
MEMORANDUM

Date: July 2, 2020

To: James Crowe, OMB Desk Officer, Office of Information and Regulatory Affairs, Office of Management and Budget

Through: Ruth Brown, Desk Officer, U.S. Department of Agriculture, Office of the Chief Information Officer

From: Christina Sandberg, Information Collection Clearance Officer, Planning and Regulatory Affairs Office, Food and Nutrition Service

Re: Under Approved Generic OMB Clearance No. 0584-0613 – Special Nutrition Programs Quick Response Surveys

The U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) is requesting approval to conduct research under Approved Generic Office of Management and Budget (OMB) Clearance Number 0584-0613, Special Nutrition Programs Quick Response Surveys, expiration date 02/28/2021.

This request is to acquire clearance to conduct a survey of all 52 State agencies that participate in the USDA Foods in Schools program – including 49 States (Kansas will not be included in the survey¹), the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. The goal of the study is to understand and compare fee structures for the distribution, warehousing, and administration of USDA Foods for school meals. The following information is provided for your review:

(1) Title of the Project: USDA Foods Distribution and Fees Survey

(2) Control Number: 0584-0613, Expires 02/28/2021

(3) Public Affected by this Project:

State, Local, or Tribal Government

- State Agencies that participate in USDA Foods in Schools

(4) Number of Respondents and Research Activities:

Exhibit 1 below outlines the respondent types, research activities, and associated number of study participants.

Exhibit 1 | Assumptions on Number of Participants

Respondent Type	Research Activity	Number of Participants
State Agencies	Pretest	3

¹ Since 1975, Kansas has been authorized to receive cash payments in lieu of USDA Foods. This is a unique situation applicable only to the State of Kansas. <https://fns-prod.azureedge.net/sites/default/files/fdd/NSLP-White-Paper.pdf>

	Email Notification from FNS to SDAs	52
	Introductory Email with Survey Link	52
	Survey Reminder Emails	40
	Survey Reminder Phone Calls	30
	USDA Foods Distribution and Fees Survey	52
	Post-Survey Response Clarification Email	11
	Post-Survey Response Clarification Phone Call	5
	Total:	55

The total unique entities to be contacted includes 55 respondents in total – 52 current State Distributing Agency (SDA) Directors for the study and 3 former SDA Directors for the pretest.

(5) Time Needed Per Response:

Exhibit 2 shows the estimated time needed for the survey, notification/recruitment emails, and follow-up reminders.

Exhibit 2 | Time Needed for the Main Study Research Activities

Research Activity	Respondent	Time (minutes)	Time (hours)
Pretest	Former SDA Directors	90	1.5
Email Notification from FNS to SDAs	State Agencies	5	0.08
Introductory Email with Survey Link	State Agencies	6	0.10
Survey Reminder Emails	State Agencies	6	0.10
Survey Reminder Phone Calls	State Agencies	5	0.08
USDA Foods Distribution and Fees Survey	State Agencies	20	0.33
Post-Survey Response Clarification Email	State Agencies	6	0.10
Post-Survey Response Clarification Phone Call	State Agencies	6	0.10

Total Burden Hours on Public:

The estimated total burden is 34.11 hours. The complete burden table is enclosed as Appendix A.1.

(6) Project Purpose, Methodology, and Research Design:

Background

The USDA Foods in Schools program supports domestic nutrition programs and American agricultural producers through purchases of 100-percent American-grown and -produced foods for use by schools and institutions participating in the National School Lunch Program (NSLP), Child and Adult Care Food Program, and the Summer Food Service Program.² Those foods are available in three capacities: direct delivery, bulk for processing, and USDA Department of Defense Fresh Fruit and Vegetable Program. In most States, the SDA is responsible for ordering products through the Web-Based Supply Chain Management system (WBSCM), and some States “roll down” (i.e., “delegate”) WBSCM to the school food authorities (SFAs) for ordering. Ahead of the SFAs receiving the products, they are often warehoused in a State facility. SDAs are required to house the items in the most efficient and cost-effective manner, which includes utilizing State Administrative Expense (SAE) Funds, as available, as well as charging SFAs a distribution fee to help cover costs associated with the distribution of USDA Foods, as necessary.³ These practices vary from State to State, and there are no current measures in place to track key operational differences or fee structures across SDAs. FNS seeks to gather information on the administration of the USDA Foods in Schools program across all SDAs to fill this gap. Sharing this information back with States will allow SDAs to learn best practices from each other to improve the quality and efficiency of these services.

Purpose

The objective of the study is to describe in detail how SDAs manage the operations, storage and distribution of USDA Foods to SFAs including associated fee structures, warehouse operations and use of SAE funds.

This study will address the following research questions:

Fees and State Administrative Expenses:

- *What are the main approaches that States use to charge SFAs for warehousing? How do those methods vary by location, number of SFAs, or other factors?*
- *What is the basis for the fees (e.g. per case, per meal) and their variation related to time in storage, type of warehouse (i.e. dry, refrigerated, frozen), region or area within the State and number of facilities in the State?*
- *Are there either or both administration and distribution fees? How are fees collected (e.g. invoices sent to SFAs, administrative offset to NSLP meal reimbursement)?*
- *How often do the States reevaluate the fees in consultation with the FNS Regional Office?*

² The NSLP entitlement may be used to obtain foods for any USDA Child Nutrition Program, including the School Breakfast Program, and USDA offers a number of items that are appropriate for breakfast service (e.g., yogurt, pancakes).

<https://www.fns.usda.gov/fdd/schoolscn-usda-foods-programs>

³ 7 CFR 250.13(b)(2) states that SDAs must use SAE and other Federal and State funds to cover the costs of storage and distribution of USDA Foods. Only when those funds are insufficient to cover the costs may SDAs charge a fee to SFAs, and only with FNS approval.

- *What factors contribute to State fees (e.g. amount of discretionary SAE funds provided to the State, population density, State-owned warehouse)?*
- *Are SAE funds used to support USDA Foods in schools? If so, how are they used (e.g., warehousing, salaries, training)?*

Operations and Warehousing:

- *Which States roll down the Web Based Supply Chain Management System to their SFAs?*
- *Do States warehouse for other FNS programs in the same warehouse, if so, is the method the same as for NSLP? What types of warehouse facilities do the States use (i.e., State-owned warehouse(s), use a commercial distributor, or contract with a commercial warehouse)?*
- *What are the State distribution practices in use (e.g. frequency of deliveries, delivery minimums, regions for distribution, terms of fee accrual)? How do States differ in how they warehouse and distribute USDA Foods for school meals programs across various characteristics, like NSLP participation rates and number of SFAs per State?*
- *How do States manage processing of USDA Foods at the State level (e.g. sweep policies, value pass-through methods, procurement of processing services)?*

Methodology/Research Design

The Study Team will address the research questions by conducting a web-based survey with all 52 SDA Directors (Appendix A.2 and A.3). The web-based survey is designed to collect data from SDAs on the fee structures and funds for operating warehouses, the types of distributing facilities SDAs use, communication methods employed, and the storage and operations SDAs use.

Because this collection is a census of all State agencies participating in USDA Foods in Schools, FNS did not wish to conduct a full pretest of the survey with members of the respondent group – as doing so would require some of the same respondents to participate in both the pretest and the survey. Instead, the Study Team conducted a small cognitive pretest with five individuals that possess recent experience administering USDA Foods in Schools at the State-level. Two of these individuals are now federal employees at FNS and the other three are private citizens that previously served as SDA directors. This cognitive pretest allowed FNS to better estimate the burden of the survey and refine survey questions to improve clarity. More information about the pretest, including the changes that were made as a result of the findings, can be found in Appendix A.10.

Upon receipt of OMB approval, the FNS Office of Policy Support will notify the FNS Regional Offices about the study. The FNS Regional Offices will notify the State agencies about the study and encourage their participation (Appendix A.4). The Study Team will then email the State agencies (Appendix A.5) and invite SDA directors to complete the web-based USDA Foods Distribution and Fees Survey (Appendix A.2 and A.3). In the event that the State agency does not respond to the initial email invitation (Appendix

A.5), the Study Team will send follow-up reminder emails (Appendix A.6) and attempt to contact the State agency by phone (Appendix A.7).

Once the SDA director has completed the USDA Foods Distribution and Fees Survey, the Study Team will review the response data for outliers or inconsistent responses. If any outliers or inconsistent responses are identified, the Study Team will attempt to clarify the answers by contacting the SDA by email (Appendix A.8) or telephone (Appendix A.9). Data collection is expected to occur over a 4-week period.

Sampling Procedures

This USDA Foods Distribution and Fees web survey is to be administered to a census of all 52 State agencies. The study does not involve sampling.

Recruitment and Consent

RECRUITMENT FOR WEB SURVEY

In order to recruit SDAs for the USDA Foods Distribution and Fees Survey, the Study Team will complete the following steps:

- (1) FNS Regional Offices will notify the SDA Directors about the survey (Appendix A.4)
- (2) Study Team will contact SDA Directors by email with an invitation (Appendix A.5) to complete the web-based survey (Appendix A.2/A.3)
- (3) Follow up as necessary with non-responding SDA Directors – first by email (Appendix A.6), and then by phone (Appendix A.7).

DATA COLLECTION ACTIVITIES

Exhibit 3 details the timeline of data collection activities. The schedule allows a total of **4 weeks for data collection** to reach the target number of completed surveys ($N = 52$). The Study Team will use reminder emails and phone calls to encourage participation.

Exhibit 3 | Schedule of Main Study Data Collection Activities

Activities	Pre-Data Collection	Data Collection																			
		Week 1					Week 2					Week 3					Week 4				
		M	T	W	TH	F	M	T	W	TH	F	M	T	W	TH	F	M	T	W	TH	F
Email Notification from FNS to SDAs (Appendix A.4)	X																				
Introductory Email with Survey Link (Appendix		X																			

Activities	Pre-Data Collection	Data Collection																			
		Week 1					Week 2					Week 3					Week 4				
		M	T	W	TH	F	M	T	W	TH	F	M	T	W	TH	F	M	T	W	TH	F
A.5)																					
Survey Reminder Emails (Appendix A.6)						X					X										X
Survey Reminder Phone Calls (Appendix A.7)															X						X

Survey support staff will immediately address any technical issues with the survey and will respond to substantive questions within a few hours. The Study Team will provide in-depth training to the survey support staff. The Study Team will review the survey responses and identify any that require follow-up. These responses will be given to the survey support staff, who will contact the corresponding respondents to clarify incomplete or unclear answers.

The Study Team will submit a weekly data collection memo to FNS summarizing survey response rates (e.g., number of completed surveys, surveys in progress, or surveys not started/accessible/returned), recruitment and follow-up activities, and any challenges.

COMPENSATION

There will be no compensation given to the respondents in this study.

DATA PREPARATION, WEIGHTING, AND ANALYSIS

Preparation

Upon completion of data collection, the Study Team will review the survey data for inconsistent data and missing values and will revise and clean the data as appropriate. After reviewing the data, the dataset will be considered clean and ready for analysis.

Weighting and Nonresponse Adjustment

This study is a census; therefore, the survey data do not need to be weighted. The study is expected to achieve a 100-percent response rate. Therefore, there is no need for nonresponse adjustments.

Analysis

Descriptive findings from the survey will be presented in data tables. The Study Team will also provide data tables with cross-tabulations between selected subgroups of SDAs and data items.

OUTCOMES/FINDINGS

The findings from this study will help USDA FNS understand and compare fee structures for the distribution, warehousing, and administration of USDA Foods for school meals and the use of SAE funds.

(7) Confidentiality:

The survey does not ask any sensitive questions. Any personally identifiable information (such as contact info) gathered from the survey is for research purposes only and will be kept private to the full extent allowed by law. Respondents will be assured that their personal information will remain private. In addition, a unique identifier will link the respondent information to the survey responses. The Study Team will ensure that the spreadsheet linking the unique identifiers with the respondent information is electronically stored separately from the survey responses and is only accessible to the Study Team and FNS. State-level information gathered from the survey may be made available to Federal and State-level stakeholders.

Data confidentiality will be considered a continuous process during the life of the study and will be monitored and controlled by the Study Team. 2M will report any loss of data, improper disclosure, or unauthorized use of FNS data to the Contracting Officer's Representative within 24 hours of discovery.

FNS published a system of record notice notice entitled FNS-8 USDA/FNS Studies and Reports in the Federal Register on April 25, 1991, volume 56, pp. 19078–19080, which discusses the terms of protections that will be provided to respondents. FNS and the Study Team will comply with the requirements of the Privacy Act of 1974.

(8) Federal Costs:

It is estimated that federal employees will spend approximately 208 hours overseeing this study. Using the hourly wage rate of \$41.37 for a GS-12, step 1, Federal employee from the 2020 Washington, DC, locality pay table, the estimated costs equal \$8,604.96. In addition, the Study Team assumes 20 hours annually for the Branch Chief, for a GS-14, step 4, at \$63.94 per hour for a total of \$1,278.80.

Contractor costs to the Federal Government will total \$189,757.66 over the course of this study. When combining the Federal employee and contractor costs, the total annual cost to the Federal Government for this information collection is estimated at \$199,641.42.

(9) Appendices (Including Research Tools/Instruments):

Appendix A.1: Respondent Burden Table

Appendix A.2: USDA Foods Distribution and Fees Survey

Appendix A.3: USDA Foods Distribution and Fees Survey – Web Screenshots

Appendix A.4: Email Notification from FNS to SDAs

Appendix A.5: Introductory Email with Survey Link

Appendix A.6: Survey Reminder Emails

Appendix A.7: Survey Reminder Phone Calls

Appendix A.8: Post-Survey Response Clarification Email

Appendix A.9: Post-Survey Response Clarification Phone Call

Appendix A.10: Cognitive Pretest Memo

