

SUPPORTING STATEMENT - PART A for
OMB Control Number 0584-0280:
7 CFR Part 225, Summer Food Service Program

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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Attachments

- Attachment A: SD Proposed Rule
- Attachment B: Richard B. Russell National School Lunch Act
- Attachment C: FNS 843: Report of Disqualification from Participation: Institution and Responsible Principals/Individuals
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- Attachment E: SFSP ICR Burden Narrative
- Attachment F: SFSP ICR Burden Estimates
- Attachment G: NDB Data from 04/12/2023
- Attachment H: 7 CFR part 225 – Summer Food Service Program
- Attachment I: Supporting Statement A - Appendix

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) (Attachment A).

State agencies have a responsibility for the monitoring and oversight of institutions in the Child and Adult Care Food Program (CACFP). To maintain program integrity and ensure compliance with program requirements, FNS established the serious deficiency process to address mismanagement, abuse, and fraud by institutions and facilities participating in the program. The serious deficiency process establishes a structured series of steps to identify serious deficiencies, take corrective action, and suspend, terminate, and disqualify institutions and responsible principals and individuals that undermine the integrity of the program. State agencies also have a similar responsibility to monitor and provide oversight of the Summer Food Service Program (SFSP).

Currently, the SFSP does not have a defined process to address serious management problems threatening the integrity of the program. SFSP regulations specify that state agencies must consider specific criteria before approving sites for participation. Regulations also provide authority for State agencies to terminate sponsor participation and establish procedures for sponsors to appeal adverse actions, but they do not provide authority for FNS or state agencies to disqualify an individual from participating in SFSP, or in any other Child Nutrition Program or being placed on the National Disqualified List. This proposed rule would extend the serious deficiency process to SFSP to address potential serious management problems threatening the

integrity of the program.

This proposed rule would amend 7 CFR 225.6 and 7 CFR 225.18 to extend the serious deficiency process to SFSP. This rulemaking will strengthen management practices and eliminate gaps that put program integrity at risk.

This revision of information collection based on the proposed rule is necessary to:

- Extend the serious deficiency process to the SFSP;
- Ensure a fair and uniform serious deficiency process for sponsors and individuals participating in the SFSP;
- Provide a Path to Full and Permanent Correction, which includes the submission of a corrective action plan and at least two full reviews, occurring once every year, to identify whether new or repeat serious management problems have occurred, for sponsors and individuals seeking to exit the serious deficiency process;
- Close out serious deficiencies upon successful completion of corrective actions.

Section 13 of the National School Lunch Act (“the Act”), as amended (42 U.S.C. 1761), authorizes the SFSP for service of meals and snacks to children in low-income areas during the summer months (Attachment B). The collection of this information is required to administer and operate SFSP in accordance with the NSLA and 7 CFR part 225. Section (q)(3) of the Act requires the Secretary of Agriculture to establish procedures for the termination of SFSP sponsors for each State agency and the provision of a fair hearing and prompt determination for any sponsor aggrieved by any action of the State agency that affects its participation or claim for reimbursement. 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 SFSP regulations (7 CFR part 225) 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 SFSP is a Federal program, authorized under Section 13 of the Act, that provides reimbursements for nutritious meals and snacks to eligible children who are enrolled for care at participating sites. FNS administers the SFSP 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 must provide consultative, technical, and supervisory assistance to sponsors and sites to ensure effective Program operations, monitor progress toward achieving Program goals, and ensure compliance with all civil rights requirements.

In current regulation, the SFSP has provisions that cover corrective action, termination, and appeals made by sponsors. However, they do not include provisions that provide explicit authority to disqualify sponsors and responsible principals or individuals who are responsible for findings that seriously weaken program management and integrity.

This collection is a revision to OMB Control Number 0584-0280, *7 CFR Part 225 Summer Food Service Program (expiration date 9/30/2025)*, to extend the serious deficiency process, to the SFSP. The proposed rule adds new requirements under a new subchapter for consistency and efficiency. State agencies would be required to implement a serious deficiency process; provide appeal procedures to sponsors, annually and upon request; specify the types of adverse actions that cannot be appealed in SFSP; establish a list of sponsors, responsible principals, and responsible individuals declared seriously deficient; terminate agreements

whenever a program operator's participation ends; and take action to terminate an agreement for cause, through the serious deficiency or placement on the National Disqualified List.

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

The proposed rule is adding new reporting, recordkeeping, and public disclosure requirements for the serious deficiency process into the SFSP collection. FNS estimates that the addition of these new requirements will increase the response and burden hour estimates for the collection.

The proposed citations are introduced in a new subchapter, at 7 CFR 225.18, to present the new provisions in a clear and concise manner. New proposed changes regarding MSSOs have been introduced in the proposed subchapter, 225.6. 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 (Attachment F). For further information, see Supporting Statement A – Appendix (Attachment I). 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 53 SFSP State agencies submit required information electronically to FNS.

All program operation information and materials are available for download from the FNS website. FNS estimates that approximately 100 percent of the State agencies will submit

reporting data electronically. In addition, each State agency maintains its own website to communicate electronically with sponsors and households in their state. FNS estimates that all of the information collection requirements associated with this change will be collected electronically through these State agency systems. Therefore, out of the 13,097 responses introduced by the proposed rule, FNS estimates that 100 percent of the responses will be collected electronically. FNS expects that once the final rule provisions are incorporated into this collection that all of the estimated 404,648 total responses for this collection will be collected electronically.

Burden Reduction Efforts

FNS does not expect that this proposed rule will reduce the burden for this collection. The proposed rule is extending the serious deficiency process to the SFSP, which adds new requirements and burden to this collection. For some existing requirements for this collection, the proposed rule is changing the regulatory citations but does not otherwise change the requirement or impact the burden.

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.

The SFSP is administered at the Federal level solely by FNS, and there is no similar information collection available. FNS has reviewed USDA reporting requirements and State administrative agency requirements to ensure that every effort has been made to avoid duplication.

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 a small government jurisdiction. Certain local agencies and community organizations associated with SFSP meet the definition of “small entities” in the Regulatory Flexibility Act. Out of the total sponsors 1,410 (933 local and tribal government sponsors and 477 business sponsors) impacted by these changes, FNS estimates that approximately 705 (approximately 50%) of them are considered small entities. Although smaller sponsors are involved in this information collection effort, they deliver the same program benefits and perform the same functions as their larger counterparts and must maintain the same types of data on file. Out of the 63,942 total respondents for the collection, FNS estimates that 3,467 (approximately 5%) respondents may be considered small entities, based on the provisions from the proposed rule.

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 a revision to an ongoing information collection, which is being revised by the proposed rule, that contains mandatory and voluntary requirements. If sponsors 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. State agencies use the serious deficiency process to ensure that sponsors are operating the SFSP in accordance with Program standards. FNS expects

that the information that is collected under the serious deficiency process will be collected on an annual basis for the sponsors that have a serious management problem. Applying these requirements less frequently would allow sponsors who have findings that rise to the level of serious management problems to avoid the serious deficiency process and undermine program integrity in the SFSP.

State agency lists are updated and reported to FNS to ensure that sponsors 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 on occasion as institutions and facilities move through the full process. If State agency lists were updated less frequently, FNS would not be able to properly assess whether sponsors have fully corrected serious management issues and therefore would be unable to ensure Program integrity in SFSP. The collection of this information is required as soon as possible to ensure that serious management problems are corrected as soon as possible.

Notices must be provided by the State agency on occasion and as soon as possible to the sponsor. Sponsors are allowed to exercise due process rights to have a decision reviewed by a fair hearing official up to 5 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 sponsor may use their due process rights.

At least two full reviews are required for a SFSP sponsor to reach "full correction" status. The full reviews would check to see if the operator had fully implemented the corrective action plan and 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 year

and at least 12 months apart with no new or repeat serious management problems. This standard will allow full reviews to uncover if serious management problems persist without placing unnecessary administrative burdens on the reviewing agency and the Program operator.

There is one additional requirement that is voluntary. State agencies may voluntarily submit a waiver request to FNS, on occasion, 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;**

To mirror the existing requirements in CACFP, the proposed rule introduces requirements that allow a sponsor to submit a request for a fair hearing up to 5 calendar days from the date of receipt of a notice of proposed termination and disqualification from the Program. The written request is necessary to provide the sponsor due process with an opportunity to have the State agency's decision reviewed by a fair hearing official. The 5-calendar day timeframe is in place to ensure program integrity and takes into account the short operational period of the SFSP.

- **Requiring respondents to submit more than an original and two copies of any document;**

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

There are no other special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.5.

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 (Attachment I). 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 gift will be provided to 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. This information collection request has been reviewed and cleared by 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 individuals by a sponsor if serious management problems have been identified. Regulations at 7 CFR 225.18(a)(6)(i)(H) require the State agency to inform sponsors to provide the date of birth for any responsible principal or individual as a condition for corrective action while the regulation at 225.18(b) requires that the State agency provide the mailing address and date of birth for each responsible principal and 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 disqualified principals and individuals from program participation. Both forms include a Privacy Act Statement which states that collected information will be kept private to the extent provided by law under the Privacy Act of 1974.

In regards 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 do not stipulate the use of the NDL in regard to the SFSP. The NDL is being extended to the SFSP, as part of the proposed rule, to protect program integrity. With the extension, the proposed rule introduces new provisions that make the NDL compliant with the Computer Matching Act.

New provisions have been added at 225.18(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 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 and responsible principals and individuals, for inclusion on the NDL.

The proposed rule will introduce new regulations at 7 CFR 225.18(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 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, sponsors 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 a sponsor fail to comply with these requirements, responsible principals and individuals would be disqualified and placed on the NDL, along with information concerning their debts owed to the Program. After a period of 7

years, disqualified principals and individuals would have to repay the debts they owe to participate in the Program again. These requirements ensure that disqualified principals and individuals are prohibited from Program participation in order to protect 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 to a currently approved information collection resulting from a proposed rulemaking, which is adding new requirements and burden to the collection, as well as revising existing requirements and burden. FNS estimates that the proposals outlined in the rulemaking will have 1,463 respondents, 13,097 responses, and 9,959 total burden hours. We estimate that this rulemaking could increase the burden to 404,648 responses and 472,419 burden hours, with the total number of respondents remaining the same.

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 (sponsor), camp, 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 the different methods used by respondents to perform each task (i.e., using different methods for the same information, such as paper and electronic formats).

Data collected from the National Data Bank (NDB), maintained by FNS, were used to determine the number of Local government agency and Business-level sponsors who would be impacted by the proposed requirements and the number of times that State agencies would have to apply the requirements per year (Attachment G). The baseline ICR did not include an assumption for the number of Unaffiliated Centers or Independent Child Care Centers participating in the Program. As such, the data from Attachment G was used to get an estimate of how many respondents would be added in response to the proposed rule. The results of our analysis are presented in the attached Burden Table and are summarized below and in the Burden Narrative (Attachments E & F). These estimates reflect consultations with Program officials, outside consultants, affected stakeholders, and prior experience in collecting similar information.

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

Reporting

Respondents (Affected Public): State, Local, and Tribal Government; and Non-Profit Businesses.

Respondent groups identified include: (1) SAs that administer the SFSP in their State; (2) Local government agencies that are SFSP sponsors; and (3) Non-profit institutions or camps that operate as SFSP sponsors.

Estimated Number of Respondents: The total estimated number of respondents is 1,463.

Estimated Number of Responses per Respondent: The overall frequency of responses across the entire information collection is 3.59 responses per respondent. The estimated number of responses per respondents for the requirements that are impacted by this proposed rule ranges from 1 to 5.

Estimated Total Annual Responses: 5,253 responses.

Estimated Time per Response: The average estimated time of response for the rule-related

requirements is 1 hour and 46 minutes (1.77 hours), which varies from approximately 15 minutes (0.25 hours) to approximately 20 hours, depending on the respondent group, the type of burden, and the information collection task.

Estimated Total Annual Burden on Respondents: 9,277 hours.

Recordkeeping

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

Estimated Number of Respondents: The total estimated number of respondents is 53.

Estimated Number of Responses per Respondent: The overall frequency of responses across the entire information collection is 145 responses per respondent.

Estimated Total Annual Responses: 7,685 responses.

Estimated Time per Response: The estimated time of response for the rule-related requirement is 5 minutes (0.08 hours).

Estimated Total Annual Burden on Respondents: 642 hours.

Public Disclosure

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

Estimated Number of Respondents: The total estimated number of respondents is 53.

Estimated Number of Responses per Respondent: The overall frequency of responses across the entire information collection is 3 responses per respondent.

Estimated Total Annual Responses: 159 responses.

Estimated Time per Response: The estimated time of response across the entire collection is 15

minutes (0.25 hours).

Estimated Total Annual Burden on Respondents: 40 hours.

Estimated Annual Burden for SFSP

Reporting

Respondent Type	Burden Activities	Section	Estimated Number of Respondents	Frequency of Response	Average Annual Responses	Average Burden per Response	Annual Burden Hours	Currently Approved Burden Hours	Program Changes	Total Difference in Burden
State/Local/Tribal Governments	The SA must determine if a sponsoring organization operates in more than one State.	225.6(c)(5)	53	3	159	0.25	39.75	0	39.75	39.75
State/Local/Tribal Governments	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).	225.6(n)	53	3	159	0.25	39.75	0	39.75	39.75
State/Local/Tribal Governments	SAs must enter into a permanent written agreement with the MSSO, as described in paragraph (b)(4).	225.6(n)(1)(i)	53	3	159	0.25	39.75	0	39.75	39.75
State/Local/Tribal Governments	SAs must approve the MSSOs administrative budget.	225.6(n)(1)(ii)	53	3	159	0.25	39.75	0	39.75	39.75
State/Local/Tribal Governments	SAs must conduct monitoring of MSSO Program operations within the State, as described in paragraph (k)(4) and should coordinate monitoring with the CSA to streamline reviews and minimize duplication of the review content.	225.6(n)(1)(iii)	53	3	159	0.25	39.75	0	39.75	39.75
State/Local/Tribal Governments	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.	225.6(n)(1)(iii)(C)	53	3	159	0.25	39.75	0	39.75	39.75
State/Local/Tribal Governments	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.	225.6(n)(1)(iv)	53	3	159	0.25	39.75	0	39.75	39.75
State/Local/Tribal Governments	SAs notify all other State agencies that have agreements with the MSSO of termination and disqualification actions, as described in paragraph (c)(2)(i).	225.6(n)(1)(v)	53	3	159	0.25	39.75	0	39.75	39.75
State/Local/Tribal Governments	If it determines that an MSSOs center of operations is located within the State, the SA must assume the role of the CSA.	225.6(n)(2)	53	3	159	0.25	39.75	0	39.75	39.75
State/Local/Tribal	The CSA must conduct a full review at the MSSO	225.6(n)(2)(iii)	53	3	159	20	3,180	0	3,180	3,180

Governments	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.										
State/Local/Tribal Governments	If an MSSO has for-profit status, the cognizant agency must establish audit thresholds and requirements.	225.6(n)(2)(iv)	53	1	53	1	53	0	53	53	
State/Local/Tribal Governments	SAs must establish a procedure to be followed by an applicant appealing for a fair hearing.	225.13(a)	53	1	53	1	53	0	53	53	
State/Local/Tribal Governments	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 sponsor or facility's ability to meet Program requirements.	225.18(a)(2)(i) and 225.18(a)(3)	53	1	53	1	53	0	53	53	
State/Local/Tribal Governments	SAs must notify a sponsor'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 contain all of the necessary information and the SA must add the sponsor and RPIs to the SA list and provide a copy of the notice to the appropriate FNSRO.	225.18(a)(2)(ii) and 225.18(a)(6)(i)	53	3	159	0.25	39.75	0	39.75	39.75	
State/Local/Tribal Governments	SAs must receive and approve the corrective action plan within 15 days from the date the sponsor received the notice and monitor the full implementation of the corrective action plan.	225.18(a)(2)(iii) and 225.18(c)(2)(ii)	53	3	159	0.25	39.75	0	39.75	39.75	
State/Local/Tribal Governments	If corrective action has been taken to fully correct each serious management problem, SAs must notify a sponsor's executive director and chairman of the board of directors, and RPIs, that the serious management problem has been vacated. If corrective action has not been taken or fully implemented, the SA must notify the sponsor of its proposed termination and disqualification. The notice must inform the sponsor, responsible principals, and responsible individuals of the right and procedures for seeking a fair hearing.	225.18(a)(2)(iv) and 225.18(a)(6)(ii)	53	3	159	0.25	39.75	0	39.75	39.75	
State/Local/Tribal Governments	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.	225.18(a)(2)(v) and 225.18(f)(1)(iii)(E)	53	3	159	2	318	0	318	318	
State/Local/Tribal Governments	Hearing official must hold hearing, in addition to a review of written information upon written request for a fair hearing by the sponsor, responsible principals, or responsible individuals, to determine that the SA or sponsor followed Program requirements in taking action under appeal.	225.18(a)(2)(v) and 225.18(f)(2)	53	3	159	4	636	0	636	636	
State/Local/Tribal Governments	SAs must notify a sponsor's executive director and chairman of the board that serious management problems have been vacated and advise the institution that procedures and policies must be fully implemented to	225.18(a)(2)(vi) and 225.18(a)(6)(iii)	53	3	159	0.25	39.75	0	39.75	39.75	

	correct the serious management problem if the sponsor's appeal is upheld. If the sponsor's appeal is denied, the sponsor must be notified that the program agreement is terminated and declared seriously deficient.									
State/Local/Tribal Governments	SAs must conduct and prioritize follow-up reviews and more frequent full reviews of sponsors with serious management problems, including one full review occurring at least once every year.	225.18(c)(3)	53	3	159	20	3,180	0	3180	3,180
State/Local/Tribal Governments	SAs must develop a contingency plan to ensure that eligible participants continue to have access to meal service.	225.18(d)(2)	53	3	159	2	318	0	318	318
State/Local/Tribal Governments	If all serious management problems have been corrected and all debts have been repaid, SAs may elect to remove a sponsor and RPIs from the National Disqualified List and must submit all requests for early removals to the appropriate FNSRO.	225.18(e)(2)(iii)	53	3	159	0.25	39.75	0	39.75	39.75
State/Local/Tribal Governments	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.	225.18(e)(3)(ii)	53	1	53	1	53	0	53	53
State/Local/Tribal Governments	SAs may request FNS to waive the two-step independent verification and notice requirement of the CMA.	225.18(e)(3)(iii)(B)	53	1	53	1	53	0	53	53
State/Local/Tribal Governments	SAs must send a necessary demand letter for the collection of unearned payments, including any assessment of interest, as described in § 225.12(b), and refer the claim to the appropriate State authority for pursuit of the debt payment. SAs must assess interest on sponsors' debts established on or after July 29, 2002, based on the Current Value of Funds Rate, and notify the sponsor 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.	225.18(g)(2)	53	3	159	0.25	40	0	40	40
State/Local/Tribal Governments	SAs must terminate for cause the Program agreement no later than 45 days after the date of the sponsor's disqualification by FNS.	225.18(h)(2)(i)	53	5	265	1	265	265	0	0
State/Local/Tribal Governments	Sponsors must describe and document the action taken to correct each serious management problem in a corrective action plan and submit it to the SA.	225.18(c)(1)	933.3	1	933.3	0.25	233.33	0	233.33	233.33
Total State/Local/Tribal Government Reporting			986	4.71	4,643	1.94	8,991.83	265	8,727	8,727
Businesses (Non-profit Institutions and Camps)	Sponsoring organizations that are approved to operate the Program in more than one State must provide all of the required information to the State/local government agencies.	225.6(c)(5)	133	1	133	1.25	166.25	0	166.25	166.25

Businesses (Non-profit Institutions and Camps)	Sponsors must describe and document the actions taken to correct each serious management problem in a corrective action plan and submit it to the SA.	225.18(c)(1)	477	1	477	0.25	119.25	0	119.25	119.25
Total Businesses (Non-profit Institutions and Camps)			477	1.28	610	0.47	285.5	0	286	286285.5
Total Reporting			1,463	3.59	5,253	1.77	9,277.33	265	9,013	9,013
State/Local/Tribal Governments	SAs must maintain a SA list and must include the required information requested on Forms FNS-843 and FNS-844.	225.18(b)	53	145	7,685	0.08	641.70	0	642	642
Total State/Local/Tribal Government Recordkeeping			53	145	7,685	0.08	641.70	0	642	642
Total Recordkeeping			53	145	7,685	0.08	641.70	0	641.70	641.70
State/Local/Tribal Governments	The CSA must conduct a full review at the MSSO headquarters and financial records center. The CSA must coordinate the timing of reviews and make copies of monitoring reports and findings available to all other State agencies that have agreements with the MSSO.	225.6(n)(2)(iii)	53	3	159	0.25	39.75	0	39.75	39.75
Total State/Local/Tribal Government Public Disclosure			53	3	159	0.25	39.75	0	39.75	39.75
Total Public Disclosure			53	3	159	0.25	39.75	0	39.75	39.75
Total Burden			1,463.30	8.95	13,097.3	0.76	9,958.78	265	9,694.75	9,694.75

SUMMARY OF BURDEN (OMB #0584-0280)	
TOTAL NO. RESPONDENTS	63,942
AVERAGE NO. RESPONSES PER RESPONDENT	6.33
TOTAL ANNUAL RESPONSES	404,648
AVERAGE HOURS PER RESPONSE	1.17
TOTAL BURDEN HOURS	472,419
CURRENT OMB APPROVED BURDEN HOURS	462,724
ADJUSTMENTS	0
PROGRAM CHANGES	9,695
TOTAL DIFFERENCE IN BURDEN	9,695

B. 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 U.S. Department of Labor, Bureau of Labor Statistics, May 2023 National Occupational and Wage Statistics, Occupational Group 11-9031 (https://www.bls.gov/oes/current/naics4_999200.htm). The hourly mean wage for education-related occupations for functions performed by State agency and local education agency staff are estimated at \$50.16 per staff hour. The hourly mean wage for education-related occupations for functions performed at the business level, which includes non-profit institutions and camps, utilizing Occupation Group 39-9011 (https://www.bls.gov/oes/current/oes_nat.htm#00-0000), is estimated at \$15.42 per staff hour. Adding the currently approved costs for the collection, the estimated annualized total cost to respondents is \$19,021,343. These estimates are summarized below.

State and Local Government Level

State/Local/Tribal Government Agencies	=	9,673.28	hours	x	\$50.16	=	\$485,212
Subtotal	=	9,673.28	hours			=	\$485,212

Business Level

Non-profit Institutions and Camps	=	286	hours	x	\$15.42	=	\$4,410
Subtotal	=	286	hours			=	\$4,402

Household Level

Households	=	0.000	hours	x	\$7.25	=	\$0
Subtotal	=	0.000	hours			=	\$0

Subtotal All Respondents	=					=	\$489,622
Fringe/overhead (0.33)	=					=	\$161,575
Total cost of proposed rule:	=	9,693.523	hours			=	\$651,197
Currently approved costs for OMB # 0584-0280:	=	462,724	hours			=	\$18,388,866
Total cost to public:	=	472,417	hours			=	\$19,040,063

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.

There are no capital or start-up costs or ongoing operation or maintenance costs related to the revisions in this proposed rule. The currently approved collection does have start-up and maintenance costs related to menu changes resulting from the final rule, *Child Nutrition Programs: Meal Patterns Consistent with the 2020-2025 Dietary Guidelines for Americans* (RIN 0584-AE88). The costs cover such items as extra supplies, funding to implement the updated meal patterns, and costs for updating websites, materials, menus, and recipes. FNS estimates that this collection has \$10,000 in start-up costs related to changes that SFSP operators need to make to their menus. FNS estimates that 20 operators will need to make these changes and that it will cost \$500 per operator, for an estimated total \$10,000.

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 SFSP (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 SFSP and obtained estimates of total number of hours spent performing these functions.

Using the 2024 Federal Wage Salary Tables (2024 General Schedule (GS)), available at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2024/general-schedule>,

were used to estimate the total Federal cost. FNS estimates that FNSRO employees, receiving an average GS grade 11 step 10 wage (\$45.19) based on the 2024 Rest of the United States locality, take approximately 4,576 hours to provide professional assistance to State agencies, for an initial cost of \$206,789.44 (4,576 x \$45.19 = \$206,789.44). Furthermore, 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 5,824 hours to draft and clear regulations, for an initial cost of \$322,940.80 (5,824 hours x \$55.45 = 322,940.80). An additional 5,824 hours are spent providing policy development guidance, for an initial cost of \$322,940.80 (5,824 hours x \$55.45 = \$322,940.80). It is estimated that a branch chief providing oversight of Federal employees, earning an average GS grade 14 step 6 wage (\$77.92) based on the 2024 Washington-Baltimore-Arlington locality, takes approximately 8,112 hours, for an initial cost of \$632,087.04 (8,122 x \$77.92 = \$632,087.04). Together, this results in an initial annualized cost of \$1,484,758.08 (\$205,789.44 + \$322,940.80 + \$322,940.80 + \$632,087.04 = \$1,484,758.08). Adding in \$489,970.17 to account for fully loaded wages (\$1,484,758.08 x 0.33 = \$489,970.17), FNS estimates that the total annualized cost of this proposed rule to the Federal government is approximately \$1,974,728.25 (\$1,484,758.08 + \$489,970.17 = \$1,974,728.25). The currently approved collection has a total annualized cost of approximately \$1,217,222.49. Adding the currently approved costs to those estimated for the proposed rule, FNS estimates the total annualized cost of approximately \$3,191,950.74 (1,974,728.25 + \$1,217,222.49 = \$3,191,950.74) for this collection.

FUNCTION	DONE BY	WAGE RATE	TOTAL STAFF HOURS	TOTAL COST
Professional Assistance to State agencies	FNSRO	\$45.19	4,576 hours	\$206,789.44
Drafting/	NO	\$55.45	5,824 hours	\$322,940.80

Clearing Regulations				
Policy Development Guidance	NO	\$55.45	5,824 hours	\$322,940.80
Oversight of Federal Employees	NO	\$77.92	8,112 hours	\$632,087.04
Subtotal				\$1,484,758.08
Cost of Fully Loaded Wage (33%)				\$489,970.17
Total for Proposed Rule				\$1,974,728.25
Currently Approved Total for OMB Control Number 0584-0280				\$1,217,222.49
Total				\$3,191,950.74

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. The currently approved burden for this information collection is 63,942 respondents, 391,815 responses, 462,724 burden hours, and \$10,000 in start-up costs. FNS estimates that the requirements and burden that are being impacted by the proposed rule will have 1,463 respondents, 13,097 responses, 9,959 burden hours. The proposed rule does not change the capital, start-up, operation, or maintenance costs.

The provisions in the proposed rule impact the reporting, recordkeeping, and public disclosure burden for the SFSP collection as a result of adding new reporting, recordkeeping, and public disclosure requirements to the collection due to the proposed extension of the serious deficiency process to the SFSP, which adds additional requirements that state/local/tribal governments and businesses must comply with. The addition of these requirements results in an increase in burden due to program changes.

FNS estimates that these program changes will increase the burden for the collection by 12,833 responses and 9,695 burden hours, for a new total estimated burden of 404,648 responses and 472,419 burden hours for the entire collection. The estimated number of respondents and the start-up costs for the collection remain unchanged.

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.

This collection does not employ statistical methods and there are no plans to publish the results of this collection for statistical use.

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 date for OMB approval of the information collection on related 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.