

SUPPORTING STATEMENT
WIC FARMERS' MARKET NUTRITION PROGRAM (FMNP)
RECIPIENT REPORT, FINANCIAL REPORT AND
FMNP REGULATION
REPORTING AND RECORDKEEPING

OMB No. 0584-0447

Stacey Sheffey

Senior Program Analyst

Supplemental Food Programs Division

Food and Nutrition Service/USDA

3101 Park Center Drive, Room 520

Alexandria, Virginia 22302

Office Phone: 703-305-2706 Fax: 703-305-2196

Email: Stacey.Sheffey@fns.usda.gov

JUSTIFICATION

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

WIC Farmers' Market Nutrition Program (FMNP) Regulation:

This is a revision of a currently approved collection. The FMNP is authorized by Section 17(m) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)), (CNA). The purposes of the FMNP are to provide fresh, nutritious, unprepared locally grown fruits, vegetables and herbs from farmers' markets, and roadside stands to WIC participants; to expand the awareness and use of farmers' markets; and to increase sales at such markets. The FMNP is intended to benefit both the coupon recipients by improving their diets, and the farmers who sell their produce at farmers' markets by increasing their incomes.

The CNA instructs the Secretary of Agriculture to award grants to States that submit State Plans, that are approved by the Secretary, for the establishment and maintenance of programs designed to provide participants of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), or those on a waiting list to receive WIC benefits, with coupons that may be exchanged for fresh, nutritious, unprepared locally grown fruits, vegetables and herbs at authorized farmers' markets. The FMNP is designed to work in conjunction with WIC and WIC's goals of supplementing the diets of nutritionally at-risk women, infants, and children up to 5 years of age, and of improving their health through nutrition education. FMNP regulations at 7 CFR 248 require that

certain financial data and programmatic information be periodically compiled and submitted to the Food and Nutrition Service (FNS).

FNS-683 Worksheet (Financial Report):

The financial data collected via this report shows the outlays and unliquidated obligations of the State agency's FMNP grant for the year.

Because the FMNP is a non-entitlement program, it is subject to the government-wide grants management common rule entitled Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,⁷ CFR Part 3016.

Part 3016 requires the annual closeout and reconciliation of grants under non-entitlement programs. Under 7 CFR 3016.23(b), a State agency must liquidate all obligations under a grant "...not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Report."

Part 3016 also sets financial reporting requirements for non-entitlement programs, such as the FMNP. Under 7 CFR 3016.41(a) (1), State agencies must use the FNS-683 (contingent upon approval by OMB), Annual Financial Report, and

". . . such supplementary or other forms as may from time to time be authorized by OMB for: (i) submitting financial reports to Federal agencies. . . ."

FNS-203 Worksheet (Program Report):

The program-related information includes: 1) the numbers of FMNP recipients, farmers' markets, farmers, and roadside stands authorized by the State agency to accept FMNP

coupons; 2) the value of FMNP coupons issued to participants; and 3) the value of FMNP coupons redeemed.

As required under the CNA (42 U.S.C. 1786(m)(8)), each fiscal year, the Secretary shall collect from each State that receives a grant under this program information relating to:

- (A) the number and type of recipients served by both Federal and non-Federal benefits under the program for which the grant is received;
- (B) the rate of redemption of coupons distributed under the program;
- (C) the average amount distributed in coupons to each recipient;
- (D) the change in consumption of fresh fruits and vegetables by recipients, if the information is available; and
- (E) the effects of the program on farmers' markets, if the information is available; and any other information determined to be necessary by the Secretary.

In addition to the information collected via FNS 683 and FNS-203 worksheets, Federal FMNP regulations require the annual submission of a State Plan of Operations, and other program-related reporting and record-keeping at the State agency level, such as farmer agreements and authorizations, monitoring reports, and participant nutrition education.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate how the agency has actually used the information received from the current collection.

FMNP Regulation:

FMNP State Plans are used by FNS as the principal source of information about each State agency's FMNP. Local agency and farmer/farmers' market/roadside stand applications and agreements are necessary to delineate responsibility, and ensure the accountability of State agencies, local agencies, and farmers/farmers' markets/roadside stands.

State agency nutrition education agreements facilitate the provision of quality nutrition education and allow FNS to assess the quality and quantity of nutrition education provided to participants. The farmers' market monitoring report enables FNS to evaluate farmer/farmers' market trends and assess State agency efforts to control farmer/farmers' market fraud and abuse. Minimum documentation for routine monitoring promotes effective monitoring by mandating a consistent level and quality of State agency monitoring nationwide. Documentation of recipient and farmer complaints enables FNS and the State agency to identify problems at the local agency/market level.

The requirements for the State agency that identify the disposition of coupons; request approval for specified costs; justify back spending of funds; submit final closeout reports and recipient reports to FNS; and report the status of recipient claims, all serve to ensure the accountability of Federal funds, and promote efficient program management. The requirement for State agency corrective action plans ensures that problem areas of program management are rectified. The requirements for farmers/farmers' markets assist in controlling fraud and abuse and promoting the integrity of the FMNP.

FNS uses the information collection to assess how each FMNP State agency operates, to ensure the accountability of State agencies, local agencies, and farmers/farmers' markets/roadside stands, to make program management decisions, and for reporting to Congress as needed.

FNS-683:

Federal FMNP regulations at 248.15(a) and 248.23(a-b) require that each State agency administering the FMNP shall complete an annual financial report and submit it to the applicable FNS regional office by January 31 of the year immediately following the report year. This information is used to reconcile and close out grants in accordance with the requirements of 7 CFR 3016.23(b) and 7 CFR 3016.41(a)(1), and for reporting to Congress as needed.

FNS-203:

Each State agency administering the FMNP is required by authorizing legislation, at 42 U.S.C. 1786(m)(8), to submit an annual report on the number and type of recipients served by both Federal and non-Federal benefits under the program. This information is used for program planning purposes, and for reporting to Congress as needed.

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.

FNS makes every effort to comply with the E-Government Act of 2002. FNS currently provides State agencies with the FMNP State Plan requirements in a fillable format for State agency submissions. Further, because many WIC State agencies also administer the FMNP, or when different, perform some of the administrative requirements of the FMNP, FNS expects to capitalize on advances that take place with WIC information technology and reporting. The annual financial and program report worksheets (FNS-683 and FNS-203) are collected by 100 percent of the FMNP State agencies and are submitted electronically through the Food Programs Reporting System (FPRS), <https://fprs.fns.usda.gov>.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Question 2.

There is no duplication of effort. FNS reviews the State Plan guidance and format annually to ensure that the information requested from State agencies coincides with current regulatory requirements, is not available through other means, and is needed for program management, oversight, and/or improvement. The annual program and financial data are only collected by FNS.

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

Federal regulatory burdens for authorized FMNP farmers, farmers' markets, and roadside stands are minimized to the extent possible. Authorization of these entities is delegated to State agencies, which collect only the minimum amount of data necessary to make authorization determinations. Design and operation of food coupon payment systems is

delegated to State agencies that, in many instances, use the already existing WIC retail banking system to ensure prompt payment for FMNP coupons. State agencies implement training programs to familiarize farmers/farmers' market managers with FMNP rules and thus minimize the time spent by the farmer/farmers' market manager in transacting and processing each FMNP coupon. Farmers may accept coupons at authorized markets or roadside stands or both. Three of the FMNP State agencies are Indian Tribal Organizations that serve less than 1000 participants, which FNS considers small agencies.

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.

FMNP Regulation:

If the information in this proposal were collected less frequently, the effectiveness of the FMNP could be jeopardized, program funds could be improperly used by State and local agencies, and the incidence of fraud and abuse could increase. This could result in fewer recipients being served with available funds.

FNS-683:

Federal FMNP regulations at 7 CFR 248.15 require that Grant closeout is an annual event. Without this financial information, FNS would not be able to perform closeout accurately and reconcile the accounts. Unspent funds identified from the closeout data are recovered and reallocated to FMNP State agencies to use the following year. The

financial data provided is used for funding decisions and if not collected, would result in fewer participants being served.

FNS-203:

Recipient reporting is an annual requirement as set forth in 42 U.S.C. 1786(m)(8). This information is necessary to track the changes in the number of participants and their benefit amount and the profile of farmers that benefit financially from participating in the program. FNS is required to annually report the number of FMNP participants to Congress, and other program data are included in Department of Agriculture (USDA) annual reports. If not collected, FNS would be unresponsive to requests from USDA, Congress, and others for programmatic data.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secret, or other confidential**
- **information unless the agency can demonstrate that it has instituted procedures to**
- **protect the information's confidentiality to the extent permitted by law.**

There are no special circumstances. This collection is consistent with the guidelines set forth in 5 CFR 1320.5.

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 hourburden.

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. Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years even if the collection of information activity is the same as in prior years. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

A 60-day notice was published in the Federal Register on March 16, 2011, 76 FR 14371.

FNS received two public comments with regard to this notice (Attachment A.) One of these comments was not considered because it does not address any issue relevant to this information collection burden for the FMNP.

The second comment requested that FNS change the form, FNS-203. The FNS-203 tracks the changes in the number of participants and their benefit amounts, and establishes the profile of farmers that benefit financially from participating in the FMNP. FNS is required to annually report the number of FMNP participants to Congress, and other program data is included in Department of Agriculture (USDA) annual reports. Therefore, FNS finds that no change is necessary in the data elements reported by FMNP agencies.

Consultation is conducted on a regular basis with members of the National Association of Farmers' Market Nutrition Programs (NAFMNP), who represent FMNP State agencies on such topics as reporting and the required collection of information. Regular conference calls are conducted with Regional FNS staff to learn about issues and concerns of the FMNP State agencies.

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

There are no payments or gifts to respondents.

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

The Department will comply with the Privacy Act of 1974.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent..

Questions of a sensitive nature, such as those related to sexual behavior, attitudes, religious beliefs or other private matters are not required by this collection.

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

(A) Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated.

The narrative that accompanies this justification explains the estimated burden associated with the individual reporting and recordkeeping requirements covered in this submission. Attachment B, *Narrative Regarding Reporting and Record Keeping*

Requirements, shows how the burden hours associated with each requirement were calculated.

(B) Provide estimates of the annualized cost to respondents for the hour-burdens for collections of information, identifying and using the appropriate wage rate categories.

The average State and farmer hourly earnings rates below are derived from the Bureau of Labor Statistics *National Compensation Survey: Occupational Wages in the United States, July 22, 2010, Supplementary Tables*. The burden hours are calculated on the attached spreadsheet, *Information Collection Burden Chart*, (Attachment C). FNS also estimates that each FMNP State agency expends an average of \$1,000 per year on other administrative costs related to the information collection burden, such as office supplies, printing, etc., as shown below. Based on this information, the FNS estimates of the annualized costs to respondents for the hour burdens for collections of information are as follows:

Respondent Costs: State Agency (SA)

Estimated number of respondents:	45
Estimated frequency of responses:	235.07
Estimated total annual responses:	10,578.00
<u>Estimated time per respondent:</u>	<u>1.4799</u>
Estimated reporting burden hours:	15,655

Estimated number of recordkeepers:	45
Estimated number of applications per recordkeeper:	4
Estimated total annual records:	180
Estimated time per recordkeeper:	1.75
Estimated recordkeeping burden hours:	315

Total reporting and recordkeeping burden hours:	15,970
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Average State hourly earnings rate:	15,970 burden hours x \$26.54 hourly wage rate:
State Agency Salary Costs:	\$423,843.80

Other State Agency Costs:	\$1,000
Sub-total SA Costs:	\$424,843.80

Respondent Burden hours and Costs: Farmers/Farmers' Markets (F/FM)

Estimated number of respondents:	7,947
Estimated frequency of responses:	1
Estimated total annual responses:	7,947
<u>Estimated time per respondent:</u>	<u>1.00</u>
Estimated reporting burden hours:	7,947
Average Farmer hourly earnings rate:	7,947 burden hours x \$14.61 hourly wage rate: \$116,105.67
Sub-total Farmers/Farmers' Market Salary Costs:	\$116,105.67
Grand total for SA and F/FM:	\$540,949.47

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information, (do not include the cost of any hour burden shown in questions 12 and 14). The cost estimates should be split into two components: (a) a total capital and start-up component annualized over its expected useful life; and (b) a total operation and maintenance and purchase of services component.

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

14. Provide estimates of annualized cost to the Federal government. Provide a description of the method used to estimate cost and any other expense that would not have been incurred without this collection of information.

There are seven FNS Regional and one FNS Headquarters staff involved in the management and oversight of the FMNP. The cost of one Headquarters staff at the GS-12 Step 5 level, and seven Regional staff at the GS-11 Step 5 level, were calculated using the General Schedule Salary Table for 2011 incorporating the general increase but not the locality increases.

FNS National Staff	9 months – 75% of 1 staff-year
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the total number of vendors, the individual State grant amount, and total federal funding amount.

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

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

- 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.