

**Supporting Statement for Paperwork Reduction Act  
Supplemental Nutrition Assistance Program (SNAP)**

**Justification for Adding  
HEALTHY INCENTIVES PILOT (HIP)  
to List of Approved Programs Using Uniform Grant Application for  
Non-Entitlement Discretionary Grants,  
OMB Control Number 0584-0512**

**1. Circumstances making the collection of information necessary.**

Public Law 110-246, The Food, Conservation and Energy Act of 2008, enacted on June 18, 2008, provided funding to the USDA Food and Nutrition Service (FNS) for pilot projects “to evaluate health and nutrition promotion in the Supplemental Nutrition Assistance Program” (SNAP). Under this legislation, Congress appropriated \$20 million for pilot projects to “provide incentives at the point of purchase to encourage households participating in the supplemental nutrition assistance program to purchase fruits, vegetables, or other healthful foods.” Congress also intended that the funding be used for an evaluation that rigorously “measures the impact of the pilot program on health and nutrition”...

FNS intends to competitively award a cooperative agreement to at least one State Agency responsible for administering SNAP to conduct the pilot project. That agency in turn will assemble a team of other public, non-profit and/or private organizations to plan and implement pilot projects. At a minimum, the team will include one or more of the State Agency’s SNAP local agencies, retail grocers and EBT contractors who all will play a critical role in the HIP. Each applicant will be required to submit a proposal to FNS describing the project design and associated budget. A panel of experts from FNS will evaluate and score each proposal received, and make a final determination of the best proposals for the award. As part of the review and subsequent award process, FNS will seek

information from the applicants that includes a description of their proposed approach to the project, budget projections, and staffing capabilities and levels. The information to be collected is not mandated by law or regulation.

FNS will simultaneously hire an evaluation contractor to fulfill the mandate to conduct a rigorous evaluation to determine if incentives are effective in making positive dietary changes in the lives of participants.

FNS will post the Request for Application (RFA) package for the *Healthy Incentives Pilot (HIP)* on its website on or about December 2009 at [www.fns.usda.gov/snap/](http://www.fns.usda.gov/snap/) and on [www.grants.gov](http://www.grants.gov).

## **2. Purpose and Use of the Information.**

The primary users of the information collected from the applicants are FNS staff who will serve on a panel to systematically review, evaluate and approve the grant/cooperative agreement applications and recommend the State Agency(ies) most likely to meet program objectives and most responsive to the solicitation. The selection criteria are contained in the RFA package. This process will occur only once this year.

Burden hours are based on the production of the quarterly, annual and final progress reports and financial reports that are submitted to FNS by the grantees selected for the project. FNS estimates that one State Agency proposal will be selected for funding.

These reports will ask for a description of the activities that took place during the previous quarter and report any deviations and difficulties. The financial reports will be the SF-425, which is the short form for reporting the financial status for the previous quarter, with the last SF-425 serving as the final financial status report. These reports are routine in nature and only request necessary information to monitor the progress and funds spent during the period of performance of the cooperative agreement.

### **3. Use of Information Technology and Burden Reduction.**

In compliance with E-Government Act 2002, FNS offers applicants the opportunity to receive and provide information electronically. Applicants may receive the RFA package by downloading the application from the FNS website or by downloading the application from the [www.grants.gov](http://www.grants.gov) website. Additionally, applicants may apply for this opportunity directly through [www.grants.gov](http://www.grants.gov). State agencies that send in their applications via mail or courier are required to submit an original hard copy and two copies of their proposals to the address listed on the RFA. FNS will not accept emailed or faxed applications.

### **4. Effort to Identify Duplication and Use of Similar Information.**

There is no similar data collection effort available. This program solicitation is new and unique.

**5. Impacts Small Businesses or Other Small Entities.**

The information request is held to the minimum amount required.

**6. Consequences for Collecting the Information Less Frequently.**

FNS will seek minimal information that will be critical in selecting the most promising grantees. Reduced frequency is not possible as the annual frequency of applications coincides with the annual appropriation of funds. The consequence for not collecting the information is the inability to conduct the pilots, provide the financial incentives that are authorized, and assess their effectiveness in improving diets of participants as requested by Congress in The Food, Conservation and Energy Act of 2008.

**7. Special Circumstances Relating to the Guideline of 5 CFR 1320.5.**

There are no special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.5.

**8. Comments in Response to the Federal Register Notice and Efforts to Consult Outside Agency.**

A 60-day notice was published in the Federal Register on August 20, 2008, (Volume 73, Number 162, page 49159-49160) soliciting comments on FNS's intent to request Office of Management and Budget (OMB) approval for a uniform grant application package for FNS discretionary grant programs that is a revision of the previously approved package. FNS received one public comment in response to the Federal Register notice.

FNS staff often discusses the availability of the various grant opportunities and the grant application requirements with potential applicants at various national or regional meetings.

**9. Explanation of Any Payment or Gift to Respondents.**

There are no plans to provide cash payments or gifts to respondents. However, SNAP participants who are selected to participate in the pilot through random selection will receive an incentive in the form of a credit to their SNAP benefits account when they purchase fruits and vegetables as a part of this pilot. They may subsequently use this credit for additional SNAP allowable food purchases. The nature of this study as mandated by Congress requires that an incentive be provided to participants to determine if such incentive promotes positive changes in their purchasing and consumption behaviors. State Agencies selected for this project will not receive gifts or cash payments, but will receive funding to cover the cost of the incentives to participants.

**10. Assurance of Confidentiality Provided to Respondents.**

Provision of the information requested is entirely voluntarily. The collection of this information is for the purpose of aiding in the review of applications prior to grant award decisions and for management of grants. This information will be used within FNS and may also be disclosed outside FNS as permitted by the Privacy Act under certain situations, including disclosures to the public as required by the Freedom of Information Act. All activities associated with the agreement respect the existing policy with regard to confidentiality. FNS will work with the Grantee(s) and ensure that any release of such information is done under the terms and conditions of the existing Freedom of Information Act which requires that Grantee provides release permission and are informed of the use of the information.

#### **11. Justification for Sensitive Questions.**

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

#### **12. Estimate of Hours Burden Including Annualized Hourly Costs**

FNS estimates that approximately three (3) respondents will submit an application for the pilots. It is estimated that the average applicant will spend 160 hours designing and constructing their proposals. This is based on the general fact that applicants will have about four months to complete their proposals.

##### **A.12.1 Estimate of Hours Burden on Respondents for Application**

| <b>Type of Respondent</b> | <b>Estimated No. of Grant/CA Applications (Respondents )</b> | <b>Frequency of Response</b> | <b>Total Annual Responses</b> | <b>Estimated Time to Complete each Application</b> | <b>Total Estimated Burden Hours</b> |
|---------------------------|--|------------------------------|-------------------------------|--|-------------------------------------|
| Grantee (State Agencies)  | 3  | 1                            | 3                             | 160  | 480                                 |

Respondents have a full range of discretion in how they design and develop a proposal. FNS has provided guidance in the RFA on the information that is needed to evaluate the proposals and select the most promising grantee(s). Hourly estimates identified above are used as the basis for determining total annual cost burden to respondents of the application.

**A.12.2 Estimates of Annualized Cost to Respondents for Application**

| <b>Type of Respondent</b> | <b>Number of Respondents</b> | <b>Average Time per Response (hours)</b> | <b>Frequency of Response</b> | <b>Hourly Wage Rate</b> | <b>Total Respondent Cost</b> |
|---------------------------|------------------------------|--|------------------------------|-------------------------|------------------------------|
| Grantee                   | 3                            | 160                                      | 1                            | \$40                    | \$19,200                     |

FNS estimates that each respondent will utilize at least one full time member at a cost of \$40 per hour. The range for this estimate may vary significantly but FNS believes

the cost-per-hour estimate is the most practicable. Wage rates were determined using the <http://www.bls.gov/bls/wages.htm> website.

### **13. Estimates of Other Total Annual Cost Burden to Respondents or Record Keepers.**

There are no capital/start-up or ongoing operation/maintenance costs associated with this information collection.

### **14. Annualized Cost to the Federal Government.**

Costs are estimated for two categories:

- (1) Grant costs which are expected to total about \$6 million based on the assumption of one (1) award. Actual awards will depend on how many grants are funded on a competitive basis and the merits of the proposals received.
- (2) FNS staffing costs, which are identified below.

The processing and reviewing the applications is estimated to cost \$8823.60. This is based on an estimate of a total of 62 hours of labor to process *each* application package. The estimate assumes an hourly cost per staff person of \$51.60 per hour (the average salary for GS-13 grade level including overhead and benefits). This labor estimate includes 6 hours by grants management staff to process an application, 48 hours total by 5 FNS staff to conduct a thorough technical review of each application, and 8 hours by the panel chairperson to document the technical reviews and prepare the recommendations for award. Assuming 3



applications will be received, it is anticipated that 171 hours will be needed to process and review these applications. Costs other than salary costs are negligible.

|   |                  |
|---|------------------|
| <b>Total hours:</b>                                     | <b>171 hours</b> |
| <b>Total Annualized Cost to the Federal Government:</b> | <b>\$8824</b>    |

**15. Explanation for Program Changes or Adjustments**

There are no changes of the information collection since the last OMB approval.

**16. Plans for Tabulation and Publication and Project Time Schedule.**

FNS will publicize summary information of the applicants that receive grant funding in [www.fns.usda.gov/ora](http://www.fns.usda.gov/ora).

**17. Reason(s) Display of OMB Expiration Date Is Inappropriate.**

The agency plans to display the expiration date for OMB approval of the information collection on all instruments.

**18. Exception to Certification for paperwork Reduction Act Submissions.**

There are no exceptions to the certification statement.