monitoring	HQ	1,664	.66667	1,109	665	444
Program Analysis	HQ	20,800	.5	<u>10,400</u>	<u>6,240</u>	<u>4,160</u>
				80,281	50,098	30,183
					<u>x 25</u>	<u>x 25</u>
					1,252,450	754,575