

SUPPORTING STATEMENT for
OMB Control Number 0584-0055:
Child and Adult Care Food Program (CACFP)

Proposed Rule: Serious Deficiency Process in the Child and Adult Care Food Program and
Summer Food Service Program (RIN 0584-AE83)

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7 CFR Part 226

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A1. Circumstances that make the collection of information necessary.

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 revision of an existing information collection in support of the proposed rule, Serious Deficiency Process in the Child and Adult Care Food Program and Summer Food Service Program (RIN 0584-AE83) (Appendix A).

This rulemaking proposes to improve the serious deficiency process in the CACFP. Under this rule, FNS is proposing to codify into regulations provisions from the Final Rule: *Child Nutrition Program Integrity*, which was published in the Federal Register on August 23, 2023 (88 FR 57792), to clarify provisions of the serious deficiency process, and to extend the process to unaffiliated centers participating in the CACFP. The provisions in this proposed rule also respond to comments from State agencies and participating institutions. The revisions will replace the term “serious deficiencies” that apply to program violations with the term “serious management problems”, as found in the National School Lunch Act (NSLA). They will also change the point at which a serious deficiency determination is made. Previously, the discovery of program violations would immediately lead to a serious deficiency declaration. The new process will move the serious determination near the end of the process, where the State agency will propose termination for failing to correct an institution’s serious management problems. Likewise, the proposed process would close out serious management problems upon successful completion of corrective actions. Finally, the rulemaking will create a path to full correction defined by a timeframe and number of reviews. By incorporating all these program changes, FNS intends to reduce ambiguity navigating the serious deficiency process, remove stigma associated with the “serious deficiency” term, and improve program integrity by implementing a

fair and uniform process.

Section 17 of the National School Lunch Act (“the Act”), as amended (42 U.S.C. 1766), authorizes the CACFP (7 CFR part 226) (Appendix B). Section 17(d)(5) of the Act authorizes the serious deficiency, termination, and disqualification procedures for institutions, day care homes, and individuals in the CACFP. Under this Program, the Secretary of Agriculture is authorized to develop policies under which each State agency must conduct at least one scheduled on-site visit, within at least not less than 3-year intervals, to identify and prevent management deficiencies, fraud, and abuse, and to improve CACFP operations. The U.S. Department of Agriculture (USDA), through the Food and Nutrition Service (FNS), has established application, monitoring, recordkeeping, public disclosure, and reporting requirements in the CACFP regulations (7 CFR part 226) (Appendix C) to manage the Program effectively and ensure that the legislative intent of this mandate is responsibly implemented.

A2. Purpose and Use of the Information.

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.

The CACFP is a Federal program, authorized under Section 17 of the Act, that provides reimbursements for nutritious meals and snacks to eligible children and adults who are enrolled for care at participating child care centers, day care homes, and adult day care centers. The CACFP also provides reimbursements for meals served to children and youth participating in afterschool care programs, children residing in emergency shelters, and adults over the age of 60 or living with a disability and enrolled in day care facilities.

FNS administers the CACFP at the national level. The Program is administered within most States by the State’s educational agency or another agency designated by the State. The State

agency (SA) must provide sufficient consultative, technical, and supervisory assistance to institutions and facilities to ensure effective Program operations, monitor progress toward achieving Program goals, and ensure compliance with all civil rights requirements.

In CACFP, the serious deficiency process is used to correct serious management problems and protect program integrity. The proposed rule will apply to institutions and facilities. CACFP defines an institution as a sponsoring organization or independent child care center (such as a sponsoring organization, child care center, at-risk-after-school care center, outside-school-hours care center, emergency shelter, or an adult day care center) that enters into an agreement directly with an SA to assume final administrative and financial responsibility for Program operations. A facility may be a child care center, at-risk-afterschool care center, outside-school-hours care center, emergency shelter, adult day care center, or day care home provider that enters into an agreement with a sponsoring organization that sponsors the facility.

If this is an ongoing collection, how have the collection requirements changed over time?

With this revision, FNS increased the burden estimates due to the addition of new reporting, recordkeeping, and public disclosure requirements added to the serious deficiency process and to account for the extension of the serious deficiency process to unaffiliated centers and independent child care centers.

Some approved citations have been moved to a new subchapter, at 7 CFR 226.25, to consolidate various provisions in a clear and concise manner. The proposed rule moves the requirements for participating institutions, from its old location in 226.6, to the new subchapter. Meanwhile, the requirements for applying institutions remain in the proposed 226.6. The Burden Estimate represents these changes by subtracting the burden associated with participating institutions from the old citations in the proposed 226.6 and adding the burden back into the new

subchapter at 226.25 (Appendix G). Details of these changes and the revised burden estimates are included in sections A.12 and A.15 of this supporting statement, as well as the Burden Estimate (Appendix F).

For further information, see Supporting Statement A – Appendix (Appendix J). This contains further information on A2.

A3. Use of information technology and burden reduction.

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, which provide increased opportunities for citizen access to Government information and services. All 56 CACFP State agencies must submit some of their responses electronically to fulfill the proposed requirements.

This collection will revise the current information collection to incorporate changes to the serious deficiency process. The proposed rule has requirements that collect information electronically. The State agency lists are maintained and are updated frequently as institutions and facilities move through the serious deficiency process. State agency lists are maintained electronically and use electronic submissions to ensure that all reported information gets updated to the list. In addition, the FNS Form-843 and Form-844 are digital forms that are sent to FNS to update the NDL (Appendices D & E). Out of the total 985,508 responses for this proposed rule submission, FNS estimates that 393,508 will be submitted electronically (39.91%). Based on these proposed estimates, FNS estimates that 8,542,747 (49.8%) of the 17,166,115 of the total responses

for the collection may be collected electronically.

Burden Reduction Efforts

FNS does not expect that this proposed rule will reduce the burden for this collection. Although individual information requirements related to the rule do show a reduction in burden, this burden is not actually being reduced in the collection since it is simply being moved from one requirement to another. Prior to this rule, the serious deficiency requirements for new applications and participating institutions were counted in the same requirement. For this proposed rule, however, the two entities are being split apart and moves part of the original burden into a new requirement. In the overall picture, this does not constitute a burden reduction for this collection.

A4. Efforts to identify duplication.

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 similar information collection. Every effort has been made to avoid duplication. FNS solely administers and monitors the CACFP and has reviewed USDA and State administrative agency requirements. No State agency, Local government agency, institution, or business collects this same information for other Federal agencies, as Program applications, agreements, review forms, records, and reports used in the administration and operation of other Child Nutrition Programs authorized under the Act and the Child Nutrition Act of 1966 are not applicable to the CACFP.

A5. Impacts on small businesses or other small entities.

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

Information being requested or required has been held to the minimum required for the intended use. State agencies are not considered small entities as State populations exceed the 50,000 threshold for small government jurisdictions. Certain local government agencies, institutions, and facilities associated with CACFP meet the definition of "small entities" in the Regulatory Flexibility Act. FNS estimates that 85.1 percent of institutions or 18,601 institutions (i.e., $41,136 \times 0.85$) and 100 percent of facilities or 28,535 facilities (i.e. 6,843 independent center facilities + 21,692 unaffiliated center facilities), impacted by the proposed rule, are small entities. In total, FNS estimates that 47,136 (i.e., $18,601 + 28,535$) of the 79,040 respondents impacted by the rule, or approximately 59.6 percent of the entire collection (i.e., $47,136 / 79,040$), are small entities. Based on these proposed estimates, FNS estimates that 224,944 (5.8 %) of the 3,852,077 total respondents for the collection may be small entities.

A6. Consequences of collecting the information less frequently.

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.

This is an ongoing information collection, which is being revised by a proposed rule, that contains mandatory and voluntary requirements. Should institutions fail to provide the required information, they would be terminated and disqualified from program participation. The information is collected for the purpose of providing consistent application of the serious deficiency process across State agencies and institutions. State agencies and institutions use the serious deficiency process to ensure that facilities are operating the CACFP in accordance with Program standards. Program agreements and State agency lists are updated and reported to FNS to ensure that institutions and facilities correct serious management issues or are otherwise

disqualified from participation in the CACFP, if serious management issues persist. Given that the serious deficiency process has six steps that each require an update to the state agency list, the State agency list will need to be updated frequently as institutions and facilities move through the full process. Each requirement would be applied for each institution and facility identified to have a serious management problem per State agency. Applying these requirements less frequently would allow institutions and facilities who have findings that rise to the level of serious management problems to avoid the serious deficiency process and undermine program integrity in the CACFP.

If program agreements or state agency lists were collected less frequently, FNS would not be able to properly assess whether institutions or facilities have fully corrected serious management issues and ensure Program integrity. The collection of this information is required as soon as possible to ensure that serious management problems are corrected quickly.

Notices provided by the State agency, Local government agency, or institution must be delivered as soon as possible to the facility. Facilities are allowed to exercise due process rights to have a decision reviewed by a fair hearing official up to 15 calendar days after the date of receipt of a notice of proposed termination. As such, the timely delivery of notices is required to ensure that a facility may use their due process rights.

At least two full reviews are required for a CACFP Program operator to reach "full correction" status. The full reviews are necessary to see if the operator has fully implemented the corrective action plan and that no new or repeat serious management problems have occurred. In the proposed rule, institutions would achieve "full correction" if they completed two full reviews once every 2 years and at least 24 months apart with no new or repeat serious management problems. For day care homes and unaffiliated sponsored centers, "full correction" would be

achieved after completing at least 3 consecutive full reviews that reveal no new or repeat serious management problems. FNS proposes full reviews happen at this frequency as analysis conducted by the agency of a large sample of serious deficiency notices determined that most repeat serious deficiencies occurred within a 2-yr. period. Using this standard will determine if serious management problems persist without placing unnecessary administrative burdens on the reviewing agency and the Program operator.

One proposed requirement is voluntary. State agencies may voluntarily submit a waiver request to FNS to waive the independent two-step verification and notification requirement necessary to participate in a CMA-compliant Federal system of records. The State agencies have the option to submit a waiver request if they believe they are unable to immediately comply with the CMA requirements in the proposed rule. This provision is voluntary to provide flexibilities for State agencies to implement the proposed CMA requirements.

A7. Special circumstances relating to the Guidelines of 5 CFR 1320.5.

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. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.5.

A8. Comments to the Federal Register Notice and efforts for consultation.

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 hour burden.

A 90-day Federal Register Notice is embedded in the proposed rule titled “Serious Deficiency Process in the Child and Adult Care Food Program and Summer Food Service Program” (RIN 0584-AE83), which was published in the Federal Register on February 21st, 2024 (Vol. 89, No. 35, pages 13150 to 13229). The public comment period related to the PRA aspects of the proposed rule ended on May 21st, 2024. Comments will be received and evaluated on the information collection requirements during the comment period after publication of the proposed rule. During this time, interested members of the public will have the opportunity to provide FNS with comments concerning the necessity, practical utility, accuracy, and merit of the information collection activities proposed. Comments will be addressed during the final stage of rulemaking with the final rule information collection request. For further information, see Supporting Statement A – Appendix (Appendix J). This contains further information on efforts for consultation for the proposed rule.

A9. Explain any decisions to provide any payment or gift to respondents.

Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payment or gifts are provided to the respondents.

A10. Assurances of confidentiality provided to respondents.

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, 5 U.S.C. Section 552a, which requires the safeguarding of individuals against invasion of privacy. There are some provisions of the proposed rule that require the collection of personally identifiable information (PII) to meet certain program requirements. The information collection was reviewed and approved by the FNS Privacy Officer, Deea Coleman, on March 26, 2024, providing no additional comments.

The serious deficiency process requires the submission of PII of responsible principals and responsible individuals by an institution or facility if serious management problems have been identified. Regulations at 7 CFR 226.25(a)(6)(i)(H) require the provision of the date of birth for any responsible principal or responsible individual as a condition for corrective action while the regulation at 226.25(a)(6)(iii)(B) requires that the State agency provide the mailing address and date of birth for each responsible principal and responsible individual to the appropriate FNSRO to be placed on the NDL.

The collected PII of responsible principals and individuals is reported on the FNS-843 and FNS-844 forms (Attachments C & D). These electronic forms are used to populate the NDL, which maintains records on principals and individuals who have been disqualified from program participation. Both forms include a Privacy Act Statement that states that collected information will be kept private to the extent provided by law under the Privacy Act of 1974.

In regard to the NDL, the Computer Matching Act, 5 U.S.C. 552a(o), applies when a Federal agency conducts a computer match of two or more personally identifiable information records for establishing or verifying eligibility under a Federal benefit program. Current regulations describing the NDL do not address procedures or protections for data disclosure or privacy specified for records maintained on any person in a computer matching program under the Computer Matching Act.

In the proposed rule, new provisions are added at 226.25(e)(3) to make the NDL compliant with the Computer Matching Act. The new provisions require each State agency to enter into a written matching agreement with FNS to address procedures and protections for disclosure and privacy of personally identifiable information records on the NDL. Additional proposed requirements advise State agencies on the use of matching agreements, independent verification of matching information, appropriate use of disqualification data, and safeguards to protect individuals who may be incorrectly placed on the NDL through human error or technical lapses in the system. State agencies must also provide an opportunity for individuals placed on the NDL to ensure that the record is accurate.

A11. Justification for any questions of a sensitive nature.

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.

Provisions introduced by the proposed rule will ask for information regarding debts owed to the program of responsible principals and responsible individuals. When the State agency issues a notice of termination, disqualification, and serious deficiency, it must submit a copy of the notice to FNS, along with information on the full amount of any determined debt associated with the sponsor, responsible principals, and responsible individuals, for inclusion on the NDL.

The proposed rule will introduce new regulations at 7 CFR 226.25(e)(3) to make the NDL fully compliant with the Computer Matching Act, 5 U.S.C. 522a(o). The new provisions require each State agency to enter into a written matching agreement with FNS to address procedures and protections for disclosure and privacy of personally identifiable information

records on the NDL. Additional proposed requirements advise State agencies on the use of matching agreements, independent verification of matching information, appropriate use of disqualification data, and safeguards to protect individuals who may be incorrectly placed on the NDL through human error or technical lapses in the system. State agencies must also provide an opportunity for individuals placed on the NDL to ensure that the record is accurate. These provisions apply to all information submitted to the NDL, including the debts owed to the Program by responsible principals and responsible individuals.

Information on debts owed to the Program are important to ensure that the integrity of the Program is protected. Fiscal claims are assessed against Program operators when they have been made in error and ensure the financial viability of the Program. This is in line with other Child Nutrition Programs.

In the proposed rule, institutions with identified serious management problems are required to fully implement all corrective actions and pay any debts owed to the Program to return to "good standing" and exit the serious deficiency process. Should an institution fail to comply with these requirements, responsible principals and responsible individuals would be disqualified and placed on the NDL, along with information on debts owed to the Program. After a period of 7 years, disqualified principals and individuals would have to repay debts owed to participate in the Program again. These requirements ensure that disqualified principals and individuals are prohibited from Program participation and that they do not threaten the integrity of the Program.

A12. Estimates of the hour burden of the collection of information.

Provide estimates of the hour burden of the collection of information. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated.

A. 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.

This is a revision of a currently approved collection. FNS estimates that the burden estimates for the requirements proposed in this rulemaking will have 79,040 respondents, 985,508 responses, and 760,711 burden hours. With this submission, FNS estimates that this collection will have 3,852,077 respondents, 17,166,115 annual responses, and 4,969,662 total annual burden hours. To estimate reporting, recordkeeping, and public disclosure burdens for this submission, we analyzed each provision involving information collection to identify tasks necessary for compliance. We then identified the frequency with which a “typical” State or local government agency, institution, facility, or individual/household performs each task or requirement and estimated the amount of time needed to perform the task. The burden estimates for this submission account for all different methods used by respondents to perform each task (i.e., using different methods for the same information, such as paper and electronic format). The baseline ICR did not have an assumption for the number of Unaffiliated Centers or Independent Child Care Centers, so data was pulled from the National Data Bank (NDB) to get an estimate of how many respondents would be added in response to the proposed rule (Appendix H). The results of our analysis are presented in the attached Burden Table and are summarized below and in the Burden Narrative (Appendix F). These estimates reflect consultations with Program officials, outside consultants, affected stakeholders, and prior experience in collecting similar information.

Burden Summary (Reporting, Recordkeeping, and Public Disclosure):

Reporting

Respondents (Affected Public): State, Local, and Tribal Government and Businesses.

Respondent groups identified include: (1) SAs that administer the CACFP in their State; (2) local government agencies that are CACFP sponsoring organizations; (3) institutions (i.e., a sponsoring organization, child care center, at-risk afterschool care center, outside-school-hours care center, emergency shelter, or adult day care center) that enter into agreements with the SA to assume responsibility for CACFP operations; and (4) facilities (i.e., adult or child care centers, independent child care centers, unaffiliated centers, or family day care homes) that administer the CACFP under the auspices of a sponsoring organization.

Estimated Number of Respondents: The total estimated number of respondents is 78,984.

Estimated Number of Responses per Respondent: The overall frequency of responses across the entire information collection is 12.45 responses per respondent.

Estimated Total Annual Responses: 983,771 responses.

Estimated Time per Response: The estimated time of response across the entire collection is approximately 46 minutes (0.77 hours). It varies from approximately 5 minutes (0.0835 hours) to 5.379 hours, depending on the respondent group, the type of burden, and the information collection task.

Estimated Total Annual Burden on Respondents: 758,737 annual burden hours.

Recordkeeping

Respondents (Affected Public): State, Local, and Tribal Government. Respondent groups identified include State agencies that administer the CACFP in their State.

Estimated Number of Respondents: The total estimated number of respondents is 56.

Estimated Number of Responses per Respondent: The overall frequency of responses across the entire information collection is 8 responses per respondent.

Estimated Total Annual Responses: 448 responses.

Estimated Time per Response: The average estimated time of response across the entire collection is approximately 3 hours and 41 minutes (3.688 hours). It varies from approximately 1 hour and 30 minutes (1.5 hours) to 5 hours, depending on the respondent group, the type of burden, and the information collection task.

Estimated Total Annual Burden on Respondents: 1,652 annual burden hours.

Public Disclosure

Respondents (Affected Public): State, Local, and Tribal Government. Respondent groups identified include State agencies that administer the CACFP in their State.

Estimated Number of Respondents: The total estimated number of respondents is 56.

Estimated Number of Responses per Respondent: The overall frequency of responses across the entire information collection is 23 responses per respondent.

Estimated Total Annual Responses: 1,288 responses.

Estimated Time per Response: The average estimated time of response across the entire collection is 15 minutes (0.25 hours).

Estimated Total Annual Burden on Respondents: 322 annual burden hours.

Estimated Annual Burden for CACFP

Reporting

Respondent Type	Burden Activities	Section	Estimated Number of Respondents	Frequency of Response	Average Annual Responses	Average Burden per Response	Annual Burden Hours	Annual Burden Hours Current Approved Burden Hours	Program Changes	Total Difference in Burden
State Agencies	SAs must develop a process to share information on any institution, facility, or RPIs not approved to administer or participate in the programs as described under paragraph (b)(2)(iii)(A)(1) of this section. The SA must work closely with any other Child Nutrition Program SA within the State to ensure information is shared for program purposes and on a timely basis. The process must be approved by FNS.	226.6(b)(2)(iii)(D)(2)	56	1.000	56.000	1.000	56.000	0.000	56.000	56.000
State Agencies	SA must ensure that the MSSOs operations, as described in paragraph (b)(1)(xviii), are up-to-date. If the MSSO has facilities not previously reported to the SA, as described in paragraph (b)(1)(xviii), the MSSO must update the information.	226.6(b)(2)(iii)(L)	56	23.000	1,288.000	0.250	322.000	0.000	322.000	322.000
State Agencies	SAs must notify an institution's executive director and chairman of the board of directors that the institution has been determined to be seriously deficient. At the same time the notice is issued, the SAs must add the institution to the SA list, along with the basis for the serious deficiency determination, and provide a copy of the notice to the appropriate FNS Regional Office (FNSRO).	226.6(c)(4)	56	5.000	280.000	0.250	70.000	140.000	-70.000	-70.000
State Agencies	SAs must submit a copy of successful corrective action (temporary deferment or serious deficiency determination) notices to FNSRO for new, renewing, and participating institutions.	226.6(c)(5)(i)(A)	56	3.500	196.000	0.250	49.000	98.000	-49.000	-49.000
State Agencies	SAs must submit a copy of application denial and proposed disqualification notice to FNSRO.	226.6(c)(6)	56	1.500	84.000	0.250	21.000	42.000	-21.000	-21.000
State Agencies	SAs must submit copies of disqualification notices to the FNSRO for new, renewing, and participating institutions.	226.6(c)(8)	56	1.500	84.000	0.250	21.000	42.000	-21.000	-21.000

State Agencies	SAs must develop and provide for the use of a standard form of written permanent agreement between each sponsoring organization and day care home or unaffiliated centers, outside-school-hours-care centers, at-risk afterschool care centers, emergency shelters, or adult day care centers for which it has the responsibility for Program operations. The agreement must specify the rights and responsibilities of both parties.	226.6(n)(1)	15	1.000	15.000	6.000	90.000	90.000	0.000	0.000
State Agencies	SAs must determine if a sponsoring organization is an MSSO, as described in paragraphs (b)(1)(xv) and (b)(2)(iii)(L). SAs must assume the role of the CSA, if the MSSOs center of operations is located within the State. Each SA that approves an MSSO must follow the requirements described in paragraph (i).	226.6(q)	56	23.000	1,288.000	0.250	322.000	0.000	322.000	322.000
State Agencies	SAs must enter into a permanent written agreement with the MSSO, as described in paragraph (b)(4).	226.6(q)(1)(i)	56	23.000	1,288.000	0.250	322.000	0.000	322.000	322.000
State Agencies	SAs must approve the MSSOs administrative budget.	226.6(q)(1)(ii)	56	23.000	1,288.000	0.250	322.000	0.000	322.000	322.000
State Agencies	SAs must conduct monitoring of MSSO Program operations within the State, as described in paragraph (k)(4). The SA should coordinate monitoring with the CSA to streamline reviews and minimize duplication of the review content.	226.6(q)(1)(iii)	56	23.000	1,288.000	0.250	322.000	0.000	322.000	322.000
State Agencies	SAs must provide summaries of the MSSO reviews that are conducted to the CSA. If the SA chooses to conduct a full review, the SA should request the necessary records from the CSA.	226.6(q)(1)(iii)(C)	56	23.000	1,288.000	0.250	322.000	0.000	322.000	322.000
State Agencies	SAs must conduct audit resolution activities. The SA must review audit reports, address audit findings, and implement corrective actions, as required under 2 CFR part 200, subpart D, and USDA implementing regulations 2 CFR parts 400 and 415.	226.6(q)(1)(iv)	56	5.000	280.000	0.250	70.000	0.000	70.000	70.000
State Agencies	SAs must notify all other State agencies that have agreements with the MSSO of termination and disqualification actions, as described in paragraph (c)(2)(i).	226.6(q)(1)(v)	56	23.000	1,288.000	0.250	322.000	0.000	322.000	322.000

State Agencies	If it determines that an MSSOs center of operations is located within the State, the SA must assume the role of the CSA.	226.6(q)(2)	56	23.000	1,288.000	0.250	322.000	0.000	322.000	322.000
State Agencies	The CSA must conduct a full review at the MSSO headquarters and financial records center. The CSA must coordinate the timing of the reviews and make copies of monitoring reports and findings available to all other State agencies that have agreements with the MSSO.	226.6(q)(2)(iii)	56	23.000	1,288.000	20.000	25,760.000	0.000	25,760.000	25,760.000
State Agencies	If an MSSO has for-profit status, the cognizant agency must establish audit thresholds and requirements.	226.6(q)(2)(iv)	56	6.000	336.000	1.000	336.000	0.000	336.000	336.000
State Agencies	SAs must provide information on the importance and benefits of the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and WIC income eligibility guidelines to participating institutions.	226.6(p)	56	1.000	56.000	0.250	14.000	14.000	0.000	0.000
State Agencies	SAs must identify serious management problems and define a set of standards to help measure the severity of a problem to determine what rises to the level of a serious management problem and how it affects the institution or facility's ability to meet Program requirements.	226.25(a)(2)(i) and 226.25(a)(3)	56	1.000	56.000	1.000	56.000	0.000	56.000	56.000
State Agencies	SAs must notify an institution's executive director and chairman of the board of directors, and RPIs, that serious management problems have been identified, must be addressed, and corrected. The notice must include all of the required information and the SA must add the institution and RPIs to the SA list and provide a copy of the notice to the appropriate FNSRO.	226.25(a)(2)(ii), 226.25(a)(5), and 226.25(a)(6)(i)	56	5.000	280.000	0.250	70.000	0.000	70.000	70.000
State Agencies	If corrective action has been taken to fully correct each serious management problem, SAs must notify an institution's executive director and chairman of the board of directors, and RPIs, that the serious management problem has been vacated and the SA must update the SA list and provide a copy of the notice to the appropriate FNSRO.	226.25(a)(2)(ii), 226.25(a)(5), and 226.25(a)(6)(ii)(A)	56	3.500	196.000	0.250	49.000	0.000	49.000	49.000

State Agencies	If corrective action has not fully corrected each serious management problem, SAs must notify an institution's executive director and chairman of the board of directors, and RPIs, that the SA proposes to terminate the institution's agreement and disqualify the institution and RPIs. SA must notify the institution of the procedures for seeking a fair hearing in accordance with paragraph f of the proposed termination and proposed disqualifications. At the same time, the SA must update the SA list and provide a copy of the notice to the appropriate FNSRO.	226.25(a)(2)(ii), 226.25(a)(5), and 226.25(a)(6)(ii)(B)	56	1.500	84.000	0.250	21.000	0.000	21.000	21.000
State Agencies	If appeal is upheld, SAs must notify the institution and facility that confirms the serious management problem is vacated and advise the institution and facility that procedures and policies must be implemented to fully correct the serious management problem. If the fair hearing is denied, SAs must notify the institution's executive director and chairman of the board of directors, and RPIs, that the agreement is terminated and declare the institution or facility seriously deficient. SAs must issue a serious deficiency notice that informs the institution, facility, and RPIs of their disqualification from Program participation. At the same time, the SA must update the SA list and provide a copy of the notice to the appropriate FNSRO.	226.25(a)(2)(ii), 226.25(a)(5), and 226.25(a)(6)(iii)(A) and (B)	56	1.500	84.000	0.250	21.000	0.000	21.000	21.000
State Agencies	The State agency must maintain a State agency list, made available to FNS upon request, and must include the required information. Within 10 days of receiving a notice of termination and disqualification from a sponsoring organization, the State agency must provide FNS with the information as described in paragraph (b)(1) (A) and (B) of this section.	226.25(b)	56	10,570	591,895.000	0.250	147,973.750	0.000	147,973.750	147,973.750
State Agencies	SAs must receive and approve the corrective action plan within 90 days from the date the institution received the notice and monitor the full implementation of the corrective action plan.	226.25(c)(2)(iv)(C)	56	3.000	168.000	0.250	42.000	0.000	42.000	42.000
State Agencies	SAs must conduct and prioritize follow-up reviews and more frequent full reviews of institutions with serious management problems, as described in 7 CFR 226.6(k)(6)	226.25(c)(3)(i) and 226.6(k)(2)	56	39.000	2,184.000	20.000	43,680.000	0.000	43,680.000	43,680.000

	(ii).									
State Agencies	SAs must terminate for cause the Program agreement upon declaration of the institution or facility to be seriously deficient.	226.25(d)(1)	56	3.000	168.000	0.250	42.000	42.000	0.000	0.000
State Agencies	SAs must develop a contingency plan for the transfer of facilities if a sponsoring organization is terminated or disqualified to ensure that eligible participants continue to have access to meal service.	226.25(d)(2)	56	3.000	168.000	2.000	336.000	0.000	336.000	336.000
State Agencies	If all serious management problems have been corrected and all debts have been repaid, SAs may elect to remove an institution and RPIs from the National Disqualified List and must submit all requests for early removals to the appropriate FNSRO.	226.25(e)(2)(iii)	56	3.000	168.000	0.250	42.000	0.000	42.000	42.000
State Agencies	SAs must enter into written agreements with FNS, consistent with 5 U.S.C. 552a(o) of the CMA, in order to participate in a matching program involving a FNS Federal system of records.	226.25(e)(3)(ii)	56	1.000	56.000	1.000	56.000	0.000	56.000	56.000
State Agencies	SAs may request FNS to waive the two-step independent verification and notice requirement of the CMA.	226.25(e)(3)(iii)(B)	56	1	56	1	56	0	56	56

State Agencies	If the SA or sponsoring organization determines that there is an imminent threat to the health or safety of participants, or that there is a threat to public health or safety, the appropriate State or local licensing and health authorities must immediately be notified and take action that is consistent with the recommendations and requirements of those authorities. The SA or sponsoring organization must initiate action for termination and disqualification. The SA must notify the institution's executive director and chairman of the board of directors that the institution's participation has been suspended and that the SA proposes to terminate the institution's agreement and to disqualify the institution and the RPIs. The notice must identify the RPIs and must be sent to those persons as well. If the SA determines that an institution has knowingly submitted a false or fraudulent claim, the SA must initiate action to suspend the institution's participation and must initiate action to terminate the institution's agreement and initiate action to disqualify the institution and the RPIs. At the same time this notice is sent, the SA must add the institution and the RPIs to the State agency list, along with the basis for the suspension and provide a copy of the notice to the appropriate FNSRO.	226.25(f)(1)(i)(A) & 226.25(f)(2)(i)(A)	56	1.000	56.000	0.250	14.000	14.000	0.000	0.000
State Agencies	SAs must annually submit administrative review (appeal) procedures to all institutions.	226.25(g)	56	390.000	21,840.000	0.017	364.728	364.728	0.000	0.000
State Agencies	Each SA must submit administrative review (appeal) procedures when applicable action is taken.	226.25(g)(1)(i)	56	5.000	280.000	0.250	70.000	70.000	0.000	0.000
State Agencies	SAs must notify the institution's executive director and chairman of the board of directors, and the responsible principals and responsible individuals, of the action being taken or proposed, the basis for the action, and the procedures under which the institution and the responsible principals or responsible individuals may request an administrative review (appeal) of the action.	226.25(g)(1)(iii)	56	3.000	168.000	0.250	42.000	42.000	0.000	0.000
State Agencies	SAs must submit written documentation to the hearing official prior to the beginning of the hearing, within 30 days after receiving the notice of action.	226.25(g)(1)(iv)(E)	56	3.000	168.000	2.000	336.000	336.000	0.000	0.000

State Agencies	If a hearing is requested, the sponsor, the responsible principals, and responsible individuals must be provided with at least 5 days advance notice of the time and place of the hearing.	226.25(g)(2)	56	3.000	168.000	0.084	14.03	14.030	0.000	0.000
State Agencies	Hearing official must hold hearing to determine that the SA followed Program requirements in taking action under appeal.	226.25(g)(2)	56	3.000	168.000	4.000	672.000	672.000	0.000	0.000
State Agencies	Hearing official must inform the SA, sponsor, responsible principals, and responsible individuals of the decision within 60 days of the date the SA received the appeal request	226.25(g)(5)(i) and (ii)	56	3.000	168.000	0.500	84.000	84.000	0.000	0.000
State Agencies	SAs must send a necessary demand letter for the collection of unearned payments, including any assessment of interest, as described in § 226.14(a), and refer the claim to the appropriate State authority for pursuit of the debt payment. SAs must assess interest on institutions' debts established on or after July 29, 2002, based on the Current Value of Funds Rate, and notify the institution that interest will be charged on debts not paid in full within 30 days of the initial demand for remittance up to the date of payment.	226.25(h)(3)(i))	56	39.000	2,184.000	0.017	36.473	36.473	0.000	0.000
State Agencies Total			56	11,316.821	633,742.000	0.35	223,140.98	2,101.23	221,039.750	221,039.750
Local Government Agencies	Sponsoring organizations approved to participate in the Program in more than one State must provide the required information concerning the affiliated and unaffiliated centers and day care homes, in addition to contact information.	226.6(b)(1)(xix)	3	1.000	3.000	0.250	0.750	0.000	0.750	0.750
Local Government Agencies	Sponsoring organizations must identify serious management problems and define a set of standards to help measure the severity of a problem to determine what rises to the level of a serious management problem and how it affects the institution or facility's ability to meet Program requirements.	226.25(a)(2)(i) and 226.25(a)(3)	3,257	1.000	3,257.000	1.000	3,257.000	0.000	3,257.000	3,257.000
Local Government Agencies	Sponsoring organizations must notify the day care home or unaffiliated center that serious management problems have been identified, must be addressed, and corrected. The notice must include the required information.	226.25(a)(2)(ii), 226.25(a)(5), and 226.25(a)(7)(i)	83	1.000	83.000	0.250	20.750	20.750	0.000	0.000

Local Government Agencies	If corrective action has been taken to fully correct each serious management problem, sponsoring organizations must notify an institution's executive director and chairman of the board of directors, and RPIs, that the serious management problem has been vacated.	226.25(a)(2)(ii), 226.25(a)(5), and 226.25(a)(7)(ii)(A)	3,257	1.000	3,257.000	0.250	814.250	0.000	814.250	814.250
Local Government Agencies	If corrective action has not fully corrected each serious management problem, sponsoring organizations must notify an institution's executive director and chairman of the board of directors, and RPIs, that the sponsoring organizations proposes to terminate the institution's agreement and disqualify the institution and RPIs.	226.25(a)(2)(ii), 226.25(a)(5), and 226.25(a)(7)(ii)(B)	3,257	1.000	3,257.000	0.250	814.250	0.000	814.250	814.250
Local Government Agencies	If appeal is upheld, sponsoring organizations must notify the institution and facility that confirms the serious management problem is vacated and advise the institution and facility that procedures and policies must be implemented to fully correct the serious management problem. If the fair hearing is denied, sponsoring organizations must notify the institution's executive director and chairman of the board of directors, and RPIs, that the agreement is terminated and declare the institution or facility seriously deficient. Sponsoring organizations must issue a serious deficiency notice that informs the institution, facility, and RPIs of their disqualification from Program participation.	226.25(a)(2)(ii), 226.25(a)(5), and 226.25(a)(7)(iii)(A) and (B)	3,257	1.000	3,257.000	0.250	814.250	0.000	814.250	814.250
Local Government Agencies	In response to the notice of serious management problems, the institution, unaffiliated center, or day care home must submit, in writing, what corrective actions it has taken to correct each serious management problem. The corrective action plan must address the root cause of each serious management problem, describe and document the action taken to correct serious management problems, and describe the action's outcome.	226.25(c)(1)	3,257	1.000	3,257.000	0.250	814.250	0.000	814.250	814.250
Local Government Agencies	Sponsoring organizations must conduct reviews, as described in § 226.16(d)(4) to confirm that the serious management problem(s) is corrected. A follow-up review must be conducted to confirm that the serious management problem is corrected.	226.25(c)(3)(ii)	3,257	1.000	3,257.000	20.000	65,140.000	0.000	65,140.000	65,140.000

Local Government Agencies	Sponsoring organizations must terminate for cause the Program agreement upon declaration of the institution or facility to be seriously deficient.	226.25(d)(1)	3,257	1,000	3,257.000	0.250	814.250	0.000	814.250	814.250
Local Government Agencies	If the sponsoring organization determines that there is an imminent threat to the health or safety of participants, or that there is a threat to public health or safety, the appropriate State or local licensing and health authorities must immediately be notified and take action that is consistent with the recommendations and requirements of those authorities. The sponsoring organization must initiate action for termination and disqualification and must submit a combined notice of suspension, proposed termination, and proposed disqualification to the day care home provider or unaffiliated center and the RPIs. The notice must identify the RPIs and must be sent to those persons as well. If the sponsoring organization determines that a day care home or unaffiliated center has knowingly submitted a false or fraudulent claim, the sponsoring organization must initiate action to suspend the day care home or unaffiliated center's participation and must initiate action to terminate the day care home or unaffiliated center's agreement and initiate action to disqualify the institution and the RPIs. At the same time this notice is sent, the SA must add the day care home or unaffiliated center and the RPIs to the State agency list, along with the basis for the suspension and provide a copy of the notice to the appropriate FNSRO.	226.25(f)(1)(ii)(A) & 226.25(f)(2)(ii)(A)	814	1,000	814.000	0.250	203.500	203.500	0.000	0.000
Local Government Agencies Total			3,257	7,276	23,699.000	3,067	72,693.250	224.250	72,469.000	72,469.000
State/Local/Tribal Governments Total			3,313	198.443	657,441.000	0.450	295,834.23	2,325.48	293,508.750	293,508.750
Institutions	Sponsoring organizations approved to participate in the Program in more than one State must provide the required information concerning the affiliated and unaffiliated centers and day care homes and the necessary contact information.	226.6(b)(1)(xix)	1,116	1,000	1,116.000	0.250	279.000	0.000	279.000	279.000

Institutions	Unaffiliated sponsored child care centers must enter into a written permanent agreement with the sponsoring organization. The agreement must specify the rights and responsibilities of both parties. At a minimum, the agreement must include the provisions set forth in paragraph (b) of this section. The sponsoring organization may terminate this agreement for cause as described in § 226.25(a).	226.17(e)	21,692	1.000	21,692.496	0.250	5,423.124	0.000	5,423.124	5,423.124
Institutions	Independent child care centers must enter into a written permanent agreement with the State agency. The agreement must specify the rights and responsibilities of both parties as required by § 226.6(b)(4). At a minimum, the agreement must include the provisions set forth in paragraph (b) of this section. The SA may terminate this agreement for cause as described in § 226.25(a).	226.17(f)	6,843	1.000	6,843.466	0.250	1,710.867	0.000	1,710.867	1,710.867
Institutions	Unaffiliated sponsored afterschool care centers must enter into a written permanent agreement with the sponsoring organization. The agreement must specify the rights and responsibilities of both parties. At a minimum, the agreement must include the applicable provisions set forth in this section. The sponsoring organization may terminate this agreement for cause as described in § 226.25(a).	226.17a(f)(2)(i)	21,692	1.000	21,692.496	0.250	5,423.124	0.000	5,423.124	5,423.124
Institutions	Independent afterschool child care centers must enter into a written permanent agreement with the SA. The agreement must specify the rights and responsibilities of both parties as required by § 226.6(b)(4). At a minimum, the agreement must include the applicable provisions set forth in this section. The SA may terminate this agreement for cause as described in § 226.25(a).	226.17a(f)(2)(ii)	6,843	1.000	6,843	0.250	1,710.867	0.000	1,710.867	1,710.867
Institutions	Unaffiliated sponsored outside-school-hours care centers must enter into a written permanent agreement with the sponsoring organization. The agreement must specify the rights and responsibilities of both parties. At a minimum, the agreement must include the provisions set forth in paragraph (b) of this section. The sponsoring organization may terminate this agreement for cause as described in § 226.25(a).	226.19(d)	21,692	1.000	21,692	0.250	5,423.124	0.000	5,423.124	5,423.124

Institutions	Unaffiliated sponsored adult day care centers must enter into a written permanent agreement with the sponsoring organization. The agreement must specify the rights and responsibilities of both parties. At a minimum, the agreement must address the provisions set forth in paragraph (b) of this section. The sponsoring organization may terminate this agreement for cause as described in § 226.25(a).	226.19a(d)	6,843	1.000	6,843	0.250	1,710.867	0.000	1,710.867	1,710.867
Institutions	Sponsoring organizations must identify serious management problems and define a set of standards to help measure the severity of a problem to determine what rises to the level of a serious management problem and how it affects the institution or facility's ability to meet Program requirements.	226.25(a)(2)(i) and 226.25(a)(3)	18,601	1.000	18,601.000	1.000	18,601.000	0.000	18,601.000	18,601.000
Institutions	Sponsoring organizations must notify a day care home or unaffiliated center that serious management problems have been identified, must be addressed, and corrected. The notice must include the required information.	226.25(a)(2)(ii), 226.25(a)(5), and 226.25(a)(7)(i)	540	1.000	540.000	0.250	135.000	135.000	0.000	0.000
Institutions	If corrective action has been taken to fully correct each serious management problem, sponsoring organizations must notify the day care home or unaffiliated center that the serious management problem has been vacated.	226.25(a)(2)(ii), 226.25(a)(5), and 226.25(a)(7)(ii)(A)	18,601	1.000	18,601.000	0.250	4,650.250	0.000	4,650.250	4,650.250
Institutions	If corrective action has not fully corrected each serious management problem, sponsoring organizations must notify the day care home or unaffiliated center that the sponsoring organizations proposes to terminate the institution's agreement and disqualify the institution and RPIs. The sponsoring organization must notify the institution of the procedures for seeking a fair hearing in accordance with paragraph g of the proposed termination and proposed disqualifications.	226.25(a)(2)(ii), 226.25(a)(5), and 226.25(a)(7)(ii)(B)	18,601	1.000	18,601.000	0.250	4,650.250	0.000	4,650.250	4,650.250
Institutions	If appeal is upheld, sponsoring organizations must notify the day care home or unaffiliated center that confirms the serious management problem is vacated and advise the institution and facility that procedures and policies must be implemented to fully correct the serious management problem.	226.25(a)(2)(ii), 226.25(a)(5), and 226.25(a)(7)(iii)(A)	18,601	1.000	18,601.000	0.250	4,650.250	0.000	4,650.250	4,650.250

Institutions	If the fair hearing is denied, sponsoring organizations must notify the day care home or unaffiliated center that the agreement is terminated and declare the institution or facility seriously deficient. Sponsoring organizations must issue a serious deficiency notice that informs the institution, facility, and RPIs of their disqualification from Program participation.	226.25(a)(2)(ii), 226.25(a)(5), and 226.25(a)(7)(iii)(B)	18,601	1.000	18,601.000	0.250	4,650.250	0.000	4,650.250	4,650.250
Institutions	In response to the notice of serious management problems, the institution, unaffiliated center, or day care home must submit, in writing, what corrective actions it has taken to correct each serious management problem. The corrective action plan must address the root cause of each serious management problem, describe and document the action taken to correct serious management problems, and describe the action's outcome.	226.25(c)(1)	18,601	1.000	18,601.000	0.250	4,650.250	0.000	4,650.250	4,650.250
Institutions	Sponsoring organizations must conduct reviews that assess whether the facility has corrected the serious management problems, as described in § 226.16(d)(4). Follow-up reviews must be conducted to confirm that the serious management problem is corrected.	226.25(c)(3)(ii)	18,601	1.000	18,601.000	20.000	372,020.000	0.000	372,020.000	372,020.000
Institutions	Sponsoring organizations must terminate for cause the Program agreement upon declaration of the institution or facility to be seriously deficient.	226.25(d)(1)	18,601	1.000	18,601.000	0.250	4,650.250	0.000	4,650.250	4,650.250
Institutions	If the sponsoring organization determines that there is an imminent threat to the health or safety of participants, or that there is a threat to public health or safety, the appropriate State or local licensing and health authorities must immediately be notified and take action that is consistent with the recommendations and requirements of those authorities. The sponsoring organization must initiate action for termination and disqualification. The sponsoring organization must notify the day care home provider or unaffiliated center's principals that the day care home or unaffiliated center's participation has been suspended and that the SA proposes to terminate the day care home or unaffiliated center's agreement and to disqualify the day care home or unaffiliated center and the RPIs. The notice must identify	226.25(f)(1)(ii)(A) & 226.25(f)(2)(ii)(A)	4,650	1.000	4,650.000	0.250	1,162.500	1,162.500	0.000	0.000

	the RPIs and must be sent to those persons as well. If the sponsoring organization determines that an day care home or unaffiliated center has knowingly submitted a false or fraudulent claim, the sponsoring organization must initiate action to suspend the day care home or unaffiliated center's participation and must initiate action to terminate the day care home or unaffiliated center's agreement and initiate action to disqualify the institution and the RPIs. At the same time this notice is sent, the SA must add the day care home or unaffiliated center and the RPIs to the State agency list, along with the basis for the suspension and provide a copy of the notice to the appropriate FNSRO.									
Institutions Total			41,136	5.107	240,721.886	1.83	441,500.97	1,297.500	440,203.47	440,203.47
Facilities	Unaffiliated sponsored child care centers must enter into a written permanent agreement with the sponsoring organization. The agreement must specify the rights and responsibilities of both parties. At a minimum, the agreement must include the provisions set forth in paragraph (b) of this section. The sponsoring organization may terminate this agreement for cause as described in § 226.25(a).	226.17(e)	21,692	1.000	21,692	0.250	5,423.124	0.000	5,423.124	5,423.124
Facilities	Independent child care centers must enter into a written permanent agreement with the State agency. The agreement must specify the rights and responsibilities of both parties as required by § 226.6(b)(4). At a minimum, the agreement must include the provisions set forth in paragraph (b) of this section. The SA may terminate this agreement for cause as described in § 226.25(a).	226.17(f)	6,843	1.000	6,843	0.250	1,710.867	0.000	1,710.867	1,710.867
Facilities	Unaffiliated sponsored afterschool child care centers must enter into a written permanent agreement with the sponsoring organization. The agreement must specify the rights and responsibilities of both parties. At a minimum, the agreement must include the applicable provisions set forth in this section. The sponsoring organization may terminate this agreement for cause as described in § 226.25(a).	226.17a(f)(2)(i)	21,692	1.000	21,692	0.250	5,423.124	0.000	5,423.124	5,423.124

Facilities	Independent afterschool child care centers must enter into a written permanent agreement with the SA. The agreement must specify the rights and responsibilities of both parties as required by § 226.6(b)(4). At a minimum, the agreement must include the applicable provisions set forth in this section. The SA may terminate this agreement for cause as described in § 226.25(a).	226.17a(f)(2)(ii)	6,843	1.000	6,843	0.250	1,710.867	0.000	1,710.867	1,710.867
Facilities	Unaffiliated sponsored outside-school-hours care centers must enter into a written permanent agreement with the sponsoring organization. The agreement must specify the rights and responsibilities of both parties. At a minimum, the agreement must include the provisions set forth in paragraph (b) of this section. The sponsoring organization may terminate this agreement for cause as described in § 226.25(a).	226.19(d)	21,692	1.000	21,692	0.250	5,423.124	0.000	5,423.124	5,423.124
Facilities	Unaffiliated sponsored adult day care centers must enter into a written permanent agreement with the sponsoring organization. The agreement must specify the rights and responsibilities of both parties. At a minimum, the agreement must address the provisions set forth in paragraph (b) of this section. The sponsoring organization may terminate this agreement for cause as described in § 226.25(a).	226.19a(d)	6,843	1.000	6,843	0.250	1,710.867	0.000	1,710.867	1,710.867
Facilities Total			28,535	3.000	85,607.886	0.250	21,401.97	0.000	21,401.97	21,401.972
Business Total			75,671	4.312	326,329.772	1.42	462,902.94	1,297.500	461,605.44	461,605.44
Reporting Total			78,984	12.455	983,770.772	0.77	758,737.17	3,622.98	755,114.19	755,114.19
State Agencies	SAs must collect and maintain on file CACFP agreements (Federal/State and State/Institutions), records received from applicant and participating institutions, National Disqualified List/State Agency Lists, and documentation of administrative review (appeals) and Program assistance activities, results, and corrective actions.	226.25(b)/ FNS-843 & FNS-844	56	5.000	280.000	5.000	1,400.000	1,400.000	0.000	0.000
State Agencies	SAs must collect and maintain on file corrective action plans submitted by institutions, unaffiliated centers, or day care homes, in writing, what corrective actions have been taken to correct each serious management problem.	226.25(c)	56	3.000	168.000	1.500	252.000	0.000	252.000	252.000

State Agencies Total			56	8.000	448.000	3.688	1,652.000	1,400.000	252.000	252.000
State/Local/Tribal Governments Total			56	8.000	448.000	3.688	1,652.000	1,400.000	252.000	252.000
Recordkeeping Total			56	8.000	448.000	3.688	1,652.000	1,400.000	252.000	252.000
State Agencies	The CSA must conduct a full review at the MSSO headquarters and financial records center. The CSA must coordinate the timing of the reviews and make copies of monitoring reports and findings available to all other State agencies that have agreements with the MSSO.	226.6(q)(2)(iii)	56	23.000	1,288.000	0.250	322.000	0.000	322.000	322.000
State Agencies Total			56	23.000	1,288.000	0.250	322.000	0.000	322.000	322.000
State/Local/Tribal Governments Total			56	23.000	1,288.000	0.250	322.000	0.000	322.000	322.000
Public Disclosure Total			56	23.000	1,288.000	0.250	322.000	0.000	322.000	322.000
Total Burden			79,040	12.468	985,507.772	0.772	760,711.172	5,022.981	755,688.190	755,688.190

SUMMARY OF BURDEN (OMB #0584-0055)	
TOTAL NO. RESPONDENTS	3,852,077
AVERAGE NO. RESPONSES PER RESPONDENT	4.456
TOTAL ANNUAL RESPONSES	17,166,115
AVERAGE HOURS PER RESPONSE	0.290
TOTAL BURDEN HOURS	4,969,662
CURRENT OMB APPROVED BURDEN HOURS	4,213,974
ADJUSTMENTS	0
PROGRAM CHANGES	755,688
TOTAL DIFFERENCE IN BURDEN	755,688

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

To estimate the annualized respondent cost for this information collection based on the burden estimates, we used mean (average) hourly wage data from the U.S. Department of Labor, Bureau of Labor Statistics, May 2023 National Industry-Specific Occupational Employment and Wage Estimates. For State Government, we used North American Industrial Classification System (NAICS) code 999200 (https://www.bls.gov/oes/current/naics4_999200.htm); for Local Government, we used NAICS code 999300 (https://www.bls.gov/oes/current/naics4_999300.htm); for institutions, we used NAICS code 624400 (https://www.bls.gov/oes/current/naics4_624400.htm); and for facilities, we used cross-industry data (i.e., a combination of all industry sectors, https://www.bls.gov/oes/current/oes_nat.htm#00-0000).

The estimated annualized cost for State and Local Governments, which includes State and local government agencies (Occupation Code 11-9031, Education and Childcare Administrators, Preschool and Daycare), is \$13,858,373 (\$11,116,146 [$\$50.16 \times 221,613.748$ hours (SAs)] + \$2,742,227 [$\$37.84 \times 72,468.999$ hours (local government agencies)]). The estimated annualized cost to businesses, which includes institutions (Occupation Code 11-9031, Education and Childcare Administrators, Preschool and Daycare) and facilities (Occupation Code 39-9011, Childcare Workers), is \$12,849,405 (\$12,519,387 [$\$28.44 \times 440,203.472$ hours (institutions)] + \$330,018 [$\$15.42 \times 21,401.972$ hours (facilities)]). This results in an initial cost of \$26,707,778 (\$13,858,373 + \$12,849,405) to the public. An additional \$8,813,567 ($\$36,707,778 \times 0.33$) is then added to account for a fully loaded wage rate, which results in an estimated annualized total cost of the proposed rule of \$35,521,344. Adding the currently approved costs for the collection, the estimated annualized total cost to respondents is

\$132,802,074 (\$35,521,344 + \$99,280,730 = \$134,802,074). These estimates are summarized below.

State and Local Government Level							
State Government Agencies	=	221,613.748	hours	x	\$50.16	=	\$11,116,146
Local Government Agencies	=	72,468.999	hours	x	\$37.84	=	\$2,742,227
Subtotal	=	294,082.747	hours				\$13,858,373
Business Level							
Institutions	=	440,203.472	hours	x	\$28.44	=	\$12,519,387
Facilities	=	21,401.972	hours	x	\$15.42	=	\$330,018
Subtotal	=	461,605.443	hours				\$12,849,405
Subtotal All Respondents	=						\$26,707,778
Fringe/overhead (0.33)	=						\$8,813,567
Total cost to of proposed rule:	=	755,688.190	hours				\$35,521,344
Currently approved costs for OMB # 0584-0055	=	4,213,973.386	hours				\$99,311,667
Total cost to public	=	4,969,661.579	hours				\$134,833,011

A13. Estimates of other total annual cost burden.

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 questions 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.

FNS does not expect this proposed rule to add any capital/start-up or ongoing operation/maintenance costs to the collection. The currently approved collection has start-up costs of \$305,000 related to the changes that the CACFP operators will need to make to their menus to accommodate the DGA rule (\$500 per operator x 610 operators).

A14. Provide estimates of annualized cost to the Federal government.

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.

To estimate the annualized cost of this information collection to the Federal government, we identified functions performed by FNS National Office and Regional Office (FNSRO) staff related to the CACFP (e.g., providing professional assistance to SAs). We then obtained estimates of the number of staff hours spent performing these functions. FNS identified functions performed by National Office and FNSRO staff that benefits the CACFP and obtained estimates of the total number of hours spent performing these functions.

The 2024 Federal Wage Salary Tables (2024 General Schedule (GS)), available at https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/24Tables/html/DCB_h.aspx, were used to estimate the total Federal cost.

FNS estimates that Regional Office employees, receiving an average GS grade 11 step 10 wage (\$45.19) based on the 2024 Washington-Baltimore-Arlington locality, take approximately 2,702 hours to collect written agreements, notices, and analyze data received from State agencies, for an initial cost of \$126,777.44 (2,702 hours x \$46.92/hr = \$126,777.84).

Additionally, it is estimated that National Office employees receiving an average GS grade 12 step 6 wage (\$55.45) based on the 2024 Washington-Baltimore-Arlington locality, take approximately 14,358 annually to administer the serious deficiency provisions, for an initial cost of \$796,155.09 (14,358 hours x \$55.45/hr = \$796,155.09). Furthermore, it is estimated that a Branch Chief receiving an average GS grade 14 step 6 wage (\$77.92) based on the 2024 Washington-Baltimore-Arlington locality, take approximately 93 hours to provide oversight to Federal employees working on this Program for a cost of \$7,246.56 (93 hours x \$77.92/hr. =

\$7,246.56). Together, this results in an initial annualized cost of \$930,179.49 ($\$126,777.84 + \$796,155.09 + \$7,246.56 = \$930,179.49$). Adding in \$306,959.23 to account for fully loaded wages ($\$930,179.49 \times 0.33 = \$306,959.23$), FNS estimates that the total annualized cost of this proposed rule to the Federal Government is approximately \$1,237,138.72 ($\$930,179.49 + \$306,959.23 = \$1,237,138.72$). The currently approved collection has a total annualized cost of approximately \$5,752,424.41. Adding currently approved costs, the total annualized cost of this collection is approximately \$6,989,563.13 ($\$1,237,138.72 + \$5,752,424.41 = \$6,989,563.13$).

A15. Explanation of program changes or adjustments.

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

This collection is a revision of a currently approved information collection related to provisions in the proposed rule. This information collection is currently approved with 3,794,949 respondents, 16,213,703 responses, 4,213,974 burden hours, and \$305,000 in capital start-up costs. FNS estimates that the proposed rule will have 79,040 respondents, 985,508 responses, 760,711 burden hours, and no capital start-up or ongoing operation/maintenance costs. FNS estimates that this proposed rule will increase the burden by 57,128 respondents, 952,413 responses, and 755,688 burden hours due to program changes.

This information collection revises reporting, recordkeeping, and public disclosure burden as a result of program changes introduced by the proposed rule. FNS has introduced new requirements related to the serious deficiency process, MSSOs in CACFP, and compliance with the CMA. As a part of the new rule, FNS has expanded the presentation of some existing reporting and recordkeeping requirements to more accurately reflect the burden associated with changes to the reporting and recordkeeping requirements associated with the serious deficiency process at 7 CFR part 226, with the introduction of a new subchapter at 226.25 to host the serious deficiency requirements for participating institutions while the pre-existing requirements for applying institutions remain at the proposed 226.6. Furthermore, FNS has extended the serious deficiency process to unaffiliated centers, increasing the number of respondents for certain reporting requirements.

As a result of the proposed rule, FNS estimates that the updated burden for this collection will be 3,852,077 respondents, 17,166,116 responses, 4,969,662 burden hours, and \$305,000 in capital start-up and ongoing maintenance/operation costs.

A16. Plans for tabulation, and publication and project time schedule.

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

There are no plans to publish a compilation of the data from this information collection.

A17. Displaying the OMB Approval Expiration Date.

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 data for OMB approval of the information collection on all instruments.

A18. Exceptions to the certification statement identified in Item 19.

Explain each exception to the certification statement identified in Item 19 of the OMB 83-I" Certification for Paperwork Reduction Act."

There are no exceptions to the certification statement.