

SPECIAL MILK PROGRAM FOR CHILDREN - 7 CFR PART 215

OMB CLEARANCE NUMBER 0584-0005

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SUPPORTING STATEMENTS

1. Circumstances making the collection of information necessary.

Section 3 of the Child Nutrition Act (CNA) of 1966 (P.L. 89-642, as amended; 42 U.S.C. 1772) authorizes the Special Milk Program for Children (SMP). It provides for appropriation of such sums as may be necessary to enable the Secretary of Agriculture, under such rules and regulations as the Secretary may deem in the public interest, to encourage consumption of fluid milk by children in the United States in (1) nonprofit schools of high school grade and under, and (2) nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children, which do not participate in a food service program authorized under the CNA or the National School Lunch Act. Section 10 of the CNA 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...” Pursuant to that provision, the Secretary has issued 7 CFR Part 215, which sets forth policies and procedures for the administration and operation of the SMP. The vast majority of reporting relates to information regarding eligibility determinations of the children, the number of milk servings, and revenues received from milk sales. State and local operators are also required to maintain records regarding eligibility to operate the program, review results and accounts of revenues and expenditures. The reporting and recordkeeping provisions of Part 215 are hereby submitted for OMB review and approval.

2. Purpose and use of the information.

All information collection activities described in this supporting statement are conducted for the purpose of administering the SMP. FNSROs collect information on SMP operations from SAs and SFAs; SAs collect from SFAs; and SFAs collect from schools. The specific reporting and recordkeeping requirements prescribed by Part 215 are described in detail below.

(1) SAs report the following information to FNSROs:

(a) Statewide totals of paid and free half-pints of milk served (215.4(b) and 215.11 (c) (2)) - The SA reports this information monthly, using Form FNS-10, Report of School Program Operations (OMB No. 0584-0002, Expiration Date 5/31/2009). FNS uses this information to compute, analyze and evaluate the results of program operation within each State and nationwide. The SA responds to data requests from the Congress, OMB, advocacy groups and the general public and develops budget projections of the amount of Federal funds needed to pay SMP program benefits.

(b) The amount of Federal funds needed to pay SMP program benefits (215.5(a)). SFAs submit claims to the SA for SMP reimbursement payments, and the SA requests from FNS the cash needed for

payment. FNS makes Federal funds available to SAs through Letters of Credit. The SA must request cash only in amounts needed to pay the claims currently on hand and approved for payment. FNSROs monitor SA cash drawdowns to ensure compliance.

Section 215.11(c)(2) requires that each SA shall also submit to FNS a quarterly Financial Status Report (SF-269) on the use of Program funds.

However, we have not included the burden estimate to use the SF-269 because it is our understanding that the burden for the SF-269 is included under OMB No. 0348-0039. We estimate that the FNS burden for the SF-269 for this collection is 6,216 hours.

3. Use of information technology, and reduce burden.

FNS is committed to complying with the E-Government Act, 2002 to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

To the extent possible, agencies within the States use electronics to transfer information for SFAs, where applicable.

4. Efforts to identify duplication and use of similar information.

There is no similar information data collection.

5. Impact on small business or other small entities.

Information being requested or required has been held to the minimum required for the intended use. Circumstances limit the flexibility in modifying the reporting and recordkeeping requirements.

6. Consequence of collecting the information less frequently.

7 CFR Part 215.4 of the SMP regulations state that each fiscal year, the Secretary shall make payments to each SA from the funds appropriated for Program reimbursement. The total of these payments for each State for any fiscal year shall be limited to the amount of reimbursement payable to SFAs and CCIs for the total number of half-pints of milk served under the Program to eligible children from October 1 to September 30. Each SA shall be responsible for controlling Program reimbursement payments so as to keep within the funds made available to it, and for the timely reporting to FNS of the number of half pints of milk actually served. Therefore, collecting this information less frequently would impact FNS' ability to administer the SMP since the data is used in projecting funding needs and in detecting program growth or shifts which may require supplemental appropriations.

7. Special circumstance relating to guideline in 5 CFR 1320.5.

7 CFR Part 215.10 of the SMP regulations require SFAs or childcare institutions to submit monthly claims for reimbursement for milk served to children.

Specifically, the SMP regulations state that the Claim for Reimbursement for any month shall include only milk served in that month except if the first or last month of Program operations for any year contains 10 operating days or less, such month may be added to the Claim for Reimbursement for the appropriate adjacent month; however, Claims for Reimbursement may not combine operations occurring in two fiscal years.

8. Comments in response to the Federal Register Notice and efforts to consult outside agency.

A notice was published in the Federal Register on August 25, 2008, at FR 73 page 49983 No comments were received in response to the agency's notice. The 60day FRN inadvertently reported the burden hours as 112,256 which have been modified in the 30day FRN.

FNS consults with Regional Offices throughout the year regarding any proposed changes as the result of legislative, regulatory or administrative changes. Regional offices are in constant contact with State agencies which provides feedback on FNS processes and procedures for this information collection.

9. Explanation of any payment or gift to respondents.

No payment or gift is provided to respondents.

10. Assurance of confidentiality provided to respondents.

The Department will comply with the Privacy Act of 1974.

11. Justification for sensitive questions.

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

12. Provide estimates of the hour burden including annualized hourly cost

Eleven thousand four hundred and thirty respondents administer or operate the SMP at

the State or local level which includes:

57	SAs
4,150	SFAs
5,667	Schools
593	Child care institutions
963	Camp sponsors
<hr/>	
11,430	Total

A12.1 Reporting -The number of burden hours in inventory is 151,593 this increase of 56 burden hours which is due to the increase number of State agencies. (See Attachment I)

A.12.2 Recordkeeping - The number of burden hours in inventory is 413,995. This submission decreased the burden by 57,105 recordkeeping

hours is due to previous mathematical errors in calculation of the burden hours. (See Attachment II)

Total Reporting Hours	151,593	
Total Recordkeeping Hours	<u>356,890</u>	
Total Part 215 Hours		508,483

A.12.3 Annualized Cost to Respondent

To estimate public cost, we consulted the U. S. Department of Labor’s 2007 Bureau of Labor Statistics. The average hourly rate of all State and local government employees, along with private sector employees, is \$ 17.69. We assumed that an appropriate portion of State level cost would be funded under the State Administrative (SAE) Program (7 CFR Part 235; OMB No. 0584-0067). 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 \$4.40 per hour rather than \$ 17.69. Given this, we made the following computations.

Reporting

SA level	=	1,709 hours	x	\$ 4.40	=	\$7,520
SFA level	=	48,507 hours	x	\$17.69	=	\$ 858,089

School Level = 101,377 hours x \$17.69 =
\$1,793,359

TOTAL 151,593
\$2,658,968

Recordkeeping

SA level = 24,007 hours x \$ 4.40 = \$105,631

SFA level = 47,021 hours x \$17.69 = \$831,801

School level = 285,862 hours x \$17.69 = \$5,056,899

TOTAL 356,890
\$5,994,331

13. Estimate of other total annual cost burden to respondents or record keepers.

There is no start-up or annual maintenance costs for this collection of information.

14. Annualized cost to the Federal Government.

Federal Costs.

We identified functions performed by FNS Regional Office (FNSRO) and Headquarters (HQ) staff related to the SMP and obtained estimates of the number of staff hours spent performing these functions (See Attachment III).

Using the 2009 Federal Wage Salary Tables, we estimated the salary rate is

\$29.00 per hour (the average hourly salary for a GS 11/12 which is the grade level of staff who perform these functions). Our computations are:

				<u>FEDERAL</u>
<u>SALARIES</u>				
Salaries	(1,671	hours	@	\$29.00)
\$48,459.00				
10 % for				
Administrative				overhead
<u>\$4,846.00</u>				
Federal				Cost
\$53,305.00				

15. Explanation of program changes or adjustments.

The increase in reporting and recordkeeping hours is due to an increase in the number of

State Agencies from 55 to 57 that are participating in the Special Milk Program for

Children. There is an adjustment of 16,590 burden hours.

16. Plans for tabulation and publication and project time schedule.

This submission does not involve the collection of information by statistical methods.

17. Reasons that display of OMB expiration date is inappropriate.

We are not seeking approval concerning the display of the expiration date.

18. Exception to certification for Paperwork Reduction Act submissions.

There are no exceptions to the certification statement.