

DETERMINING ELIGIBILITY FOR FREE AND REDUCED PRICE MEALS - 7 CFR

PART 245

OMB CONTROL NUMBER 0584-0026

SUPPORTING STATEMENT

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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).

The 60-day notice for revision of the currently approved information collection, OMB control number 0584-0026, titled “Determining Eligibility for Free and Reduced-Price Meals and Free Milk in Schools”, expiration date 03/31/2013 was published on June 8, 2012. This notice addresses revisions made to form FNS-742 and also corrects a previously issued notice embedded in the interim rule titled “Direct Certification and Certification of Homeless, Migrant, and Runaway Children for Free School Meals”, published April 25, 2011, Federal Register, Vol. 76, No. 79, p. 22794-22796, which incorporated into 7 CFR Part 245 provisions from the Child Nutrition and WIC Reauthorization Act of 2004, Public Law 108-265 (<http://www.gpo.gov/fdsys/pkg/PLAW-108publ265/pdf/PLAW-108publ265.pdf>), concerning the direct certification of children receiving Supplemental Nutrition Assistance Program (SNAP) benefits and also the certification of certain children who are homeless, runaway, or migratory. That notice incorrectly identified as new burden the -113,070 hour decrease in reporting burden hours for the fewer number of households that will be required to complete an application form and also incorporates a 5 hour increase in recordkeeping burden hours for State agencies that must maintain additional agreements. The overall -113,065 hour decrease in burden hours will become effective upon OMB approval of the revised information collection.

This is a revision of a currently approved information collection. The Richard B. Russell National School Lunch Act (NSLA), as amended, authorizes the National School Lunch Program (NSLP).

Section 9, Paragraph 9(b) of the NSLA provides that the income guidelines for determining eligibility for free school meals must be 130 percent, and reduced price school meals must be 185 percent, of the applicable family size income levels contained in the non-farm income poverty guidelines prescribed by the Office of Management and Budget, as adjusted annually. The Code of Federal Regulations (CFR), Title 7 CFR Part 245, Determining Eligibility for Free and Reduced-Price Meals and Free Milk in Schools, sets forth policies and procedures for implementing these provisions. These federal regulations require schools operating the NSLP to determine children's eligibility for free and reduced price meals 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.

Section 104 of the Child Nutrition and WIC Reauthorization Act of 2004 added section 9(b)(4) to the NSLA (42 U.S.C. 1758(b)(4)) to require school food authorities to directly certify, without further application, any child who is a member of a household receiving Supplemental Nutrition Assistance Program (SNAP) benefits. Under the direct certification process, a local educational agency obtains documentation of a child's receipt of SNAP benefits from the State or local SNAP office. The intent is to improve school meal program access for low-income children, reduce paperwork for households and program administrators, and improve the integrity of the free and reduced price meal certification process.

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.

The purpose of this information collection is to comply with the federal requirements for State agencies and school food authorities (SFA). These federal requirements affect eligibility under the NSLP, School Breakfast Program (SBP), and the Special Milk Program (SMP) and are also applicable to the Child and Adult Care Food Program (CACFP) and the Summer Food Service Program (SFSP) when individual eligibility must be established. SFAs are required to annually determine the eligibility of children for free and reduced price meals, and for free milk (using the form FNS-742), and assure that there is no physical segregation of, or other discrimination against, or overt identification of children unable to pay the full price for meals or milk. They are also required to directly certify children from households receiving benefits from SNAP for free school meals. The direct certification process enhances access to school meals by needy children, decreases duplicative paperwork for households, decreases administrative costs of processing and reviewing applications, and improves program integrity. In addition, the NSLA requires that SFAs must verify a required portion of meal applications for accuracy of the eligibility determinations. The direct certification process is now required at least three times a year. In addition, the data is used for statistical studies and research regarding program trends to determine appropriate management of the program. FNS submits an annual direct certification status report to Congress.

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 of 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. All State agencies participating in the NSLP transfer their information electronically through the Verification Data Reporting System (<http://www.fns.usda.gov/nslp>). In addition, each State agency maintains its own website to communicate electronically with SFAs in their state. Approximately 70% of SFAs communicate with State agencies electronically.

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.

Every effort has been made to avoid duplication. FNS has reviewed USDA reporting requirements, State agency reporting requirements, and special studies by other government and private agencies. FNS solely monitors and administers the Child Nutrition Programs. This information collection obtains eligibility information for free school meals directly from another agency (SNAP, Temporary Assistance for Needy Families (TANF), Food Distribution Program on Indian Reservations (FDPIR), and foster care agencies) to reduce duplicative paperwork for households who have already established their need for assistance to certain programs which serve low-income children and will streamline the free meal application and certification process for schools.

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

Information being requested or required has been held to the minimum required for the intended use. Although smaller State agencies and SFAs will be involved in this data collection effort, they deliver the same program benefits and perform the same function as any other State agency and SFA. Thus, they report the same kinds of information. FNS estimates that none of the 56 State agencies are small entities and approximately 1-3% of the 20,858 SFAs 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 eligibility information is collected annually from households and some of these household meal applications are verified annually for the purpose of administering an on-going program. The direct certification process is now required at least three times a year. More frequent direct certification efforts are permissible and encouraged. If this information is collected less frequently, duplicate paperwork for households could occur and the potential to facilitate participation of children in the school meals programs would be unavailable.

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 circumstances that will cause the information collection to be inconsistent with the guidelines of 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 was published June 8, 2012, in the Federal Register, Vol. 77, No. 111, p. 34005-34010. The comment period for the information collection ended on August 7, 2012. Eight program or information collection related comments were received. Comments are mainly related to the following topics – inadequate burden captured for State agencies to compile the report, burden to complete the form (742) was underestimated for large SFAs and typographical errors in burden table. FNS provides the following response:

There appeared to be confusion regarding how the various burden estimates for the FNS-742 are calculated. FNS clarified that the burden for the SFA is estimated by calculating the average amount of time for an SFA to complete the FNS-742. FNS estimated that it will take an SFA on average 45 minutes to complete the FNS-742 including the time it takes to review instructions, search existing data resources, and gather the necessary data. State agency burden is not reflected in this 45 minute estimate but is captured in the burden for the entire collection (Determining Eligibility for Free and Reduced Price Meals and Free Milk – 0584-0026). The numbers for the entire collection represent the average times for all State, SFA and household data related activities under 0548-0026. Since the burden estimates are for the entire collection, the FNS-742 does not incur the entire burden associated with the affected respondents and this form is only one part of collection. There are no typographical errors in the burden table as the

burden estimates in 0584-0026 reflect the aggregate numbers for the entire collection and not only for the FNS-742.

- **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, State agencies, community groups, and the public. FNS also consults with Regional Offices regarding any proposed changes as the result of legislative, regulatory or administrative changes. Regional offices are in contact with State agencies which provide feedback on processes and procedures for the information collection.

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 Department complies with the Privacy Act of 1974. No confidential information is associated with the burden related to the analysis, implementation, record maintenance and reporting of direct certification data by the State agency to FNS.

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 information collection. 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 burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.**

FNS is requesting the revision of the currently approved information collection to include the increase of 5,215 hours from the additional time needed to complete form FNS-742 due to its proposed revision and to also incorporate the decrease of -113,070 burden hours for reporting

eligibility information on applications submitted by households and the increase of 5 burden hours for State agencies for recordkeeping of agreements for conducting direct certification. The following tables reflect the estimated burden associated with this information collections for each type of respondent. Affected public for this collection include: 8,262,043 Individual/Households who participate in NSLP/SBP; 56 State Agencies; 20,858 SFAs. Please note that this revision does not incur any burden at the school level. In 2010 revision, burden associated with (245.6(c) (7) was reported at the school level by error. This burden was transferred to the SFA level in the current revision.

**ESTIMATED ANNUAL BURDEN FOR 0584-0026,
DIRECT CERTIFICATION AND CERTIFICATION OF HOMELESS, MIGRANT AND RUNAWAY
CHILDREN FOR FREE SCHOOL MEALS, 7 CFR PART 245**

Reporting (Households)									
Burden Activities	Section	Estimated Number of Respondents	Frequency of Response	Average Annual Responses	Average Burden per Response	Annual Burden Hours	Current OMB approved Burden	Due to Program Change	Due to Program Adjustment
Households complete meal benefit application form.	7 CFR 245.6(a)	8,262,043	1	8,262,043	0.07	578,343	657,300	-78,957	
Households submit written evidence for verification.	7 CFR 245.6a (a)(7)(i)	190,000	1	190,000	0.5	95,000	129,000	-34,000	
Households cooperate by providing collateral contacts	7 CFR 245.6a (a)(7)(ii)	1,900	1	1,900	.167	317	430	-113	
Household Burden Total		8,262,043	1.0232267	8,453,943	0.0796859	673,660	786,730	-113.070	
Reporting (School Food Authorities)									
SFAs notify households of approval of meal benefit applications.	245.6 (c) (6)(i)	20,858	300	6,257,400	0.02	125,148	0		125,148
SFAs must notify households in writing that children are eligible for free meals based on	245.6 (c) (6)(ii)	20,858	150	3,128,700	0.02	62,574	1,731		-60,843

direct certification and that no application is required.									
SFAs notify each household in writing of denied benefits.	245.6 (c) (7)	20,858	17	354,586	0.02	7,092	192,923		-185,830
SFA must have a written agreement with the agency receiving children's free and reduced price eligibility information.	245.6 (j)	20,858	1	20,858	0.166	3,462	3,463		0
SFAs must determine sample size of households to verify eligibility.	245.6a(c)	20,858	1	20,858	0.33	6,883	6,883		0
SFAs notify households of selection for verification.	245.6a(f)	20,858	12	250,296	0.25	62,574	62,574		0
SFAs must report verification data to SA.	245.6a(h) FNS-742	20,858	1	20,858	0.75	15,644	10,429		5,215
SFAs with schools under Provisions 1, 2, or 3 must identify those schools in its free and reduced price policy statement and certify their eligibility for the first year of operation.	245.9(f)	1,092	1	1,092	0.25	273	273		0
SFAs with schools under Provision 2 or Provision 3 submit to FNS upon request all data and documentation used in granting extensions.	245.9(h)	1,092	1	1,092	0.25	273	273		0
SFAs submit to SA for approval a free and reduced price policy statement.	245.10(a)	20,858	1	20,858	0.07535	1,572	1,731		-160
School Food Authority Burden Total		20,858	483.1047	10,076,598	0.027815	285,494	280,280	-	5,215
Reporting (State Agencies)									
Puerto Rico and Virgin Islands SAs conduct triennial survey to develop factor for withdrawal of funds from Letter of Credit.	245.4(c)	2	0.33	0.66	70	46	166	-	-120
Puerto Rico and Virgin Islands SAs submit survey results and the factor for fund withdrawal to FNS for approval.	245.4(d)	2	0.33	0.66	5	3	2	-	-1
SAs and SFAs must obtain written consent from parent/ guardian	245.6(i)	56	1	56	0.25	14	14		0

for uses not specified in the regulation.									
SAs enter into written agreement with the agency receiving children's free and reduced price eligibility information.	245.6(j)	56	1	56	0.25	14	14		0
SAs issue prototype free and reduced price policy statement and annually announce the family-size income standards to be used in determining eligibility for free or reduced price meals.	245.11 (a)(1), 245.3(a)	56	1	56	0.10	5.6	4.6		1
SAs notify FNS if TANF is comparable to or more restrictive than AFDC.	245.11(g)	56	1	56	0.10	5.6	4.6		1
SAs submit to FNS upon request, the number of schools on Provision 1, Provision 2 or Provision 3 and extensions.	245.11 (h)(4)	43	1	43	1.5	65	172		-108
SAs must collect, analyze, and report to FNS annual verification data from SFAs.	245.11(i) (Form FNS-742)	56	1	56	4	224	0		224
State Agency Burden Total		56	5.79	325	1.16	377	377		0
Total Reporting Burden for Part 245 with Revisions						959,532	1,067,387	-113,070	5,215
Total Existing Reporting Burden for Part 245						1,067,387			
Total Burden Difference Due to Interim Rule						(107,855)			

Reporting Summary:

(a) Affected Public	(b) Form Number	(c) Estimated No. Respondents	(d) Estimated No. Responses Per Respondent	(e) Estimated Total Annual Responses (c x d)	(f) Estimated Hours Per Response	(g) Estimated Total Annual Burden Hours (e x f)
Reporting Burden						
State Agencies	742*	56	5.79	324	1.163	377
SFAs	742*	20,858	483.1047	10,076,598	0.0283325	285,495
Individuals / Households	N/A	8,262,043	1.0232267	8,453,943	0.0796859	673,660
TOTAL		8,282,957		18,530,865		959,532
Current OMB Burden Inventory						1,067,387

Difference										(107,855)
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- Note: This form does not incur all of the burden associated with the affected public.

Recordkeeping (State Agencies)									
	Section	Estimated Number of Respondents	Frequency of Response	Average Annual Responses	Average Burden per Response	Annual Burden Hours	Current OMB approved Burden	Due to Program Change	Due to Program Adjustment
SAs must maintain agreements for conducting direct certification.	7 CFR 245.6(b)(1)(iv)	54	1	54	0.1	5	0	5	
SAs maintain requested data on number of schools on Provisions 1, 2, or 3 and extensions granted.	245.11(h)	43	155	6,665	0.25	1,666	1,666		0
SAs maintain verification data collected from SFAs (FNS-742)	245.11(i)	56	1	56	0.20	11	11		0
State Agency Burden Total		56		6,775		1,682	1,677	5	
Recordkeeping (School Food Authorities)									
SFAs must maintain documentation substantiating eligibility determinations for 3 years after the fiscal year.	245.6(e)	20,858	1	20,858	0.08	1,669	0		1,669
SFAs must retain records of schools implementing Provision 1, 2 or 3 for 3 years after submission of the last claim.	245.9(g)&(h)	1,092	1	1,092	2.4715	2,699	4,368		-1,669
School Food Authority Burden		20,858		21,950		4,368			
SFA/SA Recordkeeping Totals		20,914		28,725		6,050	6,045	5	0
Total Recordkeeping Burden for Part 245 with Interim Rule						6,050			
Total Existing Recordkeeping Burden for Part 245						6,045			
Total Burden Difference Due to Interim Rule		54	1	54	0.1	5			

Recordkeeping Summary:

(a) Affected Public	(b) Form Number	(c) Estimated No. Respondents	(d) Estimated No. Records Per Respondent	(e) Estimated Total Annual Records (c x d)	(f) Estimated Hours Per Record	(g) Estimated Total Annual Burden Hours
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						(e x f)
Recordkeeping Burden						
State Agencies	742	56	120.98	6,775	0.2483	1,682
SFAs	N/A	20,858	1.05235	21,950	0.199	4,368
TOTAL		20,914		28,725		6,050

Burden Summary (Reporting and Recordkeeping):

Affected Public: Individuals/Households, SFAs, and State Agencies

Estimated Number of Respondents: 8,303,871

Estimated Number of Responses per Respondent: 2.2350528

Estimated Total Annual Responses: 18,559,590

Estimated Time per Response: 0.05202604

Estimate Total Annual Burden on Respondents: 965,582

SUMMARY OF BURDEN (OMB #0584-0026) 7 CFR 245	
TOTAL NO. RESPONDENTS	8,303,871
AVERAGE NO. RESPONSES PER RESPONDENT	2.2350528
TOTAL ANNUAL RESPONSES	18,559,590
AVERAGE HOURS PER RESPONSE	0.05202604
TOTAL BURDEN HOURS FOR PART 245 WITH REVISIONS	965,582
CURRENT OMB INVENTORY FOR PART 245	1,073,432
BURDEN REVISION REQUESTED	(107,850)

- **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 and utilizes the United States Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov/bls/wages.htm>), May 2011 National Occupational and Wage Estimates Statistics, Occupational Groups 25-0000 and 43-0000. The hourly mean wage for education-related occupations for functions performed by State

education agency staff is estimated at \$24.46 per staff hour and the hourly mean wage for administrative and office support occupations for functions performed by school staff is estimated at \$16.40 per staff hour.

TOTAL COST TO THE PUBLIC:

State Agency: 2,059 hours X \$24.46 per hour = \$ 50,363

School Food Authority: 289,862 hours X \$16.40 per hour = \$4,753,737

Total = \$4,804,100

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

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 federal employees at FNS headquarters at a General Schedule (GS) grade 12 step 6 wage based on the Washington DC-Northern Virginia locality area spend approximately 5000

hours creating rules and regulations for 7 CFR Part 245 along with developing policy memos and guidance documents and producing reports. The estimated associated cost would be $\$41.85 \times 5000 = \$209,250$.

It is estimated that federal employees at FNS regional offices at a General Schedule (GS) grade 11 step 5 wage spend approximately 5,040 hours (averaging 60 hours per month at each of the seven regional offices) providing technical assistance to State agencies on free and reduced price meal eligibility, processing of meal applications, direct certification, verification of eligibility, and reporting of data. The estimated associated cost would be $\$33.46 \times 5,040 = \$168,638$.

The total estimated annualized cost to federal government is \$377,888.

The procedure used to estimate this cost was an identification of functions performed by FNS staff at both the national and regional offices and the associated amount of time spent performing those identified functions.

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

This is a revision of a currently approved information collection. The total burden hours will decrease by 107,850 burden hours for reporting and recordkeeping in the OMB information collection inventory. Due to adjustments, there is an increase in the reporting burden of SFAs by 5,215 hours for the additional time needed to complete form FNS-742 due to its proposed

revision and also incorporates the reporting burden decrease of households by -113,070 burden hours for reporting eligibility information submitted on applications and the increase of 5 burden hours for State agencies for recordkeeping of agreements for conducting direct certification. Changes requested with this revision pertain mainly to program changes alone. Other reasons for changes are related to frequency of response and/or change in amount of time required to complete a task. However, these program adjustments did not amount to change in overall burden numbers. Errors related citations, updates in citation text were also corrected in this revision. All details are included in bold in burden tables as well as explained clearly in burden narrative.

16. For collections of information whose results are planned to be published, outline plans for tabulation and publication.

This collection does not entail planned statistical use and there are no plans to publish the results of this collection for statistical analyses.

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 date.

**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.