

### III. PROGRAM ADMINISTRATION

One of the main objectives of the Summer Food Service Program (SFSP) Implementation Study is to describe the operations of the SFSP at the state, sponsor, and site levels. The analysis in this chapter focuses on SFSP administrative activities.<sup>1</sup> In particular, it examines whether the program is operating according to policy and regulations and describes program areas that state, sponsor, and site staff believe are in need of improvement. To provide data for these analyses, state administrators, sponsors, and site supervisors were asked a wide range of questions about their SFSP resources; their tasks, especially training, technical assistance, and monitoring; and their interactions with other levels of SFSP administration and, if applicable, with vendors. Key findings include:

- ***Although most state administrators and sponsors reported that staff levels were adequate, significant minorities did not.*** Forty-four percent of state agencies and 25 percent of sponsors believed they had inadequate numbers of staff for some activities. State administrators considered the application process to be an especially staff- and paperwork-intensive activity and were particularly likely to report having insufficient staff to process applications. Staff constraints also affected outreach activities. These constraints may hinder the success of FNS's recent policy focus on program expansion.
- ***Sponsors typically relied on their own resources or on other sources to supplement their SFSP funds.*** More than 70 percent reported that SFSP funds did not fully cover their costs.
- ***The states reported providing extensive training and technical assistance to sponsors.*** Most sponsors found this assistance to be useful. However, about two out of every five sponsors would have liked additional technical assistance in at least one area.
- ***State administrators and sponsors reported undertaking monitoring activities that were largely consistent with the extensive monitoring required by SFSP regulations.*** The state agencies reviewed about 94 percent of new sponsors and 58 percent of experienced sponsors; they visited an average of 30 percent of the sites. About 84 percent of sponsors monitored all sites at least twice, and nearly three-quarters reported that their visits always were unannounced.

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<sup>1</sup>Outreach to attract new sponsors and participants, although an important administrative activity, is largely covered in Chapter IV, which focuses on factors affecting participation.

- *Eighty-two percent of sponsors prepared the meals for their sites, often because they had the facilities and staff in place or because of cost considerations.* About 80 percent of the sponsors that used vendors were satisfied, but about half had some concerns about the quality or variety of the food. Eighty percent of sponsors that used vendors received only one bid for the contract.

Section A presents the perceptions of the state agencies and of the sponsors about the adequacy of their staffs and funding. It also describes sponsors' strategies to control their costs. Section B discusses the application process and sponsors' suggestions for improving the process. Section C focuses on state training and technical assistance provided to sponsors and sites, and on similar types of sponsor-site interactions. Section D discusses program monitoring. Finally, Section E examines factors underlying sponsors' choice between preparing meals for their sites or contracting with a vendor to do so. It also describes how sponsors monitor their vendors.

## **A. STAFFING AND FUNDING**

Because state agencies play a key role in ensuring that sponsors and sites understand and correctly implement program policies, and that reimbursements for sponsors' expenditures are appropriately disbursed, it is important to examine the resources the state agencies devote to the SFSP. Similarly, the sponsors' resources help to determine whether they operate efficiently and in a way that encourages program participation.

- The majority of state agencies and sponsors reported having enough staff to adequately perform their key tasks. However, 44 percent of state agencies and 25 percent of sponsors reported they had insufficient staff for some tasks, especially outreach.
- To fund their activities, most state agencies used SFSP state administrative funds (SAFs) or a combination of SAF and state administrative expense (SAE) funds; a few state agencies supplemented funding with state funds.<sup>2</sup>
- More than 70 percent of sponsors reported that SFSP funds did not fully cover their costs. About 60 percent of sponsors whose costs were not fully covered supplemented SFSP resources with their own funds. About 75 percent of experienced sponsors reported that they had used one or more strategies to control costs during the past few years.
- Almost all state agencies (87 percent) provided advance payments to help sponsors start programs. Most of these agencies occasionally had problems administering the payments; in particular, they had problems recovering funds from sponsors that overestimated their costs.

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<sup>2</sup>SAE funds are federal funds provided to states to administer other child nutrition programs. States are permitted to use those funds for SFSP administration if necessary.

- The 14-state pilot project that provides maximum reimbursement for sponsors' combined administrative and operating costs may have helped some sponsors to cover their costs. Pilot state administrators were less optimistic than nonpilot state administrators about the pilot's potential effects on program participation. However, the pilot states traditionally have lower SFSP participation rates relative to the nonpilot states and may face greater barriers to program expansion.

## **1. State-Level Staffing and Funding**

State agencies employed an average of 13 staff who worked on the SFSP during the summer, and slightly more than half that many during the rest of the year (Table III.1). However, representing these staff as full-time equivalents (FTEs) reduces the number considerably, especially during nonsummer months, as many also work on other children nutrition programs, such as the National School Lunch Program or Child and Adult Care Food Program.

Analysis of the ratio of state staff to sponsors shows that more than half the state agencies (56 percent) had less than one-tenth of an FTE per sponsor (that is, less than 1 FTE staff member per 10 sponsors) during the summer. The four states with more than one-quarter of an FTE per sponsor in the summer each had 50 sponsors or fewer, suggesting that states with more sponsors realize some economies of scale.

Most state administrators (56 percent) reported that staffing was adequate, but 44 percent reported having an overall shortage of staff (Table III.2). Almost all (from 74 to 89 percent) of the state administrators reported having enough staff to provide technical assistance and training to sponsors, and to conduct claims review and processing. However, only about 60 percent reported having adequate staff for applications processing and outreach (including helping sponsors with outreach). Providing technical assistance to applicants and reviewing their applications are complicated processes that must be completed during a short time frame each spring, so it is not surprising that state agencies have high levels of demand for staff for these tasks. Outreach is in some sense an optional activity (although the Food and Nutrition Service [FNS] recently has reemphasized it), so it also is not surprising that more state administrators believed they had insufficient staff in this area than in other areas.

In reviewing state agency staffing, it is important to bear in mind that most state agencies are part of state governments; thus, staffing decisions may be affected by state-level factors (such as state budget problems or reorganizations of state government) as well as by the levels of federal funding. According to almost half the state administrators, SFSP staffing levels had remained unchanged in recent years; 32 percent reported increases, however, and 22 percent reported decreases (Table III.3). Common reasons for increasing the number of staff were to fulfill specific functions and to provide better service. In some cases, staffing increases reflected program growth. Staffing decreases largely were related to organizational changes or unfilled vacancies. It seems possible that state agencies experiencing staff decreases may have more

TABLE III.1  
STATE-LEVEL STAFFING

	Summer		Rest of Year	
	Number of State Agencies	Percentage of State Agencies	Number of State Agencies	Percentage of State Agencies
Number of Staff Who Worked on the SFSP <sup>a</sup>				
0	0	0	1	1.8
1 to 5	15	27.8	35	64.8
6 to 10	17	31.5	10	18.5
11 to 15	8	14.8	4	7.4
16 to 20	5	9.3	2	3.7
>20	9	16.7	2	3.7
Mean	13.2	—	7.2	—
Number of FTEs Who Worked on the SFSP				
≤5	29	53.7	50	92.6
6 to 10	13	24.1	4	7.4
11 to 20	8	14.8	0	0
21 to 50	3	5.6	0	0
>50	1	1.8	0	0
Mean	8.3	—	1.8	—
Number of FTEs per Sponsor Who Worked on the SFSP				
<0.1	30	55.6	53	98.2
0.1 to <0.25	20	37.0	1	1.2
0.25 to <0.5	2	3.7	0	0
0.5 to <0.75	1	1.9	0	0
0.75 to 1	1	1.9	0	0
<b>Total</b>	<b>54</b>	<b>—</b>	<b>54</b>	<b>—</b>

SOURCE: SFSP Implementation Study, State Administrator Census (2001).

<sup>a</sup>These figures count equally staff who worked on the SFSP full-time and staff who worked on the SFSP part-time (and who may also have worked on other programs).

FTE = full-time equivalent.

TABLE III.2

STATE AGENCIES' REPORTS ON THE ADEQUACY OF THEIR STAFFING,  
 BY FUNCTION AND OVERALL  
 (Row Percentages)

Function	Percentage of State Agencies Reporting Staffing Is:		
	Adequate	Inadequate	Do Not Do/ Missing
Technical Assistance for Experienced Sponsors	88.9	11.1	0
Formal Training	85.2	14.8	0
Claims Review and Processing	83.3	11.1	5.6
Technical Assistance for New Sponsors	74.1	24.1	1.8 <sup>a</sup>
Monitoring of Sponsors and Sites	72.2	24.1	3.6 <sup>b</sup>
Vendor Management	64.8	3.7	31.5
Application Process	61.1	38.9	0
Outreach	59.3	40.7	0
Health Inspections and Food Safety Issues	55.6	3.7	40.7 <sup>c</sup>
Overall Needs	55.6	44.4	0
<b>Total</b>		<b>54</b>	

SOURCE: SFSP Implementation Study, State Administrator Census (2001).

<sup>a</sup>One state agency administrator (1.8 percent) responded, “don’t know.”

<sup>b</sup>The response of one state agency administrator (1.8 percent) is missing.

<sup>c</sup>Many state agencies contract with local health departments for health inspections.

TABLE III.3  
CHANGES IN STATE AGENCY STAFFING

	Number of State Agencies	Percentage of State Agencies
How SFSP Staffing in State Office Has Changed in Recent Years		
Remained the same	25	46.3
Increased	17	31.5
Decreased	12	22.2
Main Reason for Staffing Increase (n = 17)		
Needed more staff for specific functions or to provide better service	7	41.2
Program growth	5	29.4
Staff pulled in from other programs	2	11.8
Other	3	17.6
Main Reason for Staffing Decrease (n = 12)		
Turnover and unfilled vacancies	3	25.0
Functions transferred to another department/ reassignment of duties	3	25.0
Staff cuts in agency	2	16.7
Decrease in number of sponsors	1	8.3
Other	1	8.3
Don't know	2	16.7
If the SFSP Were to Grow Significantly, the Agency Would Need <sup>a</sup>		
A lot more staff and resources	8	14.8
A little more staff and resources	31	57.4
Nothing—resources are adequate	14	25.9
Don't know	1	1.8
<b>Total</b>	<b>54</b>	—

SOURCE: SFSP Implementation Study, State Administrator Census (2001).

<sup>a</sup>Significant growth was defined as growth of more than 10 percent.

difficulty than others in expanding the SFSP to serve more children, particularly if the responsibilities of individual staff members have grown.<sup>3</sup>

Because FNS policy favors program expansion, the state administrators were asked whether they would need more staff and/or more resources to accommodate program growth of 10 percent or more. About three-quarters reported that they would, suggesting that policies to expand the program may require additional funding for the state agencies to ensure the same level of program quality.

As discussed in Chapter I, FNS provides SAFs for the administration of the SFSP through an administrative funding formula based on the program funds paid to the state in the previous year (7 CFR 225.5[a]). At least 57 percent of state administrators reported that the funds do not cover all their administrative costs (Table III.4).<sup>4</sup> However, states are free to use SAE funds (state administrative expense funds for the other child nutrition programs) to make up the difference, and more than 80 percent of the state administrators whose agencies did not rely on SAF funds alone used SAE funds; current law allows states to use both the SAF and SAE funding streams as needed to administer the child nutrition programs. Five states used their own funds to cover the difference between their administrative costs and their SFSP allotments. Because states are not required to contribute their own funds to the SFSP, this action may indicate a particularly strong commitment to providing nutritious meals during the summer to children in low-income areas.<sup>5</sup>

## **2. Sponsor Staffing and Funding**

Understanding the administrative experiences of sponsors is important because sponsors are the organizations that carry out the day-to-day operations of the SFSP—ensuring that eligible community members are notified about sites; meals are nutritious and safe; and records on costs, attendance, food served, and related matters are maintained. For this reason, it is important to understand sponsors' perspectives on the adequacy of their resources to administer the SFSP effectively. As discussed further in Chapter IV, sponsors' resource constraints also may affect their interest in expanding or ability to expand participation.

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<sup>3</sup>States that had experienced staff decreases were more likely than average to report inadequate staff (58 percent did so), whereas states that had experienced increases were less likely to report inadequate staff (35 percent).

<sup>4</sup>This question does not pertain to three state programs run by FNS regional offices, because they receive their funding through another mechanism (see Chapter I).

<sup>5</sup>In 2001, seven states provided supplemental funding, usually targeted to increase meal reimbursements, encourage outreach, or facilitate start-up activities (Food Research and Action Center 2002).

TABLE III.4  
STATE AGENCY FUNDING

	Number of State Agencies	Percentage of State Agencies
Federal SFSP Funds Covered All State Administrative Costs in 2001		
Yes	18	33.3
No	31	57.4
Don't know	2	3.7
Not applicable <sup>a</sup>	3	5.6
If Not, Funds Used to Cover Difference (n = 31)		
SAE funds	25	80.6
State funds	5	16.1
Food Stamp Program funds	1	3.2
<b>Total</b>	<b>54</b>	—

SOURCE: SFSP Implementation Study, State Administrator Census (2001).

<sup>a</sup>The three state agencies run by FNS regional offices are coded “not applicable” in this question and are excluded from the following question because their funding mechanism differs from that of the other state agencies.

FNS = Food and Nutrition Service; SAE = State Administrative Expense.



This section discusses sponsors' perceptions of the adequacy of their staffing and reimbursements for SFSP costs. It also discusses strategies that experienced sponsors have used to control their costs.

### **a. Sponsors' Staffing**

Most sponsors thought they had adequate staffing for most activities (Table III.5). More than 90 percent of sponsors believed they had adequate staffing for claims processing, site monitoring, the application process, and formal training. A slightly smaller percentage felt they had adequate staff for outreach activities, such as promoting and publicizing the program (83 percent) and increasing participation at the sites (81 percent). Just half (52 percent) reported adequate staff for increasing the number of sites. Most of the remaining sponsors (38 percent) reported that they did not undertake any activities to expand their sites; most might have had no interest in doing so (see Chapter IV for a related discussion), but some might have been able to undertake activities if more staff were available.

It is not clear why some sponsors reported that they "did not do" some essential SFSP functions, such as completing applications or meal service. They may have relied on staff from partner organizations or vendors for these functions. Single-site sponsors may not have to undertake such activities as finding site personnel because they use their own staff.

Three-quarters of sponsors reported that staffing was adequate for all activities mentioned in the survey.<sup>6</sup> About 14 percent reported having inadequate staff for one or two activities; the remainder reported having inadequate staff for three or more activities. About 15 percent reported having a problem with employee turnover, another factor that could affect a sponsor's ability to conduct its activities in a timely and efficient manner or to grow.

### **b. Reimbursements of Sponsors' Costs**

The sponsor survey asked sponsors for their best estimate of the proportion of their allowable SFSP costs that would be reimbursed by the state agency. Sponsors were interviewed for this study during the mid to late summer, and, at that time, they did not know precisely what their reimbursement would be; thus, they offered their best guess, often based on past experience. Although this study did not collect documentation on actual sponsor claims, it documents sponsors' estimates of the extent to which their costs are reimbursed, both because they are likely to approximate actual experience and because they may influence sponsors' decisions about whether to continue or expand their SFSP participation. Furthermore, sponsors'

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<sup>6</sup>In computing this measure, sponsors' reports that they did not perform an activity, such as managing vendors or increasing the number of sponsored sites, was counted as if staffing for the activity was adequate. Because some sponsors might consider performing an activity if they had more staff, the estimate of the percentage of sponsors with adequate staffing for all activities can be considered an upper bound on that percentage.

TABLE III.5  
SPONSORS' REPORTS ON THE ADEQUACY OF THEIR STAFFING,  
BY FUNCTION AND OVERALL

Function	Percentage of Sponsors	Standard Error
Claims Processing		
Adequate	97	(1.6)
Inadequate	3	(1.5)
Did not do	1	(0.7)
Monitoring Sites		
Adequate	95	(2.5)
Inadequate	5	(2.5)
Did not do	0	(0.0)
Application Process		
Adequate	94	(2.5)
Inadequate	2	(1.3)
Did not do	4	(2.1)
Formal Training		
Adequate	92	(3.2)
Inadequate	5	(2.7)
Did not do	3	(1.7)
Health Inspections and Food Safety Issues		
Adequate	90	(3.4)
Inadequate	1	(1.1)
Did not do	9	(3.3)
Meal Service Arrangements		
Adequate	90	(3.1)
Inadequate	3	(2.2)
Did not do	8	(2.3)
Technical Assistance to Sites		
Adequate	84	(4.2)
Inadequate	4	(2.4)
Did not do	11	(3.5)
Finding and Recruiting Site Personnel		
Adequate	84	(4.4)
Inadequate	7	(2.8)
Did not do	9	(3.6)

TABLE III.5 (continued)

Function	Percentage of Sponsors	Standard Error
Promoting and Publicizing SFSP		
Adequate	83	(3.6)
Inadequate	7	(2.4)
Did not do	9	(3.3)
Increasing Participation at Sites		
Adequate	81	(3.8)
Inadequate	13	(3.1)
Did not do	6	(2.1)
Vendor Management <sup>a</sup>		
Adequate	63	(5.6)
Inadequate	2	(0.9)
Did not do	36	(5.5)
Increasing Number of Sponsored Sites		
Adequate	52	(5.3)
Inadequate	10	(2.6)
Did not do	38	(4.9)
Transporting Food and/or Children		
Adequate	49	(5.5)
Inadequate	5	(1.9)
Did not do	47	(5.4)
Staffing Adequate for All Activities	75	(4.8)
Staffing Inadequate		
For 1 or 2 activities	14	(3.7)
For $\geq 3$ activities	11	(3.1)
Employee Turnover Problem	15	(3.9)
<b>Sample Size</b>	<b>126</b>	—

SOURCE: SFSP Implementation Study, Sponsor Survey (2001).

NOTES: Tabulations are weighted to be representative of sponsors nationally. Because of missing data, sample sizes for individual items range from 121 to 126.

It is not clear why some sponsors reported that they “did not do” some essential SFSP functions, such as applications or meal service; see discussion in text.

<sup>a</sup>As shown in Table II.2, 19 percent of sponsors used vendors for the full meal. Some sponsors who reported that their staffing for vendor management was “adequate” may have interpreted the question as referring to vendors that supplied parts of meals or specific foods.

reports are generally consistent with past studies, as discussed below. This consistency supports the credibility of their estimates.

Collecting data on sponsor costs was complicated by the congressionally mandated pilot that began in 2001, as discussed in Chapter I. SFSP program rules dictate that sponsors are reimbursed separately for the administrative costs and operating costs of running the program. Under normal program rules, sponsors may not transfer costs from one category to the other. However, the pilot project allowed 14 state agencies to reimburse sponsors other than nonprofit sponsors for their combined administrative and operating expenses.<sup>7</sup> These reimbursements were at the maximum rate. FNS hopes that this change in reimbursement policies will help increase program participation by making the program easier for sponsors to administer (Food and Nutrition Service 2002f). Because of the pilot project, sponsors in pilot states and sponsors in nonpilot states were asked somewhat different questions about their costs.

Fewer than one-third of the sponsors reported being reimbursed for *all* their administrative and operating costs, but a majority were reimbursed for *most* (more than 75 percent) of these costs (Table III.6). In the pilot states, 39 percent of sponsors expected to be reimbursed for all their SFSP costs; in the nonpilot states, 47 percent of sponsors expected to be reimbursed for all their operating costs, and 35 percent expected to be reimbursed for all their administrative costs. Twenty-eight percent of all sponsors (those in pilot states and nonpilot states) expected to be reimbursed for all their SFSP costs, including both operating and administrative costs.<sup>8,9</sup> Sponsors in pilot states were somewhat more likely than those in nonpilot states to be reimbursed for most of their costs, as they always received the maximum reimbursement. Specifically, 77 percent of sponsors in pilot states reported that they expected most (at least 75 percent) of their costs would be reimbursed. Sixty-one percent of sponsors in nonpilot states expected that most of their administrative costs would be reimbursed, and 70 percent expected most of their operational costs would be reimbursed.

Past research also found that SFSP reimbursements tend to cover most, but not all, sponsor costs. In 1986, 35 percent of sponsors expected to be fully reimbursed for their operating costs, and 43 percent expected to be fully reimbursed for administrative costs (Ohls et al. 1988). However, 59 percent of sponsors expected to be reimbursed for at least 80 percent of operating costs, and the same percentage expected to be reimbursed for at least 80 percent of administrative costs. As in this study, these data reflect sponsors' best estimates. In a 1998 study, the General Accounting Office collected administrative data from state agencies on

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<sup>7</sup>See Chapter I for more details on this program.

<sup>8</sup>Some nonpilot sponsors expected to be reimbursed for all operating costs but not for all administrative costs, or vice versa, which results in a lower percentage expecting to be reimbursed for all costs.

<sup>9</sup>Sponsors who reported having inadequate staff for at least one activity were more likely to report that reimbursements did not cover their full costs (87 percent, versus 67 percent for other sponsors; n = 117).

TABLE III.6

SPONSORS' REPORTS ON SFSP REIMBURSEMENTS  
AND OTHER FUNDING SOURCES

	Percentage of Sponsors	Standard Error
<b>Sponsors in Nonpilot States</b>		
Percentage of Administrative Costs State Agency Will Cover (n = 99)		
0 to 50	26	(5.9)
51 to 75	13	(3.4)
76 to 99	26	(5.8)
100	35	(5.7)
Percentage of Operating Costs State Agency Will Cover (n = 100)		
0 to 50	14	(5.3)
51 to 75	17	(4.8)
76 to 99	23	(5.4)
100	47	(6.3)
<b>Sample Size</b>	<b>104</b>	—
<b>Sponsors in Pilot States</b>		
Percentage of SFSP Costs State Agency Will Cover		
0 to 50	6	(6.3)
51 to 75	17	(9.0)
76 to 99	38	(13.2)
100	39	(12.3)
Believes Sponsor Will Increase Number of Sites or Children Served in 2001 or Future, Due to Reimbursement Process Changes (n = 21)		
	60	(13.5)
<b>Sample Size</b>	<b>22</b>	—

TABLE III.6 (continued)

	Percentage of Sponsors	Standard Error
<b>All Sponsors</b>		
Expects State Agency to Cover All Costs	28	(4.9)
<b>Sample Size</b>	<b>126</b>	—
<b>If Not Expecting All Costs to Be Covered, Sources to Cover Differences Between Actual Costs and State Reimbursement<sup>a</sup></b>		
Sponsor Funds	57	(6.2)
Parent Organization/Affiliation Funds	16	(5.1)
Federal Funds	28	(6.6)
State Funds	29	(6.2)
Local Government Funds	19	(5.0)
Donations/Volunteers <sup>b</sup>	4	(2.5)
Other Sources <sup>c</sup>	15	(5.0)
<b>Sample Size</b>	<b>84</b>	—

SOURCE: SFSP Implementation Study, Sponsor Survey (2001).

NOTE: Tabulations are weighted to be representative of sponsors nationally.

<sup>a</sup>Because of missing data, sample sizes for specific responses range from 79 to 83.

<sup>b</sup>Category constructed from answers about “any other sources” that would help cover the difference between actual operating and administrative costs and the state’s reimbursement.

<sup>c</sup>Category combines two categories from the survey: (1) “other nonfederal funds,” and (2) “any other sources,” excluding donations and volunteers.

sponsors' costs claimed and reimbursed in 1996 and 1997 (just before and after the 1997 cut in reimbursement rates). The study found that 67 percent of sponsors remaining in the program from 1996 through 1998 reported costs exceeding maximum reimbursements in 1996, and that 73 percent of those remaining in the program reported costs exceeding maximum reimbursements in 1997 (U.S. General Accounting Office 1998).

Some sponsors, particularly in nonpilot states, reported that they expected to be reimbursed for less than half their SFSP operating or administrative costs. Twenty-six percent of nonpilot state sponsors reported this reimbursement shortfall for administrative costs; another 13 percent reported that they expected to be reimbursed for 51 to 75 percent of their costs. The expected low reimbursement rates may have been a function of unusually high costs relative to other sponsors' costs or the result of sponsors' inaccurate attendance or expense estimates in their SFSP applications. It is also possible that sponsors may not have recalled their costs accurately, or that they misunderstood what their reimbursements would likely be.

About 60 percent of pilot-state sponsors believed they would increase the number of sponsored sites and/or children served in 2001 or in the future in response to the change in the reimbursement process.

Most sponsors (57 percent) reporting that they would be reimbursed for less than 100 percent of their administrative and operating costs used some of their own funds to supplement SFSP funds. About one-quarter reported that they planned to rely on federal sources other than the SFSP; a similar proportion reported that they would use funds from state sources.

School sponsors expected to recover more of their costs than did nonschool sponsors; fully 42 percent of school sponsors (versus 14 percent of nonschool sponsors) expected to have all their costs covered (Table G.1 in Appendix G). A possible explanation for this difference is that school sponsors have more experience managing food service programs, as they run programs all year. However, SFSP experience does not seem to be what matters—the cost recovery expectations reported by more-experienced SFSP sponsors (those participating in the SFSP for 6 years or longer) and by less-experienced ones did not differ significantly (Table G.2).

### **c. Sponsors' Strategies to Control Costs**

To obtain additional data on sponsors' responses to financial pressures, sponsors who reported that they had operated in previous years were asked whether they had used any of a number of strategies to control costs during the past few years (Table III.7). About three-quarters reported using at least one strategy.<sup>10</sup> The most commonly reported strategies included (1) using fewer staff—most often by combining job functions (42 percent), hiring fewer

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<sup>10</sup>Sponsors who reported having inadequate staff for at least one activity were more likely than other sponsors to report having used strategies to reduce costs (98 percent, versus 66 percent for other sponsors; n = 116).

TABLE III.7  
EXPERIENCED SPONSORS' COST-CONTROL STRATEGIES

	Percentage of Sponsors	Standard Error
Any Strategy	74	(5.5)
<b>Staffing</b>		
Combined job functions	42	(5.2)
Hired fewer people	32	(4.7)
Had staff work fewer hours	28	(4.6)
Had volunteers handle work usually done by paid staff	22	(5.0)
Let staff go	10	(2.4)
Reduced hourly pay	4	(1.9)
<b>Meal Preparation</b>		
Found less expensive vendors or suppliers of food or meal components	31	(4.8)
Switched from mostly hot meals to mostly cold meals	10	(2.8)
Switched from vended sites to on-site cooking	7	(2.7)
Switched from on-site cooking to vended sites	3	(1.4)
Reduced food costs (found less expensive food, served fewer extra meals, changed meal plans) <sup>a</sup>	2	(1.0)
<b>Program Administration</b>		
Secured additional funds	15	(4.3)
Reduced site monitoring	4	(2.1)
Reduced site training	3	(1.5)
<b>Participation and Outreach</b>		
Decreased number of sites	11	(2.8)
Reduced publicity and promotion efforts	6	(1.5)
Limited number of participants	4	(1.8)
Other Strategy <sup>a</sup>	6	(2.6)
<b>Sample Size</b>	<b>123</b>	—

SOURCE: SFSP Implementation Study, Sponsor Survey (2001).

NOTE: The sample is restricted to experienced sponsors, defined as sponsors reporting that they were not in their first year of SFSP participation. Sponsors were asked explicitly whether they used particular strategies to control costs, except where noted. Because of missing data, sample sizes for specific responses range from 117 to 122. Tabulations are weighted to be representative of sponsors nationally.

<sup>a</sup>Categories constructed from responses to an open-ended question about any other steps sponsors took during the past few years to control the costs of the SFSP.



staff (32 percent), reducing staff hours (28 percent), and relying on volunteers for work previously performed by paid staff (22 percent); and (2) attempting to reduce meal preparation costs—most often by finding less-expensive vendors or suppliers of food or meal components (31 percent). Some sponsors relied on administrative strategies, such as securing additional funds (15 percent), or limited program participation, such as by decreasing the number of sites (11 percent).

School and nonschool sponsors reported different strategies for containing costs. School sponsors were significantly more likely to have reduced costs by cutting back on staff (combining job functions, hiring fewer people, or having staff work fewer hours). Nonschool sponsors were significantly more likely to have found less-expensive vendors, obtained additional funding, or limited their enrollment (Table G.3). There were no significant differences in cost control strategies by length of participation in the SFSP (Table G.4).

### **3. State Payments to Sponsors**

The nature of the SFSP and its program rules imposes several constraints on how sponsors incur expenses and receive reimbursement. Because the program operates intensively during the summer, sponsors may incur large cash outflows over a short period. Many sponsors also incur expenses prior to starting meal delivery, because program planning and the purchase of equipment or supplies must be completed in advance. Thus, receiving reimbursements only after costs have been incurred might cause considerable cash flow problems for some sponsors.

For many years, in an attempt to mitigate the problems associated with the timing of costs and reimbursements, FNS has allowed states to provide some funds to sponsors up front. The 14-state pilot project discussed in the previous section is another policy that FNS has instituted. This section discusses state agency administrators' views on these policies.

#### **a. Advance and Start-Up Funding**

Federal regulations allow state agencies to provide funding before sponsors have incurred expenses in the form of (1) advance funds, and (2) start-up payments. Advance funds are financial assistance provided by prespecified dates to a sponsor for a portion of its operating and/or administrative costs (7 CFR 225.2).<sup>11</sup> Subject to some limitations, a state agency may provide an advance payment for operating costs up to the larger of (1) the total operating costs paid to the sponsor for the same calendar month of the preceding year; or (2) 50 percent of the amount determined by the state to be required that month for meals if the sponsor uses a vendor,

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<sup>11</sup>Generally, advance payments for operating costs are to be made by June 1, July 15, and August 15. Advance payments for administrative costs are to be made by the first two of the three dates. An exception to this schedule is permitted for sponsors that operate under a continuous school calendar. Their advance payments are to be made at the beginning of the month in which costs are incurred. See 7 CFR 225.9(c)(1) and (2).

and 65 percent if the sponsor does not. Advance payments for administrative costs generally may be between one-third and two-thirds of the costs that the state agency determines the sponsor will need to administer the program, depending on when the program operates.

Start-up payments are financial assistance to sponsors for up to 20 percent of the administrative budget and are intended to help sponsors more effectively plan SFSP activities (7 CFR 225.2). State agencies may provide start-up payments as early as 2 months before the start of a sponsor's food service operations.

Both types of payments are deducted from subsequent reimbursements for program administration and operations. However, from 1994 to 1996, state agencies were allowed to provide start-up payments in the form of grants, which were not deducted from subsequent payments (see Chapter I).

Most state agencies (87 percent) offered advance funding to sponsors in 2001 (Table III.8). State administrators reported that the process occasionally created problems. According to about half the administrators, recovering funds from sponsors that had overestimated their allowable expenses sometimes was difficult. The timing of the process (application deadlines or disbursement schedules) also created problems for sponsors in some states, making this funding option potentially more difficult for states to administer and, possibly, less useful for sponsors. Although state administrators were not asked specifically how often problems occurred, several commented that they had these problems with only a few sponsors each year.

About two-thirds of the state administrators would like to have additional start-up funds available for sponsors. Although the SFSP currently allows for deductible start-up payments only, most of the state administrators interpreted the survey question on the topic to mean start-up payments in the form of grants that were not deductible from future payments.<sup>12</sup> For example, several respondents stated, "I would be interested if it was a grant program." Most of the interested state administrators (54 percent) reported that they would want sponsors to use some of the money for outreach or advertising. Some would use the funds to help sponsors cover the costs of equipment, transportation, training, technical assistance, and/or staffing.

#### **b. State Administrators' Views on the Pilot Program**

State administrators in both pilot states and nonpilot states were asked for their views on the Congressionally mandated pilot. About 75 percent believed that the pilot program's policy (to reimburse sponsors the maximum rate for their combined administrative and operating costs) would help expand the SFSP (Table III.9). About two-thirds thought it would attract new sponsors and/or retain current ones. About 40 percent thought that current sponsors would add sites.

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<sup>12</sup>The study did not ask how many state agencies currently were providing start-up payments that are deducted from subsequent reimbursements.

TABLE III.8

## STATE AGENCIES' VIEWS ON THE USE OF ADVANCE AND START-UP FUNDS

	Number of State Agencies	Percentage of State Agencies
State Provided Advance Funds to Sponsors in 2001		
Yes	47	87.0
No	7	13.0
Problems with Providing Advance Funds, State Perspective <sup>a</sup>		
Recovering funds from sponsors that overestimated	25	46.3
Application deadlines hard for sponsors to meet	6	11.1
Advance funding paid too late for sponsors	3	5.6
Difficult to determine appropriate amount	3	5.6
Recovering funds from sponsors that did not open or did not comply with rules	2	3.7
Threshold for funds too high	2	3.2
Other	2	3.7
None <sup>b</sup>	15	27.8
Never used advance funding	4	7.4
Interested in Obtaining Additional Start-Up Funds for Sponsors		
Yes	37	68.5
No	17	31.5
If Yes, Sponsors' Permitted Use of Funds (n = 37) <sup>a</sup>		
Outreach/advertising	20	54.0
Equipment or transportation	9	24.3
Training and/or technical assistance	7	18.9
Increase staff	5	13.5
Start-up funds for new sponsors	4	10.8
Increase number of sites	4	10.8
Start-up funds for experienced sponsors	3	8.1
Security	1	2.7
Incentives for children to attend meals	1	2.7
Other <sup>c</sup>	4	10.8
<b>Total</b>	<b>54</b>	<b>—</b>

SOURCE: SFSP Implementation Study, State Administrator Census (2001).

<sup>a</sup>Open-ended questions; multiple responses were allowed.

<sup>b</sup>Two responses of “have had problems in the past, but none currently” were collapsed into this category.

<sup>c</sup>These state administrators seemed to misunderstand the question and responded that they would use the money for state-level needs.

TABLE III.9

## STATE ADMINISTRATORS' VIEWS ON THE PILOT PROJECT

	All States		Pilot States		Nonpilot States	
	Number	Percentage	Number	Percentage	Number	Percentage
<b>Pilot Would/Will Help Expand the SFSP in State</b>						
Yes	41	75.9	8	57.1	33	82.5
No	9	16.7	6	42.9	3	7.5
Don't know	4	7.4	0	0.0	4	10.0
<b>Pilot Would Lead State Agency to:<sup>a</sup></b>						
Bring in New Sponsors						
Yes	33	61.1	8	57.1	25	62.5
No	20	37.0	6	42.9	14	35.0
Don't know	1	1.8	0	0.0	1	2.5
Retain More Current Sponsors						
Yes	36	66.7	7	50.0	29	72.5
No	16	29.6	7	50.0	9	22.5
Don't know	2	3.7	0	0.0	2	5.0
Add More Sites from Current Sponsors						
Yes	22	40.7	4	28.6	18	45.0
No	25	46.3	8	57.1	17	42.5
Don't know	6	11.1	1	7.1	5	12.5
Missing	1	1.8	1	7.1	0	0.0
<b>Total</b>	<b>54</b>	<b>—</b>	<b>14</b>	<b>—</b>	<b>40</b>	<b>—</b>

SOURCE: SFSP Implementation Study, State Administrator Census (2001).

NOTE: The pilot project allows sponsors (other than nonprofit organizations) in 14 states to combine administrative and operating costs, and to receive the maximum reimbursement rate for meals served. The pilot was targeted to states with low SFSP participation rates.

<sup>a</sup>State administrators who did not think that the pilot will/would increase participation (or who did not know) were not asked this set of detailed questions and have been included in the "No" category for them.

Interestingly, administrators in pilot states were less likely than those in nonpilot states to believe the pilot program would increase participation.<sup>13</sup> Those in nonpilot states were speculating about the pilot's effects. In contrast, administrators in pilot states were drawing conclusions from actual experience, although the pilot program was only in its first year. The program's short-run effects may have been disappointing relative to expectations: it might take longer than 1 year for most potential sponsors to become aware of the new policy and to establish a program, or the program's effect may have been smaller than expected. Administrators in nonpilot states did not have to make similar adjustments to their expectations. Alternatively, because participation rates during the period before the pilot was instituted were lower in the pilot states than in the nonpilot states, the perceptions or experiences of the two groups of state administrators about efforts to expand participation in their own states may have differed systematically in ways unrelated to experience with the pilot. For example, relative to nonpilot states, pilot states may face more barriers that limit the SFSP's ability to expand in response to the pilot.

## **B. SPONSOR APPLICATIONS**

Many sponsors and state agency staff believed that preparing the SFSP sponsor application was demanding. Applications by new sponsors (and sponsors that have had significant operational problems during the prior year) must include the following five components (7 CFR 225.6[c]):

1. Evidence that the sponsor meets program eligibility criteria
2. A complete administrative and operating budget for review and approval, including all requests for advance and start-up payments
3. Information on how meals will be obtained, including information on the vendor bidding process, if conducted
4. Documentation of adherence to the program's free meals and nondiscrimination statements
5. Additional documentation specific to the type of sponsor, such as camps

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<sup>13</sup>Sixty percent of *sponsors* in pilot states reported that the change in the reimbursement process might lead them to increase the number of sites sponsored and/or children served (Table III.6). Sponsors were therefore somewhat more optimistic about the pilot program than were the state administrators. Although these impressions are interesting, more experience and a more systematic evaluation of the program are necessary to determine whether the pilot program will have the desired effects.

The application also must describe in detail each of the proposed sites, including documentation of the site's eligibility, based on the regulations for that type of site.<sup>14</sup>

In January 2000, federal application requirements were changed to allow experienced sponsors to provide less-comprehensive documentation for some parts of the application, but only if information had not changed since the previous year (7 CFR 225.6[c]).<sup>15</sup> The goal of this change was to reduce paperwork and the time required for sponsors to complete and states to review the applications. Experienced sponsors now may submit documentation on the eligibility of open and restricted open sites less frequently than in the past.<sup>16</sup> Their descriptions of each of their sites may be less comprehensive.<sup>17</sup> However, many parts of the application, such as the number of meals to be served at each site and the budget, must be submitted every year.

State agencies approve nearly all applications, but often only after providing extensive technical assistance. Almost all state administrators reported that 90 percent or more of the applications their agencies received were approved; only one state agency accepted fewer than

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<sup>14</sup>These site information sheets must describe (1) an organized and supervised system for serving meals; (2) estimates of the number and types of meals to be served; (3) arrangements for delivering and storing meals until they are served, and for storing and refrigerating leftover meals until the next day; (4) arrangements for food service during bad weather; (5) a means of adjusting the number of meals delivered; (6) whether the site is rural; and (7) whether the site's food service will be self-prepared or vended.

<sup>15</sup>Sponsors must provide detailed information on any new sites but can provide less-comprehensive information on older ones. A state agency can require an experienced sponsor to provide more information on any site, if this step seems warranted.

<sup>16</sup>School data used to determine a site's eligibility now must be submitted every 3 years, rather than every 2 years. When census data are used, documentation of eligibility must be submitted when new census data are available. A state agency may require documentation of eligibility more frequently if it believes that an area's socioeconomic status has changed significantly.

<sup>17</sup>The information sheets for experienced sites do not need to describe (1) an organized and supervised system for serving meals; (2) arrangements for delivering and storing meals until they are served, and for storing and refrigerating leftover meals until the next day; (3) arrangements for food service during bad weather; (4) a means of adjusting the number of meals delivered; or (5) whether the site is rural.

80 percent of those submitted (Table III.10).<sup>18,19</sup> Because about 90 percent of sponsors in 2001 were experienced, it is not too surprising that more than 90 percent of applications were approved, on average. Furthermore, as discussed in Section C, some sponsors received substantial technical assistance after submitting their applications to ensure that the applications met all the requirements. Nearly two out of five state administrators reported having inadequate staff to handle the application process (refer to Table III.2).

Most state administrators did not believe that the reduced application requirements for experienced sponsors had any effect; however, about 30 percent thought that the effects were positive. It is not clear why most state administrators did not see any effects. It is possible that the state agencies did not implement the changes. Alternatively, the changes may have seemed minor relative to the remaining requirements. The budget component of the application, which is often perceived as the most complicated piece, did not change.

Most state agencies set the deadline for submission of applications in April or May. Twelve state administrators reported that the deadlines varied, depending on whether the sponsor was new or experienced, the program's start date, whether the sponsor requested advance funds or commodities, and/or the sponsor's size.<sup>20,21</sup> Many accepted applications through June 15.

In response to an open-ended question, three-quarters of the sponsors had no comments on or suggestions for improving the application process (Table III.11). The most common suggestion, given by 49 percent of sponsors who commented, was to reduce the detail and quantity of paperwork required. Some sponsors (24 percent of those with comments) suggested modifying the application schedule; one wanted an earlier deadline, to provide more staff training time, whereas others wanted a later deadline. Other suggestions included correcting problems in the electronic forms, allowing forms to be updated, changing SFSP rules for schools

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<sup>18</sup>Initial submissions often are not considered complete. State agencies provide substantial technical assistance to sponsors in completing the application process. Sponsors that do not meet requirements may withdraw or fail to complete the application process. Thus, state agency staff may consider only eligible sponsors and sponsors without problems as having completed the process.

<sup>19</sup>The sole state agency that accepted fewer than 80 percent of its applications turned down relatively few applicants. However, it had few applications relative to the number submitted to many other state agencies.

<sup>20</sup>Although federal regulations require the state agency to have an application deadline no later than June 15, states may choose to set earlier deadlines (7 CFR 225.6[b][1]).

<sup>21</sup>States also must conduct visits to some sponsors or sites prior to approving the application to assess whether the sponsors are able to participate in the program successfully. These preapproval visits must be conducted for new sponsors (unless the sponsor is an SFA and successfully participated in the NSLP in the previous year) and for sponsors that had significant operational problems in the previous year (7 CFR 225.7[d][1]).

TABLE III.10

## PROCESSING OF SPONSOR APPLICATIONS

	Number of State Agencies	Percentage of State Agencies
Percentage of Applications Approved		
<80	1	1.8
80 to 85	1	1.8
86 to 90	3	5.6
91 to 95	13	24.1
96 to 99	21	38.9
100	15	27.8
Mean	96.1	—
State Administrators' Views on Effects of Reduced Application Requirements for Experienced Sponsors		
Positive	16	29.6
Negative	0	0.0
No effect	35	64.8
Did not change requirements	1	1.8
Don't know	2	3.7
Month of Application Deadline for Sponsors <sup>a</sup>		
March	1	1.8
April	16	29.7
May	16	29.7
June	9	16.7
Varies for new/experienced sponsors	1	1.8
Varies by sponsors' start dates	4	7.4
Varies for sponsors requesting advance funds and/or commodities	3	5.6
Varies by number of sites	2	3.7
Varies by sponsors' experience <i>and</i> request for advance funds/commodities	2	3.7
<b>Total</b>	<b>54</b>	<b>—</b>

SOURCE: SFSP Implementation Study, State Administrator Census (2001).

<sup>a</sup>The federal deadline for sponsors' applications is June 15, but state agencies may set earlier deadlines.



TABLE III.11

## SPONSORS' COMMENTS ON THE APPLICATION PROCESS

	Percentage of Sponsors	Standard Error
Sponsors		
Had no comments	75	(4.9)
Had a comment	25	(4.9)
<b>Sample Size<sup>a</sup></b>	<b>124</b>	—
Suggestions on Improving Application Process <sup>b</sup>		
Reduce detail or quantity of paperwork (in general)	49	(10.0)
Modify timing of process; provide faster turnaround	24	(10.0)
Fix problems with electronic forms	13	(6.9)
Allow forms to be updated (electronically or other way)	9	(5.2)
Make SFSP seamless with NSLP; simplify for schools	8	(4.1)
Make site eligibility documentation easier	5	(3.9)
Simplify or eliminate process of specifying serving times and operation dates	4	(3.0)
Use one reimbursement rate; simplify reimbursement process	4	(2.9)
Provide more-clearly written materials	3	(2.7)
Simplify budgeting/estimating costs	3	(2.5)
Schedule training earlier; enhance or increase training	3	(2.1)
Pilot program helps	1	(1.2)
Other	5	(3.5)
<b>Sample Size</b>	<b>40</b>	—

SOURCE: SFSP Implementation Study, Sponsor Survey (2001).

NOTE: Tabulations are weighted to be representative of sponsors nationally.

<sup>a</sup>One sponsor did not answer this question. Another sponsor gave an invalid answer. These sponsors were omitted.

<sup>b</sup>Multiple responses allowed.

NSLP = National School Lunch Program.

so that they would more closely resemble NSLP rules, and simplifying specific parts of the application (such as the eligibility documentation or budget estimation).

### **C. TRAINING AND TECHNICAL ASSISTANCE**

State agencies provided training and technical assistance to sponsors to share information about program rules and regulations; strategies to provide nutritious, appetizing meals; and ways to encourage participation. Sponsors provided training and technical assistance to sites for similar purposes.

- States reported providing extensive training and technical assistance to sponsors, and most sponsors felt they received the help they needed. However, about 40 percent of sponsors would have liked more technical assistance in at least one area, such as administrative or fiscal management.
- Almost all sponsors conducted relatively brief training sessions for their sites, which covered such topics as meal count records, health regulations, and site violations. The few sponsors that did not train their site staff were single-site sponsors with only a few program staff; their staff attended the state-run training sessions.

#### **1. State Training of Sponsors**

Federal regulations require that state agencies provide training to sponsors, vendors, and other relevant personnel (such as health inspectors) in all areas of program administration. These sessions often were held before sponsors prepared their applications. This schedule enabled applicants to learn about program administration and monitoring, claims and reimbursement procedures, meal service, working with vendors, and outreach before beginning the application process. The sessions also gave potential sponsors information they needed to decide whether to submit an application.

In general, states expected sponsors to attend one training session, but some offered the training several times and/or in several locations to accommodate sponsors' schedules, and to minimize the need to travel to a training session. According to the state administrators, state agencies conducted an average of seven training sessions (Table III.12). The sessions lasted about three-quarters of a day, on average, although some took less than one-half day, and some more than a full day. About two-thirds of the state agencies conducted additional or longer training sessions for new sponsors so as to cover the material in more detail than was probably necessary for experienced sponsors.

Sponsors sent an average of two staff to the state-run training sessions (Table III.13). One-third sent only one person; about 12 percent did not send any staff. All the sponsors in the latter group were experienced.<sup>22</sup>

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<sup>22</sup>In 1986, some sponsors from about one-quarter of the surveyed states did not attend state-run training sessions (Ohls et al. 1988).

TABLE III.12  
STATE TRAINING OF SPONSORS

	Number of State Agencies	Percentage of State Agencies
Number of Training Sessions Held for 2001 SFSP		
1 to 4	23	42.6
5 to 8	15	27.8
9 to 12	7	13.0
≥13	9	16.7
Mean	6.9	—
Average Length of Training (Hours)		
2 to 4	18	33.3
5 to 7	25	46.3
8 to 10	7	13.0
≥11	4	7.4
Mean	6	—
Additional Training for New Sponsors <sup>a</sup>		
Yes	37	68.5
No	17	31.5
<b>Total</b>	<b>54</b>	—

SOURCE: SFSP Implementation Study, State Administrator Census (2001).

<sup>a</sup>Excludes on-site assistance provided at the start of operations.

TABLE III.13

## NUMBER OF SPONSORS' STAFF ATTENDING STATE TRAINING

Number Attending	Percentage of Sponsors	Standard Error
0	12	(3.8)
1	33	(5.5)
2	32	(5.2)
3	13	(3.8)
4 to 6	6	(2.1)
≥7	5	(1.7)
Mean <sup>a</sup>	2	(0.2)
<b>Sample Size</b>	<b>125</b>	—

SOURCE: SFSP Implementation Study, Sponsor Survey (2001).

NOTE: One sponsor did not answer this question. Tabulations are weighted to be representative of sponsors nationally.

<sup>a</sup>Estimate of the mean includes sponsors that did not send any staff to a training session.

The sponsors reported that the training helped them to understand a wide range of topics (Table III.14). Nearly all sponsors (85 to 95 percent, depending on the specific topic) judged training on monitoring and review issues, such as sponsors' monitoring of site staff and state and USDA monitoring of sites, to be helpful. Coverage of administrative and accounting rules for the food service (such as meal count and food expenditure records) and of reimbursements was also almost always viewed as helpful, as were discussions of health regulations. Although covered less frequently, training on how to assess food quality, purchase food, and work with vendors generally also was viewed positively. One-fifth or more of sponsors also reported that training did not cover advance and final payments or the pilot program. (These topics may not in fact have been covered, but it is also possible that sponsors did not remember receiving training on topics they did not consider relevant, or that the questionnaire and the training session used different terms to refer to a topic.)

State administrators were asked which topics gave sponsors the most difficulty both during training and after training (Table III.15). State administrators most frequently mentioned that both new and experienced sponsors had difficulty understanding how to budget for the SFSP (including how the program is reimbursed) and how to prepare claims for reimbursements and maintain the necessary accounting records; these issues were mentioned by at least 30 percent of state administrators. In addition, one-quarter to one-third of the state administrators reported that new sponsors tended to have difficulty understanding the application process, completing required paperwork, and implementing the meal pattern/menu planning requirements, but fewer state administrators believed that these topics caused problems for experienced sponsors. About one-fifth of the administrators mentioned production records (records that document the number of meals prepared or delivered to a site) as a topic giving both new and experienced sponsors difficulty. Smaller numbers mentioned staffing, staff training, and site monitoring and management.

## **2. State Technical Assistance to Sponsors**

The state agencies provided technical assistance to sponsors in many areas (Table III.16). Most likely, both sponsors' requests for assistance with particular topics and states agencies' perceptions about areas most in need of improvement determined which topics were frequently covered. More than 80 percent of the state agencies reported that they often provided technical assistance with the application process, and about 60 percent reported that they often provided assistance with reimbursement forms, site management practices, and steps to correct violations. Most state agencies (52 percent) reported that they assisted with community outreach only sometimes. Because most sponsors did not use vendors, the agencies provided guidance on selecting vendors less often than they did on other topics.

Fifty-eight percent of sponsors reported receiving technical assistance from the state (Table III.17). Almost all these sponsors thought that the assistance provided was sufficient. However, 39 percent of sponsors, including those who did not receive any assistance, reported

TABLE III.14

## TOPICS COVERED IN STATE TRAINING OF SPONSORS

State Training Topic	Percentage of Sponsors Reporting Training on Topic Was:							
	Helpful	Standard Error	Not Helpful	Standard Error	Not Covered	Standard Error	Standard Error	Standard Error
<b>Monitoring and Reviews</b>								
Sponsor monitoring of sites	95	(2.6)	5	(2.6)	0	(0.0)		
Administrative reviews	90	(3.3)	5	(2.5)	5	(2.3)		
State and USDA monitoring of sites	89	(4.2)	6	(2.5)	6	(3.5)		
Site violations and deficiencies	86	(4.9)	7	(3.4)	8	(3.7)		
<b>Food Service/Management</b>								
Meal count records	94	(2.7)	5	(2.5)	1	(1.1)		
Sponsor training of site staff	90	(4.3)	9	(4.2)	1	(1.1)		
Food expenditure records	88	(3.5)	8	(3.2)	4	(1.9)		
Health regulations and health inspections	85	(4.6)	4	(2.4)	11	(4.1)		
Assessment of food quality	69	(6.0)	12	(4.2)	19	(5.0)		
Purchasing of food	66	(6.0)	12	(3.8)	22	(5.1)		
Vendors and vendor contracts	53	(6.3)	20	(4.5)	27	(5.5)		
<b>Fiscal Management</b>								
Reimbursements	86	(4.6)	9	(4.2)	5	(2.2)		
Sponsor monitoring of operational budgets	77	(5.7)	14	(4.7)	9	(4.1)		
Sponsor monitoring of administrative budgets	76	(5.9)	16	(4.9)	8	(4.0)		
Final payments	74	(5.8)	7	(2.7)	19	(5.5)		
Advance payments	65	(6.2)	15	(4.7)	20	(5.1)		
New pilot program for changes in reimbursements	55	(6.1)	8	(3.7)	38	(5.6)		
<b>Eligibility Issues</b>								
Eligibility documentation	78	(5.5)	17	(5.1)	5	(2.2)		
Use of computer mapping	27	(5.6)	15	(4.6)	59	(6.6)		

TABLE III.14 (continued)

State Training Topic	Percentage of Sponsors Reporting Training on Topic Was:					
	Helpful	Standard Error	Not Helpful	Standard Error	Not Covered	Standard Error
Outreach, Promotion, and Publicity	77	(5.5)	14	(4.5)	9	(3.7)
Other Topics						
Use of the computer system <sup>a</sup>	3	(2.4)	0	(0.0)	97	(2.4)
Other	4	(2.0)	0	(0.2)	96	(2.0)
<b>Sample Size</b>						<b>113</b>

SOURCE: SFSP Implementation Study, Sponsor Survey (2001).

NOTE: The table is restricted to sponsors who reported having at least one staff member who attended a state-run training session for the 2001 SFSP. Because of missing data, samples sizes for specific items range from 105 to 111. Tabulations are weighted to be representative of sponsors nationally.

<sup>a</sup>Code constructed from verbatim responses to the question on “any other topics” that were helpful to staff during the state-run training.

USDA = U.S. Department of Agriculture.

TABLE III.15

STATE ADMINISTRATORS' PERSPECTIVE ON TOPICS GIVING SPONSORS  
DIFFICULTY DURING OR AFTER STATE TRAINING,  
BY SPONSORS' EXPERIENCE

Topics Typically Giving Greatest Difficulty <sup>a</sup>	Number of State Agencies	Percentage of State Agencies
<b>New Sponsors</b>		
Budgeting for program/understanding program reimbursement	25	46.3
Paperwork (overall, for field trips, for civil rights)	18	33.3
Claims process/accounting/bookkeeping	16	29.6
Meal pattern requirements, menus, menu planning and records	16	29.6
Application process, including documenting sites' eligibility	15	27.8
Production records	11	20.4
Meal counts	7	13.0
Site monitoring or site management	6	11.1
Staffing, staff training	4	7.4
Other <sup>b</sup>	8	14.8
<b>Experienced Sponsors</b>		
Claims process/accounting/bookkeeping	16	29.6
Budgeting for program/understanding program reimbursement	15	27.8
Production records	9	16.7
Meal counts	7	13.0
Paperwork (overall, for field trips, for civil rights)	7	13.0
Application process, including documenting sites' eligibility	6	11.1
Site monitoring or site management	6	11.1
Meal pattern requirements, menus, menu planning and records	5	9.3
Staffing, staff training	5	9.3
Time sheets	1	1.8
Other <sup>b</sup>	8	14.8
<b>Total</b>	<b>54</b>	—

SOURCE: SFSP Implementation Study, State Administrator Census (2001).

<sup>a</sup>Open-ended questions. Multiple responses allowed.

<sup>b</sup>Other topics mentioned include rules concerning vendors and the procurement process, sanitation, computerized forms, understanding the differences between rules for the SFSP and rules for the school meal programs (for school sponsors), the need to have fixed meal times, the rules for the pilot project, and approaches to maintaining or increasing participation.



TABLE III.16

AREAS OF STATE AGENCIES' TECHNICAL ASSISTANCE  
(Row Percentages)

Topic	Percentage of State Agencies Providing Assistance		
	Often	Sometimes	Rarely
Application Process	81.5	14.8	3.7
Completing Reimbursement Forms	63.0	29.6	7.4
Site Management Practices, Including Menu Planning and Meal Counts	59.3	35.2	5.6
Correcting Violations or Improper Practices	57.4	35.2	7.4
Financial Management	46.3	42.6	11.1
Community Outreach and Providing Outreach Materials	24.1	51.8	24.1
Selecting a Vendor	24.1	22.2	53.7 <sup>a</sup>
<b>Total</b>		<b>54</b>	

SOURCE: SFSP Implementation Study, State Administrator Census (2001).

<sup>a</sup>Ten state administrators (18.5 percent) reported that they did not provide *any* assistance in selecting a vendor. Their responses were included in the “Rarely” category.

TABLE III.17

## SPONSORS' VIEWS ON TECHNICAL ASSISTANCE FROM STATE AGENCIES

	Percentage of Sponsors	Standard Error
Received Technical Assistance <sup>a</sup>	58	(5.0)
Sponsors Receiving Assistance Believed Amount Was: (n = 77)		
About right	98	(1.3)
Too little	2	(1.3)
Would Have Liked More Technical Assistance on: <sup>a</sup>		
Overall administrative management	29	(5.4)
Fiscal management	21	(4.6)
Site management	15	(4.1)
Job training	14	(4.0)
Finding a vendor	5	(1.8)
Vendor relations	4	(1.7)
Other	2	(1.1)
Would Have Liked More Assistance in at Least One of These Areas <sup>a</sup>	39	(5.6)
Used Manual <sup>b,c</sup>		
<i>Sponsor's Handbook</i>	95	(2.4)
<i>Monitor's Handbook</i>	91	(3.3)
<i>Sponsor's Meal Preparation Handbook</i>	73	(5.3)
<i>Food Buying Guide for Child Nutrition Programs</i>	65	(5.5)
<i>Site Supervisor's Guide</i>	4	(1.7)
Other manual	3	(2.2)
<b>Sample Size</b>	<b>126</b>	—

SOURCE: SFSP Implementation Study, Sponsor Survey (2001).

NOTE: Tabulations are weighted to be representative of sponsors nationally.

<sup>a</sup>Because of missing data, sample sizes range from 123 to 125.

<sup>b</sup>Because of missing data, sample sizes range from 112 to 125.

<sup>c</sup>Multiple responses allowed. The *Sponsor's Handbook* is formally titled, *Administrative Guidance for Sponsors*. The *Monitor's Handbook* is also known as the *Monitor's Guide*. The *Sponsor's Meal Preparation Handbook* is also known as *Nutrition Guidance for Sponsors*. All these titles were mentioned in the survey. Sponsors who reported using the *Site Supervisor's Guide* did so in response to a question about whether any other manuals were used in sponsoring the SFSP. The data here assume that sponsors who did not know whether they used any other handbook or who said they did not have any other handbooks did not, in fact, use any other handbook. However, those who left the question blank are omitted from the tabulations.

wanting more assistance in at least one area.<sup>23</sup> About one-quarter of all sponsors wanted more assistance with administrative and fiscal program management. Some also thought that additional technical assistance with site management and job training would be helpful.

To help sponsors with their day-to-day operations, the state agencies gave them manuals that FNS had prepared. Almost all the sponsors reported using the *Sponsor's Handbook* and the *Monitor's Handbook*. Between two-thirds and three-fourths used other manuals provided by the state agencies or by FNS for their program operations.

### **3. Sponsor Training and Technical Assistance to Sites**

Sponsors provide training and technical assistance to sites to ensure that the sites implement program policies and procedures correctly and efficiently. Training of site staff must cover the purpose of the SFSP, site eligibility, record keeping, site operations, meal pattern requirements, and the duties of a monitor (7 CFR 225.15[d][1]). Sponsors are prohibited from allowing a site to operate until its staff have attended a training session.

Almost all the sponsors reported conducting training sessions for on-site staff, typically, one or two sessions (Table III.18).<sup>24</sup> The sessions generally were much shorter than the state agencies' training sessions for sponsors. Almost two-thirds of sponsors that conducted training did so in sessions lasting 2 hours or less; according to the sponsors' reports, however, some training sessions lasted longer than 4 hours. Site training almost always covered meal count records; health regulations, food safety, or sanitation; site violations and deficiencies; and monitoring of sites. When asked to cite other topics, a few sponsors mentioned safety, supervision, and discipline; civil rights, discrimination, and sensitivity issues; the purpose of the SFSP; program rules and policies; menus, meal service, and meal deliveries; budgeting; sponsor-site communication procedures; and troubleshooting. (These topics are grouped in Table III.18 as "Other.")

All the sponsors that reported no training of site staff operated only one site, and did so with only a few program staff. These sponsors sent staff to a state-run training session, which may have been sufficient.

Most sponsors reported that, because no new employees started after the SFSP began, they did not have to conduct training other than the formal training provided at the beginning of the

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<sup>23</sup>When questioned, about 36 percent of the sponsors who reported having received the right amount of technical assistance in the past also reported wanting more assistance in specific substantive areas, such as administrative or fiscal management. The seemingly contradictory responses suggest that, despite satisfaction with the state's technical assistance, these sponsors might like additional state guidance, possibly in new areas.

<sup>24</sup>Some state administrators reported that state agency staff attended or made presentations at these training sessions. However, such attendance was rare.

TABLE III.18

SPONSOR-PROVIDED TRAINING FOR SITE STAFF  
(Percentages, Unless Otherwise Stated)

	Percentage of Sponsors	Standard Error
<b>All Sponsors</b>		
Number of Training Sessions for On-Site Staff <sup>a</sup>		
0	7	(3.8)
1	51	(5.5)
2	26	(4.7)
3	7	(2.2)
4 to 6	8	(2.6)
≥7	1	(0.6)
Mean	1.8	(0.1)
<b>Sample Size</b>	<b>125</b>	—
<b>Sponsors Providing Training</b>		
Average Length of Training (Hours) <sup>b</sup>		
1	26	(5.1)
2	37	(5.9)
3 or 4	26	(4.9)
≥5	11	(3.6)
Mean	2.9	(0.5)
Median	2.0	—
Percentage of Training Sessions on: <sup>c</sup>		
Meal count records	99	(0.7)
Health regulations, food safety, or sanitation <sup>d</sup>	96	(2.2)
Site violations and deficiencies	94	(2.5)
State and USDA monitoring of sites	93	(2.7)
Sponsor monitoring of sites	92	(3.5)
Working with vendors	33	(5.3)
Other	17	(3.5)

TABLE III.18 (continued)

	Percentage of Sponsors	Standard Error
Training Method for New Site Staff Starting After Summer Begins <sup>c,e</sup>		
No new employees start later in the summer	63	(4.9)
On-the-job or on-site training	11	(3.4)
Training by sponsor, one-on-one or as a group	10	(3.1)
Regular orientation and/or formal training session	8	(2.6)
New staff review training agenda and materials	8	(3.8)
Other	8	(3.7)
<b>Sample Size</b>	<b>121</b>	—

SOURCE: SFSP Implementation Study, Sponsor Survey (2001).

NOTE: Tabulations are weighted to be representative of sponsors nationally.

<sup>a</sup>One sponsor did not answer this question.

<sup>b</sup>The average reported by each sponsor for all the training sessions the sponsor held. It does not take into account (weight) the number of training sessions that the sponsor held.

<sup>c</sup>Because of missing data, sample sizes for specific items range from 119 to 121.

<sup>d</sup>Includes sponsors reporting that “health regulations and food safety” were covered when asked directly about this issue and sponsors reporting that cleanliness, hygiene, or sanitation topics were covered when asked about “any other topics” covered in the 2001 training sessions.

<sup>e</sup>Categories coded from an open-ended question on how sponsors train new site staff who start during the course of the summer. Multiple responses allowed.

USDA = U.S. Department of Agriculture.

summer. Sponsors that took on staff later in the summer used a variety of training methods. Informal ones were the most frequently used and included on-the-job or on-site training, one-on-one or group training by the sponsor, and review of the training agenda and material by the new staff. Some sponsors, disproportionately large ones, used a regular or formal training session.

To learn about sponsor-site interactions from the site perspective, site supervisors at sites run by multisite sponsors were asked during the site visit about the training and technical assistance the sponsor provided (Table III.19). (Single-site sponsors were not asked these questions because sponsor and site staff generally were the same.) Most site supervisors reported receiving training from the sponsor; in most instances, the site supervisor or program director also helped conduct the training. About three out of every five site supervisors interviewed reported that site staff received technical assistance from the sponsor in 2001 on such topics as record keeping, meal quantity adjustments, and food safety procedures. Most site supervisors considered the sponsor's help to be sufficient; however, a few would have liked the sponsor to improve the menu; provide additional training, communication, or technical assistance; or provide additional staff or resources.

Supervisors of sites run by multisite sponsors reported that their sponsor had visited an average of five times; however, the number of visits reported varied greatly. Sponsor staff visit sites both for monitoring purposes and for technical assistance purposes; they also may visit as part of basic site operations (for example, to deliver meals). Supervisors of about 1 in 10 sites reported that the sponsor had not visited by the time of data collection. Sponsors are supposed to visit all their sites during the first week of operations, but this report suggests that some sponsors may have had difficulty providing the required levels of monitoring.<sup>25</sup> More than half the sites (56 percent) reported three visits or fewer. In other sites, many sponsor visits were reported, up to a maximum of about three per day.

Site staff at 41 percent of sites had not discussed meal choices with sponsors. However, 26 percent of site staff often discussed this topic with sponsors, and 34 percent did so occasionally.

#### **D. PROGRAM MONITORING**

Monitoring serves to ensure that SFSP administration is consistent with program rules and regulations. It also facilitates corrective action when necessary. State agencies are required to

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<sup>25</sup>The number of sponsor visits reported is as of the day that the interviewer visited the site. Data collection visits occurred at various points during program operations, so the data cannot be interpreted as the total number of sponsor visits conducted during the summer. However, when the sample is restricted to sites that had been open at least 1 week at the time of the interviewer's visit, 10 percent of the site supervisors reported that the site had not yet received a sponsor visit (weighted tabulation; standard error = 3.8 percent; n = 105; not shown in table).

TABLE III.19

SITE SUPERVISORS' VIEWS ON TRAINING AND  
TECHNICAL ASSISTANCE FROM SPONSORS

	Percentage of Sites	Standard Error
<b>All Sites</b>		
Site Staff Trained by: <sup>a</sup>		
Sponsor	91	(2.3)
Site supervisor/program director	67	(4.6)
Other site staff	36	(5.7)
State agency	27	(4.3)
Food or nutrition advocacy group	22	(3.5)
Health department	1	(0.7)
No one specified	1	(0.6)
<b>Sample Size<sup>b</sup></b>	<b>162</b>	—
<b>Sites of Multisite Sponsors</b>		
Site Received Other Help or Technical Assistance from Sponsor in 2001		
Yes	60	(5.6)
No	35	(5.4)
Don't know	5	(3.3)
Technical Assistance Topics Covered, Among Those Receiving Technical Assistance (n = 73) <sup>a</sup>		
Record keeping	88	(4.7)
Making meal quantity adjustments	73	(6.7)
Food safety procedures	72	(7.1)
Monitoring food quality	70	(7.5)
Food purchasing	54	(7.2)
Other <sup>c</sup>	14	(4.7)
Ways Sponsor Could Be More Helpful <sup>a,d</sup>		
Improve menu	9	(3.6)
Provide more training, communication, technical assistance	5	(2.4)
Provide more staff, resources	5	(2.0)
Other <sup>c</sup>	6	(2.6)
Nothing	75	(4.7)

TABLE III.19 (continued)

	Percentage of Sites	Standard Error
Number of Sponsor Visits <sup>f</sup>		
0	11	(3.6)
1	12	(3.5)
2 to 3	33	(5.9)
4 to 5	17	(4.3)
6 to 10	11	(3.0)
≥11	12	(4.3)
Don't know	4	(2.0)
Mean	5.3	(0.8)
Median	2.5	(0.4)
Site Staff Discuss Meal Choices with Sponsor:		
Often	26	(4.9)
Sometimes	34	(5.3)
Never	41	(7.1)
<b>Sample Size<sup>g</sup></b>	<b>119</b>	—

Source: SFSP Implementation Study, Site Supervisor Survey (2001).

NOTE: Tabulations are weighted to be representative of sites nationally.

<sup>a</sup>Multiple responses allowed.

<sup>b</sup>Because of missing data, the number of valid responses to specific items varies from 136 to 152.

<sup>c</sup>Includes assistance with advertising, finances, sanitation, menu planning, playground safety, and computers.

<sup>d</sup>Open-ended question.

<sup>e</sup>Includes assistance with increasing participation, enlarging or modernizing the kitchen, increasing the cap on the number of children who can participate, providing menus, and providing food handlers.

<sup>f</sup>Refers to the number of sponsor visits as of the time of the site supervisor survey, which could have been at any time during the site's operations.

<sup>g</sup>Because of missing data, the number of valid responses varies from 114 to 119, except where noted.



conduct both administrative reviews of sponsors and visits to sites. Sponsors must monitor their sites throughout program operations to ensure compliance with program regulations.

- Consistent with the federal regulations, state agencies concentrated their review efforts on new sponsors. On average, 94 percent of new sponsors and 58 percent of experienced sponsors were reviewed.
- About 84 percent of sponsors reported conducting two or more reviews per site. Nearly three-quarters arrived unannounced, helping to ensure that monitoring observations reflected actual day-to-day program operations.

## 1. State Monitoring of Sponsors and Sites

State agencies ensure compliance with program rules and regulations through both administrative reviews of sponsors and site visits. Regulations dictate that the agencies review all new sponsors during the sponsors' first summer of program operations, and that they conduct annual reviews of sponsors with very high levels of reimbursements and of sponsors that had operational difficulties during the previous year (7 CFR 225.7[d][2][ii]).<sup>26</sup> In addition, every sponsor must be reviewed at least once every 3 years. The review must include visits to 10 percent of a sponsor's sites or to one site, whichever is larger. These requirements are fairly extensive for a program that almost always operates for 3 months or less. In comparison, state agencies must conduct administrative reviews of SFAs for the school meal programs (which operate for 9 months or more) about once every 5 years, although they are encouraged to review large SFAs more often, and they must conduct follow-up reviews if problems are detected (7CFR 210.18). Of course, many SFSP sponsors have less food service experience than do SFAs.

Administrative reviews typically are conducted at the sponsor's headquarters and are reviews of documents (such as meal count sheets from the sites, vendors' invoices and delivery receipts, menus, production records, and staff timesheets) that the sponsor is required to keep to support its claims for reimbursement. About half the state agencies conducted all their administrative reviews during the summer (Table III.20). Most of the others began their reviews during the summer but completed them after program operations had ended. Two state agencies began reviews in the fall.

During the interview, state administrators estimated the number of administrative reviews of new and experienced sponsors and the total number of new sponsors. In some cases, however, the administrators admitted that they did not have precise numbers at the time of their interview, so these estimates should be interpreted as an approximate indicator of how well states are complying with monitoring regulations.

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<sup>26</sup>States are not required to review a school food authority (SFA) sponsor if that sponsor had been reviewed for the NSLP during the same year.

TABLE III.20

## STATE AGENCIES' REVIEWS OF SPONSORS AND SITES

	Number of State Agencies	Percentage of State Agencies
Period Covering Reviews of Sponsors		
Summer (May to August)	28	51.8
Summer (May to August) to early fall (September to October)	20	37.0
Summer (May to August) to late fall or winter (November to February)	4	7.4
Fall or fall to winter (September or later)	2	3.7
New Sponsor Reviews as Percentage of New Sponsors		
<60	3	5.6
61 to 99	5	9.2
100	41	75.9
>100 <sup>a</sup>	1	1.8
Don't know	1	1.8
No new sponsors	3	5.6
Mean	94	—
Median	100	—
Experienced Sponsor Reviews as Percentage of Experienced Sponsors		
<30	9	16.7
31 to 60	27	50.0
61 to 99	9	16.7
100	5	9.3
>100 <sup>a</sup>	3	5.6
Don't know	1	1.8
Mean	58	—
Median	50	—
New Monitoring Requirements Target Resources to Sponsors/Sites Most in Need of Additional Review <sup>b</sup>		
Yes	29	53.7
No	19	35.2
Don't know	6	11.1

TABLE III.20 (continued)

	Number of State Agencies	Percentage of State Agencies
Approximate Number of <i>Sites</i> Visited (n = 53) <sup>c</sup>		
1 to 25	10	18.9
26 to 50	11	20.7
51 to 100	9	17.0
101 to 200	12	22.6
201 to 500	7	13.2
>500	4	7.5
Mean	168	—
Median	80	—
Percentage of Sites Visited <sup>c</sup>		
<10	8	15.09
10 to <20	12	22.64
20 to <30	13	24.53
30 to <50	12	22.64
50 to <80	5	9.43
≥80	3	5.66
Mean	30	—
Median	24	—
Percentage of Unannounced Site Visits		
<25	20	37.0
25 to 50	5	9.3
51 to <75	1	1.8
75 to <100	7	13.0
100	21	38.9
Mean	57	—
Median	84	—
<b>Total</b>	<b>54</b>	<b>—</b>

SOURCE: SFSP Implementation Study, State Administrator Census (2001).

<sup>a</sup>The number of reviews was reported by the state administrators separately from the number of sponsors. The ratio sometimes exceeds 100 percent, perhaps because sponsors were reviewed more than once.

<sup>b</sup>The new monitoring requirements require annual reviews of new sponsors, large sponsors, and sponsors that had significant operational problems during the previous year (7 CFR 225.7 [d][2][ii]), whereas other sponsors may be reviewed every 3 years.

<sup>c</sup>Refers to the number of sites state agency staff visited in summer 2001.

Consistent with the federal regulations, administrative reviews focused on new sponsors; however, the state administrators reported that the state agencies reviewed 94 percent of new sponsors, on average, although they are required to review all of them.<sup>27</sup> The eight state agencies reporting that they did not review all their new sponsors reviewed most of them.<sup>28</sup> An average of 58 percent of experienced sponsors were reviewed. State administrators in eight states reported that every experienced sponsor was reviewed.

More than half the state administrators thought that the new monitoring requirements appropriately targeted visits to sponsors that most needed them. However, about one-third did not believe the new regulations were helpful. Some administrators volunteered various reasons for this belief (for example, the largest sponsors generally were not the ones with problems; state policy was to review all sponsors; and the state still was required to spend too much time monitoring sponsors, rather than helping them).

State agency staff also visited sites during the summer as part of their monitoring efforts. These visits enabled the agencies to verify that food was served according to regulations, health and safety regulations were followed, and meal counts were recorded properly. In states with a large number of sites, state monitors conducted hundreds of visits. The state administrators reported that monitoring staff reviewed an average of 30 percent of their state's sites. However, this measure varied widely; eight state agencies visited fewer than 10 percent of their sites, and eight visited at least 50 percent of their sites.

About two-fifths of the state agencies did not announce any visits to the sponsor or site in advance; however, about an equal fraction gave advance notice for all or almost all visits. On average across states, 57 percent of site visits were unannounced. State monitoring staff generally considered unannounced visits the best way to observe a site's day-to-day operations, because they increased the likelihood of detecting any infractions of rules or regulations. Nonetheless, logistical issues may have forced the state agencies to give advance notice of the visits (for example, to ensure that a remote site was open at the time of the planned visit).

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<sup>27</sup>Ohls et al. (1988) found that states reported reviewing about 90 percent of sponsors (as a median). However, that rate and the current one cannot be compared directly because the regulations on state monitoring have changed. Pre-January 2000 regulations focused state agency review efforts on new nonprofit organizations operating within urban areas, new sponsors with 10 or more sites, and other sponsors that the state agency believed should be reviewed within the first 4 weeks of program operations. The review of other sponsors was based on the number of sites the sponsors administered (*Federal Register* [1999]).

<sup>28</sup>No information is available to explain why some state agencies reported that they failed to review all their new sponsors. One state reported reviewing sites, but not sponsors. A new sponsor in another state had participated in the SFSP in the past and might have been the sole sponsor not reviewed by that state's agency. In addition, when contacted in October 2001, some states provided preliminary numbers or estimates of the number of reviews and the number of new sponsors that may not match the final numbers. Some state administrators reported they had not completed reviews or paperwork at the time of the interview, and thus did not have final numbers available.

## 2. Sponsors' Monitoring of Sites

Sponsors are required to visit each of their sites at least once during the first week of program operations, and to conduct a more comprehensive review at least once during the first 4 weeks of operations (7 CFR 225.15[d]).<sup>29,30</sup> In addition, throughout program operations, sponsors are required to maintain a reasonable level of monitoring.

Almost half the sponsors (46 percent) that operated more than one site reported that they conducted two reviews per site, and 38 percent conducted more than two; however, 16 percent conducted only one review (Table III.21).<sup>31</sup> Because the question asked specifically about site *reviews*, it seems likely sponsors would not count the first-week visits to sites in their responses.<sup>32</sup> The average on-site review required 2.4 hours to complete. According to the sponsors, monitors spent an average of 61 percent of that time on site, 14 percent of the time traveling, and 25 percent on paperwork (data not shown). About one-third of the sponsors reported spending considerable time on paperwork (more than one-quarter of the visit's time), whereas some reported spending no time on it. About three-quarters of the sponsors reported that all their on-site reviews were unannounced; as with state agency visits, unannounced visits may have helped to ensure that monitoring observations were based on routine, day-to-day program operations.

About half (51 percent) of the sponsors that conducted more than one on-site review conducted the same number of reviews per site; another 10 percent conducted at least a prespecified minimum number of reviews. A few sponsors conducted additional reviews based on the number of meals or leftovers reported or after other methods had detected problems.

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<sup>29</sup>During a review, monitors are required to observe all aspects of program operations—before, during, and after meal service (U.S. Department of Agriculture, Food and Nutrition Service 2001). Monitors are not required to be present for the entire meal service during a site visit. State agencies may waive the site visit requirement for experienced sponsors that are SFAs.

<sup>30</sup>During monitoring visits, sponsors are required to complete a monitoring form provided by the state agency (7 CFR 225.7[d][7]). These forms provide room to record such information as the time of the monitor's arrival and departure, the site supervisor's signature, a certification statement to be signed by the monitor, the number of meals prepared or delivered, the number of meals served to children, any deficiencies noted, the corrective actions taken by the sponsor, and the date of these actions.

<sup>31</sup>This analysis does not include sponsors that reported only one site, as site-monitoring issues were less relevant for them. This restriction excluded 43 of the 126 sponsors.

<sup>32</sup>However, as noted in the discussion of the data in Table III.19, about 10 percent of site supervisors from sites run by multisite sponsors reported that their sponsor had not yet visited their site.

TABLE III.21

## MULTISITE SPONSORS' MONITORING OF SITES

	Percentage of Sponsors	Standard Error
<b>Number and Length of Reviews</b>		
Number of Reviews Planned (per Site)		
1	16	(4.4)
2	46	(6.7)
>2	38	(6.4)
Average Length of Review (Hours)		
≤1	23	(6.6)
1.1 to 2.0	39	(6.1)
2.1 to 3.0	23	(5.6)
3.1 to 4.0	1	(1.0)
>4.0	14	(4.7)
Mean	2.4	(0.2)
Portion of All Reviews that Were Unannounced		
None	7	(3.4)
Some, but no more than one-half	13	(4.4)
More than one-half, but not all	8	(3.4)
All	73	(6.2)
<b>Sample Size</b>	<b>83</b>	—
<b>Sponsors Conducting Multiple Reviews</b>		
How Sites Are Selected for More than One Review <sup>a</sup>		
All sites monitored same number of times	51	(7.5)
All sites monitored at least a minimum number of times	10	(3.8)
No method indicated; monitoring “just done”	9	(5.4)
Sites monitored daily or constantly	9	(4.5)
Sites monitored at other intervals or on rotating basis	8	(4.2)
When problems are indicated; as needed	3	(2.0)
Based on number of meals or leftovers	2	(1.3)
Sites randomly selected	1	(1.4)
Other method	7	(4.0)
<b>Sample Size</b>	<b>51</b>	—

TABLE III.21 (*continued*)

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SOURCE: SFSP Implementation Study, Sponsor Survey (2001).

NOTE: This table includes only sponsors that had more than one site. Tabulations are weighted to be representative of sponsors nationally.

<sup>a</sup>Thirteen sponsors were not asked this question because they conducted only one review per site. Eighteen sponsors excluded from this analysis reported conducting two reviews per site. A previous version of the questionnaire indicated that sponsors conducting two reviews per site should skip this question. A later version corrected this skip pattern. One sponsor is excluded from the analysis because the respondent did not know what selection method was used.

## **E. VENDOR/FOOD SERVICE MANAGEMENT**

Because the quality of the meals provided to children is of the utmost importance to the SFSP, this study examined factors that influenced the sponsors' decision to prepare their own meals or to contract with vendors instead; it also examined the ways that sponsors work with vendors.<sup>33,34</sup>

- Eighty-two percent of sponsors (and almost all school sponsors) prepared their own meals. Many of these sponsors chose to do so because they had the necessary staff and facilities; in many cases, they viewed preparing meals as part of their mission (for example, because they were a school food service or a residential camp).
- Eighteen percent of sponsors contracted with vendors to provide meals. The ones that did so were relatively large; they operated 36 percent of the sites and served 30 percent of the total meals. Vended sponsors were more likely to be government and National Youth Sports Program (NYSP) sponsors than were nonvended sponsors.
- About 80 percent of the sponsors that used vendors were very satisfied or somewhat satisfied with their choice. The main perceived advantages were saving the time and costs of preparing the meals. However, some sponsors that used vendors believed food from vendors may have been less appealing to children or less nutritious than self-prepared food. They also thought that logistical issues could pose challenges they would not encounter with self-prepared meals.
- About 80 percent of sponsors that used vendors received only one bid for the contract.
- Most sponsors monitored their vendors at least weekly.

### **1. Use of Vendors**

As shown in Chapter II, although only 18 percent of sponsors contracted with vendors to provide meals, these sponsors served 30 percent of total meals, indicating they were larger than average in terms of total meals served. About one-third of sponsors that used vendors used SFAs as vendors, and two-thirds used private food service management companies (refer to Table II.2). Only 3 percent of school sponsors used a vendor (refer to Table II.4).

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<sup>33</sup>This chapter focuses on the administrative aspects of preparing meals and working with vendors. The nutritional value of the meals and children's preferences for certain types of foods are discussed in Chapter V.

<sup>34</sup>Note that dividing the sample by the meal preparation method reduces the sample sizes for the analysis, which reduces the precision of the estimates. This effect is especially true for the analysis of sponsors that used vendors, because most sponsors prepared their own meals.



The sample of vended sponsors in the survey is small, which makes it difficult to determine precisely how they differ from other sponsors. One difference that is statistically significant, even with this small sample, is that vended sponsors and nonvended sponsors were of different types (Table III.22). More than half (55 percent) of all vended sponsors were government sponsors. Relative to sponsors that prepared their own meals, vended sponsors were relatively more likely to be government and NYSP sponsors and were less likely to be school sponsors.

## **2. Reasons Why Most Sponsors Prepared Meals**

Sponsors that prepared their own meals most often (36 percent) reported that they chose self-preparation because they already had the necessary facilities and staff and/or because they were a school food service or other organization that had food service as its function (Table III.23). Some sponsors also believed that (1) it was cheaper to prepare the meals themselves (25 percent); (2) self-preparation enabled them to provide higher-quality food, to adjust the food served to meet children’s preferences, or to provide a greater variety of foods (16 percent); and/or (3) preparing meals themselves was more convenient, for logistical reasons (16 percent).<sup>35</sup> About 1 in 10 sponsors, most of which had rural sites, reported that they prepared their own meals because no vendors operated in their area.<sup>36</sup> A few sponsors prepared their own meals to keep workers employed or to provide jobs. A few did so because they always had done so, and a few saw self-preparation as a way to maintain control over the process.

## **3. Reasons Why Some Sponsors Contracted with Vendors**

Regulations require that SFSP vendors provide unitized meals, which must contain the required meal components as a single “package” or “unit.” (Milk or juice may be packaged separately or may be excluded from the unitized meal and obtained elsewhere.) A sponsor may request that the state provide an exception to the unitizing requirement for certain components of the meal (7 CFR 225.6[h][2][i]).

Eighteen percent of the sponsors chose to contract with vendors. Most sponsors (81 percent) that contracted with vendors reported that they were very satisfied or somewhat satisfied with the arrangement (Table III.24).<sup>37</sup> When asked about the advantages of using vendors, the most

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<sup>35</sup>Logistical reasons included better management of the schedule, food preparation, and service time.

<sup>36</sup>Five of the seven sponsors that gave this reason operated only rural sites. However, the two other sponsors had no rural sites.

<sup>37</sup>Although the weighted tabulations show that 19 percent of sponsors were not satisfied with their vendors, this group consists of only 2 of the 31 sponsors that used vendors, and 1 of the 2 had a relatively large weight. The sponsor with the large weight reported that the main disadvantage of using vendors was the variety or quality of the food; the other sponsor reported logistical issues as the main disadvantage.

TABLE III.22  
SPONSOR TYPE, BY SELF-PREPARED  
AND VENDED MEALS

Type of Sponsor	Percentage of Self-Preparation Sponsors	Standard Error	Percentage of Vended Sponsors	Standard Error
School	57	(6.4)	7	(7.0)**
Government	5	(3.0)	55	(12.8)
Camp/Upward Bound	19	(5.4)	16	(13.5)
NYSP	1	(0.6)	9	(5.4)
Nonprofit Organization	18	(4.8)	13	(7.7)
<b>Sample Size</b>	<b>95</b>	—	<b>31</b>	—

SOURCE: SFSP Implementation Study, Sponsor Survey (2001).

NYSP = National Youth Sports Program.

\*\*Distributions are significantly different at the .01 level, chi-squared test.

TABLE III.23

REASONS SPONSORS PREPARE MEALS RATHER THAN  
CONTRACT WITH A VENDOR

Reason <sup>a</sup>	Percentage of Sponsors	Standard Error
Already Have Facilities and Staff; Is a School or Meals/Nutrition/Food Service Program; Is the Organization's Job	36	(6.0)
Cheaper	25	(5.3)
Higher-Quality Food; More Flexibility to Meet Children's Dietary Needs/Preferences; More Meal Choices	16	(4.1)
Convenience, Ease; Logistical Reasons	16	(4.2)
Location; no Vendors in Area; Rural Area	11	(4.7)
Always Has Self-Prepared Meals	9	(3.5)
Keep Workers Employed; Provide Jobs	7	(2.7)
More Control	5	(3.4)
Appropriate or Beneficial for Program <sup>b</sup>	3	(1.8)
Better Control of Food Quantity; Less Food Waste	2	(1.5)
Other	8	(2.7)
No Comments Given	2	(1.5)
<b>Sample Size</b>	<b>91</b>	—

SOURCE: SFSP Implementation Study, Sponsor Survey (2001).

NOTE: The sample is restricted to sponsors that did not use vendors. Four of the 95 sponsors that prepared meals on site or at a central kitchen are omitted because they did not answer this question. Tabulations are weighted to be representative of sponsors nationally.

<sup>a</sup>Categories created by coding responses to an open-ended question on sponsor's reasons for self-preparing meals rather than contracting with a vendor. Multiple responses allowed.

<sup>b</sup>No additional detail or clarification given.

TABLE III.24

SPONSORS' VIEWS ON ADVANTAGES AND  
DISADVANTAGES OF VENDORS

	Percentage of Sponsors	Standard Error
Overall Satisfaction with Vendor		
Very satisfied	66	(13.2)
Somewhat satisfied	15	(6.9)
Not satisfied	19	(13.5)
Main Advantages <sup>a</sup>		
Easy, convenient; no "hassle" with meal preparation	36	(13.2)
Quality or variety of food	17	(8.6)
Cheaper	14	(7.1)
Vendors have staff, facilities, transportation; site does not	10	(4.6)
Vendors have experience buying and preparing food	10	(7.4)
Vendors are trained in sanitation and hygiene	10	(7.2)
Vendor can deliver meals on time; food ready to eat when delivered	6	(5.0)
Greater flexibility on participation levels allowed	3	(2.5)
Can deliver food efficiently	3	(2.4)
Location issues	2	(2.1)
Other	10	(6.1)
No comments given	6	(5.7)
Main Disadvantages (n = 28) <sup>a</sup>		
Food variety or quality	46	(13.5)
Logistical issues	22	(9.3)
Cost	10	(7.0)
None; no comments given	21	(8.7)
<b>Sample Size</b>	<b>31</b>	—

SOURCE: SFSP Implementation Study, Sponsor Survey (2001).

NOTE: The sample is restricted to sponsors that used vendors. Tabulations are weighted to be representative of sponsors nationally.

<sup>a</sup>Categories created by coding responses to open-ended questions on the sponsor's perceived main advantages or disadvantages of vendor-provided meals. Multiple responses allowed.

frequent comment (reported by 36 percent of vended sponsors) was that vendors were easy or convenient to use. It is likely that giving the responsibility for meal preparation to vendors greatly simplified the sponsors' day-to-day operations, especially for sponsors whose primary focus was to offer activities rather than meals to children. Many sponsors also perceived other advantages to using vendors. They believed that vendors (1) were able to provide a higher quality or greater variety of food; (2) were cheaper; or (3) already had the necessary staff, equipment, and experience, which they (or their sites) would have to obtain.

When asked about disadvantages of using vendors, 46 percent of the sponsors that used vendors raised issues of food quality or variety (for example, lack of choice of foods, food temperature, or food quantity). Twenty-two percent reported concerns about logistics, including delivery problems, scheduling problems, difficulty adjusting the number of meals, or the need to consult with non-SFSP staff to resolve problems.

#### **4. Selecting and Monitoring Vendors**

Sponsors that wish to use private vendors must adhere to a competitive bidding process, unless they have a vendor contract in the amount of \$10,000 or less (7 CFR 225.15[g][4]).<sup>38</sup> The bidding process includes public announcements of the proposed contract and public opening of the bids. The invitation to bid must include specifications of food and meal quality standards and a menu on which the bid is based. State agencies must be allowed to monitor the bidding process and must grant approval for bids above the lowest-cost bid before sponsors can accept them.<sup>39</sup>

Although competitive bidding is encouraged, 80 percent of sponsors that used vendors in 2001 reported receiving only one bid (Table III.25).<sup>40,41</sup> Thus, although most sponsors were satisfied with their vendors, they may have no alternative should they ever become dissatisfied.

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<sup>38</sup>Sponsors that use an SFA and schools that have an exclusive contract with a private vendor for year-round service are exempt from this regulation.

<sup>39</sup>States also must approve the acceptance of extremely large bids.

<sup>40</sup>Most of the sponsors that used private vendors received only one bid, as did most sponsors that used SFAs.

<sup>41</sup>Effective December 2000, a state agency no longer had to require that vendors operating within the state register with it (*Federal Register* 2000; 7 CFR 225.6[g]). Most administrators of state agencies that dropped the registration requirement reported that some aspects of the vendor process remained unchanged (such as the number of vendors interested in participating in the SFSP), or that they did not know whether dropping vendor registration had any effects (data not shown). Sponsors in these states also were generally unaware of any effects of this change in regulations. One possible explanation is that states that found vendor registration to be useful maintained the requirement.

TABLE III.25

## VENDOR BIDS AND VENDOR MONITORING

	Percentage of Sponsors	Standard Error
Number of Vendors Submitting Bids		
1	80	(8.7)
2 or 3	18	(8.4)
≥4	2	(1.5)
Monitoring Strategies		
Talk to site personnel	95	(4.7)
Conduct SFSP site visits	84	(7.2)
Check contract specifications against delivered meals	80	(10.5)
Visit vendors' facilities	58	(12.4)
Other	11	(6.3)
Vendors Monitored:		
Daily <sup>a</sup>	11	(6.5)
Weekly	56	(12.4)
Monthly	8	(7.5)
When problems are suspected	16	(7.3)
At certain intervals and when needed or requested by sites <sup>a</sup>	7	(4.4)
Other <sup>a</sup>	3	(2.6)
<b>Sample Size</b>	<b>31</b>	—

SOURCE: SFSP Implementation Study, Sponsor Survey (2001).

NOTE: The sample is restricted to sponsors that used vendors. Tabulations are weighted to be representative of sponsors nationally. Because of missing data, sample sizes for specific items range from 28 to 31.

<sup>a</sup>Categories constructed from "other (specify)" responses.

Sponsors used several strategies to monitor vendors (Table III.25). Almost all reported holding discussions with site staff, conducting site visits, and checking whether the delivered meals met contract specifications. About three-fifths of sponsors also reported that they visited the vendors' facilities. About two-thirds conducted these monitoring visits at least weekly.

