

National School Lunch Program: School Food Service Account Revenue Amendments

Related to the Healthy, Hunger-Free Kids Act of 2010

OMB CLEARANCE NUMBER 0584-NEW

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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.

This is a new collection, though once OMB approval is complete FNS will merge the burden hours with OMB control number 0584-0006 titled National School Lunch Program (NSLP).

This interim rule, published June 17, 2011, Federal Register, Vol. 76, No. 117, p. 35301, amends National School Lunch Program (NSLP) regulations to conform to requirements contained in the Healthy, Hunger-Free Kids Act of 2010 (Public Law 111-296 -

<http://www.gpo.gov/fdsys/pkg/PLAW-111publ296/pdf/PLAW-111publ296.pdf>) regarding equity in school lunch pricing and revenue from nonprogram foods sold in schools. This rule requires school food authorities (SFAs) participating in the NSLP to provide the same level of financial support for lunches served to students who are not eligible for free or reduced price lunches as is provided for lunches served to students eligible for free lunches. This rule also requires that the revenue from the sale of nonprogram foods be proportionate to the total revenue generated by such foods. Information collection on school food service account revenue is essential to monitor SFAs and State agency (SA) compliance related to School Food Accounts Revenue rule.

2. Indicate how, by whom, 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.

Due to the statutory implementation deadline, this interim rule is necessary to comply with the requirements of Sections 205 and 206 of Public Law 111-296 and ensure that those provisions are implemented and effected by SAs and SFAs on July 1, 2011. SFAs are required to evaluate the prices they charge for paid lunches in relation to the Federal paid and free reimbursement rates. SFAs must annually establish paid meal prices in accordance with the procedures in the Act. SAs must consolidate paid lunch prices reported by each SFA for the current school year and submit the FNS-828 to FNS by the last operating day of November each year. FNS/USDA must annually collect and publish the paid lunch prices charged by SFAs. SFAs must ensure that the proportion of total school food service revenue provided by the sale of nonprogram foods to the total revenue of the school food service account is equal to or greater than the proportion of total food costs associated with obtaining nonprogram foods to the total costs associated with obtaining program and nonprogram foods from the account. All revenue from the sale of nonprogram foods must accrue to the nonprofit school food service account of a participating SFA. The interim rule aims to promote equity in school lunch pricing and revenue from nonprogram foods sold in schools. The data collected will be used to monitor SFA and SA compliance on this rule, without the information collected from School Food Service Accounts Revenue.

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 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. Since the program participants vary considerably in level of sophistication, information related to the use of improved information technology to reduce burden is limited. To the extent possible, agencies within the States use electronics to transfer information for SFAs, where applicable.

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

There is no duplication in reporting of School Food Service Accounts Revenue data. This is a new collection as a part of Healthy Hunger Free Kids Act of 2010. FNS solely administers this data and has reviewed USDA reporting and record keeping requirements. This information is not currently reported to any other entity outside of FNS.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

Information being requested has been held to the minimum required for the intended use. Although smaller SAs are involved in this data collection effort, they deliver the same program benefits and perform the same function as any other SA. Thus, they maintain the same kinds of information on file. FNS estimates that approximately 1-3% or six (of 57) SAs are considered small entities.

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 on-going program. This interim rule is being implemented to promote equity in school lunch pricing and revenue from nonprogram foods sold in schools. The consequence to Federal program or policy activities if this collection is not conducted or is conducted less frequently FNS would not be able to monitor SFA and SA compliance on this rule, without the information collected from School Food Service Accounts Revenue and would delay the timely implementation of the requirements of Sections 205 and 206 of Public Law 111-296 (the Healthy, Hunger-Free Kids Act of 2010).

7. Explain any special circumstances that would cause an information collection to be conducted in a manner that is inconsistent with 5 CFR 1320.5:

- **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 other special circumstances. The collection of information is conducted in a manner consistent with the guidelines 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, 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.

A 60-day Federal Register Notice is embedded in the Interim Rule, 7 CFR Part 210 "School Food Service Account Revenue Amendments Related to the Healthy, Hunger-Free Kids Act of 2010," published June 17, 2011, Federal Register, Vol. 76, No. 117, p. 35301. Very few

comments were received on the information collection requirement for this rule. All comments supported the new reporting requirement for USDA to collect and publish paid lunch prices charged by SFAs. They indicated that the reporting and record keeping requirements are integral to implementation of this rule and are not overly burdensome on SFAs and State agencies.

- **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 form, and on the data elements to be recorded, disclosed, or reported.**

When FNS revises an information collection package, the information is posted on the Agency Web page for review and comment by Regional Offices, SAs, community groups, the general public, etc. FNS also consults with its Regional Offices on any proposed changes as the result of legislative, regulatory, or administrative changes. The Regional Offices are in constant contact with SAs who provide feedback on FNS processes and procedures that may impact them.

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.

No confidential information is associated with the burden related to the analysis, implementation, and record maintenance and reporting of school meal prices and school food service revenue.

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.

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. The statement should include:

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. If this request for approval covers more than one form, provide separate hour burned estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.**

The estimated average burden hours per SA has been determined to be 322, 827 hours due to the additional requirements in the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296) Sections 205 and 206 which amended section 12 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760) regarding school food service account revenue. SFAs must maintain records of its calculation of the average price of paid reimbursable lunches and any adjustments. SFAs must report paid lunch prices annually to the SA. The SAs must collect and report these prices to USDA. SFAs must also maintain records documenting the revenue generated from the sale of

nonprogram foods. The table below reflects burden associated with the collection requirements of the school food service revenue interim rule.

ESTIMATED ANNUAL BURDEN FOR 0584-NEW, NATIONAL SCHOOL LUNCH PROGRAM 7 CFR part 210

Reporting						
Reporting Burden	Citation	Estimated Number of Respondents	Frequency of Response	Average Annual Responses	Average Burden per Response	Annual Burden Hours
State agency (SA) consolidates paid reimbursable lunch prices reported by SFAs and submits to FNS.	7 CFR 210.14(e) (7)	57	1	57	10	570
SFA reports paid lunch prices for each NSLP school to the SA.	7 CFR 210.14(e) (7)	20,858	1	20,858	0.25	5,215
Total Reporting for Interim Rule		20,915	1	20,915	0.2766	5,785
Total Existing Reporting Burden for 0584-0006, Part 210						2,981,464
Total Reporting Burden for 0584-0006, Part 210 with Interim Rule						2,987,249

Recordkeeping						
Recordkeeping Burden	Citation	Estimated Number of Respondents	Frequency of Response	Average Annual Responses	Average Burden per Response	Annual Burden Hours
SA maintains records of paid reimbursable lunch prices obtained from SFAs	7 CFR 210.14 (e) (7)	57	365.93	20,858	0.2	4,172
SFA maintains records of its calculation of the average price of paid reimbursable lunches and adjustments	7 CFR 210.14 (e) (1) - (e) (6)	20,858	1	20,858	5	104,290
SFAs maintains records documenting the revenue generated from the sale of nonprogram foods	7 CFR 210.14 (f)	20,858	1	20,858	10	208,580
Total Recordkeeping for Interim Rule		20,915	2.99	62,574	15.1586	317,042
Total Existing Recordkeeping Burden for 0584-0006, Part						9,276,300

210						
Total Recordkeeping Burden for 0584-0006, Part 210 IR						9,593,342

SUMMARY OF BURDEN (OMB #0584-NEW)	
TOTAL NO. RESPONDENTS	20,915
AVERAGE NO. RESPONSES PER RESPONDENT	3.991824
TOTAL ANNUAL RESPONSES	83,489
AVERAGE HOURS PER RESPONSE	3.8667
DIFFERENCE (NEW BURDEN REQUESTED WITH INTERIM RULE)	322,827

# Respondents	# Responses Per Respondent	Total Annual Responses	Hours Per Response	Total Annual Burden
20,915	3.99	83,489	3.86	322,827

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

The estimate of respondent cost is based on the burden estimates from the Bureau of Labor Statistics May 2009 Occupational and Wage Statistics (25-0000)

(<http://www.bls.gov/bls/wages.htm>). The hourly mean wage (education-related occupation) for functions performed by State and local agency staff are estimated at \$24.25 per staff hour.

$$\text{TOTAL COST TO PUBLIC} = 322,827 \text{ hours} \times \$24.25 \text{ per hour} = \$7,828,554.75$$

13. Provide estimates of the total annual cost burden to respondents or record keepers resulting from the collection of information, (do not include the cost of any hour

burden shown in items 12 and 14). The cost estimates should be split into two components:
(a) a total capital and start-up cost component annualized over its expected useful life; and
(b) a total operation and maintenance and purchase of services component.

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

14. Provide estimates of annualized cost to the Federal government. Also, 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.

It is estimated that a GS 12/06 takes approximately 10 hours to analyze data received from SAs:
 $\$41.85 \times 10 = \418.50 (estimated annualized cost to federal government).

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

This is a new collection. This program change will add 322,827 burden hours to OMB collection inventory.

16. For collections of information whose results are planned to 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 approval to not display the expiration date for OMB approval of

the information collection, explain the reasons that display would be inappropriate.

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

18. Explain each exception to the certification statement identified in Item 19

"Certification for Paperwork Reduction Act."

There are no exceptions to the certification statement.