PART

1

ASSESSMENT OF INFORMATION NEEDS
HOUSE AND SENATE COMMITTEES ON APPROPRIATIONS
SUBCOMMITTEES ON AGRICULTURE AND RELATED AGENCIES

FOOD AND NUTRITION SERVICE
U.S. DEPARTMENT OF AGRICULTURE

ACCOUNT:

05-84-3505-0-1-604 Food Stamp Program

RD - HØ and SØ 301 - 19.1

DEC 1 1976 PAD-76-37 (Part 1)

INFORMATION REQUIREMENTS GROUP
PROGRAM ANALYSIS DIVISION
U.S. GENERAL ACCOUNTING OFFICE

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SECTION I

INTRODUCTION

The General Accounting Office has the responsibility for identifying and specifying congressional information needs and for recommending improvements to meet those needs. This responsibility was assigned by section 202 of the Legislative Reorganization Act of 1970, as amended by the Congressional Budget Act of 1974.

Presented in this document are our initial recommendations for improving budget, program and other information on the program funded through the Food Stamp Program appropriation account 05-84-3505-0-1-604 of the Food and Nutrition Service (FNS), U.S. Department of Agriculture (USDA). The study of this program represents a part of the continuing effort of the GAO to define the information needs of the Subcommittees on Agriculture and Related Agencies, House and Senate Committees on Appropriations.

Our objective in analyzing the information aspects of this account was to prepare proposals for improvement in: (1) classification structures for organizing information about the program and (2) information elements necessary for supporting each level of the classification structure. Also presented are initial proposals pertaining to the implementation of the recommendations in the budget justification material and other reporting.

The major content of these requirements documents was developed through analysis of the following: legislative history, budget justification material, appropriations hearings documents, The Budget of the United States Government: Appendix, and various reports and documents of the FNS. Information obtained through discussions and working sessions with FNS officials was also used in the development of these recommendations. After the proposals were drawn up, they were presented to USDA for analysis. Comments of USDA officials are contined herein.

SECTION II

BACKGROUND

The Food Stamp program, authorized by the Food Stamp Act of 1964, as amended, provides low income families and individuals stamps (coupons) which are used to purchase food through regular retail and wholesale channels. The program is intended to ensure an adequate diet to those whose income is a limiting factor in maintaining sound nutrition. The Food Stamp program also provides free coupons and authorizes commodity distribution to victims of natural disasters. The Secretary of Agriculture is given considerable latitude in determining the duration and the level of assistance in such situations.

In addition to the subsidy for food, the Federal appropriation supports other important auxiliary and administrative activities. They are:

-- 50% of State administrative costs,

-- printing of coupons,

-- shipment of coupons in armored vehicles (cars),

-- full cost (amount) of processing the use coupons through the Federal Reserve System,

-- 66 2/3% of the cost of registering able-bodied adult recipients for suitable employment, and

-- salaries and related expenses for USDA employees.

Federal responsibility for the program is carried out by the Food and Nutrition Service, which coordinates the national aspects of the program, directs policy, promulgates rules and regulations and exercises oversight through reviews, site visits and compliance checks. Audits and investigations are carried out by the USDA Office of Audit and USDA Inspector General, respectively. State welfare agencies have responsibility for general operations within the State. Most of the day-to-day activities, such as processing and certifying applicants for eligibility and distributing coupons, are carried out at the local level.

In the Food Stamp Program, individuals purchase food coupons whose face value is worth more than the price paid for them. The difference between the cost of the food stamps and their face value is considered the "bonus" value of the stamps and is actually the Federal subsidy. The amount of the "bonus" value to which a person or household is entitled depends on household size and income, but the recipient is required to spend no more than 30% of his or her income to purchase the stamps. Persons having very low incomes or no income receive food stamps at no cost. All persons benefitting from public assistance are eligible to receive food stamps.

Food stamps are issued by local governments, banks, the U.S. Postal Service and other private agents, and are used to purchase food (excluding tobacco and alcoholic beverages) from participating stores. These stores, or outlets, forward the coupons to local banks from which they receive cash or credit. The used coupons flow through the Federal Reserve System for redemption out of a special Treasury account which is replenished by the cash paid for stamps by recipients and the annual Federal appropriation.

Wholesale and retail food firms participating in the program are visited at least annually by FNS inspectors. If a compliance problem is found and cannot be resolved by the FNS, the case is referred to the Office of the Inspector General. Investigations are also made on cases of alleged fraud by coupon issuing agents and recipients.

The Food Stamp program is a very large program affecting the lives of millions of Americans. In FY 1975 for example, estimated participation was 17,127,336. In the same year, 248,818 retail and wholesale stores participated in the program. Also the program is under continual public, congressional and departmental scrutiny, and is frequently changed by legislative amendment or administrative regulation. A few of the important recent legislative changes have been:

-- requiring nationwide implementation of the Food Stamp program,

-- authorizing the use of Food Stamp coupons for the elderly for meals on wheels program,

-- authorizing the use of Food Stamp coupons for communal meals for the elderly and residents of alcoholic and drug abuse rehabilitation centers, and

-- requiring Federal reimbursement of 50% of all State administrative expenses.

The Food Stamp program is "performance funded". This means that the Congress appropriates as much as necessary to cover reimbursement for food stamp coupons issued. The initial appropriation is then an approximation of the amount required to cover projected reimbursements.

The Fiscal Year 1976 appropriation for the Food Stamp program was $5,203,000,000[1/]; in Fiscal Year 1977, the Administration requested $4,794,400,000[1/].

1/ The amounts reported here are taken from House Report 94-1224, Agriculture and Related Agencies Appropriation Bill, 1977, p. 84.

SECTION III

CLASSIFICATION STRUCTURE

This section illustrates and discusses current and proposed structures for presentation of information on the Food Stamp Program. Displayed in Exhibit I are the structures currently used by the U.S. Department of Agriculture in reporting budget, program and other information on the Food Stamp Program. Also presented in the exhibit is the structure proposed by the GAO.

We propose that the revised structure be used in reporting on the Food Stamp Program in the budget justification material (Budget Explanatory Notes). Also, we propose that appropriate levels of this structure be used in the applicable Program and Financing schedule in the Budget Appendix, and in other reporting GAO representatives are available to discuss appropriate levels for use in the Budget Appendix.

As displayed in the exhibit, the current USDA budget justification presentation breaks out the bonus costs, matching grants for State administration and other operating costs.[1/] The Budget Appendix presentation is similar, but includes in addition, "operating expenses," which represents the Federal overhead.[2/]

1/ This category includes printing, shipping and processing of coupons and FNS share of employment registration expenses.

2/ There is no operating expenses entry in the budget justification structure because the USDA proposed a new account for fiscal year 1977, "Food Programs Administration," to which the operating expenses activity was to be transferred. This proposed new account was rejected by Congressional Appropriation Committees.

EXHIBIT I

COMPARISON OF CURRENT AND PROPOSED CLASSIFICATION STRUCTURES FOR THE "FOOD STAMP PROGRAM" ACCOUNT

CURRENT STRUCTURES	GAO-PROPOSED STRUCTURE[3/]
. [Food Stamp Program][1/] (1) Bonus Costs (2) State Matching (3) Other Program Costs	a. Food Stamp Program [Program] (1) Bonus payments[4/] [Subprogram] (2) Support and administration [Subprogram] (a) Matching grants for State administration (b) Printing of coupons (c) Shipment of coupons (d) Processing the redemption of coupons (e) Employment registration (f) Direct FNS administation (i) Salaries (ii) Other administration
. Program [Food Stamp] by Activities[2/] (1) Bonus (2) Matching for State Administration (3) Other Program Costs (4) Operating Expenses	

rom the U.S. Department of Agriculture, 1977 Budget Explanatory Notes, Vol. II, p. 102. There is no "operating xpenses" activity in the structure. This is because USDA proposed a new FNS account, "Food Program Administration" to hich the operating expenses of this program were to be transferred.

rom the Food Stamp Program Account's "Program and Financing" schedule in the Budget of the United States Government, iscal Year 1977: Appendix, p. 176.

ork is underway to develop broad categories (function, subfunction, etc.) for grouping programs with similar objectives.

n those years in which bonus payments to disaster victims are reported, amounts for these payments are to be indicated y footnoted entries in the classification structure.

The structure proposed by the GAO contains two subprograms -- (1) "Bonus payments" and (2) "Support and administration". The "Support and administration" subprogram includes (a) "Matching grants for State administration" (b) "Printing of coupons" (c) "Shipment of coupons" (d) "Processing the redemption of coupons" (e) "Employment registration" and (f) "Direct FNS Administration , which is further divided into "Salaries" and "Other administration."

The GAO-proposed structure provides for reporting more detailed dollar amounts and explanatory information than is the case with the current structure. We believe that greater detail is warranted by the large dollar amounts involved in the various parts of the program and its administration.

Additionally, the GAO-proposed structure, by the use of one subprogram break for all administrative type expenses, makes clear the distinction between the "program" and overhead dollars of the Food Stamp Program. This distinction is not apparent in either of the current structures. Committee staff personnel have stressed to GAO the need for categories which make clear this distinction.

In their comments, USDA officials recommended breaking out the proposed support and administration subprogram into three separate subprogram level categories -- (1) "Matching grants for State administration"; (2) "Other program costs" (with visibility for each of the auxiliary activities); and (3) "Direct Federal administration (with visibility for "Salaries" and "Other expenses". This breakout would have been in conformance with existing FMS structures.

The GAO stresses again the importance of aggregating all support and administration into one subprogram, and reiterates its recommendation.

SECTION IV

SYNOPSIS OF INFORMATION ELEMENTS

The matrix in Appendix B displays the range of information elements which should be made readily available to the Congress on the Food Stamp Program. Other elements may be provided as appropriate. With only a few exceptions -- "apportionment," "allotment," "unapportioned obligational authority", "geographic distribution information" -- the matrix elements should be made available and reported in the budget justification material as indicated (see below) as actual amounts for the past year and estimated amount for each of the current and budget years. Any additional exceptions would require futher discussion. The "X" entries on the matrix specify the elements which should be made available at the various classification structure levels. Many of the elements are basic financial elements already provided to the Congress, e.g., "budget authority," "obligations," etc. Most of these standard elements are not discussed in this section but are defined in Appendix A.

The elements which should be reported in the justification material are identified by an asterisk (*) on the matrix. This discussion focuses on the asterisked elements which are not now reported in the justifications, or not reported at the level of detail recommended herein.

Unless there is discussion to the contrary, USDA officials have indicated they will be able to provide all the information contained in these requirements and expressed willingness to implement the GAO recommendations in the fiscal year 1978 budget justification.

Personnel Summary

We recommend that program level personnel summary information be provided. This consists of the staff years for full-time and other personnel, including contract personnel. This information would be useful, especially when coupled with "Workload Information" and "Performance Information," in evaluating staff resource requirements.

Amount Paid for Coupons By Participants

This item is defined as the total amount of money paid by recipients to issuing agents for food stamp coupons. This amount, in addition to the "bonus value" of the coupons, equals the total or "face" value of the coupons.

Total Value of Coupons Issued to Participants

The total or "face" value of food stamp coupons is the sum of the "bonus" value and amount paid for coupons by recipients.

Workload Information

Workload information consists of indicators of the level of work processed through FNS for the Food Stamp Program. In addition to the information already being reported in the Budget Explanatory Notes, workload would include the number of States in which State administrative reviews and quality control checks are made, the estimated number of staff hours spent in quality control checks and the number of State plans/ amendments processed.

Compliance, Investigations and Prosecution Information

This information element relates to Federal (includes FNS, USDA Office of Investigation, U.S. Department of Justice) compliance, investigation, and prosecution activities involving violations of the Food Stamp Program. It would include an identification of the types of violations (e.g., fraud, civil rights), and the number and disposition of cases involving recipients, wholesalers/retailers, issuance agents, and others.

Performance Information

This information relates to measures of Food Stamp Program accomplishments and the rate of accomplishment. In addition to the information already being reported in the budget justifications, performance information would include:

--the number of States having variable purchase arrangements;

--the number of States submitting outreach information;

--a narrative summary of the State Extension Services and USDA Extension Service

--nutrition education activities related to the Food Stamp Program;

--for the employment registration activity, the net number of persons in the following categories:

(1) removed from the Food Stamp program due to failure to register;

(2) removed from the Food Stamp program due to employment;

(3) whose benefits were reduced due to employment.

—information about program effectiveness in raising nutrition levels of participants.

In their comments, USDA officials agreed that it would be desirable to have information on program effectiveness in raising nutritional levels but noted that such information is not available. Futhermore, they stated that because of the technical difficulty of measuring program related nutritional improvement in Food Stamp program participants, it is not feasible at this time to develop the information. We believe that USDA should examine the feasibility of developing this information.

The need for nutritional improvement information will be further emphasized in a GAO report on the National School Lunch Program (NSLP). The study report, to be published in the near future, recognizes a lack of objective evidence with which to evaluate the NSLP's nutritional impact. It also points out that legislative bodies have little evidence on which to rely when comparing program resource requirements with anticipated benefits. We feel that this situation applies to all programs for which the effect of raising nutritional levels is assumed.

<u>Target Group Information</u>

Target Group information involves the persons and organizations eligible for and receiving program benefits. In addition to the information already being provided in the budget justifications, the GAO recommends the reporting of target group information, including the following:

—More detailed information on the number and kinds of food stamp recipients (persons or households, as applicable), including breakdowns by the following categories (see also Appendix A):

...type of other assistance also being received (as applicable)--Aid to Families with Dependent Children, Supplemental Security Income, Workmen's Compensation, etc.

...workforce status--unemployed, student, employed seasonal farmworker, social security retiree, etc.

...income level

...length of time in program

...participation in meals on wheels and communal dining activities

--More detailed information on the number of potential Food Stamp recipients, i.e., those eligible but not participating in the above categories, as appropriate.

In their comment, USDA officials stated that much of the above recommended information on food stamp recipients could be provided beginning with the fiscal year 1978 budget justification. This information would be based upon a 1975 USDA survey of over 11,000 Food Stamp Program households. 1/

As for information on non-participating "eligibles", USDA personnel stated that they did not have available breakdowns such as those available on the Food Stamp recipients. They stated, however, they could provide

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1/ Characteristcs of Food Stamp Households, September 1975, Food and Nutrition Service, USDA, May 1976, FNS - 160. The information contained in this report could be provided, as appropriate, in the Fiscal year 1978 budget justifications. For future year budget justifications, this data could be used if it were to remain valid.

information on the estimated aggregate number of potential recipients under existing law. This summary level information would be derived from economic characteristics of the population data in the periodic U.S. Census updates.

We believe that USDA should proceed to report the available information in accordance with the recommendation, and give serious attention to developing the means for regularly collecting and reporting detailed target group information such as that recommended herein. It is noted that a previous GAO study likewise stressed the importance of recipient and potential participant information, and identified categories such as those proposed herein. 1/

Geographic Distribution Information

Geographic distribution information would provide "obligations," selected "performance information," "target group information" and "workload information" broken out by State. The selected items are designated by footnote #1 in Appendix A. USDA has indiciated that most of the information can be reported by State, but that many new State tables would substantially lengthen the budget justifications. For that reason, we would like to discuss with the committees their specific needs for State level information before forwarding the final document to USDA.

1/ See GAO Report to the Congress, Observations on the Food Stamp Program, RED-75-342; February 28, 1976, Chapter II, pp. 3-12.

DEFINITIONS OF INFORMATION ELEMENTS

Term	Definition
Allotments	Allotments are delegations of budget authority, and revisions thereof, by the head of the agency or other authorized official to agency employees to incur obligations within a specified amount pursuant to an apportionment or statutory provision.
Amount Paid for Coupons by Participants	The total amount of money paid by recipients to issuing agents for food stamp coupons. This amount, plus the "bonus value" (defined in Background section, see page 4) equals the total or "face" value of the coupons.
Apportionment	A distribution made by the Office of Management and Budget of funds available for obligation into amounts available for specified time periods, activities, functions, projects, objects, or combinations thereof. The amounts so apportioned limit the obligations which may be incurred.
Authorization	The basic substantive legislation which sets up a Federal program or agency. This includes the public law number and popular name of the legislation, as well as the relevant statutory section number in cases where only one section among many in the legislation is responsible for the authorization.
Authorization Limits	The authorization's specification of the limited or unlimited amount(s) of budget authority which may be made available for an activity in a given fiscal year or years. Also, in the case of limited amounts, the portion of the limited total which remains unused at the beginning and ending of each fiscal year.

Budget Authority	Budget Authority for any new fiscal year is the amount becoming newly available for incurring obligations. It includes appropriations, reappropriations, contract authority, and authority to spend debt receipts (public debt authority, and agency debt authority).
Changes in Selected Resources	The bridge between costs and obligations. These represent the increase or decrease in those resources and liabilities which enter into obligations before they become costs, and vice versa.
Compliance, Investigations and Prosecution Information	Information related to compliance, investigation and prosecution activities of the Federal Government in carrying out its responsibilities for the Food Stamp Program. Would include Food and Nutrition Service, USDA Office of Investigation and Department of Justice involvement in cases in which there was alleged or possible violations or abuses of the Food Stamp Program. For each fiscal year, a brief identification of the types of violations (e.g., fraud, civil rights), number and disposition of cases involving the following groups: --recipients --wholesalers/retailers --issuance agents --other (including State and local governments). Also, other compliance, investigation and prosecution information as appropriate.
Geographic Distribution Information	Information on the geographic distribution of benefits rendered. For the Food Stamp Program for each fiscal year, a breakdown of the information displayed in the "Obligations" and selected items in the "Workload Information,"

Geographic Distribution Information (contd.)	"Performance Information" and "Target Group Information" elements by State for the budget justifications and by county or area and congressional districts as needed. The selected items in the "Workload Information," "Performance Information" and "Target Group Information" elements are designated by footnote #1 in their respective listings. Also, other geographic distribution information as appropriate.
Object Classification	A statement of total obligations by the uniform object classes (OMB Circular A-12) such as personnel compensation - permanent positions; personnel benefits - civilian; equipment; and grants, subsidies and contributions.
Obligational Authority	The total of budget authority and other amounts (unobligated balance available, transfers received, etc.) available for obligation on the activity during a fiscal year.
Obligations	Amounts of orders placed, contracts awarded, services rendered, and similar transactions which require payment at some time. Includes payments for obligations not previously recorded as obligations, and reflects adjustments for differences between obligations previously recorded and final disbursements for those obligations.
Outlays	Checks issued, interest accrued on the public debt, or other payments, net of refunds and reimbursements. Outlays occur either as "expenditures" or "net lending."
Performance Information	Measures of accomplishment and the rate of accomplishment.

Performance Information (cont'd.)

Would include the following for the bonus payments subprogram for each fiscal year.[2]

--the number of participating wholesale and retail stores[1]

--the number and type of issuance outlets[1]

--the number of meals-on-wheels projects participating

--the number of communal eating facilities for the elderly authorized as retailers

--the number of communal eating facilities for the rehabilitation of alcoholics and drug addicts authorized as retailers.

For the matching grants for State administration part of the support and administration subprogram for each fiscal year:

--the number of States having variable purchase arrangements[1]

--the number of States submitting outreach information[1]

--a summary description of the State Extension Services and USDA Extension Service nutrition education activities related to the Food Stamp Program.[1]

Would include for the employment registration part of the support and administration subprogram for each fiscal year:

--the number of individuals registered[1]

--the number of individuals who found jobs[1]

--the net number of persons removed from the Food Stamp program as a result of those jobs[1]

--the net number of persons whose Food Stamp benefits were reduced as a result of these jobs[1]

1/ Items designated by footnote #1 in the "Performance Information," "Target Group Information" and "Workload Information" sections should be prepared for reporting by State. Due to the fact that State tables for all these items would substantially lengthen the budget justifications, the Committees will specify which State level information they want reported.

2/ In the event of bonus payments for disaster victims, this information should be provided separately from the regular bonus payments.

Performance Information (contd.)	--the number who failed to comply 1/ --the number whose benefits were terminated due to failure to comply. 1/ Also, other performance information as appropriate, including information on program effectiveness in raising the nutritional levels of low-income persons.
Personnel Summary	For classification structure levels, the staffyears for FNS full-time and other personnel, including contract personnel, expended in administering each activity. In this instance contract personnel would include consultants and persons with personal service contracts with FNS. It would not include those working on FNS contracts awarded to private firms.
Statement of Increase or Decrease	A breakdown of the amount of increase or decrease in budget authority and obligations estimated for the budget year as compared with current year with a separate identification of the differences due to (1) program changes caused by changes in eligibility requirements and bonus allotments, (2) participation level changes due to economic fluctuations, and (3) relatively uncontrollable changes, such as pay increases, annualization costs, GSA rental costs, etc. Included would be an explanation of the effect of the increase or decrease upon staff resources and program performance (see "Workload Information" and "Performance Information").
Target Group Information	Data concerning the persons or organizations to whom the benefits are rendered, especially data concerning the recipient's eligibility and need for benefits. Would include the following for the bonus payments subprogram for each fiscal year:

1/ Items designated by footnote #1 in the "Performance Information," "Target Group Information" and "Workload Information" sections should be prepared for reporting by State. Due to the fact that State tables for all these items would substantially lengthen the budget justifications, the Committees will specify which State level information they want reported.

Target Group Information (contd.)

The total number of (1) households and (2) individuals:
--participating in the program by month.

The number and kinds of food stamp recipients (individuals or households, as applicable) by the following categories:
--type of other assistance also being received (as applicable, Aid to Families with Dependent Children, Workmen's Compensation; General Assistance, etc.)
-- workforce status--unemployed, student, employed, seasonal farmworker, social security retiree, etc.
--income level
--length of time on program
--participation in meals on wheels and communal dining
--other categories, as appropriate.

In addition, information on the number of potential Food Stamp recipients, i.e., those eligible but not participating in the above categories, as appropriate.

Would include in bonus payments for disaster victims if funded for each fiscal year, the number of participating (1) households and (2) individuals and the duration of assistance.[1/]

Total Costs, Funded

The total of capital outlay and funded operating costs.

1/ Items designated by footnote #1 in the "Performance Information," "Target Group Information" and "Workload Information" sections should be prepared for reporting by State. Due to the fact that State tables for all these items would substantially lengthen the budget justifications, the Committees will specify which State level information they want reported.

Total Value of Coupons Issued	The total face value of the Food Stamp coupons issued to recipients. This amount would be the sum of the Amount Paid for Coupons plus the "bonus value" (Federal subsidy) of the Food Stamp coupons.
Transfer between Appropriation Accounts	A transaction, which, in accordance with law, withdraws budget authority or balance from one appropriation account to another. Payments to other accounts for goods or services received are not counted as transfers. Transfer amounts would be identified by the (1) agencies, bureaus and accounts involved and (2) the objectives supported by the transfer. Included would be an identification, as appropriate, of the programs affected by the transfer.
Unapportioned Obligational Authority	Funds precluded from obligation or expenditure by executive direction and impounded (held in reserve) at the end of the previous fiscal year.
Unliquidated Obligations	The amount of obligations incurred for which payment has not yet been made.
Unobligated Balance Available	The amount of unused obligational authority available for obligation without new action by the Congress.
Workload Information	Indicators of the level and rate of work processed through the responsible organization. This information is needed to assess program levels and staffing requirements. Would include for this account at the program level for each fiscal year for the headquarters office: --the number of State plans/amendments received, the number processed, the number approved. For the FNS regional offices (total): --the number of State administrative reviews[1/] --the number of States in which quality control checks were made[1/] --the estimated number of staffyears spent in quality control checks.[1/]

1/ Reported by States.

Workload Information (cont'd.)

For the FNS field offices (total):
--the number of educational store visits made.

Also, other workload information as appropriate.

AGENCY: U.S. Department of Agriculture

SUBAGENCY: Food and Nutrition Service

ACCOUNT #: FOOD STAMP PROGRAM 05-84-3505-0-1-604

TEAM MEMBER:

DATE PREPARED:

SUBCOMMITTEE: Agriculture and Related Agencies

ACCOUNT

Program

Subprogram

BUDGET JUSTIFICATION ELEMENTS (*)

CLASSIFICATION STRUCTURE	Authorization	Authorization Limits	Apportionment	Allotment	Unapportioned Obligational Authority	Total Costs, Funded	Changes in Selected Resources	Obligations	Unobligated Balance Available	Budget Authority	Obligational Authority	Unliquidated Obligations	Outlays	Transfer Between Appropriation Accounts	Total Value/Coupons Issued to Participants	Amount Paid for Coupons by Participants	Statement of Increase and Decrease	Personnel Summary	Workload Information	Object Classification	Compliance Investigations and Prosecutions	Performance Information	Target Group Information	Geographic Distribution Information
	*	*			*			*	*	*	*			*	*	*	*	*	*		*	*	*	*
ACCOUNT			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Food Stamp Program	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Bonus payments								x		x	x		x		x	x	x	x	x			x	x	x
Support and administration								x		x	x		x				x	x	x			x	x	x
Matching grants for State administration								x		x	x		x				x					x	x	x
Printing of coupons								x		x	x		x				x							
Shipment of coupons								x		x	x		x				x							
Processing the redemption of coupons								x		x	x		x				x							
Employment registration								x		x	x		x				x					x	x	x
Direct FNS administration								x		x	x		x				x	x	x					
Salaries								x					x											
Other administration								x					x											

PART 2

ASSESSMENT OF INFORMATION NEEDS
HOUSE AND SENATE COMMITTEES ON APPROPRIATIONS
SUBCOMMITTEES ON AGRICULTURE AND RELATED AGENCIES

FOOD AND NUTRITION SERVICE
U.S. DEPARTMENT OF AGRICULTURE

ACCOUNT:

05-89-3539-0-1-604 Child Nutrition Programs

RD-HØ and SØ 301-20.1

DEC 1 1976 PAD-76-37 (Part II)

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INTRODUCTION

The General Accounting Office has the responsibility for identifying and specifying congressional information needs and for recommending improvements to meet those needs. This responsibility was assigned by section 202 of the Legislative Reorganization Act of 1970 as amended by the Congressional Budget Act of 1974.

Presented in this document are our initial recommendations for improving budget, program and other information on the program funded through the Child Nutrition programs appropriation account (05-84-3539-0-1-604) of the Food and Nutrition Service (FNS) U.S. Department of Agriculture (USDA). The study of these programs represents a part of the continuing effort of the GAO to define the information needs of the Subcommittees on Agriculture and Related Agencies, House and Senate Committees on Appropriations.

Our objective in analyzing the information aspects of this account was to prepare proposals for improvement in: (1) the classification structure for organizing information about the program and (2) information elements necessary for supporting each level of the classification structure. Also presented are initial proposals pertaining to the implementation of the recommendations in the budget justification material and other reporting.

The major content of these requirements documents was developed through analysis of the following: legislative history, budget justification material, appropriations hearings documents, The Budget of the United States Government: Appendix, and various reports and documents of the Food and

Nutrition Service. Information obtained through discussions and working sessions with USDA officials was also used in the development of these recommendations. After the proposals were drawn up, they were presented to FNS for analysis. Comments of USDA officials are contained herein.

SECTION II

BACKGROUND

The programs funded through the Child Nutrition appropriation account are authorized by the National School Lunch Act of 1946, as amended and the Child Nutrition Act of 1966, as amended. The major programs, as they are referred to in the authorizing legislation, are the National School Lunch, School Breakfast, Non-food Assistance, Child Care Food and Special Food Service. Also included are auxiliary and support activities authorized by the legislation. They are: the purchase and distribution of commodities or cash-in-lieu-of commodities for the feeding programs; grants for State level administration of the feeding programs; nutritional surveys and training; and Federal operating expenses.

Below is a summary description of each of the major programs and auxiliary activities.

School Lunch Program

Authorized by the National School Lunch Act, this program provides Federal cash and commodity assistance to help serve nutritious lunches to children in schools. The Federal Government reimburses schools, usually through State education agencies, for a portion of the cost of lunches served. Three separate partial reimbursement rates, adjusted semi-annually, are used: the lowest rate is used to reimburse the cost of lunches to children from families whose incomes are above 195% of the poverty index ("paid" lunches--children pay); a higher rate is used to reimburse the cost of lunches to children from families whose incomes are up to 195% of the poverty index ("reduced-price" lunches--children pay a reduced rate); the highest rate is used to reimburse the cost of lunches to children whose families are below 125% of the poverty index ("free" lunches--children do not pay). In addition, the legislation authorizes the purchase and distribution of agricultural commodities and requires that a minimum value of donated commodities (or cash equivalent) be utilized for each lunch.

The School Lunch program is performance funded. That is, schools are reimbursed for the number of lunches served and Congress must appropriate as much as necessary to cover reimbursement for all lunches served. The initial appropriation is an approximation of the amount required for the fiscal year.

In fiscal year 1976, the appropriation was $1,488,000,000[1]; the amount requested in fiscal year 1977 is $1,756,000,000[1].

School Breakfast Program

Similar in purpose and operation to the School Lunch program, the School Breakfast program provides nutritious breakfasts to children in school. It is authorized by section 4 of the Child Nutrition Act. As with the lunch program, the Federal reimbursement rates for the breakfast programs are different for "paid," "reduced-price" and "free" breakfasts, and are adjusted semi-annually. Additional Federal assistance, to pay up

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[1] These amounts exclude commodities or cash-in-lieu-of commodities which support the School Lunch and other FNS feeding programs. Amounts taken from 1977 Budget Explanatory Notes, Vol. II, page 71, and further clarification by FNS officials.

to 100% of the cost of the meal, but not to exceed 45 cents, is provided in particularly needy situations. The program primarily benefits needy children, as 85% of the participants are served reduced-price or free breakfasts.

The School Breakfast program also utilizes donated agricultural commodities in preparing meals.

The School Breakfast program is also performance funded. In fiscal year 1976, budget authority amounted to \$116,500,000[1/]; in fiscal year 1977, \$184,000,000 was requested.[1/]

Child Care Food Program

The Child Care Food program, authorized through fiscal year 1978 by section 17 of the National School Lunch Act, provides meals to children in licensed or approved[2/] child care institutions. The program authorizes reimbursement for breakfasts, lunches, suppers and snacks. In this program, different rates of reimbursement for "paid," "reduced-price" and "free-meals" are applicable for each meal category. The legislation also states that, at a minimum, the value of donated commodities used in lunches and suppers be equal to the amount required in the school lunch program.

1/ Amounts do not include the value of commodities or cash-in-lieu-of commodities which support the School Breakfast and other child feeding programs. Amounts taken from the 1977 Budget Explanatory Notes, Vol. II, page 71, and further clarification by FNS officials.

2/ Institutions must be licensed or approved by either local, State or Federal agencies or be in compliance with the Federal Interagency Day Care Requirements of 1968.

The Child Care Food program is performance funded. In fiscal year 1976, the appropriation amounted to $98,000,000[1]; in fiscal year 1977, $120,000,000[1] is requested.

Special Food Service Program
(Summer Food)

This program is authorized through fiscal year 1977 by section 13 of the National School Lunch Act and provides, during the summer, meals free of cost to children in "service institutions." Service institutions are defined in section 13(a)(2) of the legislation as "those which conduct a regularly scheduled program for children from areas in which poor economic conditions exist." The institutions are reimbursed for the full cost of food service operations under certain maximum limits which are to be adjusted annually.

The Summer Food Service program also utilizes donated agricultural commodities in preparing meals. It is also performance funded.

In fiscal year 1976 the appropriation was $55,833,000[2]; for fiscal year 1977, $132,000,000[2] is requested.

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[1] Does not include the amounts for commodities or cash-in-lieu-of commodities which support the Child Care Food and other FNS child feeding programs. Amounts are taken from 1977 Budget Explanatory Notes, Vol. II, page 71, and clarification from FNS officials.

[2] Does not include amounts for commodities or cash-in-lieu-of commodities which support the Summer Food Service and other FNS child feeding programs. Does not include $8,000,000 allocated to the program from the AMS section 32 account (05-81-5209-0-2-604). Amounts are taken from 1977 Budget Explanatory Notes, Vol. II, page 71, and clarification by FNS officials.

Non-food Assistance Program

Authorized through fiscal year 1977 by section 5 of the Child Nutrition Act, this program provides cash and technical support to help schools establish, maintain or expand food service by acquiring food service equipment. Funds are allocated to the States by a formula based on the number of children enrolled in schools lacking food service programs and hot meal facilities. Furthermore, 33 1/3% of the funds appropriated are to be reserved for schools without the facilities to prepare or receive hot meals.

Forty million dollars are authorized each year for this program through fiscal year 1978. In fiscal year 1976, $28,000,000[1/] was appropriated; in fiscal year 1977, no funds were requested.

State Administration Expenses

Authorized by section 7 of the Child Nutrition Act, this activity provides funds necessary to carry out administrative responsibilities imposed by programs in this account. In fiscal year 1976 $11,150,000[2/] was appropriated; for fiscal year 1977, $7,700,000[2/] was requested.

Commodity (and Cash-in-lieu-of Commodities) Distribution

Agricultural commodities for use in the four feeding programs can be purchased through the authority of section 416 of the Commodity Credit Corporation Act, section 32 of the Agricultural and Marketing Act, section

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1/ Amount taken from 1977 Budget Explanatory Notes, Vol II, page 71.

2/ Amounts taken from 1977 Budget Explanatory Notes, Vol. II, page 71 and further clarification from FNS officials.

709 of the Food and Agriculture Act of 1973, as well as section 6 of the School Lunch Act. Section 6(b) of the School Lunch Act requires that in the event of a commodity donation shortage, the Department would provide cash assistance in-lieu-of these commodities. Section 16 of the National School Lunch Act now allows States, which have phased out commodity distribution facilities, to elect to receive cash payments instead of commodities.

In fiscal year 1976, $442,466,000[1/] was appropriated for commodity distribution, $164,502,000[1/] was appropriated for cash-in-lieu-of commodities. For fiscal year 1977, $586,307,000[1/] and $120,000,000[1/] are requested for commodities and cash-in-lieu of commodities respectively.

National Training and Surveys

Section 6(a)(3) of the National School Lunch Act authorizes the Secretary to make grants to States and other agencies to carry out nutritional training and education and surveys and studies related to child nutrition. In fiscal year 1976, $1,000,000[1/] was appropriated; none is requested for fiscal year 1977.

Federal Operating Expenses

Section 6(a)(1) of the School Lunch Act authorizes funds for Federal administration for the programs in this account. In fiscal year 1976, $11,700,000[1/] was appropriated; in fiscal year 1977, $12,000,000[1/] was requested.

1/ Amounts are taken from 1977 Budget Explanatory Notes, Vol. II, page 71.

SECTION III

CLASSIFICATION STRUCTURE

This section illustrates and discusses current and proposed structures for the presentation of information on the programs in the Child Nutrition Programs account. Displayed in Exhibit I is the structure currently used by USDA in reporting budget, program and other information on the Child Nutrition programs. Also presented in the exhibit is the GAO-proposed structure.

We propose that the revised structure be used in reporting on the programs in the USDA budget justification material (the Budget Explanatory Notes). Also, we propose that appropriate levels of this structure be used in the applicable program and financing schedule in the Budget Appendix and in other reporting. GAO representatives are available to discuss appropriate levels for use in the Budget Appendix.

As shown in the exhibit, the structure currently[1] used by USDA divides activities into four major categories: "Cash payments to States," "Commodity procurement," "Nutritional surveys and training," and "Operating expenses." The first category is further divided into the major feeding programs in the account as well as non-food assistance and State administrative expenses.

[1] In the fiscal year 1977 Budget Explanatory Notes, a Child Nutrition Programs account structure was not presented. The Department was proposing new accounts into which these programs would be placed. The new account proposals were denied by the Appropriation Committees of the House and Senate. They reported out bills using the accounts in effect in fiscal year 1976. The Child Nutrition Program account's structure was, however, presented in the Budget Appendix.

EXHIBIT I

COMPARISON OF CURRENT AND PROPOSED CLASSIFICATION
STRUCTURES FOR THE "CHILD NUTRITION PROGRAMS" ACCOUNT

CURRENT STRUCTURE[1]	GAO-PROPOSED STRUCTURE[2]	
a. Cash Payments to States	a. Payments for School Lunch	[Program]
(1) School lunch program	(1) Paid lunches	[Subprogram]
(2) Special assistance	(2) Reduced-price lunches	[Subprogram]
(3) School breakfast program	(3) Free lunches	[Subprogram]
(4) Nonfood assistance program	b. Payments for School Breakfast	[Program]
(5) State administrative expenses	(1) Paid breakfasts	[Subprogram]
(6) Non-school food program	(2) Reduced-price breakfasts	[Subprogram]
(7) Child care food program	(3) Free breakfasts	[Subprogram]
b. Commodity procurement	c. Payments for School Food Service Equipment	[Program]
c. Nutritional training and surveys	(1) Grants to establish hot meal facilities	[Subprogram]
d. Operating expenses	(2) Grants to expand hot meal facilities	[Subprogram]
	d. Payments for Free Summer Food	[Program]
	e. Payments for Child and Day Care	[Program]
	(1) Paid meals	[Subprogram]
	(2) Reduced-price meals	[Subprogram]
	(3) Free meals	[Subprogram]
	f. Support for State Administrative Expenses	[Program]
	g. Nutritional Training and Surveys	[Program]
	j. Donations for Commodities or Cash-in-lieu-of Commodities	[Program]
	(1) Commodities	[Subprogram]
	(2) Cash-in-lieu-of commodities	[Subprogram]
	k. Federal administration	[Program]
	(1) Salaries	[Subprogram]
	(2) Other administration	[Subprogram]

1/ From the Child Nutrition Programs accounts "Program and Financing" schedule in the Budget of the United States Government Fiscal Year 1977, Appendix, page 177. This classification structure did not appear in the U.S. Department of Agriculture's 1977 Budget Explanatory Notes, as the Department was proposing new accounts into which these programs would be placed. The new account proposals were denied by the Appropriations Committees in both houses of Congress. They reported out bills using the accounts in effect in fiscal year 1976.

2/ Work is underway to develop broad categories (function, subfunction, etc.) for grouping programs with similar objectives.

4. We propose renaming the "Summer Food Program" the "Free Summer Food Payments" to indicate that for this program all participants receive free meals.

5. We propose renaming the Child Care Food program the "Child and Day Care Food Payments" to indicate that participating children are enrolled in daytime activities and institutions and are not maintained in permanent residences. We also recommend breaking out the program into "Paid," "Reduced-price" and "Free" meals subprograms to conform with the other feeding programs.

6. We propose renaming "State administrative expenses" as "Support for State administrative expenses."

7. We propose combining "Commodity procurement" with "Cash-in-lieu-of commodities," formerly funded under the AMS section 32 account.1/ This new program would be entitled "Commodity and Cash-in-lieu of Commodity Donations," and would be broken into "Commodities" and "Cash-in-lieu-of commodities" subprograms.

8. We propose renaming the existing "Operating expenses" "Federal administration" to make clear that we are referring to Federal overhead only. We further recommend breaking this program level category down into "Salaries" and "Other administration" subprograms.

USDA officials concur with these proposed changes in the classification structure. They indicated a willingness to implement these changes in the fiscal year 1978 Budget Explanatory Notes.

1/According to officials, starting in fiscal year 1977, "cash-in-lieu-of commodities" will be funded directly through the Child Nutrition Programs account.

SECTION IV

SYNOPSIS OF INFORMATION ELEMENTS

The matrix in Appendix B displays the range of information elements which should be made readily available to the Congress on the programs in the Child Nutrition Programs account. Other elements may be provided as appropriate. With only a few exceptions--"apportionment," "allotment," "unapportioned obligational authority," "geographic distribution information"--the matrix elements should be made available, and reported in the budget justification material as indicated (see below), as actual amounts for the past year, and estimated amounts for each of the current and budget years. Any additional exceptions would require further discussion.

The "X" entries on the matrix specify the elements which should be made available at various classification structure levels. Many of the elements are basic financial elements already contained in the information provided to the Congress, e.g., "budget authority," "obligations," etc. Most of these standard elements are not discussed in this section but are defined in Appendix A.

The elements which should be reported in the justification material are identified by an asterisk (*) on the matrix. This discussion focuses on the asterisked elements which are not now reported in the budget justifications or are not reported at the level of detail being recommended herein.

Unless there is discussion to the contrary, USDA officials have indicated they will be able to provide the information contained in these requirements. They stated their willingness to implement these recommendations in the fiscal year 1978 budget justifications.

Personnel Summary

We recommend that personnel summary information be provided. Reported at the program level, this consists of the staff-years for full-time and other personnel, including contract personnel. This information would be particularly useful, especially when coupled with "Workload Information" and "Performance Information" in evaluating staffing resource requirements.

In their comments, USDA officials stated that for fiscal year 1978 budget justifications they could provide an estimate of this staff year information. This estimate would be based on a management survey. They added that over the next 2 years they hoped to develop and use a financial management system which would enable them to identify precisely the staff-years associated with program level activities.

The GAO indicated that estimates would be adequate for the 1978 budget justifications.

Federal Administration by Program

This would include the personnel compensation and other overhead expenses associated with each program. For this information element, the amounts could be presented for each program on an actual or estimated basis. The reporting of the administrative amounts for each program would permit the Congress to determine the total dollars (program and administration) involved in each program.

In their comments, USDA officials stated that for the 1978 budget justifications they could supply estimates of Federal administration by program based on a survey. Within the next 2 years, they hoped to have in place a financial management system which would enable them to allocate to programs the actual amounts for salaries and other overhead costs.

As with the "Personnel Summary" element, GAO agrees that estimates would be adequate for the fiscal year 1978 budget justifications.

Workload Information

Workload consists of the level and rate of work processed through FNS in relation to the programs in this account. This information is needed to assess program levels and staffing requirements. In addition to information already being provided in the budget justifications, we recommend including the following:

--the number of combined State plans received and approved;

--the number of applications for participation from private schools received and approved;

--the number of State agencies and private institutions monitored; and

--the number of applications for Nutritional Training and Surveys processed.

Performance Information

Performance information measures accomplishment and the rate of accomplishment. In addition to the performance information already being reported in the budget justifications, we recommend that the following information be included:

--For the School Lunch and School Breakfast programs at the subprogram level, the total and the average daily number of meals served by State;

--For the School Food Service Equipment Program at the subprogram level, the number of grants to private and public schools;

--For the Free Summer Food program, the total number and the average daily number of meals served;

--For the Nutritional Training and Surveys program, a narrative description of the projects funded; and

--For the Commodity Donation subprogram, the types and amounts of commodities donated.

In addition, the GAO is recommending that USDA include any information about program effectiveness in raising the nutrition levels of recipients.

In their comments, USDA officials agreed that it would be desirable to have information on program effectiveness in raising nutritional levels, but noted that such information is not available. Furthermore, they stated that because of the technical difficulty of measuring program related nutritional improvements in the Child Nutrition program recipients, it is not feasible at this time to develop this information. We believe that USDA personnel should examine further the feasibility of developing this information.

The need for nutritional improvement information will be further emphasized in a GAO report on the National School Lunch Program (NSLP). The study report, to be published in the near future, recognizes a lack of objective evidence with which to evaluate the NSLP's nutritional impact. It also points out that legislative bodies have little evidence on which to rely when comparing program resource requirements with anticipated benefits. We feel that this situation applies to all programs for which the effect of raising nutritional levels is assumed.

<u>Target Group Information</u>

Target group information involves the persons and organizations who are eligible for and receive program benefits. In addition to the information already being provided in the budget justifications, the GAO has several recommendations for additional information:

--For the School Lunch, School Breakfast and Free Summer Food programs, the number of institutions and the number of children eligible for and participating in each of these programs.

--For the School Food Service Equipment program, and for each sub-program therein, (1) the number of schools requiring assistance, (2) the number of schools participating in the program, and the number of children attending schools in each category.

--The number of schools receiving commodity assistance only and the number of children benefitting from these commodities.

--For the Nutritional Training and Surveys program, the number of persons receiving nutrition education training.

In their comments regarding the School Lunch and School Breakfast programs, USDA indicated that much of this information could be reported in the fiscal year 1978 budget justifications and subsequent submissions. More specifically, for children attending National School Lunch program (NSLP) participating schools, USDA would report the number of children eligible and participating in these programs.

For children attending schools which do not participate in NSLP, exact figures on eligibility are not reported regularly to USDA. Department of Agriculture officials stated, however, that the results of a 1974 survey of nonparticipating schools contained information on the numbers of eligible nonparticipating schools and the numbers of children attending these schools. USDA officials believe that the survey results are still valid and suggest that this information could be incorporated into the fiscal year 1978 budget justifications.

For the Free Summer Food program, USDA stated they could provide participant data, as they have in the past, but could not report eligibility data for the fiscal year 1978 budget justifications. They indicated, however, that by next year, they should be able to report more accurately the numbers of eligible outlets and children.

For the School Food Service Equipment program, USDA officials commented that they could provide information on the number of schools, and children attending these schools, (1) requesting assistance and (2) receiving grants. For those schools which are eligible, but not requesting assistance, USDA officials stated that the 1974 survey, mentioned on page 17, contained information on the numbers of eligible nonparticipating schools and associated children. They suggested that this information also be incorporated in the 1978 budget justifications.

The GAO agreed that for the fiscal year 1978 budget justifications information derived from the 1974 survey should be used to supplement data from the School Lunch, School Breakfast, and School Food Service Equipment programs.

Geographic Distribution Information

Geographic distribution information would provide "Obligations," selected "Performance Information," and selected "Target Group Information" by State. The selected items are designated by footnote #1 in Appendix A.

USDA stated that State level information could be reported, but the addition of many new State tables would substantially lengthen the budget justifications. For that reason, we would like to discuss with the committees their specific needs for State level information before forwarding the final requirements to USDA.

DEFINITIONS OF INFORMATION ELEMENTS

Term	Definition
Allocation	Transfers of obligational authority from one agency or subunit thereof to another agency or subunit which are set aside in "transfer appropriation accounts." Allocation amounts would be identified by (1) the agencies, bureaus and accounts involved, and (2) the objectives supported by the allocation. Included would be an identification, as appropriate, of the programs affected by the allocation. In this case, the allocation is an amount received from the "Section 32" account of the Agricultural Marketing Service.
Allotments	Allotments are delegations of budget authority, and revisions thereof, by the head of the agency or other authorized official to agency employees to incur obligations within a specified amount pursuant to an apportionment or statutory provision.
Apportionment	A distribution made by the Office of Management and Budget of funds available for obligation into amounts available for specified time periods, activities, functions, projects, objects, or combinations thereof. The amounts so apportioned limit the obligations which may be incurred.
Authorization	The basic substantive legislation which sets up a Federal program or agency. This includes the public law number and popular name of the legislation, as well as the relevant statutory section number in cases where only one section among many in the legislation is responsible for the authorization.
Authorization Limits	The authorization's specification of the limited or unlimited amount(s) of budget authority which may be made available for an activity in a given fiscal year or

Authorization Limits (contd.)	years. Also, in the case of limited amounts, the portion of the limited total which remains unused at the beginning and ending of each fiscal year.
Budget Authority	Budget Authority for any new fiscal year is the amount becoming newly available for incurring obligations. It includes appropriations, reappropriations, contract authority, and authority to spend debt receipts (public debt authority, and agency debt authority).
Capital Outlay	The amount of funds spent for the acquisition of assets.
Changes in Selected Resources	The bridge between costs and obligations. These represent the increase or decrease in those resources and liabilities which enter into obligations before they become costs, and vice versa.
Federal Administration by Program	Personnel compensation, supply and travel expenses, and other overhead expenses by program on a budget authority, obligations and outlay basis, as appropriate; includes expenses apportioned among programs on an actual or prorata basis.
Funded Operating Costs	That portion of total operating costs requiring the outlay of funds for other than the acquisition of assets. Includes such items as salaries and grants.
Geographic Distribution Information	Information on the geographic distribution of the benefits rendered. For this account for each fiscal year, a breakdown of the information in the "Obligations" and selected items in the "Performance Information," the "Target Group Information" elements by State for the budget justifications and by county and congressional district as needed. The selected items in the "Performance" and "Target Group" information elements are designated by footnote #1 in their respective listings.

Geographic Distribution Information (contd.)	In addition, indicate the States in which the State agencies are prohibited from disbursing funds to private schools. In those States, break out geographic distribution information between State agency and regional office. Also, other geographic distribution information as appropriate.
Object Classification	A statement of total obligations by the uniform object classes (OMB Circular A-12) such as personnel compensation - permanent positions; personnel benefits - civilian; equipment; and grants, subsidies and contributions.
Obligational Authority	The total of budget authority and other amounts (unobligated balance available, transfers received, etc.) available for obligation on the activity during a fiscal year.
Obligations	Amounts of orders placed, contracts awarded, services received, and similar transactions which require payment at some time. Includes payments for obligations not previously recorded as obligations, and reflects adjustments for differences between obligations previously recorded and final disbursements for those obligations. For the budget year, this would include the estimate of obligations.
Outlays	Checks issued, interest accrued on the public debt, or other payments, net of refunds and reimbursements. Outlays occur either as "expenditures" or "net lending."
Performance Information	Measures of accomplishment and the rate of accomplishment. Would include for each of the School Lunch Payments and School Breakfast Payments programs at the program and subprogram levels for each fiscal year:

Performance Information (contd.)

--the total number of meals served[1]
--the average daily number of meals served during the school year (September-May)[1]
--the average cost of a meal, broken down by:
...federal cash contribution (exclude cash distributed in-lieu-of commodities
...federal commodities (include cash-in-lieu-of commodities) contributions (when applicable)
...children's contribution (when applicable)
...other contributions, public and private (when applicable).

Would include for the School Food Service Equipment Payments program at the program and subprogram levels for each fiscal year, the total number of grants awarded to (1) public and (2) private schools.[1]

Would include for the Free Summer Food Payments program for each fiscal year the (1) total number and (2) the average daily number of meals served.

Would include for the Child and Day Care Feeding Payments program at the program and the subprogram levels for each fiscal year, the (1) total number and (2) average daily number of meals served.

Would include for the Nutritional Training and Surveys for each fiscal year, a description (purposes, scope, duration, grantee) of the projects funded.[1]

Would include for the commodity donations subprogram in the Commodity and Cash-in-lieu-of commodities program for each fiscal year, the types

[1] All items designated by Footnote #1 in the "Performance Information" and "Target Group Information" sections are to be reported by State. For further explanation, see "Geographic Distribution Information" section on page 18.

Performance Information (cont'd.)	and amounts of commodities distributed. Also, other performance information as appropriate, including especially information on program effectiveness in raising child nutrition and scholastic achievement levels.
Personnel Summary	For classification structure levels, for each fiscal year, the staffyears for FNS full-time and other personnel, including contract personnel, expended in administering each activity. In this instance, contract personnel would include consultants and persons with personal service contracts with FNS. It would not include all those working on FNS-awarded contracts to private firms.
Statement of Increase and Decrease	A breakdown in the amount of increase or decrease in budget authority and obligations, for the budget year as compared with the current year with a separate identification for the differences due to (1) program decision changes and (2) relatively uncontrollable changes such as pay increases, annualization costs, GSA rental costs, etc. Included would be an explanation of the effect of the increase or decrease upon staff resources and program performance (see "Performance Information" below).
Target Group Information	Data concerning the persons or organizations to whom the benefits are rendered, especially data concerning individual's eligibility and need for services. Would include for each of the School Lunch, School Breakfast, Free Summer Food programs at the program level for each fiscal year, the number of (1) public institutions and the number of children attending these institutions and (2) the number of private institutions and the number of children attending these institutions:

Target Group Information (contd.)	--eligible for program assistance[1/] --participating in the program[1/] Would include for the Child and Day Care Food program at the program level for each fiscal year (1) the number of public institutions and number of children attending these institutions participating in the program and (2) the number of private institutions and the number of children attending these institutions, participating in the program. Would include for the School Food Service Equipment Payments program at the program and subprogram levels for each fiscal year: --the estimated number of schools requiring assistance[1/] --the number of children ...attending schools requiring assistance (estimated)[1/] ...attending schools receiving assistance.[1/] Would include for the Commodity Donations program commodity subprogram for each fiscal year: --the number of (1) public and (2) private institutions receiving commodities only[1/] --the number of children attending these schools.[1/] Would include for the Nutrition Training and Surveys, for each fiscal year, the number of persons receiving training or enrolled in nutrition education classes or projects. Also, other target group information as appropriate.
Total Costs, Funded	The total of capital outlay and funded operating costs.
Transfer Between Appropriation Accounts	A transaction, which in accordance with law withdraws budget authority or balance from one appropriation account to another. Payments to other accounts for goods or

Transfer Between Appropriations Accounts (contd.)	services received are not counted as transfers. Transfer amounts would be identified by (1) the agencies, bureaus and accounts involved and (2) the objectives supported by the transfer. Included would be an identification, as appropriate, of the programs affected by the transfer.
Unapportioned Obligational Authority	Funds precluded from obligation or expenditure by execution direction and impounded (held in reserve) at the end of the previous fiscal year.
Unliquidated Obligations	The amount of obligations incurred for which payment has not yet been made.
Unobligated Balance Available	The amount of unused obligational authority available for obligation without new action by the Congress.
Workload Information	Indicators of the level and the rate of work processed through the responsible organization. This information is needed to assess program levels and staffing requirements. Would include for this account for each fiscal year, the number of combined (School Lunch, School Breakfast, School Food Service Equipment, Free Summer Food, Child and Day Food and Special Milk[1]) State plans reviewed and the number approved. For the FNS regional offices (total): --the number of applications for participation received from private schools, camps and child and day care institutions, and the number approved

[1] The Special Milk program is funded through the FNS account number 05-84-3502-0-1-604.

Workload Information (contd.)

--the number of private schools, camps and child care institutions monitored in compliance with OMB Circular #74-7
--the number of State agencies monitored.

For the headquarters office the number of applications (1) received, (2) approved, (3) disapproved, and (4) pending for the Nutritional Training and Surveys program.

Also, other workload information as appropriate.

APPENDIX B

AGENCY: US Department of Agriculture

SUBAGENCY: Food and Nutrition Service

Child Nutrition Programs

ACCOUNT #: 05-84-3539-0-1-604

TEAM MEMBER:

DATE PREPARED:

SUBCOMMITTEE: Agriculture and Related Agencies

ACCOUNT

Program

Subprogram

BUDGET JUSTIFICATION ELEMENTS (*)

CLASSIFICATION STRUCTURE	Authorization *	Authorization Limits *	Apportionment	Allotment	Unapportioned Obligational Authority *	Funded Operating Costs	Capital Outlay	Total Costs, Funded	Changes in Selected Resources	Obligations *	Unobligated Balance Available *	Budget Authority *	Obligational Authority *	Unliquidated Obligations	Outlays	Allocations *	Transfer between Appropriation Accounts *	Statement of Increase and Decrease *	Federal Administration by Program *	Workload Information *	Personnel Summary *	Object Classification	Performance Information *	Target Group Information *	Geographic Distribution Information *
ACCOUNT			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Payments for School Lunch	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x			x	x	x	x	x	x	x	x
Paid lunches										x					x								x		x
Reduced-price lunches										x					x								x		x
Free lunches										x					x								x		x
Payments for School Breakfast	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x			x	x	x	x	x	x	x	x
Paid breakfasts										x					x								x		x
Reduced-price breakfasts										x					x								x		x
Free breakfasts										x					x								x		x
Payments for School Food Service Equipment	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x			x	x	x	x	x	x	x	x
Grants to establish hot meal facilities										x					x								x		x
Grants to expand hot meal facilities										x					x								x		x

APPENDIX B (contd.)

AGENCY: U.S. Department of Agriculture

SUBAGENCY: Food and Nutrition Service

ACCOUNT #: Child Nutrition Programs 05-84-3539-0-1-604

TEAM MEMBER:

DATE PREPARED:

SUBCOMMITTEE: Agriculture and Related Agencies

ACCOUNT

Program

Subprogram

INFORMATION ELEMENTS

BUDGET JUSTIFICATION ELEMENTS (*)

CLASSIFICATION STRUCTURE	* Authorization	* Authorization Limits	Apportionment	Allotment	* Unapportioned Obligational Authority	Funded Operating Costs	Capital Outlay	Total Costs, Funded	Changes in Selected Resources	* Obligations	* Unobligated Balance Available	* Budget Authority	* Obligational Authority	Unliquidated Obligations	Outlays	* Allocations	* Transfer between Appropriation Accounts	* Statement of Increase and Decrease	* Federal Administration by Program	* Workload Information	* Personnel Summary	Object Classification	* Performance Information	* Target Group Information	* Geographic Distribution Information
ACCOUNT			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Payments for Free Summer Food	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x		x	x	x	x	x	x	x	x
Payments for Child and Day Care	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x			x	x	x	x	x	x	x	x
Paid meals										x					x								x		x
Reduced-price meals										x					x								x		x
Free meals										x					x								x		x
Support for State Administrative Expenses	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x			x	x	x	x	x	x		x
Nutritional Training and Surveys	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x			x	x	x	x	x	x	x	x
Donations for Commodities or Cash-in-lieu-of Commodities	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x			x	x	x	x		x	x	x
Commodities										x					x								x	x	x
Cash-in-lieu-of commodities										x					x										x
Federal administration	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x			x	x	x	x	x			x
Salaries										x					x										x
Other administration										x					x										x

PART 3

ASSESSMENT OF INFORMATION NEEDS
HOUSE AND SENATE COMMITTEES ON APPROPRIATIONS
SUBCOMMITTEES ON AGRICULTURE AND RELATED AGENCIES

FOOD AND NUTRITION SERVICE
U.S. DEPARTMENT OF AGRICULTURE

ACCOUNT:

05-84-3510-0-1-604 Special Supplemental Food Program (WIC)

RD-HØ and SØ-301-21.1

DEC 1 1976

INFORMATION REQUIREMENTS GROUP
PROGRAM ANALYSIS DIVISION
U.S. GENERAL ACCOUNTING OFFICE

PAD 76-37 (Part III)

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SECTION I

INTRODUCTION

The General Accounting Office has the responsibility for identifying and specifying congressional information needs and for recommending improvements to meet those needs. This responsibility was assigned by section 202 of the Legislative Reorganization Act of 1970 as amended by the Congressional Budget Act of 1974.

Presented in this document are our initial recommendations for improving budget, program and other information on the program funded through the Special Supplemental Food Program appropriation account (05-84-3510-0-1-604) of the Food and Nutrition Service (FNS), U.S. Department of Agriculture (USDA). The study of this program represents a part of the continuing effort of the GAO to define the information needs of the Subcommittees on Agriculture and Related Agencies, House and Senate Committees on Appropriations.

Our objective in analyzing the information aspects of this account was to prepare proposals for improvement in: (1) the classification structure for organizing information about the program and (2) information elements necessary for supporting each level of the classification structure. Also presented are initial proposals pertaining to the implementation of the recommendations in the budget justification material and other reporting.

The major content of these requirements documents was developed through analysis of the following: legislative history, budget justification material, appropriations hearings documents, The Budget of the

<u>United States Government: Appendix</u>, and various reports and documents of the Food and Nutrition Service. Inf[illegible] obtained through discussions and working sessions with USDA offici[illegible] [illegible]as also used in the development of these recommendations. After the proposals were drawn up, they were presented to USDA for analysis. Comments of U.S. Department of Agriculture officials are contained herein.

SECTION II

BACKGROUND

The Special Supplemental Food program (WIC)[1] is authorized by Section 17 of the Child Nutrition Act of 1966, as amended. This program provides supplemental food to pregnant and lactating women and children under 5 who are considered nutritional risks due to inadequate diet and inadequate income.

In the WIC program, the Secretary of Agriculture is authorized to make cash grants to State health departments, Indian Tribes and the Indian Health Service in DHEW. Local health and welfare agencies and other private nonprofit institutions apply in turn to the appropriate State agency for funds to operate their programs.

The eligibility of persons to participate in this program must be determined by a competent medical authority on an initial screening. Participants must be residents of areas which have significant numbers of "nutritional risk" persons. Every month each participant is provided with $20 worth of high-protein, high-mineral and high-vitamin supplemental foods.

The recipient agencies are allowed to spend on administrative costs an amount equal to 20 percent of the cash grant for supplemental food. "Administrative costs" are broadly defined as "referral, operation, monitoring, nutrition education, general administration, start-up, clinic visits and administration of the State Office". In addition, the legislation

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[1] "WIC", an acronym for "Women, Infants and Children", is the popular name for the program and will be referred to hereafter.

requires establishing a Nation[illegible]ry Council on Maternal, Infant and Fetal Nutrition. The appropriation account also provides for Federal administrative expenses.

The WIC program is authorized at $250,000,000 per year, for each fiscal year through 1978. In fiscal year 1976, budget authority for the WIC program was $250,000,000.[1] For fiscal year 1977, $250,000,000 was requested.

1/ Of this amount, $106,000,000 was direct appropriation; $144,000,000 was available from the AMS Section 32 account. Figures taken from House Report 94-1224, Agriculture and Related Agencies Appropriation Bill, 1977, p. 83.

SECTION III

CLASSIFICATION STRUCTURE

This section illustrates and discusses current and proposed structures for the presentation of information on the WIC program. Displayed in Exhibit I is the structure currently used by USDA in reporting budget, program and other information on the WIC program. Also presented in the exhibit is the structure proposed by the GAO.

We propose that the revised structure be used in reporting on the WIC program in the budget justifications (Budget Explanatory Notes). Also, we propose that appropriate levels of this structure be used in the appropriate program and financing schedule in the Budget Appendix, and in other reporting. GAO representatives are available to discuss appropriate levels for use in the Budget Appendix.

As displayed in the exhibit, the structure currently used[1/] by the USDA in reporting on the WIC program breaks out "WIC program costs" from "WIC operating expenses."

The structure proposed by the GAO separates the existing "WIC program costs" into "Grants to States for supplemental food" and "Grants to States for administration" subprograms. We feel this break provides

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[1/] The structure referred to is that which appears in the Budget of the United States Government, Fiscal Year 1977: Appendix, p. 177. A classification structure for the WIC program was not presented in the 1977 Budget Explanatory Notes because the Department of Agriculture was proposing a new set of account structures for fiscal year 1977. Both appropriations committees rejected these proposed new accounts and reported out bills which conformed with the accounts in effect for fiscal year 1976.

EXHIBIT I

COMPARISON OF CURRENT AND PROPOSED CLASSIFICATION STRUCTURES
FOR THE "SPECIAL SUPPLEMENTAL FOOD PROGRAM" (WIC) ACCOUNT

CURRENT STRUCTURE[1]	GAO-PROPOSED STRUCTURE[2]	
[A. Special Supplemental Program WIC]	A. Special Supplemental Food (WIC)	[Program]
a.1. WIC program costs	1. Grants to States for supplemental food	[Subprogram]
b.2. WIC operating expenses	2. Grants to States for administration	[Subprogram]
	3. Federal administration	[Subprogram]
	(a) Salaries	
	(b) Other administration	

[1]From the "Special Supplemental Food Program (WIC)" account's program and financing structure in the Budget of the United States Government, Fiscal Year 1977: Appendix, p. 177. The classification structure for the WIC program was not presented in the 1977 Budget Explanatory Notes. For further explanation, see footnote #1 on p. 5.

[2]Work is underway to develop broad categories (function, subfunction, etc.) for grouping programs with similar objectives.

visibility to the two major program components authorized by the legislation. In addition, we propose changing operating expenses to "Federal administration" to make clear that the funds pertain to Federal overhead only. We recommend breaking down "Federal administration" into "Salaries" and "Other administration."

USDA officials have concurred with the structure proposed by the GAO and have stated their willingness to implement it in the fiscal year 1978 budget justifications.

SECTION IV

SYNOPSIS OF INFORMATION ELEMENTS

The matrix in Appendix B displays the range of information elements which should be made readily available to the Congress on the WIC program. Other elements may be provided as appropriate. With only a few exceptions--"apportionment," "allotment," "unapportioned obligational authority," "geographic distribution information"--the matrix elements should be made available, and reported in the budget justification material as indicated (see below), as actual amounts for the past year and estimated amount for each of the current and budget years. Any additional exceptions would require further discussion. The "X" entries on the matrix specify the elements which should be made available on the various classification structure units. Many of the elements are basic financial elements already contained in the information provided to the Congress, e.g., "budget authority," "obligations," etc. Most of these standard elements are not discussed in this section but are defined in Appendix A.

The elements which should be reported in the justification material are identified by an asterisk (*) on the matrix. This discussion focuses on the asterisked elements which are not reported in the budget justifications or are not reported at the level of detail being recommended herein.

Unless there is discussion to the contrary, USDA officials have indicated they would be able to provide all the information contained in these requirements. They stated they could implement the recommendations in the fiscal year 1978 budget justifications.

Personnel Summary

We recommend that personnel summary information be provided at the program level. This consists of the staff years for full-time and other personnel, including contract personnel. This information would be useful especially when coupled with "Workload Information" and "Performance Information" evaluating staff requirements.

Workload Information

Workload information consists of indicators of the level and the rate of work for the WIC program processed through FNS. It would include: the number of plans for States and American Indian organizations approved and disapproved; the number of State agencies and American Indian organizations visited and monitored in conjunction with the program; and the number of USDA audits for which follow-up activities were performed.

Performance Information

Performance information consists of measures of accomplishment and the rate of accomplishment. For the WIC program, it would include the following:

--For each of three categories--women, infants, and children--the following information: (1) the minimum nutritional requirements (e.g. vitamins, minerals, calories, protein) which monthly food packages must provide; (2) the types and quantities of food included in a monthly food package; (3) the average cost of a monthly food package (4) the number of monthly food packages distributed.

--In the grants to States for administration subprogram, information on clinic visits, outreach, nutrition education, general administration and dollar amounts associated with each of these activities.

--A summary of the findings and recommendations of the National Advisory Council on Maternal Infant and Fetal Nutrition; the extent to which recommendations have been implemented; and, if appropriate, reasons why recommendations have not been implemented.

--Information on program effectiveness in preventing and correcting malnutrition among participants.

In their comments regarding the reporting of information about grants to States for administration, USDA officials stated that they could possibly provide a breakdown of the administrative dollars by the four activity areas (clinic visits, outreach, nutrition education, general administration), but that the breakdown would have to be based upon a one-time survey (April 1975) conducted under contract.[1] USDA itself does not collect such information.

USDA officials added that the Office of Management and Budget (OMB) Circular A-102 limits the amount of information which can be required from recipients. They believe it would be difficult to obtain OMB clearance to collect data more detailed than that now collected.

As the contracted study is not an official USDA document and contains information based only on a one-time survey, GAO representatives would like to discuss with the committees the feasibility of reporting information from this study in the initial implementation of the recommendation.

[1] Bendick, Marc; Cambell, Toby; Bowden, D.; Jones, Melvin, Toward Efficiency and Effectiveness in the WIC Delivery System. Urban Institute Paper, 5038-2, April 1976.

With regard to GAO's recommendation relating to reporting information about overall program effectiveness, USDA officials agreed that it would be desirable to have information on program achievement in raising nutritional levels, but noted that such information is not available. Furthermore, they stated that because of the technical difficulty of measuring program related nutritional improvements in WIC recipients, it is not feasible at this time to develop the information. We believe that USDA personnel should examine further the feasibility of developing this information.

The need for nutritional improvement information will be further emphasized in a GAO report on the National School Lunch Program (NSLP). The study report, to be published in the near future, recognizes a lack of objective evidence with which to evaluate the NSLP's nutritional impact. It also points out that legislative bodies have little evidence on which to rely when comparing program resource requirements with antiticpated benefits. We feel that this situation applies to all programs for which the effect of raising nutritional levels is assumed.

Target Group Information

Target group information involves the persons and organizations who are eligible for and receive program benefits. For the WIC program, we recommend USDA report on the following:

--the number of local health agencies (1) applying for and (2) participating in the program;

--the total number of (1) women (2) infants and (3) children participating in the program;

--the number of WIC participants who are also participants in other FNS feeding programs, such as the Food Stamp program, the Child Nutrition programs and the Food Donation program.

In their comments, USDA stated that they did not collect annual data on the number of WIC participants who are also participating in other USDA feeding programs. They indicated, however, that the contracted study referred to earlier, contained information on the percentages of WIC participants receiving food stamps and participating in other FNS programs.

For reasons noted in the discussion of the "Performance Information," GAO representatives would like to discuss with the committees the feasibility of reporting information from this study in the initial implementation of the proposal.

Geographic Distribution Information

Georgraphic distribution information would provide "Obligations," and selected items in "Performance Information" and "Target Group Information" by State. The selected items in the "Performance Information" and "Target Group Information" dements are designated by Footnote #1 in their respective listing.

The USDA has stated that this information can be reported by State, but that many new State tables would substantially lengthen the budget justifications. For that reason, we would like to discuss with the committees their specific needs for State level information before forwarding the final requirements to USDA.

DEFINITIONS OF INFORMATION ELEMENTS

Term	Definition
Allotments	Allotments are delegations of budget authority, and revisions thereof, by the head of the agency or other authorized official to agency employees to incur obligations within a specified amount pursuant to an apportionment or statutory provision.
Apportionment	A distribution made by the Office of Management and Budget of funds available for obligation into amounts available for specified time periods, activities, functions, projects, objects, or combinations thereof. The amounts so apportioned limit the obligations which may be incurred.
Authorization	The basic substantive legislation which sets up a Federal program or agency. This includes the public law number and popular name of the legislation, as well as the relevant statutory section number in cases where only one section among many in the legislation is responsible for the authorization.
Authorization Limits	The authorization's specification of the limited or unlimited amount(s) of budget authority which may be made available for an activity in a given fiscal year or years. Also, in the case of limited amounts, the portion of the limited total which remains unused at the beginning and ending of each fiscal year.
Budget Authority	Budget Authority for any new fiscal year is the amount becoming newly available for incurring obligations. It includes appropriations, reappropriations, contract authority, and authority to spend debt receipts (public debt authority, and agency debt authority).
Capital Outlay	The amount of funds spent for the acquisition of assets.

Term	Definition
Funded Operating Costs	That portion of funded operating costs requiring the outlay of funds for other than acquisition of assets. Includes such items as salaries and grants.
Geographic Distribution Information:	Information on the geographic distribution of the benefits rendered. For this account for each fiscal year, a breakdown of the information in the "Obligations" and selected items in the "Performance Information", and "Target Group Information" elements by State for the budget justifications and by county and congressional district as needed. The selected items in the "Performance" and "Target Group" information elements are designated by Footnote #1 in their respective listings. Also, other geographic distribution information as appropriate.
Object Classification	A statement of total obligations by the uniform object classes (OMB Circular A-12) such as personnel compensation - permanent positions; personnel benefits - civilian; equipment; and grants, subsidies and contributions.
Obligational Authority	The total of budget authority and other amounts (unobligated balance available, transfers received, etc.) available for obligation on the activity during a fiscal year.
Obligations	Amounts of orders placed, contracts awarded, services received, and similar transactions which require payment at some time. Includes payments for obligations not previously recorded as obligations, and reflects adjustments for differences between obligations previously recorded and final disbursements for those obligations.

Term	Definition
Outlays	Checks issued, interest accrued on the public debt, or other payments, net of refunds and reimbursements. Outlays occur either as "expenditures" or "net lending".
Performance Information:	Measures of accomplishment and the rate of accomplishment. Would include for the grants to States for supplemental food subprogram for each fiscal year for (1) women, (2) infants, and (3) children: --the minimum nutritional requirements (vitamins, minerals, calories, protein) which monthly food packages must provide --the minimum amount and the type of food included in a monthly food package --the average cost of a monthly food package[1/] --the number of monthly food packages distributed[1/]. Would include for the grants to States for administration subprogram for each fiscal year, descriptive information and associated dollar amounts for each of the following categories: --clinic visits or certification of participants --outreach activities --nutrition education --other administrative activities

[1/] All items designated by Footnote #1 in the "Performance Information" and "Target Group Information" sections are to be reported by State or American Indian Tribe or Council grantee. See "Geographic Distribution Information."

Performance Information (Contd.)	Would include for the National Advisory Council for each fiscal year: --summary of the Council's findings and recommendations; --the extent to which recommendations have been implemented; --reasons why recommendations have not been implemented. Also, other performance information as appropriate, especially information on program effectiveness in preventing malnutrition in participating infants and correcting it in participating women and children.
Personnel Summary:	For classification structure levels, the staff years for FNS full-time and other personnel, including contract personnel, expended in administering each activity. In this instance, contact personnel would include consultants or persons with personal service contacts with FNS. It would not include all those persons working on FNS awarded contracts with private firms.
Statement of Increase and Decrease:	A breakdown in the amount of increase or decrease in budget authority and obligations, for the budget year as compared to the current year with a separate identification for the differences due to (1) program decision changes and (2) relatively uncontrollable changes such as pay increases, annualization cost, GSA rental costs, etc. Included would be an explanation of the effect of the increase or the decrease upon staff resources and program performance. (See "Performance Information" below.)

Term	Definition
Target Group Information:	Data concerning the persons or organizations to whom the benefits are rendered, especially data concerning the re ipients eligibility and need for benefits. Would include for this program for each fiscal year: --the number of local health agencies (1) applying for (2) participating in the program1/; --the number of (1) women, (2) children and (3) infants, participating in the program1/; --the number of participants who are also recipients of other FNS feeding programs (e.g. Food Stamp, Child Nutrition, Food Donations); --the maximum income level allowable in each State for eligibility for free or reduced price health care.1/ (This item would not be required for the budget justification submission, but should be readily available if requested by the Congress.) Also, other target group information as appropriate.
Total Costs, Funded	The total of all capital and funded operating costs.

1/ All items designated by Footnote #1 in the "Performance Information and "Target Group Information" sections are to be reported by State or American Indian Tribe or Council grantee. See "Geographic Distribution Information."

Term	Definition
Transfer Between Appropriation Accounts:	A transaction, which, in accordance with law, withdraws budget authority or balances from one appropriation account to another. Payments to other accounts for goods or services received are not counted as transfers. Transfer amounts would be identified by (1) the agencies, bureaus, accounts involved and (2) the objectives supported by the transfer. Included would be an identification, as appropriate, of the programs affected by the transfer.
Unapportioned Obligational Authority	Funds precluded from obligation or expenditure by executive direction and impounded (held in reserve) at the end of the previous fiscal year.
Unliquidated Obligations	The amount of obligations incurred for which payment has not yet been made.
Unobligated Balance Available	The amount of unused obligational authority available for obligation without new action by the Congress.
Workload Information:	Indicators of the level and the rate of work processed through the responsible organization. This information is needed to assess program levels and staffing requirements. Would include for the program for each fiscal year for the FNS: --the number of plans from States and Indian organizations approved and the number disapproved; --the number of State agencies and Indian organizations monitored through visits; --the number of USDA audits for which follow-up activities are performed. Also, other workload information as appropriate.

APPENDIX A

AGENCY: U.S. Department of Agriculture

SUBAGENCY: Food and Nutrition Service

ACCOUNT #: Special Supplemental Food Program 05-84-3510-0-1-604

TEAM NUMBER:

DATE PREPARED:

SUBCOMMITTEE: Agriculture and Related Agencies

ACCOUNT
Program
Subprogram

INFORMATION ELEMENTS

BUDGET JUSTIFICATION ELEMENTS (*)

CLASSIFICATION STRUCTURE	Authorization *	Authorization Amounts *	Apportionment	Allotments	Unapportioned Obligational Authority *	Total Operating Costs	Capital Outlay	Total Costs, Funded	Obligations *	Unobligated Balance Available	Budget Authority *	Obligational Authority *	Unliquidated Obligations	Outlays	Transfer between Appropriation Accounts *	Statement of Increase and Decrease *	Personnel Summary *	Workload Information *	Object Classification	Performance Information *	Target Group Information *	Geographic Distribution Information *
ACCOUNT			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Special Supplemental Food (WIC)	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Grants to States for Supplemental Food									x		x	x		x		x		x		x	x	x
Grants to States for Administration									x		x	x		x		x		x		x		x
Federal Administration									x		x	x		x		x	x	x				x
Salaries									x					x								x
Other Administration									x					x								x

PART 4

ASSESSMENT OF INFORMATION NEEDS
HOUSE AND SENATE COMMITTEES ON APPROPRIATIONS
SUBCOMMITTEES ON AGRICULTURE AND RELATED AGENCIES

FOOD AND NUTRITION SERVICE
U.S. DEPARTMENT OF AGRICULTURE

ACCOUNT:

05-84-3502-0-1-604 Special Milk Program

RD-HØ and SØ-301-22.1

DEC 1 1976 PAD 76-37 (Part IV)

INFORMATION REQUIREMENTS GROUP
PROGRAM ANALYSIS DIVISION
U.S. GENERAL ACCOUNTING OFFICE

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SECTION I

INTRODUCTION

The General Accounting Office has the responsibility for identifying and specifying congressional information needs and for recommending improvements to meet those needs. This responsibility was assigned by section 202 of the Legislative Reorganization Act of 1970 as amended by the Congressional Budget Act of 1974.

Presented in this document are our initial recommendations for improving budget, program and other information on the program funded through the Special Milk Program appropriation account (05-84-3502-0-1-604) of the Food and Nutrition Service (FNS), U.S. Department of Agriculture (USDA). The study of this program represents a part of the continuing effort of the GAO to define the information needs of the Subcommittees on Agriculture and Related Agencies, House and Senate Committees on Appropriations.

Our objective in analyzing the information aspects of this account was to prepare proposals for improvement in: (1) the classification structure for organizing information about the program and (2) information elements necessary for supporting each level of the classification structure. Also presented are initial proposals pertaining to the implementation of the recommendations in the budget justification material and other reporting.

The major content of these requirements documents was developed through analysis of the following: legislative history, budget justification material, appropriations hearings documents, The Budget of the United States Government: Appendix, and various reports and documents of the Food and Nutrition Service. Information obtained through discussions and working sessions with USDA officials was also used in the development of these recommendations. After the proposals were drawn up, they were presented to USDA for analysis. Comments of USDA officials are contained herein.

SECTION II

BACKGROUND

Authorized by section 3 of the Child Nutrition Act of 1966, the Special Milk program encourages the consumption of fluid milk by subsidizing the service of 1/2 pints of milk in schools and other institutions. Children attending non-profit elementary and secondary schools, day care centers, settlement houses, summer camps and similar institutions can receive this milk. All eligible institutions can participate in the program.

In the Special Milk program funds are advanced to the State educational agencies to reimburse participating institutions for the milk served. Two rates of Federal reimbursement are provided: each half pint of milk served is reimbursed at a minimum rate of 5.5 cents, with a stipulation that the rate will be adjusted annually to reflect changes in the consumer price index; in addition, institutions are reimbursed for the full price of milk served to needy children, i.e., those eligible for free lunches in the National School Lunch Program.

In most cases, the State educational agency administers the program by disbursing the Federal reimbursement to all public and private participating institutions. In some instances where States are prohibited from disbursing funds to private schools, the FNS regional offices disburse funds directly to the schools.

The Special Milk appropriation account also provides funds for Federal administrative overhead, supporting salaries and related expenses of the Food and Nutrition Service employees.

In fiscal year 1976, $144,000,000 [1/] was appropriated for the Special Milk program; none was requested for fiscal year 1977.

The Special Milk program has a permanent authorization and is "performance funded." This means that the Congress must appropriate as much as necessary to cover reimbursement for all milk served. The initial appropriation is then an approximation of the amount required to cover projected reimbursements.

1/ Amount taken from House Report No.94-1224, Agriculture and Related Agencies Appropriation Bill, 1977, page 82.

SECTION III

CLASSIFICATION STRUCTURE

This section illustrates and discusses current and proposed structures for the presentation of information on the Special Milk program. Exhibit I shows the classification structure currently used by the Department of Agriculture in reporting budget, program and other information on the Special Milk program. Also presented in the exhibit is a revised structure proposed by the GAO.

We propose that the revised structure be used in reporting on the program in the USDA budget justification material (Budget Explanatory Notes). Also, we propose that appropriate levels of this structure be used in the applicable program and financing schedule in the Budget Appendix and in other reporting. GAO representatives are available to discuss appropriate levels for the Budget Appendix.

As displayed in the exhibit, the current USDA classification structure for the Special Milk Program breaks out cash payments to States from operating expenses.

The structure proposed by the GAO breaks out the cash payments caption to "Payments to States for paid milk" and "Payments to States for free milk." This separation reflects the mandate to provide different rates of Federal support for milk served to non-needy (paid-milk recipients) and needy (free-milk recipients) children. The operating expenses caption is changed to "Federal administration" to make clear that funds pertain to Federal overhead only. In addition, the "Federal administration" subprogram is divided into "Salaries" and "Other administration" categories.

EXHIBIT I

COMPARISON OF CURRENT AND PROPOSED CLASSIFICATION STRUCTURES FOR THE "SPECIAL MILK PROGRAM" ACCOUNT

COLUMN A CURRENT STRUCTURE[1/]	COLUMN B GAO-PROPOSED STRUCTURE[2/]	
a. **Special Milk Program**	a. **Special Milk Program**	[Program]
(1) Cash payments to the States	(1) Payments to States for paid milk	[Subprogram]
(2) Operating expenses	(2) Payments to States for free milk	[Subprogram]
	(3) Federal administration (a) Salaries (b) Other administration	[Subprogram]

1/ From the U.S. Department of Agriculture 1977 Budget Explanatory Notes, Vol. II. p. 133 and the Special Milk Program account's "Program and Financing" schedule in the Budget of the United States Government, Fiscal Year 1977: Appendix, p. 176.

2/ Work is underway to develop broad categories (function, subfunction, etc.) for grouping programs with similar objectives.

FNS indicated approval of the GAO proposed structure and stated willingness to implement it in their fiscal year 1978 budget justifications.

SECTION IV

SYNOPSIS OF INFORMATION ELEMENTS

The matrix in Appendix B displays the range of information elements which should be made readily available to the Congress on the Special Milk program. Other elements may be provided as appropriate. With only a few exceptions -- apportionment, "allotment" "unapportioned obligational authority", "geographic distribution information" -- the matrix elements should be made available, and reported in the budget justification material as indicated (see below), as actual amounts for the past year and estimated amounts for each of the current and budget years. Any additional exception would require further discussion. The "X" entries on the matrix specify the elements which should be made available at the various classification structure levels. Many of the elements are basic financial elements contained in information already provided to the Congress, e.g., "budget authority," "obligations," etc. Most of these standard elements are not discussed in this section but are defined in Appendix A.

The elements which should be reported in the budget justification material are identified by an asterisk (*) on the matrix. This discussion focuses on the asterisked elements which are not now reported in the budget justifications or are not reported to the level of detail being recommended herein.

USDA officials have indicated they would be able to provide all the information contained in these requirements. They stated they would implement the recommendations in the fiscal year 1978 budget justification material.

Workload Information

Workload information consists of indicators of the level of work processed through FNS for the Special Milk program. This would include: the number of combined [1/] State educational agency and private school plans received, evaluated and recommended for approval and the number of private schools and State agencies monitored.

Performance Information

Performance information consists of measures of program accomplishments. We recommend reporting the number of participating outlets by governance (private, public) and by type of institution (school, child care center and summer camp). We also recommend reporting for each of the "paid" and "free" milk subprograms the total number of 1/2 pints served and the average number served daily.

Target Group Information

Target group information is related to the persons or organizations which are eligible for and receive program benefits. Target group information for this account would include the estimated number of eligible outlets by governance (private and public) and type of institution (school, day care center and summer camp).

1/ The "combined" State plans include in addition to the Special Milk program, the School Lunch, School Breakfast, School Food Service Equipment, Free Summer Food and Child and Day Care Food programs funded through the FNS account 05-84-3539-0-1-604.

Personnel Summary

We recommend that personnel summary information be provided. Reported at the program level, this consists of the staff years for full-time and other personnel. This information will be particularly useful, especially when coupled with "Workload" and "Performance" information in evaluating staffing resource requirements.

Geographic Distribution Information

Geographic Distribution Information would provide "Obligations," "Performance Information" and "Target Group Information" by State. It would also include a listing of those States in which USDA administers the private school program directly. USDA has stated that State level information can be reported, but that many new State tables would substantially lengthen the budget justifications. For that reason, we would like to discuss with the committee their specific needs for State level information before forwarding the final requirement to USDA.

DEFINITIONS OF INFORMATION ELEMENTS

Term	Definition
Allotments	Allotments are delegations of budget authority, and revisions thereof, by the head of the agency or other authorized official to agency employees to incur obligations within a specified amount pursuant to an apportionment or statutory provision.
Apportionment	A distribution made by the Office of Management and Budget of funds available for obligation into amounts available for specified time periods, activities, functions, projects, objects, or combinations thereof. The amounts so apportioned limit the obligations which may be incurred.
Authorization	The basic substantive legislation which sets up a Federal program or agency. This includes the public law number and popular name of the legislation, as well as the relevant statutory section number in cases where only one section among many in the legislation is responsible for the authorization.
Authorization Limits	The authorization's specification of the limited or unlimited amount(s) of budget authority which may be made available for an activity in a given fiscal year or years. Also, in the case of limited amounts, the portion of the limited total which remains unused at the beginning and ending of each fiscal year.
Budget Authority	Budget Authority for any new fiscal year is the amount becoming newly available for incurring obligations. It includes appropriations, reappropriations, contract authority, and authority to spend debt receipts (public debt authority, and agency debt authority).

Capital Outlay	The amount of funds spent for the acquisition of assets.
Funded Operating Costs	That portion of total operating costs requiring the outlay of funds for other than the acquisition of assets. Includes such items as salaries and grants.
Geographic Distribution Information	Information on the geographic distribution of the benefits rendered. Would include for this account for each fiscal year, a breakdown of the information contained in the "Obligations," "Performance Information" and "Target Group Information" elements by State for the budget justifications and by county and congressional districts as needed. In addition, indicate the States in which State agencies are prohibited from disbursing funds to private schools. Also, other geographic distribution information as appropriate.
Object Classification	A statement of total obligations by the uniform object classes (OMB Circular A-12) such as personnel compensation - permanent positions; personnel benefits - civilian; equipment; and grants, subsidies and contributions.
Obligational Authority	The total of budget authority and other amounts (unobligated balance available, transfers received, etc.) available for obligation on the activity during a fiscal year.
Obligations	Amounts of orders placed, contracts awarded, services received, and similar transactions which require payment at some time. Includes payments for

Obligations (contd.)	obligations, and reflects adjustments for differences between obligations previously recorded and final disbursement for those obligations.
Outlays	Checks issued, interest accrued on the public debt, or other payments, net of refunds and reimbursements. Outlays occur either as "expenditures" or "net lending."
Performance Information	Measures of accomplishment and the rate of accomplishment. Would include for this account the number of participating outlets for each fiscal year by: --governance: (1) public and (2) private --type of institution: (1) school, (2) child care center, and (3) summer camp. Would include for each of the (1) free and (2) paid milk subprograms for each fiscal year: --the total number of 1/2 pints served --the estimated average number of 1/2 pints served daily during the school year (September-May) and summer (July-August). Also, other performance information as appropriate.
Personnel Summary	For classification structure levels, for each fiscal year, the staffyears for FNS full-time and other personnel, including contract personnel, expended in administering each activity. Contract personnel would include consultants and those persons with personal service contracts with FNS. It would not include all those working on FNS awarded contracts to private firms.

Statement of Increase and Decrease	A breakdown of the amount of increase or decrease in budget authority, and obligations for the budget year, as compared to the current year with a separate identification of the differences due to (1) program decision changes and (2) relatively uncontrollable changes caused by pay increases, annualization costs, GSA rental costs, etc. Included would be an explanation of the effect of the increase or decrease upon staff resources and program performance (see "Performance Information" above).
Target Group Information	Data concerning the persons or organizations to whom the benefits are rendered, especially data concerning the recipients' eligibility and need for benefits. Would include for the Special Milk program at the account level for each fiscal year, the estimated number of eligible outlets by: --governance: (1) public and (2) private --type of institution: (1) school, (2) day care center, and (3) summer camp. Also, other target group information as appropriate.
Total Costs, Funded	The total of all capital and funded operating costs.
Unapportioned Obligational Authority	Funds precluded from obligation or expe. [illegible]ture by executive direction and impounded (held in reserve) at the end of the previous fiscal year.
Unliquidated Obligations	The amount of obligations incurred for which payment has not yet been made.
Unobligated Balance Lapsing	The amount of obligational authority available for obligation during a fiscal year which ceases to become available during or at the end of the year.

Workload Information

Indicators of the level and rate of work processed through the responsible organization. This information is needed to assess program levels and staffing requirements.

Would include for this account at the program level for each fiscal year, the number of combined[1/] State plans received and approved.

For the FNS regional offices total:

--the number of applications for participation in the program received from private institutions and the number recommended for approval

--the number of plans for private institutions submitted for approval

--the number of private institutions monitored in accordance with OMB circular 74-7

--the number of State agencies monitored.

Also, other workload information as appropriate.

1/ The combined State plans include, in addition to the Special Milk Program, the School Lunch, School Breakfast, School Meal Facilities, Free Summer Food, Child and Day Care Food programs funded through FNS account 05-84-3539-0-1-604.

APPENDIX B

AGENCY: U.S. Department of Agriculture

SUBAGENCY: Food and Nutrition Service

Special Milk Program

ACCOUNT #: 05-84-3502-0-1-604

TEAM NUMBER:

DATE PREPARED:

SUBCOMMITTEE: Agriculture and Related Agencies

INFORMATION ELEMENTS

BUDGET JUSTIFICATION ELEMENTS (*)

ACCOUNT

Program

Subprogram

CLASSIFICATION STRUCTURE	* Authorization	* Authorization Limits	Apportionment	Allotment	* Unapportioned Obligational Authority	Funded Operating Costs	Capital Outlay	Total Costs, Funded	Changes in Selected Resources	* Obligations	* Unobligated Balance Lapsing	* Budget Authority	* Obligational Authority	Unliquidated Obligations	Outlays	* Statement of Increase and Decrease	* Personnel Summary	* Workload Information	Object Classification	* Performance Information	* Target Group Information	* Geographic Distribution Information
ACCOUNT			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Special Milk	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Payments to States for paid milk										X		X	X		X	X		X		X	X	X
Payments to States for free milk										X		X	X		X	X		X		X	X	X
Federal administration										X		X	X		X	X	X	X				
Salaries										X					X							
Other administration										X					X							

PART 5

ASSESSMENT OF INFORMATION NEEDS
HOUSE AND SENATE COMMITTEES ON APPROPRIATIONS
SUBCOMMITTEES ON AGRICULTURE AND RELATED AGENCIES

FOOD AND NUTRITION SERVICE
U.S. DEPARTMENT OF AGRICULTURE

ACCOUNT

05-84-3503-0-1-604 Food Donations Program

RD-HØ and SØ 301-23.1

DEC 1 1976 PAD-76-37 (Part V)

INFORMATION REQUIREMENTS GROUP
PROGRAM ANALYSIS DIVISION
U.S. GENERAL ACCOUNTING OFFICE

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SECTION I

INTRODUCTION

The General Accounting Office has the responsibility for identifying and specifying congressional information needs and for recommending improvements to meet those needs. This responsibility was assigned by section 202 of the Legislative Reorganization Act of 1970 as amended by the Congressional Budget Act of 1974.

Presented in this document are our initial recommendations for improving budget, program and other information on the program funded through the Food Donations Program appropriation account (05-84-3503-0-1-604) of the Food and Nutrition Service (FNS), U.S. Department of Agriculture (USDA). The study of this program represents a part of the continuing effort of the GAO to define the information needs of the Subcommittees on Agriculture and Related Agencies, House and Senate Committees on Appropriations.

Our objective in analyzing the information aspects of this account was to prepare proposals for improvement in: (1) the classification structure for organizing information about the program and (2) information elements necessary for supporting each level of the classification structure. Also presented are initial proposals pertaining to the implementation of the recommendations in the budget justification material and other reporting.

The major content of these requirements documents are developed through analysis of the following: legislative histories, budget justification material, appropriations hearings documents, The Budget of the

United States Government: Appendix, and various reports and documents of the Food and Nutrition Service. Information obtained through discussions and working sessions with USDA officials was also used in the development of these recommendations. After the proposals were drawn up, they were presented to USDA for analysis. Comments of USDA officials are contained herein.

SECTION II

BACKGROUND

The Food Donations program supports the purchase and distribution of agricultural commodities to eligible persons. Section 4 of the Agriculture and Consumer Protection Act of 1973, as amended by Public Law 93-347, specifies that food donations may be made to the following:

--needy families pending transition to the Food Stamp program,

--families on Indian reservations not requesting Food Stamps,

--pregnant and lactating women, infants and children who are nutritional risks (referred to in legislation as "supplemental feeding").

--institutions,

--children in summer camps,

--victims of disasters.

The law also provides funds for both local and Federal program support activities. Payments are made to distribution agencies, such as State welfare agencies, to help defray the cost of maintaining the program. Funds are also appropriated for salaries and expenses for the FNS personnel associated with the program.

Public Law 93-347 requires that the purchase and distribution of these commodities are to be funded through a direct appropriation for these purposes. Formerly they had been supported through the Section 32 account in the Agricultural Marketing Service (05-81-5209-0-2-604) and the Commodity Credit Corporation account (05-66-4336-0-3-351).

In fiscal year 1976, funds were used for: food donations to needy families pending transition to the food stamp program (in a three county area in Washington and the Trust Territories); to Indians on reservations; and to pregnant and lactating women, infants and children (supplemental food); and for associated administrative and distribution expenses. It is anticipated that these three recipient groups will again be supported in fiscal year 1977.

In fiscal 1976, the appropriation for this account amounted to $17,839,000[1/]. For fiscal year 1977, $23,166,000[1/] was requested.

[1/] Amounts taken from House Report 94-1224, Agriculture and Related Agencies Appropriation Bill, 1977, P.83.

SECTION III

CLASSIFICATION STRUCTURE

This section illustrates and discusses current and proposed structures for the presentation of information on the Food Donation program. Displayed in Exhibit I is the structure currently used by the USDA in reporting budget, program and other information on the Food Donations program. Also presented in the exhibit is the structure proposed by the GAO.

We propose that the revised structure be used in reporting on the program in the USDA budget justification material (the Budget Explanatory Notes). Also, we propose that appropriate levels of this structure be used in the applicable program and financing schedule in the Budget Appendix and in other reporting. GAO representatives are available to discuss appropriate levels for use in the Budget Appendix.

As displayed in the exhibit, the USDA presentation[1/] separates commodity acquisitions, cash assistance and operating expenses. The commodity acquisitions category is broken into "Direct distribution on Indian reservations[2/] and the "Supplemental food".

[1/] The fiscal year 1977 Budget Explanatory Notes did not include a classification structure for the Food Donations Program account because the Department was proposing to eliminate the account and to move the activities into a new "Special Nutritional Supplements" account. The House and Senate Appropriations Committees denied USDA's proposed changes and reported out bills which reflected the accounts in effect for fiscal year 1976.

[2/] In fiscal year 1976, the amounts associated with needy families in a three county area in Washington and the Trust Territories were included in the "Direct distribution on Indian reservations" category.

EXHIBIT I

COMPARISON OF CURRENT AND PROPOSED CLASSIFICATION
STRUCTURES FOR THE "FOOD DONATIONS PROGRAM" ACCOUNT

CURRENT STRUCTURE 1/	GAO-PROPOSED STRUCTURE 2/	
a. Food Donation Program	a. Food Donations Program 3/	[Program]
(1) Commodity acquisitions	(1) Commodities for direct distribution on Indian reservations	[Subprogram]
(a) Direct distribution on Indian Reservations	(2) Commodities for needy families	[Subprogram]
(b) Supplemental food.	(3) Commodities for supplemental food	[Subprogram]
(2) Cash assistance	(4) Payments to distributing agencies for administration	[Subprogram]
(3) Operating expenses	(5) Federal administration	[Subprogram]
	(a) Salaries	
	(b) Other administration	

1/ From the "Program and Financing Schedule" of the "Food Donations Program" account in the Budget of the United States Government, Fiscal Year 1977: Appendix, p. 178. The 1977 Budget Explanatory Notes did not display a structure for this account. For further explanation, see footnote #1 on p. 5.

2/ Work is underway to develop broad categories (function, subfunction, etc.) for grouping programs with similar objectives.

3/ For a given fiscal year, FNS need display only those categories for which funds are being requested or for reporting amounts from a previous year's appropriation. See footnote #1 on p. 7 for further explanation.

The GAO proposed structure increases the visibility of the actual recipient groups by providing separate breaks for each of the funded subprograms, i.e., "Commodities for direct distribution to Indians on reservations", "Commodities for needy families", and "Commodities for supplemental food"[1/]. We also recommend changing "Cash assistance" to "Payments to distributing agencies for administration" because the latter caption is more descriptive of the activity than the former. Finally we suggest changing "Operating expenses" in the existing structure to "Federal administration" to make clear that funds pertain to Federal (FNS) overhead. We are also proposing to break down Federal administration into "Salaries" and "Other administration."

In their comments, USDA officials indicated general concurrence with the GAO-proposed structure and stated their willingness to implement it in the fiscal year 1978 Budget Explanatory Notes. They also agreed that if any of the other eligible categories (victims of disasters, institutions, summer camps) were funded, they could be given separate visibility in the structure.

USDA officials suggested, however, combining the "Commodities for direct distribution on Indian reservations" and "Commodities for needy families" into one category. We feel, however, that clear visibility should be maintained for each category specified as eligible, and reiterate our recommendation for separate entries in the structure.

[1/]The other categories, specifically authorized as eligible, children in summer camps, institutions, and victims of disasters would be displayed as separate entries in the classification structure if funds are requested, appropriated and reported on for any of the categories.

SECTION IV

SYNOPSIS OF INFORMATION ELEMENTS

The matrix in Appendix B displays the range of information elements which should be made readily available to the Congress on the Food Donations program. Other elements may be provided as appropriate. With only a few exceptions--"apportionment", "allotment", "unapportioned obligational authority", "geographic distribution information"--the matrix elements should be made available, and reported in the budget justification material as indicated (see below), as actual amounts for the past year and estimated amounts for each of the current and budget years. Any additional exceptions would require further discussion. The "X" entries on the matrix specify the elements which should be made available on various classification structure levels. Many of the elements are basic financial elements already contained in the information provided to the Congress, e.g., "budget authority", "obligations", etc. Most of these standard elements are not discussed in this section nor are defined in Appendix A.

The elements which should be reported in the budget justification material are identified by an asterisk (*) on the matrix. This discussion focuses on the asterisked elements which are not now reported in the budget justifications or are not reported at the level of detail recommended herein.

Unless there is discussion to the contrary, UDSA officials have indicated they will be able to provide all the information contained in these requirements. They stated they would implement the recommendations in the fiscal year 1978 budget justification material.

Personnel Summary

We recommend that personnel summary information be provided. Reported at the program level, this consists of the staff years for full-time and other personnel including contract personnel. This information will be particularly useful especially when coupled with "Workload Information" and "Performance Information" in evaluating staffing resource requirements.

Workload Information

Workload information consists of the level and the rate of work processed through the responsible organization. This would include for the classification structure levels indicated on the matrix, the number of applications received, approved, disapproved, continued and reinstated (for the supplemental food only).

Performance Information

Performance information consists of measures of accomplishments and rate of accomplishments. For the Food Donations program, this would include for each subprogram, as applicable (see matrix), the number of outlets and the amounts and types of food distributed. We also are recommending that USDA report on any information on program effectiveness in raising the nutritional levels of recipients.

In their comments, USDA officials agreed that it would be desirable to have information on program effectiveness in raising nutritional levels, but noted that such information is not available. Furthermore, they stated that because of the technical difficulty of measuring program-related nutritional improvements in food donation recipients, it is not feasible at this time to develop the information. We believe that USDA personnel should examine further the feasibility of developing this information.

The need for nutritional improvement information will be further emphasized in a GAO report on the National School Lunch Program (NSLP). The study report, to be published in the near future, recognizes a lack of objective evidence with which to evaluate the NSLP's nutritional impact. It also points out that legislative bodies have little evidence on which to rely when comparing program resource requirements with anticipated benefits. We feel that this situation applies to all programs for which the effect of raising nutritional levels is assumed.

Target Group Information

Target group information is related to the persons and organizations which are eligible for and receive program benefits. We are recommending that USDA report on the estimated number of eligible outlets and eligible recipients for the commodities for direct distribution on Indian reservations and commodities for needy families subprograms. We are also recommending reporting on the total number of recipients in each of the three commodity subprograms.

Geographic Distribution Information

Geographic distribution information would include "Obligations," "Performance Information," and "Target Group Information" on a State level basis. It would also include the names of the participating Indian reservations and the States in which they are located.

In their comments, USDA stated that State level information could be reported, but that many new State tables would substantially lengthen the budget justifications. For that reason, we would like to discuss with the Committees their specific needs for State level information before forwarding the final requirements to USDA.

DEFINITIONS OF INFORMATION ELEMENTS

Term	Definition
Allotments	Allotments are delegations of budget authority, and revisions thereof, by the head of the agency or other authorized official to agency employees to incur obligations within a specified amount pursuant to an apportionment or statutory provision.
Apportionment	A distribution made by the Office of Management and Budget of funds available for obligation into amounts available for specified time periods, activities, functions, projects, objects, or combinations thereof. The amounts so apportioned limit the obligations which may be incurred.
Authorization	The basic substantive legislation which sets up a Federal program or agency. This includes the public law number and popular name of the legislation, as well as the relevant statutory section number in cases where only one section among many in the legislation is responsible for the authorization.
Authorization Limits	The authorization's specification of the limited or unlimited amount(s) of budget authority which may be made available for an activity in a given fiscal year or years. Also, in the case of limited amounts, the portion of the limited total which remains unused at the beginning and ending of each fiscal year.
Budget Authority	Budget Authority for any new fiscal year is the amount becoming newly available for incurring obligations. It includes appropriations, reappropriations, contract authority, and authority to spend debt receipts (public debt authority, and agency debt authority).

Geographical Distribution Information:	Information on the grographic benefits of services rendered. Would include for each fiscal year a breakdown of the information displayed in the "Obligations", "Performance Information" and "Target Group Information" elements by State for budget justifications and by county and congressional district as needed. For the Commodities for Direct Distribution to Indian Reservations subprogram only, include the name of the reservation, the number of recipients on each reservation. Also, other geographic distribution information as appropriate.
Object Classification	A statement of total obligations by the uniform object classes (OMB Circular A-12) such as personnel compensation - permanent positions; personnel benefits - civilian; equipment; and grants, subsidies and contributions.
Obligational Authority	The total of budget authority and other amounts (unobligated balance available, transfers received etc.) available for obligation on the activity during a fiscal year.
Obligations	Amounts of orders placed, contracts awarded, services received, and similar transactions which require payment at some time. Includes payments for obligations not previously recorded as obligations, and reflects adjustments for differences between obligations previously recorded and final disbursements for those obligations.
Outlays	Checks issued, interest accrued on the public debt, or other payments, net of refunds and reimbursements. Outlays occur either as "expenditures" or "net lending".

Performance Information:	Measures of accomplishment and rate of accomplishment. Would include at each commodity subprogram level for each fiscal year: --the number of outlets --the amounts and types of food distributed. Also, other performance information as appropriate,[1/] including information on program effectiveness in raising the nutritional levels of recipients.
Personnel Summary:	For classification structure levels, the staff years for FNS full-time and other personnel, including contract personnel, expended in administering each activity. In this instance, contract personnel would include consultants or persons with personal service contracts with FNS. It would not include all those working on FNS awarded contracts to private firms.
Statement of Increase and Decrease:	A breakdown of the amount of increase or decrease in budget authority, and obligations for the budget year compared with the current year, with a separate identification of the differences due to (1) program decision changes and (2) relatively uncontrollable changes caused by pay increases, annualization costs, GSA rental costs, etc. Included would be an explanation of the effect of the increase or decrease upon staff resources and program performance (see "Performance Information" above).
Target Group Information:	Data concerning the persons or organizations to whom benefits are rendered, especially data concerning

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[1/] Would include for the Commodities for Disaster Assistance subprogram if funded, for each fiscal year, the duration of assistance.

the recipients' eligibility and need for benefits.

Would include for the Commodities for Indians on reservations and needy families subprograms for each fiscal year:

--the estimated number of eligible outlets

--the estimated numbers of persons eligible for assistance

For all three commodity subprograms, the number of participants.

Also, other target group information as appropriate.

Unapportioned Obligational Authority — Funds precluded from obligation or expenditure by executive direction and impounded (held in reserve) at the end of the previous fiscal year.

Unliquidated Obligations — The amount of obligations incurred for which payment has not yet been made.

Unobligated Balance Lapsing — The amount of obligational authority available for obligation during a fiscal year which ceases to become available during or at the end of the year.

Workload Information: — Indicators of the level and the rate of work processed through the responsible organization. This information is needed to assess program levels and staffing requirements.

Would include for each fiscal year, at the subprogram level, the number of applications (1) received, (2) approved, (3) disapproved, (4) continued, and (5) reinstated by FNS.

Also, other workload information as appropriate.

AGENCY: U.S. Department of Agriculture

SUBAGENCY: Food and Nutrition Service

ACCOUNT #: Food Donations Program 05-84-3503-0-1-604

TEAM MEMBER:

DATE PREPARED:

SUBCOMMITTEE: Agriculture and Related Agencies

ACCOUNT

Program

Subprograms

INFORMATION ELEMENTS

BUDGET JUSTIFICATION ELEMENTS (*)

CLASSIFICATION STRUCTURE	Authorization	Authorization Limits	Apportionment	Allotment	Unapportioned Obligational Authority	Obligations	Unobligated Balance Lapsing	Budget Authority	Obligational Authority	Unliquidated Obligations	Outlays	Statement of Increase and Decrease	Personnel Summary	Workload Information	Object Classification	Performance Information	Target Group Information	Geographic Distribution Information
	*	*			*	*	*	*	*			*	*	*		*	*	*
ACCOUNT	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Food Donations Program	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Commodities for direct distribution on Indian reservations						X		X	X		X	X		X		X	X	X
Commodities for needy families						X		X	X		X	X		X		X	X	X
Commodities for supplemental food						X		X	X		X	X		X		X	X	X
Payments to distributing agencies for administration						X		X	X		X	X		X		X		X
Federal administration						X		X	X		X	X	X	X				
Salaries						X					X							
Other administration						X					X							

PART 6

ASSESSMENT OF INFORMATION NEEDS
HOUSE AND SENATE COMMITTEES ON APPROPRIATIONS
SUBCOMMITTEES ON AGRICULTURE AND RELATED AGENCIES

FOOD AND NUTRITION SERVICE
U.S. DEPARTMENT OF AGRICULTURE

PERSONNEL SUMMARY AND ADMINISTRATIVE EXPENSES INFORMATION PERTAINING TO THE FOOD AND NUTRITION SERVICE

RD HØ and SØ 301-24.1

DEC 1 1976 PAD-76-37 (Part VI)

INFORMATION REQUIREMENTS GROUP
PROGRAM ANALYSIS DIVISION
U.S. GENERAL ACCOUNTING OFFICE

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SECTION I

INTRODUCTION

The individual discussion documents provided on the Food and Nutrition Service's (FNS) appropriation accounts specify FNS administrative expense and personnel summary information which should be reported in the budget justifications and in other reporting for each program. This document summarizes those requirements and specifies other FNS-wide administrative and personnel summary information which should be reported.

It is noted that although there is not at this time an FNS salaries and expenses appropriation account, we propose that FNS administrative expenses and personnel summary information pertaining to the various accounts be reported in summary form in a single presentation, as well as separate presentations for each account. The manner of presentation will be addressed in subsequent discussions with Subcommittee and USDA personnel.

We have been recently advised by USDA officials that it is likely that the fiscal year 1978 budget justification material and Budget Appendix will contain a proposed salaries and expenses account. Federal administrative amounts which are now contained in the five existing FNS accounts will be combined into this one account.

SECTION II

CLASSIFICATION STRUCTURE

The classification structure in the matrix on page 5 integrates, at the program level, all of the classification structures presented in the requirements documents on the five FNS accounts. This classification structure should be used in reporting overall FNS personnel summary and administrative amounts information.

INFORMATION ELEMENTS

The matrix on page 5 displays the administrative expenses and personnel summary information elements which should be reported to the Congress in the budget justifications, and in other reporting. The "X" entries specify the elements which should be reported at various classification structure levels. Listed below are the definitions of the requested information elements.

Term	Definition
Federal Administration:	Personnel compensation, supply and travel expenses, and other overhead expenses on a budget authority, obligations and outlay basis as appropriate; includes expenses apportioned among programs on an actual or prorata basis.
Federal Administration by Organizational Level	All FNS personnel compensation, supply and travel expenses, and other overhead expenses on a budget authority, obligations and outlay basis, as appropriate, at the following FNS organizational levels: Washington Headquarters Six FNS Regional Offices Field Offices (Food Stamp only) Total FNS.
Personnel Summary:	For classification structure levels, the staffyears for FNS full-time and other personnel including contract personnel expended in administering each activity. In this instance, contract personnel would include consultants and those with personal service contracts with FNS. It would not include all those working on FNS awarded contracts to private firms.

Personnel Summary by Organizational Level:

For FNS and each organizational level thereof--Washington Headquarters, Regional Offices and Field Offices--the following:

--Positions authorized-permanent
--Positions authorized-temporary
--Positions filled at 9/30-permanent
--Positions filled at 9/30-temporary
--Average GS salary
--Average GS grade
--Average salary ungraded
--Staffyears-Consultants
--Staffyears-FNS personnel.

AGENCY: U.S. Department Agriculture
SUBAGENCY: Food and Nutrition Service
ACCOUNT #: Personnel Summary and Administrative Expenses
TEAM MEMBER:
DATE PREPARED:
SUBCOMMITTEE: Agriculture and Related Agencies

SUBAGENCY
Account
Program

INFORMATION ELEMENTS
BUDGET JUSTIFICATION ELEMENTS (*)

CLASSIFICATION STRUCTURE	* Federal Administration	* Federal Administration by Organizational Level	Personnel Summary *	* Personnel Summary by Organizational Level
FOOD AND NUTRITION SERVICE	x	x	x	x
Food Stamp Program (Account)	x		x	
Food Stamp Program	x		x	
Child Nutrition Programs (Account)	x		x	
School Lunch Payments	x		x	
School Breakfast Payments	x		x	
School Food Service Payments	x		x	
Free Summer Food Payments	x		x	
Child and Day Care Food Payments	x		x	
Support for State Administrative Expenses	x		x	
Nutritional Training and Surveys	x		x	
Commodity or Cash-in-lieu of Commodity Donations	x		x	
Special Supplemental Food Program (WIC) (Account)	x		x	
Special Supplemental Food Program	x		x	

APPENDIX A (Cont'd.)

AGENCY: U.S. Department Agriculture

SUBAGENCY: Food and Nutrition Service

ACCOUNT #: Personnel Summary and Administrative Expenses

TEAM MEMBER:

DATE PREPARED:

SUBCOMMITTEE: Agriculture and Related Agencies

INFORMATION ELEMENTS

BUDGET JUSTIFICATION ELEMENTS (*)

Account

Program

CLASSIFICATION STRUCTURE	* Federal Administration	* Federal Administration by Organizational Level	* Personnel Summary	* Personnel Summary by Organizational Level
Special Milk Program (Account)	x		x	
Special Milk Program	x		x	
Food Donations Program (Account)	x		x	
Food Donations Program	x		x	