



August 4, 2017

Ms. Jinee Burdug, MPP, RDN, LDN  
Food and Nutrition Service  
U.S. Department of Agriculture  
3101 Park Center Drive  
Alexandria, VA 22302

ELECTRONIC MAIL

Dear Ms. Burdug:

On behalf of the members of the 57,000 members of the School Nutrition Association, we appreciate the opportunity to comment on the Federal Register Notice of June 7, 2017, *Agency Information Collection Activities: Proposed Collection; Comments Request-Assessing the Child Nutrition State Administrative Expense Allocation Formula*. This is a new collection of information to assess the effectiveness of the current formula used for State Administrative Expense (SAE) allocations for Child Nutrition Programs, identify and examine factors that influence State spending, and develop and test a range of possible alternatives to improve the SAE allocation formula.

SNA supports the value of ensuring this formula remains effective and is able to incorporate future changes, but such changes should do no harm to any State's funding. The SAE allocation formula is critical for the successful administration and oversight of the multiple child nutrition programs covered by this funding. In addition to supporting State agency initiatives, these funds are used for a broad range of activities conducted on behalf of Local Educational Agencies (LEAs) and related organizations in support of the various child nutrition program initiatives carried out on behalf of the US Department of Agriculture (USDA). For instance, many States, in collaboration with other child/family support agencies manage the direct certification eligibility process on behalf of LEAs. Outreach projects to build participation in underperforming child nutrition programs, such as school breakfast, are supported many times over through SAE-related activities.

Any funding formula alternative must consider the current regulatory demands on State agencies, as well as the overall scope and complexity of the programs. The allocation formula must provide financial stability and sustainability for the State agencies administering the programs without any reduction to current funding levels.

Since the 1990s, State agencies have, as a result of law or regulatory changes, taken on increased responsibilities. They have increased the frequency and depth of Administrative Reviews; added Resource Management Comprehensive Reviews and Procurement Reviews to their monitoring and oversight efforts; transitioned from a five-year review cycle to a three-year cycle; expanded data matching to support student meal eligibility changes; responded to the USDA's increased frequency of data collections; implemented new meal patterns for school nutrition programs; expanded food safety

oversight and, finally, are preparing for the implementation of a new meal pattern in the Child and Adult Care Food Program. In most cases, these complex, labor intensive initiatives have been unfunded mandates that have placed a demand on administrative funds, especially the increased frequency of Administrative Reviews. Whether a large or small district review is being conducted, the process and content are still complex and require uniquely qualified personnel to perform the reviews. As such, basing the SAE formula on the number of meals served may not be the only data point upon which to base this determination.

The SAE allocation formula must cover all on-going expenses of the various child nutrition programs it supports. Numerous states have relied on one-time grants to support State agency administrative duties and responsibilities. While these grants are helpful, they are not a sustainable, reliable funding source.

State agencies may occasionally find support for specific activities and initiatives through the reallocation of SAE funds made available through special circumstances. As with grants, these reallocated funds are not a sustainable nor reliable funding sources; States should not have to compete on an annual basis for these funds. Further, this approach to funding does not take into account the State government-related conditions that complicate project management and timelines. In addition, newly mandated processes and systems often have unforeseen associated expenses. For example, while there have been significant changes in the direct certification process, the expanded use and related costs for the hosting and maintenance of electronic management and accountability systems have not been factored into the SAE allocation formula. Both conditions have significantly increased operational costs for State agencies.

It would be more effective and efficient to fund new ongoing initiatives, as well as special projects and programs, in a manner that allows for appropriate project management and timing. The distribution of reallocated funds should be contained within the calculation that is applied for full-use of funds and should allow for both adequate planning and relevant extensions. In short, it would be preferable to have the funds in the SAE formula support all the administrative and management oversight duties of a State agency.

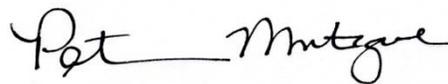
The design of the study should provide broad representation from the State agencies administering the child nutrition programs. States utilize several different approaches and designs in the administration of the programs, and a variety of these methods should be represented in the study selection. In order to produce valid and reliable results, the State child nutrition director should be the primary point of contact in each agency selected for the study.

SNA appreciates the opportunity to offer comments on this important topic.

Sincerely,



Dr. Lynn Harvey, RDN, LDN, FAND, SNS  
President



Patricia Montague, CAE  
Chief Executive Officer