

**DETERMINING ELIGIBILITY FOR FREE AND REDUCED PRICE MEALS
7 CFR PART 245**

OMB CLEARANCE NUMBER 0584-0026

FNS -742

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1. Circumstances making the collection of information necessary.

This is a revision of a currently approved information collection. The Richard B. Russell National School Lunch Act (NSLA), as amended, authorizes the National School Lunch Program (NSLP). Under Section 2 thereof, “It is hereby declared to be the policy of Congress, as a measure of national security, to safeguard the health and well-being of the Nation’s children and to encourage the domestic consumption of nutritious agricultural commodities and other food, by assisting the States, through grants-in-aid and other means, in providing an adequate supply of foods and other facilities for the establishment, maintenance, operation, and expansion of nonprofit school lunch programs.”

Any child who is a member of household whose income, at the time the application is submitted, is at an annual rate greater than the applicable family-size income level of the income eligibility guidelines for free or reduced price meals are eligible to receive their meals free or at a reduced price. Sec. 9, Paragraph 9(b) of the NSLA provides that the income guidelines for determining eligibility for free lunches shall be 130 percent of the applicable family size income levels contained in the non-farm income poverty guidelines prescribed by the Office of Management and Budget, as adjusted annually. The income guidelines for determining eligibility for reduced price lunches for any school year shall be 185 percent of the applicable family size and income levels contained in the non-farm income poverty guidelines prescribed by the Office of Management and Budget, as adjusted annually. 7 CFR Part 245, Determining Eligibility for Free and Reduced-Price Meals and Free Milk in Schools (OMB No. 0584-0026) sets forth policies and procedures for implementing these provisions. Part 245 requires schools operating the NSLP to determine children’s eligibility

for free and reduced-price lunches on the basis of each child's household income and size, and to establish operating procedures that will prevent physical segregation, or other discrimination against, or overt identification of children unable to pay the full price for meals or milk.

2. Purpose and use of the information.

7 CFR Part 245 sets forth responsibilities of State agencies, school food authorities (SFA), and schools to determine eligibility of children for free and reduced price meals, and for free milk using form FNS-742, and assurance that there is no physical segregation of, or other discrimination against, or overt identification of children unable to pay the full for meals or milk.

3. Use of information technology and reduce burden.

FNS is committed to complying with the E-Government Act of 2002, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes. All State agencies participating in school nutrition programs transfer their information electronically through the USDA Partnerweb at <https://www.partnerweb.usda.gov>. In addition, each state agency maintains its own website to communicate electronically with SFAs in their state. Approximately 70% of SFAs communicate with state agencies electronically.

4. Efforts to identify duplication and use of similar information.

There is no similar information data collection available. The NSLP and SBP are administered solely by FNS.

5. Impact on small business or other small entities.

Information being requested or required has been held to the minimum required for the intended use. Although smaller SFAs involved in this data collection effort, they delivered the same program benefits and perform the same function as any other SFA. Thus, they report the same kinds of information. FNS estimates that 40% of SFAs are small entities, approximately 8,900.

6. Consequence of collecting the information less frequently.

The Richard B. Russell National School Lunch Act requires applications to be collected annually and 3% of the applications must be verified for accuracy for the free and/or reduced price determination. If this information is collected less frequently, inaccurate eligibility information could lead to over and/or under payments to state and local agencies. In addition, the data is used for statistical studies and research regarding program trends and research to determine appropriate management of the program. Lastly, FNS is required to file an annual direct certification status report to Congress which uses the annual data submitted through 7 CFR Part 245.

7. Special circumstances relating to guidelines in 5 CFR 1320.5

There are no circumstances that will cause the information collection to be inconsistent with the guidelines of 5 CFR 1320.5

8. Comments in response to the Federal Register Notice and efforts to consult outside agency.

As required by 5 CFR 1320.8(d), the notice 7 CFR Part 245, Determining Eligibility for Free and Reduced Price Meals, was published in the Federal Register at page 39607, Vol. 74, No. 51 on August 7, 2009. No comments were received. FNS consults with Regional Offices regarding any proposed changes as the result of legislative, regulatory or administrative changes. Regional offices are in constant contact with State agencies which provides feedback on FNS processes and procedures for this information collection.

9. Explanation of any payment or gift to respondents.

No payment or gift was provided to respondents.

10. Assurance of confidentiality provided to respondents.

The Department will comply with the Privacy Act of 1974.

11. Justification for sensitive questions.

There are no questions of a sensitive nature included in this clearance package.

12. Provide estimates of the hour burden including annualized hourly cost.

Currently 1,758,167 burden hours are approved for #0584-0026. FNS is requesting 1,067,387 burden hours for reporting and 6,045 recordkeeping hours. Which is a decreased of 684,735 hours due to the decrease in recordkeeping burden hours.

- Reporting Burden Hours: 1,067,387
- Recordkeeping Burden Hours: 6,045
- Total Burden Requested 1,073,432

PUBLIC COST

To estimate public cost, we consulted with the U.S. Department of Labor, Bureau of Labor Statistics, 2008 and the U.S. Census Bureau, Statistical Abstract of the United States: 2008

Following is the estimate of burden for reporting and recordkeeping:

Reporting

SA Level	=	377 hours x \$20.40	\$	7690
SFA Level	=	87,357 hours x \$14.73	\$	1,286,768
School	=	192,922 hours x \$13.29	\$	2,563,933
<u>Household</u>	=	<u>786,730 hours x \$16.83</u>	\$	<u>13,240,665</u>
TOTAL		1,067,323 hours	\$	17,099,056

Recordkeeping

SA Level	=	1,677 hours x \$13.35	\$	22,388
<u>SFA Level</u>	=	<u>4,368 hours x \$11.85</u>	\$	<u>51,761</u>
TOTAL	=	6,045	\$	74,149

TOTAL COST TO THE PUBLIC: \$17,173,205

13. Estimate of other total annual cost burden to respondents.

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

14. Annualized cost to the Federal government.

FEDERAL COST

The following procedure was used to estimate the Federal cost of collecting and processing data.

- Identified functions performed by the Food and Nutrition Service Regional Office (FNSRO) and Headquarters staff that benefit the programs and obtained estimates of the total number of staff hours spent performing these functions. The tasks are listed in column 1 and the aggregate staff hours spent performing each task are listed in column (1) and the aggregate staff hours spent performing each task are listed in column (3). Column (2) shows where each task is performed.
- Determined for each task the portion of the staff hours spent administering the requirements of Part 245. Headquarters and FNSRO staff (as applicable) estimated the percentage of time spent on each task listed in column (1). For each task, the hourly figure in column (3) was multiplied by the percentage obtained through the interviews. The estimated costs are provided in the table below with a total federal cost of \$373,942.

Estimated Annualized Cost to the Federal Government

(1)	(2)	(3)	(4)	(5)	(6)
Activity	Staff	Total staff Hours	Part 245 Allocation Percentage	Portion to 7 CFR Part 245 column3x4	Federal Cost*
Professional Assistance to State Agencies	FNSRO	99,840	.05	4,992	\$152,156
Drafting/Clearing Regulations	HQ	8,320	.60	4,992	\$207,917
Policy/Guidance Development	HQ	3,328	.10	333	\$13,869.45
Total Cost					\$373,942

*Salaries: FNSRO: GS-11 Step 3 = \$30.48 per hour (*Federal Salary Table 2009*)

HQ: GS 13 = \$41.65 per hour (*Federal Salary Table 2009*)

15. Explanation of program changes or adjustments.

This is a revision of a currently approved information collection. The current burden inventory is 1,758,167. The number of State Agencies increased from 54 to 56; SFA increased from 16,342 to 20,858; Schools decreased from 101,000 to 96,461, however, the burden hours increased from 52,520 to 192,922. This is due to the increase in frequency of responses from 6 to 8 and an increase in the burden hour per respondent from 0.080 minutes (approximately 5 minutes) to 0.25 minutes (15 minutes). The household respondents increased from 4,138,810 to 9,390,000 which increase the household burden from 289,717 to 657,300 an increase of 367,583 burden hours. Additionally, recordkeeping has been decreased from 125,918 to 6,045 State and School Food Authorities are

required to keep provision 2 and provision 3 data on file indefinitely; however, all other records are not required to be kept for more than three years. Therefore, the recordkeeping burden for all other provisions in 7 CFR Part 245 has been eliminated. The overall, burden hours has decreased by 684,798 hours. This program change is due to a decrease in burden hours in recordkeeping at the State and Local agency level; therefore, we are requesting 1,073,432..

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

This collection does not involve the collection of information by statistical methods.

17. Reasons that display of OMB expiration date is inappropriate.

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

18. Exception to the certification for Paperwork Reduction Act submissions.

There are no exceptions to the certification statement.