



B-17856X
2-14-75

REPORT TO THE CONGRESS 095056

An Appraisal Of The Special Summer Food Service Program For Children

Food and Nutrition Service
Department of Agriculture

**BY THE COMPTROLLER GENERAL
OF THE UNITED STATES**

RED-75-336

~~706287~~ 095056

FEB 14 1975



COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

B-178564

To the President of the Senate and the
Speaker of the House of Representatives

Dear Mr. Speaker:

This is our report entitled "An Appraisal of the Special Summer Food Service Program for Children." The Food and Nutrition Service, Department of Agriculture, administers the program.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are also sending this report today to the President of the Senate. Copies are being sent to the Director, Office of Management and Budget, and to the Secretary of Agriculture.

Sincerely yours,

A handwritten signature in black ink, appearing to read "R. F. Keller".

Acting Comptroller General
of the United States

C o n t e n t s

		<u>Page</u>
DIGEST		i
CHAPTER		
1	INTRODUCTION	1
	Responsibility for administration	1
	Program funding	3
2	PROBLEMS IN REACHING ELIGIBLE CHILDREN	5
	Program participation	5
	Criteria for determining program coverage need clarification	8
	Promotional efforts could be increased	11
	Funding constraints	13
	Conclusions	17
	Matter for consideration by the Congress	17
	Recommendations to the Secretary of Agriculture	18
	Department comments	18
3	PROBLEMS IN OPERATIONS AT FEEDING SITES	19
	Problems identified in summer program operations	19
	Need for timely planning	26
	Need for adequate monitoring	28
	Conclusions	31
	Recommendations to the Secretary of Agriculture	31
	Matter for consideration by the Congress	32
	Department comments	32
4	SCOPE OF REVIEW	34
APPENDIX		
I	Number of feeding sites reporting and the daily average number of children served by State	35
II	Federal assistance to six selected States for 1971, 1972, 1973, and 1974 summer programs	36
III	State educational agencies and sponsors visited during our review	37

APPENDIX

IV	Letter dated January 31, 1975, from the Acting Administrator, Food and Nutrition Service, Department of Agriculture, to GAO	38
V	Principal officials of the Department of Agriculture responsible for administration of activities discussed in this report	41

ABBREVIATIONS

FNS	Food and Nutrition Service
GAO	General Accounting Office

D I G E S T

WHY THE REVIEW WAS MADE

R At the request of Representative Charles A. Vanik, GAO reviewed the Special Summer Food Service Program for Children. This is one of several programs for the feeding of children administered by the Food and Nutrition Service.

The program is designed to feed, during summer vacation, children from areas having poor economic conditions or high concentrations of working mothers. It is authorized through fiscal year 1975. It provides Federal assistance through State educational agencies or Service regional offices for financing nonprofit food services operated by approved service institutions (called sponsors) at approved feeding sites.

GAO's review included visits to six large cities, one each in California, Illinois, Michigan, New Jersey, New York, and Pennsylvania. Federal funds allocated to these States totaled \$29.2 million of a \$50.6 million nationwide allocation for the 1973 program. (See p. 4.)

FINDINGS AND CONCLUSIONS

Problems in reaching
eligible children

The program's effectiveness is difficult to assess because the Service

and State agencies have not identified the total number of children who were eligible nor their location. Reference to the number of needy children participating in the National School Lunch Program indicates that the summer program has achieved rather limited coverage, especially in areas other than the largest cities. (See p. 5.)

Problems which limited participation include

- vagueness in the law and regulations as to the extent of coverage desired,
- lack of strong support for an essentially voluntary program, and
- Federal and State funding limitations resulting in a large proportion of allocated funds not spent.

Program participation

Although there are basic differences in the coverage under the two programs National School Lunch participation statistics can be used as a general indicator of the summer program's target population, since the summer program was to supplement the school lunch program.

An average 8.8 million needy children received meals daily during the 1972-73

school year, whereas the 1973 summer program served meals to a daily average 1.5 million children during the program's peak week in July. It is not known to what extent children in the summer program were needy. (See p. 6.)

In the States GAO selected for review, participation statistics showed that summer program participation was relatively much greater in the major cities than in the remainders of the States. School lunch participation, by contrast, was distributed widely. (See p. 7.)

Eligibility criteria

The authorizing law does not specify the ages of children to be served nor how areas from which they come should be determined. Nor is the law clear as to the extent that meals may be served free and reimbursement should be required from children able to pay. (See p. 8.)

Administration of the Department's program regulations has raised questions as to the design of an effective, economical, and equitable program:

- The definition of children, including persons up to age 20, may be too broad.
- The requirement that more than half the children residing in an area must be needy to qualify that area for assistance has disqualified other areas where needy children may reside.
- It has been difficult, if not impracticable, to determine

areas in which more than half the mothers work outside the home.

- The Service has not required sponsors to determine whether individual children receiving meals were needy. Free meals have been served to children from families able to pay.

The same law and regulations apply to the summer program and to a year-round day-care program, although the two programs are essentially different and call for different administrative procedures.

Promotional efforts

The State agencies could have made greater efforts to recruit sponsors, especially in areas, other than major cities, where coverage was relatively low. (See p. 11.)

State agencies generally directed their efforts to sponsors who had participated in previous years. They did not systematically follow up to encourage additional organizations to start operations in communities not previously served. State agencies attributed their limited efforts primarily to the lack of staff due to insufficient administrative funds.

Funding constraints

State agencies said they had little incentive to expand program participation because of Federal funding constraints limiting both State administrative expenses and sponsors' program costs. (See p. 13.)

State officials said that more administrative funds were needed so that additional staff could be employed commensurate with program requirements. The Service had recognized this need but, because of budgetary constraints, did not request additional funds until fiscal year 1975.

The Service planned to adopt alternative procedures that would more adequately consider the States' administrative needs and establish matching requirements for State contributions. However, some legislative changes would be necessary. (See p. 15.)

According to State officials, Federal procedures for allocating program funds caused the States to limit funding requests to expected allocations rather than present estimated needs. The States were reluctant to exceed their tentative allocations from the Service because they had no assurance that additional program costs would be reimbursed.

GAO observed that over 30 percent of the funds allocated to the States remained unspent at the end of each of program years 1971, 1972, and 1973. (See p. 16.) State officials said these unspent funds resulted primarily from sponsors' inflated cost estimates and the States' inability to verify these estimates in time to make any unneeded funds available for additional feeding sites.

GAO believes that, on the basis of the improved estimating procedures used in 1974 in some States, the Service should issue guidelines applicable to all States. These

procedures related estimates to previous cost experience and resulted in reducing the percentage of unspent funds for 1974.

Problems in feeding-site operations

GAO's observations of 1973 program operations in six cities showed that the program generally accomplished its objective of providing nutritious meals to many eligible children. (See p. 19.)

A number of shortcomings and instances of noncompliance with program requirements, however, adversely affected program operations. These included:

- Children taking meals from the sites, often because of inadequate facilities, so that supervisory personnel could not be sure that children ate the meals.
- Adults not eligible for meals eating or taking meals intended for children.
- Large numbers of meals left over and wasted because required adjustments in meal deliveries were not made.
- Meals that had to be destroyed because they were exposed to spoilage and unsanitary conditions.
- Noncompliance with record-keeping requirements at feeding sites. (See pp. 20 to 26.)

The Department's auditors had identified similar deficiencies in the

1971 and 1972 programs.

Need for timely planning
and adequate monitoring

Program administration has improved as Federal, State, and local agencies have gained experience. However, further improvements could be realized. Agency officials generally cited staffing and funding problems as limiting their planning and monitoring activities.

The Service suggested that the administering agencies establish time-phased schedules for various planning actions, including the training of administrative and operational personnel. These suggested planning actions, however, were not implemented in some States and adequate planning often had not been carried out. (See p: 26.)

Although some sponsors must operate on tight budgets and without adequate working capital, especially during the planning stage, the Secretary does not have authority to make advance payments of summer program funds as he has under the National School Lunch Program. Such authority, with proper safeguards, could help sponsors improve their planning and other administrative activities. (See p. 28.)

State officials said that State monitoring personnel often could not devote enough time to the summer program because of other duties. Their reviews were sometimes untimely, of insufficient scope, and not successful in bringing about needed corrective actions. (See p. 28.)

The efforts of the Service and the Department's Office of Audit have helped to make State agencies and sponsors better aware of their monitoring duties; but the recurrence of shortcomings shows the need for continued improvements and strong monitoring at all levels.

RECOMMENDATIONS

Should the program be authorized beyond June 1975, the Secretary of Agriculture should have the Service take the following actions:

- If the new law more adequately defines the intended program coverage, determine, in cooperation with State educational agencies, the target population to be served and establish program goals as a means for better program planning and evaluation.
- Seek intensified promotional efforts by Service regional offices and State agencies to recruit sponsors in large and small communities not sufficiently reached in the past.
- Seek the legislation necessary to institute a revised funding procedure and a formalized matching requirement for State administrative expense funds.
- Devise refined procedures for estimating program costs to be incurred to permit effective use of allocated funds and maximize sponsor participation.
- Assist State agencies and sponsors in developing and implementing

time-phased schedules for planning summer feeding operations, with special emphasis on training administrative and operational personnel.

- Help State agencies, or insure that Service regional offices where appropriate, implement an effective system for monitoring the operations of sponsors and the feeding sites under their responsibility and for insuring that sponsors adequately carry out their monitoring duties and promptly correct deficiencies. (See pp. 18 and 31.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Department said that it basically agreed with the findings and recommendations in this report. It recognized that there had been administrative and operational problems with the program and it cited the efforts that had been made to upgrade and improve program administration. These included changing regulations, improving sponsor guidance materials, helping selected sponsors to plan and organize their programs, and seeking increased State administrative funds. (See pp. 18 and 32.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

This report should assist the Congress in considering an extension of the summer program beyond June 1975.

If the program is to be continued, the Congress should clarify in such

legislation the extent of coverage desired. Clarification should include

- separating the program's authorization from that of the year-round day-care program;
- specifying the ages of eligible children;
- providing more definitive criteria for determining their eligibility; and
- stating whether there shall be authority to serve free meals to participating children, regardless of their ability to pay. (See p. 17.)

The Congress should consider providing specific authority to the Secretary to make advance payments of summer program funds to sponsors. Such authority--similar to that provided under section 8 of the National School Lunch Act for advance payments of national school lunch funds--could, with proper safeguards, help sponsors improve their program planning. (See p. 32.)

CHAPTER 1

INTRODUCTION

The Food and Nutrition Service (FNS), Department of Agriculture, administers the Special Summer Food Service Program for Children--one of several child-feeding programs which the Congress has authorized to safeguard the health and well-being of the Nation's children. The program is designed to feed, during the summer vacation, children from areas having poor economic conditions or high concentrations of working mothers.

Public Law 90-302, approved May 8, 1968 (42 U.S.C. 1761), amended the National School Lunch Act of 1946 (42 U.S.C. 1751) to authorize both the summer program and a year-round food program for children in institutions where children are not maintained in residence. The law authorized Federal assistance to States in fiscal years 1969 through 1971 for initiating, maintaining, or expanding nonprofit food service programs for children in public or private nonprofit service institutions, such as day-care centers, settlement houses, and recreation centers. The law permits such institutions (referred to by FNS as sponsors) to develop special summer programs providing food services similar to those available to children under the National School Lunch Program during the school year.

Public Law 92-32, approved June 30, 1971 (85 Stat. 85), authorized Federal assistance for fiscal years 1972 and 1973. Public Law 92-433, approved September 26, 1972 (86 Stat. 724), authorized Federal assistance through June 30, 1975.

RESPONSIBILITY FOR ADMINISTRATION

FNS carries out its administrative responsibilities through a headquarters office and five regional offices. FNS headquarters (1) develops and publishes program regulations, (2) allocates funds to States, (3) develops program guidance and training materials for FNS regional offices, State educational agencies, and sponsors, (4) provides technical and administrative assistance to regional offices and State agencies, (5) reviews State, sponsor, and feeding site operations, and (6) sets standards for nutritious

meals. FNS regional offices provide technical and administrative assistance to State agencies to insure that all program requirements are met.

At the State level, the State educational agency administers the program unless the agency is not permitted by law or is otherwise unable to disburse Federal funds to sponsors, in which case the FNS regional office acts as the administering agency. Under this arrangement, FNS regional offices administered the 1973 program in 16 States and the 1974 program in 17 States.

The State agency's responsibilities are to:

1. Submit a fiscal year State plan for child nutrition operations for FNS approval.
2. Make potential sponsors aware of the program and encourage participation.
3. Review and approve sponsors' applications for participating in the program.
4. Execute program operating agreements with local sponsors.
5. Account for program funds.
6. Maintain records on program operations of sponsors.
7. Provide supervisory assistance to sponsors.
8. Investigate complaints.
9. Pay sponsors' reimbursement claims for meals served.

At the local level, sponsors assume the responsibility for program operations at approved feeding sites, including the activities of organizations to which site operations may have been delegated. Sponsors are required to submit to the State agency criteria for determining the eligibility of children to receive free or reduced-price meals at their feeding sites. They must comply with the terms of the operating agreement with the State agency and maintain accurate records to support claims for Federal reimbursement. Sponsors employing food vendors or suppliers must insure in their food service contracts that, among other things, meals delivered meet FNS minimum nutritional requirements.

The Department's Office of Audit, formerly the Office of the Inspector General, conducts financial and management audits of program operations. It reviews program management procedures of FNS regional offices and selected State educational agencies and sponsors to determine whether they comply with program regulations. In addition, it examines sponsors' reimbursement claims to determine whether their claims are valid and are based on accurate records.

PROGRAM FUNDING

The law and implementing regulations authorize program funds to be used to (1) reimburse sponsors for the costs of obtaining food based on the established reimbursement rate for each meal or (2) pay sponsors up to 80 percent of their total program operating costs including in-kind contributions in circumstances of severe need in which the reimbursement rate is insufficient. FNS regulations limit payments under the 80-percent formula to 100 percent of a sponsor's cash expenditures, if lower, and to a specified maximum rate a meal. Under reimbursement arrangement (1), the maximum rate for a regular meal was 30 cents in the 1973 program and 36 cents in the 1974 program. Under reimbursement arrangement (2), the maximum rate for a regular meal was 60 cents in 1973 and 73 cents in 1974.

In addition, up to 25 percent of the program funds can be used to provide up to 75 percent of the cost of equipment purchased or rented by sponsors to help them establish, maintain, and expand food services.

Funds allocated and expended to reimburse sponsors for the 1971 through 1973 summer programs were as follows.

<u>Calendar year</u>	<u>Allocation</u>	<u>Expenditure</u>
1971	\$ 29,967,441	\$20,382,729
1972	50,265,390	28,655,358
1973	<u>50,600,000</u>	<u>33,005,228</u>
Total	<u>\$130,832,831</u>	<u>\$82,043,315</u>

FNS allocated \$60.6 million and expended about \$49.5 million for the 1974 summer program.

1

Personal services, food, or equipment donated to the program.

According to FNS records, the program served, during the peak week in July, the following total daily average number of children.

<u>Calendar year</u>	<u>Average daily attendance</u>	<u>Feeding sites reporting</u>
1971	1,080,000	5,715
1972	1,437,000	11,167
1973	1,524,000	10,530
1974	1,745,000	11,880

Appendix I shows the number of children served in each State.

Federal funds are also available to administer the program in each State. Such funds are provided to the States as a lump sum for all FNS-sponsored child-feeding programs and are not specifically earmarked or reported for the summer program.

We reviewed the administration of the 1973 program and the planning for the 1974 program to evaluate (1) the effectiveness of the program in reaching eligible children and (2) the adequacy of operations at the feeding sites. We made our review in six States--California, Illinois, Michigan, New Jersey, New York, and Pennsylvania. For the 1973 program, the six States represented about 61 percent of the total participation by children and about 58 percent of the funds allocated nationwide. Appendix II shows the amounts of Federal funds made available to the six States. Appendix III shows the State educational agencies responsible for the program in the six States and the sponsors in major cities in these States whose operations we reviewed.

CHAPTER 2

PROBLEMS IN REACHING ELIGIBLE CHILDREN

Because FNS and State agencies have not identified, nationwide or Statewide, the number and location of children eligible under the program, it is difficult to assess the program's effectiveness in reaching its target population. However, in absence of pertinent data and although there are differences in program direction and provisions, reference to the number of needy children participating in the National School Lunch Program--which the summer program was intended to supplement during the summer vacation--indicates that the summer program has achieved rather limited coverage, especially in areas other than the largest cities.

Problems encountered by the program, which have limited participation, have been in particular (1) vagueness in the law and the regulations as to the extent of coverage desired, (2) lack of strong support at the Federal, State, and local levels for an essentially voluntary program that needed active backing and promotional effort, and (3) Federal- and State-funding limitations and certain State-estimating procedures resulting in a large proportion of allocated funds not spent.

PROGRAM PARTICIPATION

FNS established annual goals of children to be assisted principally on the basis of available funding. The agency considered a determination of the total target population not practicable because the criteria in the legislation as to the areas to be served by the program were too general and because adequate statistics on needy children were not readily available.

In the absence of data on the program's total target population, the number of needy children participating in the National School Lunch Program can be used as a general indicator. A principal purpose of the summer program was to assist many of these children during the months when school was not in session. It must be recognized, however, that program direction differs--the National School Lunch Program is directed to the individual child in a participating school whereas the summer program is directed to areas having poor economic conditions or high concentrations of working mothers--and that there are several differences in the potential coverage under the two programs.

- Needy children participating in the National School Lunch Program may be working during the summer or may not need assistance under the summer program.
- The national school lunch data does not include certain categories of children covered by the summer program, namely, (1) children attending schools which are not participating in the school lunch program and (2) children not attending school because they are under school age, are above school age and under 21, or have dropped out of school.
- Target areas within a State do not necessarily coincide in the two programs. National school lunch data is compiled by schools, whereas data for participation in the summer program is determined by area of residence.

Notwithstanding these differences, overall comparisons of the coverage by the two programs have been used in the past in evaluation studies made by FNS and other organizations concerned with the results of the summer program.

According to FNS statistics, the National School Lunch Program reached an average 8.8 million needy children daily during the 1972-73 school year. These statistics show that the total number of needy school children entitled to free or reduced-price meals was 10.5 million, of whom 1.7 million did not participate in the school lunch program.

The 1973 summer program reached a daily average 1.5 million children during the program's peak week. Presumably, most of these children were needy because of the location of feeding sites in or close to areas having poor economic conditions. But not all children served were necessarily needy (as further brought out in this chapter). FNS did not maintain or require records on whether individual children served were needy.

The number of participating children in the summer program may be somewhat overstated because it was based on the number of meals for which sponsors claimed reimbursement during the peak week of July. This number was not generally adjusted for meals not eaten by children or for excess meals disposed of by serving some children more than one meal a day.

A comparison of the number of children participating in the two programs, as applied to the six States selected

for our review, further showed that summer program participation was relatively much greater in the major cities we visited than in the remainders of the States.

<u>State and city</u>	<u>Children reached daily (note a)</u>			
	<u>Summer program (1973)</u>		<u>National School Lunch Program (1972-73)</u>	
	<u>Number</u>	<u>Percent of State</u>	<u>Number</u>	<u>Percent of State</u>
California:				
Los Angeles	99,352	80.9	176,006	25.7
Remainder of State	23,405	19.1	507,969	74.3
Illinois:				
Chicago	67,355	68.7	212,326	63.3
Remainder of State	30,645	31.3	123,286	36.7
Michigan:				
Detroit	55,466	63.4	70,238	29.8
Remainder of State	32,020	36.6	165,397	70.2
New Jersey:				
Newark	22,820	40.7	42,373	34.1
Remainder of State	33,310	59.3	81,895	65.9
New York:				
New York City	406,297	80.0	467,245	67.6
Remainder of State	101,379	20.0	223,955	32.4
Pennsylvania:				
Philadelphia	38,940	63.4	73,711	32.2
Remainder of State	22,519	36.6	155,464	67.8

a

The number of children in the summer program represents the average daily participation during the program's peak week in July 1973. The number for the National School Lunch Program represents the average daily participation during March 1973.

In these States, the major cities accounted, on the average, for 74 percent of total participation. An FNS analysis of children participating in the National School Lunch Program showed that, nationwide, cities with populations over 100,000 accounted for 31 percent of total participation during the 1972-73 school year indicating a much wider program distribution including smaller communities. Federal and State officials said that in smaller communities, especially in nonurban areas, it was more difficult to find organizations willing and able to act as summer program sponsors.

CRITERIA FOR DETERMINING PROGRAM COVERAGE NEED CLARIFICATION

The legislation makes the summer and year-round food assistance available to children from areas in which poor economic conditions exist or in which there are high concentrations of working mothers. Section 13 of the National School Lunch Act, as amended (42 U.S.C. 1761), does not specify the ages of the children to be served and how the areas from which they come shall be determined.

To implement the legislation, FNS regulations define children as persons under age 21. For selecting areas eligible for summer food assistance, the regulations have required, starting with the 1973 program, that feeding sites, to be approved for program participation, must:

1. Serve areas in which more than 50 percent of the residing children are eligible for free or reduced-price meals under State guidelines established for the National School Lunch Program.
2. Serve areas in which more than 50 percent of the mothers are engaged in work outside the home.

The regulations require sponsors to document that each selected site would serve children from poor economic areas based on, but not limited to, information provided by Model City target areas within a community, welfare departments, zoning commissions, and census data or from the number of approved applications on file for free and reduced-price meals under the National School Lunch Program. FNS also required documentation for sites selected to serve areas with concentrations of working mothers but suggested no specific supporting data.

The administration of FNS regulations has raised several questions as to the design of an effective, economical, and equitable program in accordance with the intent of the legislation.

1. The definition of children in the regulations, setting no limits on the participation of those below and above school age, may be broader than intended in the legislation. Section 13(b)(2) prescribes, for purposes of allotting funds among the States, a formula which shall consider the number of children in each State aged 3 to 17. These age limits, however, are not specifically prescribed for purposes of determining program eligibility.

2. The requirement in the regulations that a majority of the children residing in an area must be needy to qualify that area for assistance has disqualified other areas where 50 percent or less of the residing children were needy. As a result, many needy children may not have received food assistance during the summer. Also, neither the law nor the regulations define the term "area."

3. Sponsors have found it difficult in some cases to determine the presence of needy children on the basis of statistical data suggested in the regulations. Such data was not always readily available and, if available, might not have been reliable. For example, census data may not show the current status of families in need of assistance and may become obsolete shortly after publication, especially in a State having a highly mobile population.

4. FNS staff studies have shown that it has been difficult, if not impracticable, for sponsors to determine areas in which more than 50 percent of the mothers were working outside the home. This provision, to be workable, would require an enrollment system that may be feasible in the year-round child-care program, but has been considered unworkable in the summer program using parks, playgrounds, and other informal gathering places because of the difficulty in determining whether, and how many, mothers in a designated area are working.

5. The information on areas selected by sponsors has not been verified by State agencies and FNS because of the administrative effort that would have been involved. State agencies and FNS regional offices have approved feeding sites relying on sponsors' determinations, recorded on site information sheets, that sites would draw attendance from an eligible area.

6. FNS has not required sponsors to determine whether individual children receiving meals at an approved site were needy. As a result, sites have served free meals to children from families able to pay for the cost of the meals in full or in part.

The law is not clear as to what extent free or reduced-price meals may be served to children from eligible areas and to what extent children from families able to pay shall be required to pay in full or in part for meals they receive. Section 13(f) requires that sponsors determine, in accordance with a publicly announced policy, the eligibility of children to receive free or reduced-price meals, considering, among other factors, the level of family income. However, the section prohibits any discrimination against a child because of inability to pay and "any overt identification of any such child by special tokens or tickets, announced or published lists of names, or other means." This prohibition greatly limits any procedure for distinguishing between children entitled to receive free or subsidized meals and those required to pay.

FNS regulations for the 1973 program stated that sponsors need not make individual determinations of need for free meals if they had evidence that all children at a given site were unable to pay the full cost of a meal. But the regulations further stated that sponsors must collect the full or reduced cost of a meal, as appropriate, from any child that they determined was able to pay for the meal.

Although FNS records showed that about 4 percent of the 68.6 million meals served during the 1973 program had been fully or partly paid for, State agencies and sponsors said that it generally was not feasible to use an enrollment system that would identify children eligible for free meals and to collect money at the sites from those children able to pay. An FNS staff study of the 1973 summer program in six selected cities--two of which we also visited--concluded that the program had become totally free and that most sites at one time or another served free meals to children who did not meet local eligibility criteria.

In commenting on this matter, the Department said that FNS was sympathetic to the philosophy of not providing meals free to nonneedy children and had spent considerable time and effort in attempting to assist State agencies and sponsors in developing acceptable methods to identify and collect money from these children. (See app. IV.) It said, however, that evaluations had shown that this effort has not been successful, due primarily to the program's organization, structure, and short duration.

Therefore, the Department said, to insure that the program basically served needy children and was located in eligible target areas, it had concentrated on program planning and the selection of sites in such areas.

We believe that the Congress, if it should decide to extend the program beyond June 1975, should consider clarifying the eligibility criteria in the legislation to remove the ambiguities which have developed in administering the present law and implementing regulations. In particular, we suggest that the law should:

- Authorize the summer program separately from the year-round child-care program to state more clearly the conditions under which each program should function. Existing law and the implementing regulations have prescribed the same ground rules for both programs, although they are of essentially different character and call for different administrative procedures. For example, as explained earlier, the provision that areas with concentrations of working mothers shall qualify for assistance can be administered for the year-round day-care program which uses enrollment procedures but has been found generally unworkable for the more informally administered summer program.
- Clarify the age groups of eligible children.
- Clarify how areas in which poor economic conditions exist should be determined, if this criterion is retained for selecting feeding sites, with respect to size of an area, its location in an urban or rural environment, and the proportion of needy children residing there.
- Clarify the authority to serve free meals to children participating at a feeding site and when reimbursement is required from children able to pay in full or in part for the cost of a meal.

Clarifying eligibility criteria would not only help sponsoring agencies to select feeding sites but also enable FNS and State agencies to identify the target population to be reached by the program nationwide and Statewide. Without adequate information on the number and location of eligible children, it is not possible to establish realistic program goals, prepare appropriate budget proposals, and fully evaluate program accomplishments.

PROMOTIONAL EFFORTS COULD BE INCREASED

State educational agencies could have made greater efforts to recruit sponsors for the program, especially in areas, other than the major cities, where program coverage was relatively low.

State agencies were responsible for recruiting program sponsors and were expected by FNS to make potential sponsors aware of the summer program and encourage their participation. Public Law 92-433, approved in September 1972, encouraged the maximum feasible use of school systems as sponsors or the use of existing food service facilities of public and nonprofit private schools by other sponsors. FNS said this provision was based on the experience that the food program generally could be operated more efficiently by and in schools because of their superior facilities, compared with those of other possible sponsors, and their expertise gained in operating the National School Lunch Program.

State agencies had generally directed their efforts to (1) recruiting sponsors who had participated in previous years, (2) answering requests for information from organizations showing an interest in the program, and (3) in some cases, sending information letters to mayors or school districts primarily in large urban areas. State agencies did not make systematic followup efforts to encourage organizations not previously participating to enter the program and to start operations in communities not previously covered.

FNS and State officials explained that local governments and private organizations were often reluctant to participate as sponsors because of the administrative burden that must be assumed, insufficient staff to operate the program, and funding constraints. They pointed out that, notwithstanding the legislative intent to encourage the use of school systems or school facilities, there was little such involvement. The school districts did not participate because:

1. Additional administrative costs would be incurred in opening schools during the summer but would not be fully reimbursable.
2. The regular school staff was often engaged in professional teacher training for the next school year and therefore was not available for supervisory duty.
3. Kitchen facilities were being repaired or were otherwise not available for use during the summer.
4. Vandalism in school buildings held open during the summer could be a problem in some areas.

Because large cities have the highest concentrations of needy children, State efforts generally were directed to recruiting sponsors to serve areas in big cities. State officials explained that in smaller communities, especially in nonurban areas, finding organizations able and willing to act as sponsors was more difficult.

FNS and State officials agreed that efforts to recruit sponsors for the 1973 summer program generally were inadequate throughout the States to expand program participation. They attributed the limited efforts primarily to the lack of State agency staffs due to insufficient administrative funds.

The FNS staff study of the 1973 summer program in six selected cities concluded that the 1973 outreach efforts had been inadequate and a factor in preventing FNS from meeting program goals. The study recommended that a concerted program information and outreach effort be undertaken before the start of the next summer program, to flow from the national to the State and the local levels, using all news media as well as newsletters, pamphlets, and flyers to school children. The effort was to seek support of local governments and of social and service organizations to serve as sponsors and was to receive adequate Federal support to assist in identifying areas of need and locating eligible program participants.

Our review of the planning for the 1974 summer program showed that recruitment efforts in the six States generally were of the same scope as in 1973, except for increased efforts in some additional large cities. The study's recommendations for concerted program information and outreach efforts largely were not implemented.

Because this is a voluntary program whose success depends on the active support of local governmental and public or private service organizations, special and intensive promotional efforts by FNS regional offices and State educational agencies are needed to generate interest in the program and enlist the services of willing sponsors in both large and small communities.

FUNDING CONSTRAINTS

State officials pointed out that they had little incentive to expand program participation in their States because of certain Federal funding practices limiting both State administrative expenses and sponsors' program costs. The States, however, have accepted overstated funding estimates from sponsors which caused large amounts of allocated funds to remain unspent at the end of the program period.

State administrative expenses

On the basis of an apportionment formula required by the authorizing legislation, FNS has provided Federal funds for State administrative expenses in a lump sum to cover all FNS-sponsored child-feeding programs and allowed the States to direct the funds to each program as they desired. These Federal funds were intended to supplement the funds provided by the States to administer the child-feeding programs, but there was no formal Federal matching requirement for the States' own fund contributions.

FNS had not determined the specific needs of the States by individual program after 1971 and the administrative funds made available in the years thereafter were not specifically related to the amounts of program funds allocated to the States.

State officials said that more administrative funds, both State and Federal, were needed for the summer program so that additional staff could be employed commensurate with the administrative effort required, especially if they were to increase their efforts to obtain additional sponsors. Additional staff was also needed for adequate planning and monitoring of sponsors' operations. (See ch. 3.)

Some of these officials said that they would have to turn over administration of the summer program to FNS if more administrative funds were not made available. Subsequently, the New York State Education Department decided not to participate in administering the 1974 program because it considered the level of administrative funding it expected to receive for the 1974 program insufficient for the staff needed to properly supervise and monitor program operations. FNS, however, determined that it could not increase the 1974 allocation of administrative funds for the States, and New York was subject to the same allocation formula as all other States. Therefore, the FNS northeast regional office took over administrative responsibility for the program in New York.

FNS has recognized the need for additional State administrative expense funds so that the summer program could be more effectively administered, but because of departmental budgetary constraints--reflecting the general national budget policies--FNS did not ask for such fund increases from 1971 until fiscal year 1975 when its budget request included an increase of about \$3 million. The increased amount, which has been appropriated, will be allocated in a lump sum to cover all FNS-sponsored child-feeding programs, including the Head Start programs previously funded by

the Department of Health, Education, and Welfare, which were added to FNS's year-round nonschool food assistance programs effective January 1, 1974.

- FNS officials said that they had considered two alternative procedures for making funds available for State administrative expenses, instead of allotting such funds in a lump sum for all child-feeding programs. One procedure would take into account the State's administrative needs by individual program. The other procedure would allow a set percentage of program funds to be used for State administration. According to FNS officials, both procedures would require the matching of Federal funds with the State's own funds at an established ratio. The Department has not yet decided which alternative would be the most appropriate.

It appears that legislation would be necessary to make a percentage of program funds available for State administrative expenses and to establish matching requirements. Determination of each State's administrative needs by individual program would not require additional legislation.

We believe that, if the summer program is to be continued, the Department should seek the legislation necessary to institute a revised funding procedure and a formalized matching requirement for State funds.

Program funds

For 1974 and previous years, FNS determined its proposed annual level of program funds on the basis of the preceding year's expenditures adjusted by an additional amount for program expansion. FNS notified each State of its tentative allocation and requested it to submit its estimated funding needs for that year. After receiving the States' submissions, FNS made the final allocation of program funds.

According to State officials, the States felt constrained by the tentative allocations received from FNS and generally submitted estimates within the allocated amounts. The officials said that their estimates of funding needs were based on food operations cost estimates submitted by applying sponsors, and that they approved sponsors' applications only to the extent that the cost estimates, in the aggregate, came within the tentative FNS allocations. The States were reluctant to expand program participation beyond the allocated funding levels because they had no assurance that additional costs would be reimbursed.

Although State officials indicated that more Federal funds could have been used for the program, the States' actual performance record shows that a large proportion

of the funds allocated to the States remained unspent. Over one-third of the funds allocated for the 1971, 1972, and 1973 programs was not spent, as shown in the following summary.

	<u>Federal allocation</u>	<u>Unspent</u>	
		<u>Amount</u>	<u>Percent of allocation</u>
	(millions)	(millions)	
1971	\$30.0	\$ 9.6	32.0
1972	50.3	21.6	43.0
1973	<u>50.6</u>	<u>17.6</u>	34.8
Total	^a <u>\$130.8</u>	<u>\$48.8</u>	37.3

^a
Does not add due to rounding.

For the six States whose operations we reviewed, about \$8.5 million, or 29 percent, of the \$29.2 million allocated for the 1973 program remained unspent although additional eligible children could have been assisted. State officials said that these unspent funds resulted primarily from sponsors' inflated cost estimates, that the estimates could not be verified, and that it could not be determined early in the program whether all allocated funds would be spent and if additional sponsors or feeding sites could be added for the remainder of the summer.

For the 1974 program, funding estimates were improved in some States so that additional sponsors could be approved within the FNS fund allocation. For example, California refined individual sponsors' cost estimates by adjusting them on the basis of the previous year's experience; and in New York, where the FNS regional office had taken over administration of the program, all sponsors' cost estimates were reduced by 10 percent, following the trend of actual versus estimated costs experienced in previous years.

For these two States, where about 52 percent (California) and 12 percent (New York) of the funds allocated for the program in 1973 remained unspent, the percentages of unspent funds in 1974 were reduced to 8 and 11 percent, respectively. With these two States accounting for about 47 percent of the total program funds spent in 1974, the percentage of unspent funds for the total program in 1974 was reduced to 18.3 percent.

On the basis of the experience gained in California and New York, FNS should devise guidelines for all State

agencies and FNS regional offices so that a refined estimating procedure for program costs can be instituted in all States to maximize sponsor participation and reach an increased number of children within the availability of funds allocated by FNS.

CONCLUSIONS

Federal, State, and local officials administering the program have found it difficult to define the target population of children to be reached because of the very general criteria in the authorizing legislation. Administration of FNS regulations has raised questions as to the ages of children to be served, the selection of areas in which eligible children shall reside, and the determination and entitlement of children who may receive free meals as opposed to those able to pay in full or in part for the cost of meals received.

If the Congress authorizes the program beyond June 1975, it should consider clarifying in the legislation the eligibility criteria under which children shall receive assistance.

The program has encountered several problems which need to be overcome if a larger number of children are to be fed.

Greater efforts could have been made to recruit sponsors for the program, especially in areas, other than the major cities, where program coverage was relatively low. Because this is a voluntary program depending on active support by local governments and service organizations, FNS and State agencies need to intensify promotional efforts to secure sponsors able and willing to carry out the program in large and small communities.

FNS funding procedures have placed constraints on the administrative funds available to the States and should be revised--as contemplated by FNS--and the necessary legislation should be requested to permit adequate administrative efforts by the States and to establish an appropriate requirement for State-matching contributions. State-funding procedures, in turn, should be refined to preclude large amounts of allocated program funds remaining unspent and to facilitate more effective use of such funds.

MATTER FOR CONSIDERATION BY THE CONGRESS

If the Congress authorizes the program beyond June 1975, we recommend that such legislation clarify the extent of coverage desired under the program. Such clarification should include (1) separating authorization of the summer

program from that of the year-round day-care program to recognize their differing administrative characteristics, (2) specifying the ages of eligible children, (3) providing more definitive criteria for determining their eligibility--by more clearly specifying the areas in which eligible children shall reside or by providing other appropriate criteria for determining eligibility--and (4) stating whether there shall be authority to serve free meals to children participating in the program, regardless of their ability to pay for the cost of the meals.

RECOMMENDATIONS TO THE SECRETARY OF AGRICULTURE

We recommend that, if the program's legislative authority is extended beyond June 1975, the Secretary of Agriculture have the Administrator, FNS, take the following actions.

- If the new law more adequately defines the intended program coverage, determine, in cooperation with State educational agencies, the target population to be served and establish program goals as a means for better program planning and evaluation.
- Seek intensified promotional efforts by FNS regional offices and State agencies to recruit sponsors in large and small communities not sufficiently reached in the past.
- Seek the legislation necessary to institute a revised funding procedure and a formalized matching requirement for State administrative expense funds.
- Devise refined procedures for estimating program costs to be incurred to permit use of allocated funds and maximize sponsor participation.

DEPARTMENT COMMENTS

The Department (see app. IV) said that it basically agreed with the findings and recommendations and cited the increased State administrative funding for fiscal year 1975 as one of its efforts to upgrade and improve program administration.

CHAPTER 3

PROBLEMS IN OPERATIONS AT FEEDING SITES

At the feeding sites we visited during the 1973 summer program, the program generally accomplished its objective of providing nutritious meals to many eligible children. We and the Department's auditors, however, observed a number of shortcomings and instances of noncompliance with program requirements which adversely affected program operations.

The Department's auditors had identified similar deficiencies in the 1971 and 1972 programs. The deficiencies seem to stem partly from inherent conditions which make efficient program administration difficult, such as:

- The program's short duration--about 8 to 10 weeks--which required a new startup each year and did not permit continuity in administration.
- The use of volunteer workers, often inexperienced in food service operations.
- Inadequate eating facilities at some sites.
- Varying numbers of children attending feeding sites from day to day and their likes and dislikes for the food served.

Notwithstanding these conditions, program administration at feeding sites has improved as the Federal, State, and local agencies responsible for the program have gained experience. If the agencies planned and monitored feeding site operations better, however, further improvement could be realized.

PROBLEMS IDENTIFIED IN SUMMER PROGRAM OPERATIONS

During July and August 1973 the Office of Audit reviewed the operations of six sponsors--one in each of six major cities. The auditors were concerned with whether the sponsors were serving eligible children nutritious meals which met program requirements and whether the sponsors' reimbursement claims were valid.

To determine compliance with program requirements, the auditors, accompanied by summer aides, visited numerous feeding sites randomly selected from about 2,200 sites the

six sponsors served. The auditors used a comprehensive questionnaire to document particular site problems, non-compliance with program requirements, and the reasons for such deficiencies.

We accompanied the auditors to 113 feeding sites--including churches, recreation centers, schools, playgrounds, parks, and housing projects--to observe site operations and the auditors' methods of evaluating the adequacy of administration.

Children taking meals from the feeding site

FNS guidelines require sponsors to insure that children eat their meals at the feeding site. If children carry their meals from the site, site personnel would not know if the children ate the meals and obtained the intended nutritional benefit. Meals taken offsite could be stolen from the child, given to another person, or become spoiled if not eaten promptly. Onsite eating enables site personnel to teach children good eating habits and manners.

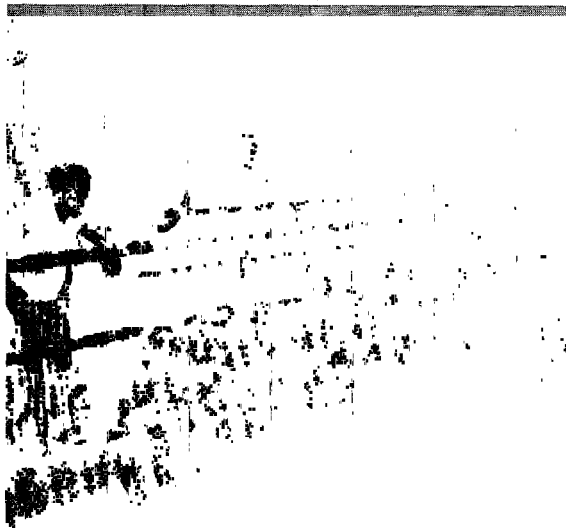
In all six cities, children took meals from some of the sites. In some cases site personnel allowed this because of a lack of adequate eating facilities. In other cases, however, they either disregarded or did not know program rules.

For example, in one city the majority of meals served at two sites were carried offsite because of inadequate facilities.

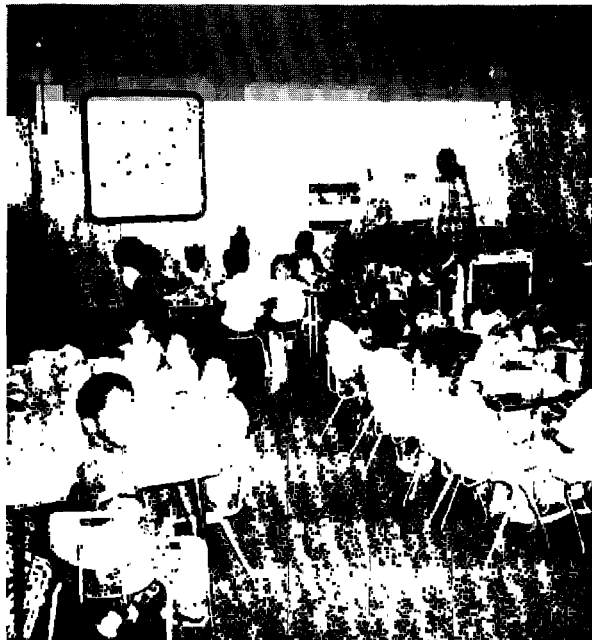
--One of the sites, a gymnasium approved to serve an estimated 700 children daily, had no tables or chairs. The site supervisor said he was aware that children were not to take their meals offsite, but he permitted them to do so because eating facilities were not available.

--The other site, approved to serve an estimated 200 children daily, was a storefront church and social hall filled with boxes and other material which was not large enough for 200 children.

The following photographs show a site with inadequate eating facilities contrasted with one having satisfactory facilities.



This site lacked tables and chairs.
Some children took lunches offsite.



Site with adequate eating facilities.

FNS regional office, State, and sponsor officials said that the onsite eating rule was unsuited for sites, such as storefronts, where food can be distributed but not eaten. The officials said they believed that, as long as the children were provided meals, the program's purpose was achieved.

Because it is difficult to follow the onsite eating rule when adequate facilities are lacking, suitable feeding sites should be selected more carefully.

Meals eaten or taken by adults

FNS regulations limit free meals to children through age 20; adults are not eligible for free meals. According to FNS guidelines, site personnel are to control access to food service through physical and supervisory arrangements to prohibit the serving of food to unauthorized adults.

At 35 sites in New York City--or about 29 percent of the sites visited during the 1973 program--Department auditors observed adults eating or taking lunches which were intended to be fed to children. This problem was not as great in the other five cities.

State and sponsor officials in New York agreed that adult feeding was a serious problem but said that it was difficult to control, especially in high crime areas and that police protection was not practicable. They said that some site personnel were reluctant to refuse food to adults who may be hungry. Officials in New York and other States generally believed that the only effective action that could be taken would be to close the feeding site, but this would deny meals to children who may need them. Some officials also said that it was better to let adults take meals than to provoke them to possible hostility against site personnel.

FNS's revised sponsor handbook, published in April 1974, suggests that sponsors and site personnel post signs at sites and inform adults in the community that the program is intended only for children. The handbook emphasizes the need for program personnel to understand the importance of courtesy and tact in handling this situation.

Needed meal adjustments not made

To minimize the problem of having too many or too few meals at feeding sites, FNS regulations require that contracts between sponsors and vendors expressly provide for making adjustments in the number of meals delivered to each site

within a period of prior notice mutually agreed upon. FNS guidelines require that sites have a means of communicating with the sponsor to make daily adjustments and that this matter be covered during training sessions.

In many cases site personnel had not promptly notified the sponsors of adjustments that should have been made because the sponsors often were unfamiliar with or ignored the prescribed adjusting procedures. For example, one site consistently received meals exceeding its daily needs by two-thirds. The site supervisor said that she had not been instructed how to order adjustments and had not attended training sessions held before the program started.

Because attendance at sites may vary substantially from day to day and because most vendors need some leadtime to make adjustments, some leftover meals are unavoidable. However, FNS expects sponsors to avoid consistent and large numbers of excess meals which could result in considerable waste. FNS encourages sponsors to return excess meals to vendors or to serve them as second meals to children who are at the site for at least 5 hours or who are still hungry.

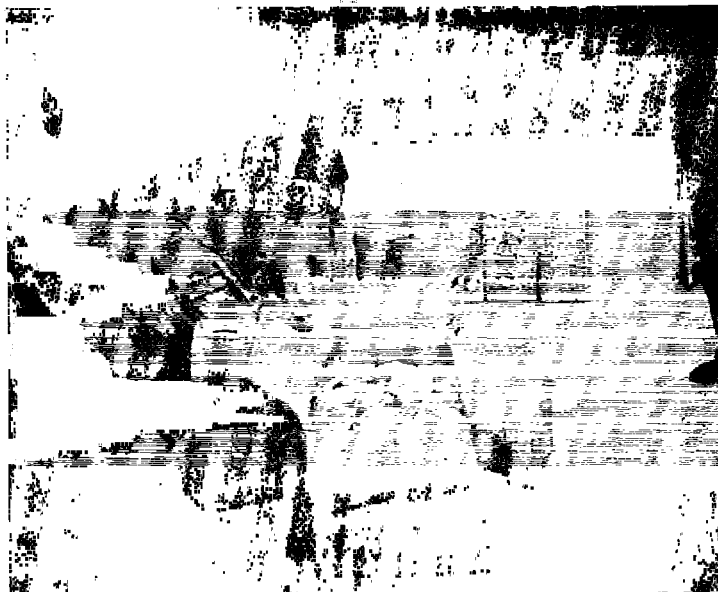
Meals exposed to spoilage and unsanitary conditions

FNS regulations require that each feeding site have adequate facilities for the meal service planned. The sponsor must arrange for delivering and holding meals within acceptable local health standards and, if there are excess meals, arrangements must be made for storing them until they are served. FNS guidelines provide that such arrangements include refrigeration for milk and other foods which have a high spoilage potential.

At a number of sites we visited, excess meals were destroyed because the sites did not have facilities for overnight storage, and 36 of 83 sites we visited in four cities did not have proper refrigeration facilities for holding meals until the children were served. Some sponsor officials said that refrigeration facilities were not needed because the sites were approved for only a one-meal service and the meals were delivered in refrigerated trucks. However, these arrangements could only safeguard the quality of the food if it was consumed promptly.

Some food waste also occurred when primary sites received meals for secondary sites which failed to pick up the meals, or when primary sites received more meals than the secondary sites needed. Waste also occurred when children refused to eat the meals because they did not like the type

of food served or because the meals lacked variety. The following photographs show two of these situations.



At this site, 300 complete lunches and 330 milk cartons intended for secondary sites were not picked up and had to be discarded because of danger of spoilage.



These sandwiches were left over from the preceding day and had to be discarded because children did not like the meat being served.

Records of health and sanitation inspections of vendor operations in one city showed that local health officials found various violations of sanitary standards at vendor facilities. The officials found violations in food refrigeration, storage, and protection; insect control; equipment construction and maintenance; and sanitation facilities. At the close of our fieldwork, the officials were taking steps to have corrections made.

Program guidelines require that sponsors obtain health department approval for their proposed food service and that State agencies insure that sponsors have notified the appropriate health and sanitation agency before sponsor and site applications are approved.

In one city, the sponsor had not notified the city's health department of the date its program was to begin and the locations where the program was to operate. Therefore, the health department did not inspect the sponsor's and vendor's food operation before the program started. State officials said they had not determined whether the sponsor had contacted the responsible health authorities because they did not have the necessary staff to do so.

Required feeding site records not maintained

FNS regulations require that sponsors maintain full and accurate records of food service operations. Records must be kept on the number of children attending the sites each day, number and type of meals delivered and served, income received, program expenditures, and in-kind contributions. The records are to serve as a basis for sponsors' monthly reimbursement claims and are to be available for audit and review.

Maintaining adequate feeding site records has been a continuing problem. According to an FNS evaluation report on 77 sponsors' 1972 program operations, 13 sponsors had not received periodic reports from site supervisors on the number and type of meals served to children. Of the 294 sites FNS surveyed, about 50 reported they had not maintained the required records.

The sponsors we visited had established record systems which their sites were to use in accounting for meals, but many of the sites had not maintained complete and accurate data needed to support the sponsors' reimbursement claims. Sponsor officials said that site personnel often had not been sufficiently trained in or informed of the record requirements.

As a result, some sponsors relied on vendors' delivery records to support reimbursement claims. This often necessitated an extensive process of reconciling vendors' records with available site records and accounting for discrepancies. This process caused delays in sponsors' being reimbursed and consequently in the vendors' being reimbursed.

FNS officials said they recognized that inadequate recordkeeping by sponsors has been a major problem nationwide and therefore a separate section in the FNS 1974 sponsor handbook was devoted to recordkeeping. The officials said this revised instruction was expected to give better guidance to sponsors.

NEED FOR TIMELY PLANNING

The responsible agencies have recognized that careful planning, including sufficient training of operating personnel, well before the program begins is the best way to minimize operational problems at feeding sites. However, adequate planning often has not been carried out.

For the 1973 program, FNS suggested to its regional offices and State agencies a plan of operations which was to help them develop a time schedule for completing FNS, State agency, and sponsor planning activities. FNS stressed the importance of obtaining a maximum degree of coordination and meeting certain suggested target dates, starting in March, until the beginning of feeding operations in June.

FNS also emphasized the need for training at all levels to clarify program responsibilities, explain recordkeeping requirements, and offer sound management techniques before plans were finalized and program operations began. FNS said that it was vital that the personnel who would be directly involved in the daily food service attend sponsor training sessions.

The State agencies we reviewed had not implemented the suggested plan within specific time frames. FNS officials said that, early in the year, State agencies were still preoccupied with administering the National School Lunch Program and were not ready to assign staff to plan the summer program.

Some sponsor officials said that they had difficulty properly planning for the program because, in their opinion, the guidance and direction which FNS and State agencies provided before the 1973 program began was often insufficient or unclear. The officials said also that the issuance of program regulations on May 8, 1973--a few weeks before

sponsors were to begin operations--adversely affected various phases of their planning efforts. Although FNS had published essentially the same regulations in draft on February 20, 1973, many of the sponsors were not aware of them.

State officials said that, without sufficient lead-time, State and local officials could not adequately plan, organize, and staff their programs. They also said that food vendors servicing large sponsors did not always have enough time to order the food for the summer.

According to FNS and some State agencies, insufficient training had been a continuing problem in some programs. Because they had not attended training sessions, many site personnel were unaware of or unfamiliar with basic program rules. Some site personnel had not been instructed to attend. One State agency's final report on the 1973 program stated that 50 percent of the personnel assigned to feeding sites had not received training.

Training efforts were particularly hampered when sponsors or their programs were changed close to the start of feeding operations. For example, in one city, a sponsor took over the 1973 program on June 7 when the previous sponsor dropped out. In another city, the sponsor added 100 feeding sites when feeding operations were about ready to start.

FNS took various actions to help State agencies and sponsors plan for the 1974 program. It revised its sponsor handbook to provide more comprehensive guidance on how a sponsor, with FNS and State agency assistance, should plan and manage a feeding program. The handbook explained in detail the sponsor's program responsibilities and suggested various approaches to meet them. In particular, the handbook emphasized the need for the sponsor to

- evaluate the extent of needy children eligible in its area, the interest and support that could be expected from the community, and the availability of personnel to operate an effectively administered program;
- conduct training sessions before and throughout the program so that all personnel would have a clear understanding of program rules and regulations;
- consider the various alternatives for providing food service, including the use of school food service facilities, onsite meal preparation, or commercial food vendors; and

--exercise a high degree of care and effort in planning the selection of feeding sites.

Early in 1974 FNS helped selected sponsors and State agencies plan their 1974 programs in 22 cities in 18 States. The principal efforts were devoted to training State agency and sponsor personnel, identifying areas in which sites could be established, and developing methods for controlling site operations.

FNS also changed its regulations to allow, for the first time, for earmarking of a specific amount--up to 6 cents--of the per-meal reimbursement rate to be used for sponsors' administrative expenses. Consequently, sponsors could plan their administrative efforts on the basis of expected funds and thus strengthen program planning and administration.

Some sponsor officials, however, said that these funds became available only through reimbursement and that they would be better able to plan their programs if part of the funds could be advanced during the planning stage. FNS officials agreed that advance payments would be especially helpful to sponsors who must operate on tight budgets and those without adequate working capital but pointed out that the authorizing legislation does not specifically authorize the Secretary to make advance payments under the summer program.

A 1972 amendment to the National School Lunch Act (42 U.S.C. 1757) gave the Secretary specific authority to make disbursements to schools for the National School Lunch Program in advance or by way of reimbursement. FNS officials expressed the view that similar authority for advance payments under the summer program, if it is extended beyond June 1975, could help improve program planning efforts.

Although such authority could help improve sponsors' operations, the Department should only exercise this authority with adequate safeguards to insure that (1) sponsors have the ability to administer a successful program and (2) the amounts advanced are commensurate with the volume of food services the sponsors are expected to provide.

NEED FOR ADEQUATE MONITORING

To insure efficient feeding site operations and prompt corrective actions when needed, sponsor and feeding site operations should be monitored continuously throughout the program period. FNS regulations require that a sponsor have adequate supervisory and operational personnel for overall monitoring and management of each food service

operation, including adequate personnel to visit all feeding sites at least once within the first 4 weeks of the program's operation, to promptly take necessary action to correct deficiencies found during that visit, and to maintain a reasonable level of site monitoring thereafter.

The six sponsors whose activities we reviewed operated a total of about 2,200 sites. In one city, sponsor personnel had not made monitoring visits to some sites and had visited other sites late in the program. Sponsor officials said that the funds available for program administration did not allow for necessary staffing and that some regular monitoring visits had to be curtailed to followup on weaknesses at other sites.

FNS regulations also require that each State agency provide adequate personnel for program supervision, including supervisory assistance to sponsors to insure adequacy of program operations. As part of the supervisory assistance activities, administrative evaluations, including onsite visits to sponsors, are to be made. For the 1973 program, FNS guidelines suggested that each State agency, or FNS regional office where applicable, review each of its sponsors' operations at least once during the program period and visit a minimum of 10 percent of each sponsor's feeding sites.¹

State officials said that they tried to review sponsor and site operations during the 1973 program in accordance with FNS requirements but that their monitoring personnel often could not devote enough time to the summer program because they also had monitoring duties for other FNS child-feeding programs which were larger and lasted longer. The monitors' reviews of the summer program were sometimes untimely, of insufficient scope, or not successful in bringing about corrective actions. For example:

--One State's monitors had not begun their visits in one city until the 1973 program was more than half completed.

--According to an Office of Audit report, the State monitors' visits were not fully effective because, in many cases, the monitors left the sites before all children had been served and therefore could not observe the adequacy

1

FNS regulations changed this suggestion to a requirement effective January 1, 1974.

of certain practices, such as handling and disposing of excess meals.

--State monitors had not, in all cases, made followup visits to determine whether sponsors had taken corrective action on the Office of Audit's "fast reports"--reports used to notify State agencies of deficiencies needing prompt attention.

State officials said that the shortage of adequate staff was a major factor hampering the State agencies' monitoring functions.

During the 1972 and 1973 programs, the FNS regional office in San Francisco, California, at the State agency's request, began monitoring site operations in Los Angeles County, which had about two-thirds of the State's summer program activity, because the State agency did not have enough staff to cover the county effectively. FNS provided the State agency with its monitoring results and with the Office of Audit's review results. Although FNS expected the State agency to followup on all actions recommended to improve program operations, the State agency told us that it often did not because of insufficient manpower.

FNS officials said that they were hesitant to apply pressure on the State agencies to take corrective action because the State agencies may decide they no longer wish to serve as program administrators and FNS would need to take over this responsibility. As noted on page 14, the New York State Education Department discontinued its participation in the program in 1974 because it determined it would not receive enough administrative funds for the 1974 program for the staff needed to properly supervise and monitor program operations.

The Department has devoted substantial efforts to improve monitoring of the program at all levels. In addition to issuing regulations, handbooks, and other directives and guidelines, FNS has made staff studies and evaluations of each year's program to identify improvements to be made in the following year's program. The Office of Audit has made financial and management audits, reported its findings of shortcomings for prompt correction, and reviewed the validity of sponsors' reimbursement claims to insure that program funds are spent according to FNS requirements.

These efforts have helped to make the State agencies and sponsors better aware of their administrative duties

and of the need for more efficient food service operations. However, the recurrence of shortcomings and of noncompliance with program requirements shows the need for continued improvements and strong monitoring at all levels.

CONCLUSIONS

Many of the problems that occurred at feeding sites seemed to stem, to some extent, from such inherent conditions as the program's short duration, the difficulty of finding adequate eating facilities, and the problem of recruiting and training staff. FNS has taken some actions to deal with feeding site problems, but further improvements could be realized through more timely planning and adequate monitoring of feeding site operations by the administering agencies.

FNS suggested that the administering agencies establish time-phased schedules for various planning actions, including the training of administrative and operational personnel. Because such schedules are desirable, FNS should help State agencies and sponsors develop and implement the schedules, starting as early in the calendar year as possible. Special emphasis should be given during the planning stage to staff training.

Because some sponsors must operate on tight budgets and without adequate working capital, especially during the important planning stage, authority for the Secretary to make advance payments of summer program funds--similar to the authority he now has under the National School Lunch Program--could help sponsors improve their planning and other administrative activities. This authority should be exercised only with proper safeguards to insure that sponsors have the ability to administer a successful program and that any advances are commensurate with the volume of food services the sponsors are expected to provide.

Although the efforts of FNS and the Office of Audit have helped to make the administering agencies better aware of their monitoring duties, recurring shortcomings in the program show the need for continued improvements and strong monitoring at all levels.

RECOMMENDATIONS TO THE SECRETARY OF AGRICULTURE

We recommend that, if the program is authorized beyond June 1975, the Secretary of Agriculture have the Administrator, FNS:

- Assist State agencies and sponsors in developing and implementing time-phased schedules for planning

summer feeding operations, with special emphasis on training administrative and operational personnel.

- Help State agencies, or insure that FNS regional offices where appropriate, implement an effective system for monitoring the operations of sponsors and feeding sites under their responsibility and for insuring that sponsors adequately carry out their monitoring duties and promptly correct deficiencies.

MATTER FOR CONSIDERATION
BY THE CONGRESS

Because specific authority to make advance payments of summer program funds could help sponsors improve their program planning, the Congress, if it decides to continue the program, may wish to give the Secretary authority similar to that provided under section 8 of the National School Lunch Act for advance payments of national school lunch funds.

Such authority should, however, provide for adequate safeguards to insure that sponsors have the ability to administer a successful program and that amounts advanced are commensurate with the volume of food services the sponsors are expected to provide. Although the necessary safeguards could be set forth in the legislation, we believe that the same purpose could be achieved by including specific language to this effect in the committee report accompanying any proposed legislation.

DEPARTMENT COMMENTS

The Department said that it basically agreed with the findings and recommendations. (See app. IV.) It recognized that there had been administrative and operational problems with the program and said that, although these problems were not limited to major cities, its evaluation efforts had pointed out that they were more pronounced in metropolitan areas, such as those we visited.

The Department said that its operating experience had been useful in improving the overall administration and effectiveness of the program and, among the efforts to upgrade and improve program administration, it cited the following actions which were discussed in this chapter.

- Helping selected sponsors to plan and organize their programs. (See p. 28.)

--Revising program regulations to allow sponsors up to 6 cents a meal for administrative costs and to provide specific monitoring objectives (See pp. 28 and 29.)

--Revising the sponsor handbook to provide more comprehensive guidance to sponsors and sites. (See pp. 22, 26, and 27.)

CHAPTER 4

SCOPE OF REVIEW

We made our review of the special summer food program at FNS headquarters in Washington, D.C., and at three FNS regional offices in Chicago, Illinois; Princeton, New Jersey; and San Francisco, California. We also visited the State educational agencies in California, Illinois, Michigan, New Jersey, New York, and Pennsylvania and reviewed the 1973 operations of six sponsors, one each in Los Angeles, Chicago, Detroit, Newark, New York City, and Philadelphia. We accompanied Department auditors to 113 food service sites in these cities to observe the feeding operations.

We reviewed the applicable legislation and the policies, procedures, and program records of FNS, the six State educational agencies, and the six sponsors and their food service sites. We interviewed Federal, State, and local officials responsible for supervising and administering the 1973 program and made followup inquiries to determine the actions taken or planned for administering the 1974 program. We reviewed audit reports which the Office of Audit had issued as a result of its reviews of the summer program's operation.

NUMBER OF FEEDING SITES REPORTING AND THE DAILY
AVERAGE NUMBER OF CHILDREN SERVED BY STATE

State	July 1971		July 1972		July 1973		July 1974	
	Feeding sites	ADA (note a)	Feeding sites	ADA	Feeding sites	ADA	Feeding sites	ADA
Alabama	163	24,378	85	12,702	187	21,969	209	30,993
Alaska	-	-	-	-	-	-	-	-
Arizona	26	2,765	44	5,527	10	1,422	30	3,144
Arkansas	9	1,890	20	3,831	72	5,662	65	7,799
California	354	41,072	1,009	115,564	1,045	122,757	1,112	179,420
Colorado	33	5,130	17	1,950	21	3,698	26	1,606
Connecticut	21	1,195	42	5,149	78	10,471	129	23,809
Delaware	7	119	14	4,898	45	5,381	6	9,023
District of Columbia	165	43,353	180	38,531	185	28,726	181	23,166
Florida	271	43,195	273	35,054	306	43,993	340	51,273
Georgia	164	103,546	221	55,368	525	69,350	640	69,723
Hawaii	-	-	8	1,163	10	1,445	16	1,073
Idaho	22	1,477	3	80	1	8	1	59
Illinois	428	67,272	587	71,054	766	98,000	979	89,000
Indiana	69	6,862	84	9,394	168	10,444	69	10,141
Iowa	12	850	14	1,150	41	910	30	663
Kansas	28	1,165	66	2,648	13	1,337	31	3,121
Kentucky	117	14,625	110	13,305	151	11,135	202	12,832
Louisiana	128	32,247	194	25,194	195	26,656	229	43,271
Maine	81	8,655	24	2,355	11	810	6	181
Maryland	210	31,275	210	31,116	247	29,892	253	31,527
Massachusetts	21	6,681	85	14,000	142	20,043	297	26,377
Michigan	305	45,251	338	50,767	555	87,486	161	14,923
Minnesota	49	6,767	82	13,965	38	11,544	131	7,470
Mississippi	36	10,613	47	8,876	71	2,690	89	14,072
Missouri	162	23,775	320	34,751	225	22,831	93	16,515
Montana	13	1,034	5	512	3	272	4	319
Nebraska	18	2,901	17	3,339	8	353	36	3,251
Nevada	7	803	-	-	15	1,467	28	2,068
New Hampshire	1	731	5	1,032	1	17	12	955
New Jersey	192	28,277	468	66,812	517	56,130	532	56,770
New Mexico	9	5,213	10	4,257	51	5,214	-	-
New York	528	169,250	2,258	423,375	2,009	507,676	2,580	614,854
North Carolina	81	27,780	175	25,614	434	44,556	531	48,267
North Dakota	4	360	5	805	8	699	2	85
Ohio	251	31,612	328	49,449	250	41,483	380	51,259
Oklahoma	93	13,879	120	13,658	73	5,936	-	-
Oregon	34	5,558	90	6,396	95	5,733	90	6,694
Pennsylvania	305	46,415	440	63,008	505	61,459	395	55,000
Rhode Island	29	2,860	45	3,351	20	1,336	43	4,490
South Carolina	179	39,470	251	34,057	260	34,875	360	45,390
South Dakota	21	1,279	23	531	4	426	41	1,021
Tennessee	194	51,167	315	43,217	270	31,866	300	36,743
Texas	256	60,400	375	51,240	355	43,506	450	50,968
Utah	19	801	11	735	14	880	11	750
Vermont	4	148	-	-	1	55	1	110
Virginia	255	37,863	130	19,699	130	17,894	140	18,030
Washington	100	7,358	40	6,194	28	2,128	105	10,181
West Virginia	26	6,013	11	2,236	55	4,604	52	1,785
Wisconsin	48	7,224	59	7,490	45	5,523	70	6,191
Wyoming	9	611	4	216	5	496	8	524
Puerto Rico	158	6,596	1,904	50,973	251	10,405	384	58,409
Trust Territory	-	-	1	303	15	487	-	-
Total	<u>5,715</u>	<u>1,079,761</u>	<u>11,167</u>	<u>1,436,891</u>	<u>10,530</u>	<u>1,524,136</u>	<u>11,880</u>	<u>1,745,295</u>

a

Average daily attendance.

FEDERAL ASSISTANCE TO SIX SELECTED STATES FOR
1971, 1972, 1973, and 1974 SUMMER PROGRAM (note a)

State	1971		1972		1973		1974	
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure
California	\$ 2,988,300	\$ 930,272	\$ 7,173,684	\$ 3,271,762	\$ 5,800,662	\$ 2,827,416	\$ 4,597,107	\$ 4,213,730
Illinois	2,100,000	1,258,164	1,714,091	1,350,892	2,445,666	2,038,816	2,989,829	2,673,949
Michigan	1,325,851	1,072,369	2,139,371	1,323,081	2,504,983	1,887,055	2,441,877	1,624,484
New Jersey	1,475,645	1,045,463	2,063,850	1,759,296	3,030,345	1,465,286	3,533,957	2,860,655
New York	4,147,000	3,300,103	13,775,869	8,379,794	13,800,000	11,121,328	21,285,117	18,984,291
Pennsylvania	<u>1,305,322</u>	<u>860,270</u>	<u>1,389,393</u>	<u>1,200,000</u>	<u>1,641,195</u>	<u>1,335,791</u>	<u>1,870,107</u>	<u>1,456,604</u>
Total	<u>\$13,342,118</u>	<u>\$8,466,641</u>	<u>\$28,256,258</u>	<u>\$17,284,825</u>	<u>\$29,222,851</u>	<u>\$20,675,692</u>	<u>\$36,717,994</u>	<u>\$31,813,713</u>

a
The amounts are as shown in FNS records. Expenditures, as reported by State educational agencies, are as of June 1973 for the 1971 and 1972 program years, as of March 1974 for the 1973 program, and as of January 1975 for the 1974 program.

STATE EDUCATIONAL AGENCIES AND SPONSORS
VISITED DURING OUR REVIEW

CALIFORNIA DEPARTMENT OF EDUCATION

County of Los Angeles Department of Parks
and Recreation

ILLINOIS OFFICE OF THE SUPERINTENDENT OF PUBLIC
INSTRUCTION

City of Chicago, Department of Human
Resources

MICHIGAN DEPARTMENT OF EDUCATION

City of Detroit, Department of Health

NEW JERSEY DEPARTMENT OF EDUCATION

City of Newark, Department of Health and
Welfare

NEW YORK STATE EDUCATION DEPARTMENT

Hassidic Corporation for Urban Concerns,
New York City

PENNSYLVANIA DEPARTMENT OF EDUCATION

Philadelphia Department of Recreation

UNITED STATES DEPARTMENT OF AGRICULTURE
FOOD AND NUTRITION SERVICE

WASHINGTON, D.C. 20250

Mr. Henry Eschwege, Director
Resources and Economic Development Division
United States General Accounting Office

JAN 31 1975

Dear Mr. Eschwege:

Basically we agree with the findings and recommendations contained in the draft of your Report to the Congress of the United States on the Effectiveness and Administration of the Special Summer Food Service Program for Children.

We recognize that there have been administrative and operational problems with the summer program. However, our review and evaluation efforts in the field have helped us identify problems at the Federal, State and local levels. The operating experience has been useful in improving the overall administration and effectiveness of the program.

We have found that many eligible sponsors experience difficulty in obtaining adequate facilities and manpower to effectively operate the program. The lack of staff has created numerous problems in supervising and monitoring the program at the site and sponsor level. Because of the lack of food production facilities, it is necessary for many sponsors to depend on the services of commercial facilities in order to operate a program. Although these problems are not limited to major cities, our evaluation efforts have pointed out that they are more pronounced in metropolitan areas. The subject report reflects these conclusions since it primarily focuses on six programs located in such areas.

Our efforts to upgrade and improve the administration of the Summer Special Food Service Program have included: (1) improved review and monitoring efforts at the Federal and State levels, (2) regulatory changes, (3) improved guidance materials to local sponsors and (4) increased State administrative funding.

(1) Improved Review and Monitoring Efforts

Federal - Program operating experience has shown the need to improve our monitoring efforts in the field. Therefore, in 1973 and 1974, the Agency embarked on a project of providing sponsors with assistance from our staff, in addition to involvement by our Regions and States. Our personnel assisted in helping sponsors plan, organize and operate summer programs.

Henry Eschwege

2

State - Although it has been necessary for States to direct major efforts to areas with the largest concentration of children who qualify for the program, efforts have been directed to smaller communities and rural areas. Available data for the 1974 program verifies this fact. Nationally, 44 percent of the 1,075 sponsors had only one site and an additional 31 percent of the sponsors had 10 or less sites. The majority of these sponsors were located in rural areas.

(2) Regulatory Changes

Numerous changes have been made which we feel have helped to improve the overall administration of the program (i.e., changes in meal requirements, the provision for allowing sponsors up to 6 cents for administrative costs and specific monitoring objectives).

(3) Improved Guidance Materials to Sponsors and Sites

A major effort has been made to develop comprehensive materials for sponsors and sites. The guidance materials developed for this past summer provided sponsors with in-depth assistance in planning the program, selecting sites, setting up the administrative operation, training, site operations and record-keeping.

(4) Increased State Administrative Funding

Through our efforts to upgrade the administration of the Special Summer Food Service Program we have realized the need to increase State administrative funding and this was reflected in our fiscal year 1975 budget request. The recently enacted Agricultural Appropriations Act provides for an increase of over three million dollars in State Administrative Expense funds. We believe this additional funding will assist States in improving the management efforts related to the Special Summer Food Service Program.

The report indicated that during the 1973-74 school year, 8.8 million needy children received free or reduced price meals under the National School Lunch Program, whereas the 1973 Special Summer Food Service Program served meals to a daily average of 1.5 million children. Due to the differences between the authorizing legislation for the two programs, we do not believe such comparisons are entirely valid.

Assistance under the National School Lunch Program is directed to the individual child in any public or nonprofit school desiring to participate. Assistance under the Summer Special Food Service Program is directed to nonresidential child care centers that serve children from areas with poor economic conditions and from areas with high concentrations of working mothers. Once they have been approved, child care centers

Henry Eschwege

3

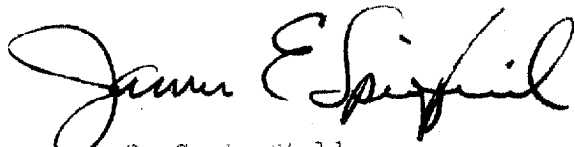
receive Federal assistance for the overall feeding program rather than on the basis of individual children. As a result, many children eligible for free and reduced price meals under the National School Lunch Program are not in the target group to which the Special Food Service Program is directed.

The authorizing legislation for the Special Food Service Program outlines responsibilities of the sponsor to ensure that needy children receive meals at a reduced cost or no cost. The majority of sponsors do not determine non-needy children nor collect money from these children. The Food and Nutrition Service is sympathetic to the philosophy of not providing meals free to non-needy children. In this context we have spent considerable time and effort in attempting to assist State agencies and local sponsors in developing acceptable methods to identify and collect money from these children. However, evaluations have shown that this has not been successful. This is primarily due to the organization, structure and short duration of the summer program. Therefore, in order to ensure that the Summer Special Food Service Program basically serves needy children and is located in eligible target areas, we have concentrated on program planning and the selection of sites located in such areas.

Unlike the National School Lunch Program legislation, the Special Food Service Program legislation does not provide for varied levels of assistance as between needy and non-needy children; rather, it provides for assistance to individual food service programs. In implementing this program, sponsors receive reimbursement at the same level, or a percentage thereof for meals served to all children. In especially needy programs, income (including children's payments) is considered in establishing reimbursement levels.

We appreciate the opportunity to comment on your report of the effectiveness and administration of the Summer Special Food Service Program for Children.

Sincerely,



James E. Springfield
Acting Administrator

PRINCIPAL OFFICIALS OF
THE DEPARTMENT OF AGRICULTURE
RESPONSIBLE FOR ADMINISTRATION OF ACTIVITIES
DISCUSSED IN THIS REPORT

	Tenure of office	
	<u>From</u>	<u>To</u>
SECRETARY OF AGRICULTURE:		
Earl L. Butz	Dec. 1971	Present
Clifford M. Hardin	Jan. 1969	Nov. 1971
ASSISTANT SECRETARY, MARKETING AND CONSUMER SERVICES:		
Richard L. Feltner	Apr. 1974	Present
Clayton Yeutter	Jan. 1973	Apr. 1974
Richard E. Lyng	Mar. 1969	Jan. 1973
ADMINISTRATOR, FOOD AND NUTRITION SERVICE:		
Edward J. Hekman	Sept. 1969	Present

Copies of GAO reports are available to the general public at a cost of \$1.00 a copy. There is no charge for reports furnished to Members of Congress and congressional committee staff members; officials of Federal, State, local, and foreign governments; members of the press; college libraries, faculty members, and students; and non-profit organizations.

Requesters entitled to reports without charge should address their requests to:

U.S. General Accounting Office
Distribution Section, Room 4522
441 G Street, NW.
Washington, D.C. 20548

Requesters who are required to pay for reports should send their requests with checks or money orders to:

U.S. General Accounting Office
Distribution Section
P.O. Box 1020
Washington, D.C. 20013

Checks or money orders should be made payable to the U.S. General Accounting Office. Stamps or Superintendent of Documents coupons will not be accepted. Please do not send cash.

To expedite filling your order, use the report number in the lower left corner of the front cover.

AN EQUAL OPPORTUNITY EMPLOYER

**UNITED STATES
GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548**

**OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300**

**POSTAGE AND FEES PAID
U. S. GENERAL ACCOUNTING OFFICE**



THIRD CLASS