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# **Competitive Grant To Establish a USDA Center for Behavioral Economics and Healthy Food Choice Research**

## Request for Applications



United States Department of Agriculture

## Economic Research Service

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### **Abstract**

The U.S. Department of Agriculture (USDA's) Economic Research Service (ERS), in collaboration with USDA's Food and Nutrition Service (FNS), invites proposals for a competitive grant to establish and fund a USDA Center for Behavioral Economics and Healthy Food Choice Research. The USDA Center will facilitate new and innovative research on the application of behavioral economics theory to healthy food choice behaviors that would contribute to enhancing the nutrition, food security, and health of American consumers. The USDA Center will complement the work currently being conducted by the USDA-funded Cornell Center for Behavioral Economics in Child Nutrition Programs (Cornell BEN Center). With the exception of work that would be duplicative of the Cornell BEN Center, all food choice behavioral factors that are relevant to USDA policy issues will be within the scope of the USDA Center for Behavioral Economics and Healthy Food Choice Research. There is, however, a requirement that the USDA Center shall devote a substantial portion of its efforts to factors that would facilitate healthy and cost-effective food choices by participants in (a) the Supplemental Nutrition Assistance Program (SNAP) and (b) the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The USDA Center will be expected to (1) establish an innovative research program on behavioral economics and healthy food choice that addresses questions of public policy interest and importance; (2) broaden the network of social scientists who participate in research that applies principles and theories of behavioral economics to the study of healthy food choice behaviors that will lead to improvement of nutrition, food security, and health outcomes; and (3) disseminate information obtained via its research program to a diverse stakeholder audience, including other researchers, policy and program officials, and the general public. We anticipate that up to \$1.9 million will be available in fiscal year 2014 to support this activity over the next 3 years. And, subject to availability of funds and the viability of USDA Center expansion, additional funds may be available in subsequent years. This publication describes USDA Center responsibilities and application requirements. **The deadline for submission of applications is June 30, 2014.**

**Keywords:** Food assistance programs, behavioral economics, nutrition, economic incentives, SNAP, WIC, ERS, USDA

## Checklist

All proposals submitted must contain the applicable elements described in this brochure and must be submitted through Grants.gov by June 30, 2014. The following checklist has been prepared to assist in ensuring that the proposal is complete and in the proper order prior to mailing:

### **Application for Federal Domestic Assistance-Short Organizational Form (SF-424)**

- Is all required information accurate and complete?
- Is the Catalog of Federal Domestic Assistance (CFDA) number 10.253?
- Has the authorized organizational representative signed the SF-424?
- Is the CFDA Title: “Food Assistance and Nutrition Research Program (FANRP)”?
- Is the Funding Opportunity Title: “Competitive Grant To Establish a USDA Center for Behavioral Economics and Healthy Food Choice Research”?
- Have you included a telephone number, fax number, and e-mail address where a message may be left for you?
- Have you included the requested total funding amount from the budget form?

### **Budget Information for Non-Construction Programs (SF-424A)**

- Are budget items complete?
- Is the summary budget included?
- Is the budget duration within the stated 3 years?

### **Proposal and All Attachments in PDF**

- Does the proposal conform to all format and page limitations and deadline requirements?

### **Program Summary Page**

- Is the program title listed at the top?
- Has the Program Summary been included?
- Does the summary include program objectives?
- Is the summary no more than 250 words?
- Do the name and institution of the proposed USDA Center Director appear on the page or on the following page?
- Does the page include the total amount requested?
- Does the page include the start and end date?

### **Table of Contents**

- Are page numbers included for each item?

### **Program Description**

- Is the program fully described?
- Does this section adhere to the format and page limitations, as specified?
- Does this section begin as page 1, as specified?
- Does the program description contain a tentative schedule or work plan of major steps of study?

### **Vitae and Publications List(s)**

- Are vitae included for the proposed Center Director and key program personnel?
- Are the vitae current, pertinent, and limited to 2 pages for each individual?
- Are the publication lists complete and limited to the last 5 years?

### **Indirect Cost Rate Schedule**

- For reimbursement of indirect costs, is a copy included of the applicant’s indirect cost rate schedule that reports the applicant’s federally negotiated audited rate?

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## Overview

The U.S. Department of Agriculture's (USDA's) Economic Research Service (ERS), in collaboration with USDA's Food and Nutrition Service (FNS), invites proposals for a competitive grant award to establish a new USDA Center for Behavioral Economics and Healthy Food Choice Research. ERS has been a leader in applying behavioral economics theories and concepts to improving understanding of food choice behavior. The ERS and FNS-funded Cornell Center for Behavioral Economics in Child Nutrition Programs (BEN Center) has been successful in developing an array of behavioral economics-based strategies for increasing children's selection and consumption of healthy foods offered through the USDA National School Lunch Program. These research-tested strategies are now being implemented in schools nationwide, increasing the effectiveness of USDA school meal programs in promoting children's nutrition and health.

ERS and FNS seek to establish the USDA Center for Behavioral Economics and Healthy Food Choice Research to complement the work of the Cornell BEN Center. With the exception of work that would be duplicative of the Cornell BEN Center, all food choice behavioral factors that are relevant to USDA policies intended to improve the nutrition, food security, and health of the American people will be within the scope of the USDA Center. It is expected, however, that the USDA Center will devote a substantial portion of its efforts to factors that would facilitate healthy and cost-effective food choices by participants in (a) the Supplemental Nutrition Assistance Program (SNAP), and (b) the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The USDA Center's research program should yield new information on the application of behavioral economics theory to food choice behavior, including consumer behavior, behavior of retailers and other members of the food industry, and behaviors relevant to SNAP or WIC program operations. Findings should provide policy and behavioral insights that will benefit the nutrition, food security, and health of Americans.

The USDA Center will (1) establish a program of new and innovative research applying behavioral economics theory to food choice behavior as described above; (2) broaden the network of social scientists who participate in research that applies principles and theories of behavioral economics to the study of food choice behaviors that will lead to improvement of nutrition, food security, and health outcomes; and (3) disseminate information obtained via its research program to a diverse stakeholder audience, including other researchers, policy and program officials, and the general public. As described above, relevant food choice behaviors are defined broadly as including consumer behavior, behavior of retailers and other members of the food industry, and behaviors relevant to SNAP or WIC program operations. It is expected that USDA Center research will address USDA policy-relevant questions for which improvement of understanding will benefit the nutrition, food security and health of all Americans, but areas of emphasis include facilitating food choice behaviors that would improve the diets of SNAP and the WIC program participants and promote cost-effective operations. While many practices may apply to one or more of these three population groups, our desire is that the USDA Center's efforts be applied roughly 40 percent toward the general population, 40 percent toward SNAP, and 20 percent toward WIC.

The USDA Center will support further development of the USDA research program in behavioral economics and healthy food choice by implementing a program of intramural and extramural behavioral economics research addressing important, policy-relevant questions related to healthy food choice behaviors. In addition, it will serve as a hub for coordinating, promoting, and disseminating such research. As part of its activities, it will administer a program of research

grants to universities and other institutions similar to the grants programs administered by the USDA-funded Cornell BEN Center (<http://ben.cornell.edu/grants-and-research.html>) and the ERS RIDGE Centers (<http://www.ers.usda.gov/topics/food-nutrition-assistance/food-nutrition-assistance-research/extramural-research.aspx#RIDGE>). This research grant program will support researchers in conducting behavioral economics research applied to food choice behavior of USDA policy significance; there is expected to be an emphasis on SNAP and WIC comparable to that of USDA Center-conducted research. The USDA Center will further develop research capacity in the behavioral economics-food choice area by conducting workshops, conferences, or other activities that will expand researcher knowledge of behavioral economics principles and theories and their potential application to USDA policy and program food and nutrition issues. Finally, the USDA Center will disseminate the findings from Center and Center-supported behavioral economics-food choice research to stakeholder audiences, including researchers, policymakers, program officials, and consumer stakeholders.

The USDA Center is expected to make use of varied dissemination mechanisms suitable to key target audiences. Examples include, but are not limited to, research summaries published on the USDA Center website; electronic newsletters sent to SNAP and WIC program and policy audiences communicating research findings of most relevance to those audiences; and webinars for SNAP and WIC program staff that present research findings and implications for program operations. ERS expects to make one award in fiscal year FY 2014 of up to \$1.9 million to fund the USDA Center, with activities supported by that funding to take place over a 3-year period. There are no matching requirements from the USDA Center over the term of the agreement.

## Application Process Using Grants.gov

Applications for this program must be submitted electronically through the Grants.gov website at [www.grants.gov](http://www.grants.gov). The Grants.gov website is the single access point to electronically find and apply for competitive Federal funding opportunities and manage grants from all Federal grantmaking agencies.

First-time users of Grants.gov should go to the “Apply for Grants” tab on the Grants.gov website and carefully read and follow the steps listed to apply. Your organization will need to have a Dun and Bradstreet Universal Data Numbering System (DUNS) number, be registered with the Federal System for Award Management (SAM), and have established an Authorized Organizational Representative to apply for funding.

### *Important Information for Faculty and Staff of Educational Institutions*

To submit your application via Grants.gov, you should first check with your Office of Sponsored Programs to verify that your organization is registered with Grants.gov. It is the Authorized Organizational Representative (AOR) of your organization who must register the educational institution or applicant organization. Most applications by faculty, staff, or other principal investigators are actually submitted on behalf of the institution at which they are employed; awards are made to the institution. All registration steps for the institution are completed by the AOR; likewise, the AOR is the person who must actually submit the application to Grants.gov. Questions about Grants.gov should be directed first to your Office of Sponsored Programs, which will assist you in preparing your application for submission. Please provide that office with sufficient notice of your intent to apply using Grants.gov.

The posted notice through [www.grants.gov](http://www.grants.gov) is the only official program announcement. Any corrections to this announcement will be published on the ERS website at [www.ers.usda.gov](http://www.ers.usda.gov) and the [www.grants.gov](http://www.grants.gov) website. The applicant bears sole responsibility in ensuring that the copy downloaded and/or printed from any other source is up-to-date, accurate, and complete.

## Deadlines

### *Notice of Intent*

Please email Joanne Guthrie at [jguthrie@ers.usda.gov](mailto:jguthrie@ers.usda.gov) by May 30, 2014, to inform ERS of your intent to submit an application. Include the name of your organization. Providing notice of intent to submit is not a requirement for submitting an application. However, a notice of intent to submit will help ERS in the planning for the review process.

### *Closing Date*

The closing date for submitting applications under this announcement is midnight June 30, 2014. Applications that are not received by the time stated are considered late applications. ERS will notify each late applicant that its application will not be considered in the current competition.

### *Extension of Deadlines*

ERS may extend an application deadline when circumstances warrant (such as widespread disruptions of Internet service). Determinations to extend or waive deadline requirements rest with Joanne Guthrie, USDA, ERS, Food Economics Division.

## Authority

The Authority for this program is contained in 7 U.S.C. 292, 411, 427, 1441a, 1621-1627, 1704, 1761-68, 2201, 2202, 3103, 3291, 3311, 3504; 22 U.S.C. 3101; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq., 2251 et seq. Under this program, subject to the availability of funds, the Secretary of Agriculture may award competitive grants and cooperative agreements for the support of research programs to further USDA food and nutrition assistance programs.

## Eligible Applicants

Eligible applicants for the USDA Center for Behavioral Economics and Healthy Food Choice Research are restricted to public or private institutions of higher education.

## Applicable Federal Statutes, Regulations, and Guidelines

Applicable Federal statutes, regulations, and guidelines include the following: (a) guidelines to be followed when submitting grant proposals and cooperative agreements and rules governing the evaluation of proposals; (b) the USDA Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, 7 CFR Part 3019; (c) the USDA Uniform Federal Assistance Regulations, 7 CFR Part 3015; and (d) the USDA Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, and 7 CFR Part 3016.

## Catalog of Federal Domestic Assistance (CFDA) Number

The Catalog of Federal Domestic Assistance (CFDA) number for this program is 10.253. The CFDA Title is Food Assistance and Nutrition Research Program.

## Available Funds in FY 2014

ERS anticipates having available a total of approximately \$1.9 million to fund the USDA Center for Behavioral Economics and Healthy Food Choice Research. Nothing in this announcement restricts the ability of ERS to make no awards or a lesser or greater award(s). Awards and the distribution of awards are contingent on adequate funding, the needs of ERS, and the quality of the applications that are received. And, subject to availability of funds and the viability of USDA Center expansion, additional funds may be available in subsequent years.

## Matching Requirements

The competitive grant award to establish and operate the USDA Center for Behavioral Economics and Healthy Food Choice Research requires no matching funds.

## Program and Budget Period

ERS expects to fund the USDA Center as a one-time award to conduct a 3-year program. Subject to the availability of future funds, ERS may choose to provide additional funding in future years. The award pursuant to this announcement will be made on or about **September 30, 2014**.

## Background and Purpose

### USDA's Policy Role in Promoting Healthy Food Choices

USDA plays a leadership role in many aspects of Federal food and nutrition policy. Among its many responsibilities, USDA regulates labeling of meat and poultry products; sets food safety regulations and standards for meat and poultry; regulates labeling of organic food products; formulates consumer guides to healthy eating such as *ChooseMyPlate*; monitors the diet quality of the U.S. population through the Healthy Eating Index; and develops food plans outlining types and amounts of foods to purchase for a healthful diet at differing cost levels. USDA, through FNS, administers 15 domestic food and nutrition assistance programs that work both individually and collectively to provide children and low-income adults with food or the means to purchase food. With a total outlay of \$108.9 billion in FY 2013, food and nutrition assistance accounted for 72 percent of USDA's budget. Approximately 1 in 4 Americans participated in at least 1 of the 15 food and nutrition assistance programs at some point during FY 2013, making these programs fundamental to the nutritional well-being of millions of Americans. These diverse activities share the common goal of improving the nutrition, food security, and health of American consumers.

In contrast with traditional economic theory that assumes decisions are made in a purely rational manner, findings from behavioral economics suggest that at each step, cognitive and behavioral factors may influence decisions in a manner not accounted for in standard economic models (Kahneman, 2011). Behavioral economics studies have identified predictable and systematic contradictions to many standard assumptions of economics. For example, the idea of complete rationality is challenged by repeated observance of cognitive biases such as hyperbolic discounting that can lead to decisions that seem to over-value short-term benefits such as the taste or convenience of foods versus long-run benefits such as health (Loewenstein et al., 2003). Other factors identified by behavioral economics research, such as mental accounting, loss aversion, satisficing, use of heuristics, effects of framing, precommitment and norms may be relevant to food choice behavior (Camerer et al., 2004). Such insights may have implications for food choice behavior that may be used to design strategies to increase the effectiveness of food and nutrition programs and policies. ERS researchers and collaborators have examined the potential value of behavioral economics in improving food choices of food assistance program participants (Just et al., 2007).

To date, ERS- and FNS-supported behavioral economics-food choice research has focused on improving the food choices of children and adolescents participating in USDA school meal programs. This research program has generated useful findings (Hanks et al., 2013). Some findings from this research have been integrated into USDA's HealthierUS School Challenge, a national initiative to incentivize schools to create a healthier school environment. The success of this effort supports the premise that behavioral economics can be usefully applied to food choice behavior. The USDA Center for Behavioral Economics and Healthy Food Choice Research will extend behavioral economics-food choice research to a wider range of policy-relevant food choice behaviors while avoiding duplication with the Cornell BEN Center. Its scope of research may be broadly defined as encompassing (1) industry, retailer, and consumer behaviors promoting healthy food choice by all Americans; and behaviors specifically focused on improving the well-being of participants in (2) SNAP; and (3) WIC. The USDA Center supports USDA Strategic Goal 4—Ensure That All of America's Children Have Access to Safe, Nutritious, and Balanced Meals; Objective 4.1—Improve Access to Nutritious Food; and Objective 4.2—Promote Healthy Diet and Physical Activity Behaviors.

## Industry, Retailer, and Consumer Behaviors Promoting Healthy Food Choices of All Americans

Healthy food choices by consumers depend on availability of healthy products, availability of understandable information on the nutritional characteristics of food products, and the behaviors of consumers, including food purchase, preparation, and consumption behaviors. At every step, decisionmaking comes into play. Food manufacturers make decisions regarding product formulation that can influence availability of healthful food choices; retailers make decisions regarding the products they will stock and the placement and promotion of those products; decisions on how to market and label foods may influence consumers; and consumers ultimately make purchasing and consumption decisions that influence their nutrition and health.

Previous research has typically examined consumer behaviors; however, behavioral economics theory can also be relevant to understanding the behavior of firms (Armstrong and Huck, 2010). Firms, such as food manufacturers, must make decisions regarding product development in a complex environment and may use cognitive shortcuts such as imitative or satisficing behavior to make decisions. They may respond differentially to cues from consumers or consumer groups in making decisions regarding product formulation and marketing. For example, they may attempt to balance a desire to respond to dietary guidance by producing low-salt products with the desire to avoid producing products they fear consumers will believe have inferior taste.

Similarly, food retailers make decisions on the choice of products to stock and promote and the prices to charge. Restaurants and fast food establishments make decisions regarding overall menu offerings and how to “bundle” foods into meals, such as meal deals or children’s meals. Decisions by food manufacturers, retailers, and restaurants/fast food establishments can influence the availability and cost of healthy foods and consumer reaction to those foods. Therefore, topics of interest within the scope of the USDA Center could include, for example:

- How are firms’ product development, pricing, marketing, and promotion strategies affected when consumers have systematic biases in decisionmaking?
- Can package or portion sizes be presented or promoted in a manner that encourages healthful consumption?
- What would be the impact of changing the presentation order in which food is displayed on fast food menu boards or the manner in which foods are bundled for fast-food or restaurant meals?
- What would be the impact of changing menu or product descriptor norms, such as framing regular versions of certain snack products as high-fat or high-sodium while renaming the low-sodium or low-fat versions as regular?

## Supplemental Nutrition Assistance Program

SNAP is the largest of the USDA food and nutrition assistance programs, spending \$79.8 billion in FY 2013 while serving an average 47.6 million people each month. Like most Americans, SNAP participants have diets in need of improvement, typically consuming too much saturated fat and added sugars and too few fruits and vegetables (Guthrie et al., 2007). Current research shows SNAP decreases risk of food insecurity of participating low-income households (Nord and Prell, 2011) but has only modest effects on diet quality, with some small positive effects on fruit consumption offset

by decreased dark green and orange vegetable consumption (Gregory, 2013). Given the important role SNAP plays in the daily diets of millions of Americans, the impact on diet and health of effective strategies that encourage healthy food choices by SNAP participants could be substantial.

SNAP participants can use their SNAP benefits to purchase virtually any food item from SNAP-approved retailers except hot, prepared foods. SNAP benefits are accepted in a wide range of retail environments, including supermarkets, supercenters, grocery stores, convenience stores, and farmers' markets; however, 84 percent of SNAP benefits were spent in supermarkets and supercenters in FY 2009. The Agricultural Act of 2014 revised the minimum requirements for product availability in stores approved as SNAP retailers, requiring more selection of foods from major food groups, including perishable items such as fresh fruits and vegetables. This may have implications for access to healthy foods for SNAP and other low-income consumers that shop in smaller stores.

Behavioral economics may inform strategies that promote purchase of healthful, economical foods by SNAP participants. Strategies may address retailer behavior, such as effective retail strategies that promote healthy, economical food purchases while keeping industry profit-making incentives in mind (Payne et al., 2014). Behavioral economics theory could be used to develop strategies targeting consumers. For example, whereas traditional economics assumes income is fungible, the behavioral view is that individuals use mental accounting to categorize their income, simplifying budgeting decisions by earmarking funds into categories for specific purposes such as “rent money” or “bus money.” The idea of earmarking funds and mental accounts may help explain why many studies have found that food stamp benefits raise food expenditures more than an equal benefit amount given as cash (LeBlanc et al., 2006). If this is the case, then strategies that provide further guidance or prompts on the recommended share of SNAP benefits to allocate to healthful foods, such as fruits, dark green vegetables, or whole grains, could have the effect of increasing the purchase of more healthful items by program participants. To give another example, research has shown that planning meals in advance, making shopping lists, and avoiding shopping when hungry are all effective ways to make healthier food decisions, in part because they discourage impulsive purchases. Studies could explore strategies for encouraging SNAP participants to make effective use of these and other precommitment devices to make healthy, economical food choices.

Studies could also explore retailer-participant interactions—for example, could retailers design store formats that assist SNAP participants, perhaps by using store-based symbols or logos that highlight foods that are both healthful and economical, in a manner that simplifies and speeds choice for SNAP shoppers? Finally, studies could examine behavioral factors related to SNAP program operations, such as behavioral messaging and cues (“nudges”) that prompt healthful food choices.

Studies are expected to focus on ideas that can be implemented within existing legislation and regulations rather than options that change them. Applicants are expected to propose a timeline for tasks as part of their project plan. Specific milestones and deadlines will be finalized in consultation with the grantee following award.

## Special Supplemental Nutrition Program for Women, Infants, and Children

WIC already focuses benefits on healthy foods. A primary interest with WIC is incentivizing participants to choose lower-cost options without adversely affecting participation and benefit delivery. Average monthly food package costs differ considerably across WIC State agencies, across store types, and among authorized foods available within a store. For the past several years, Texas has had the

lowest average monthly food package cost (\$26.46 in FY 2013, compared with \$46.05 in California, \$50.18 in Louisiana, and \$54.71 in New York). Some of the food cost differences may be due to factors that are outside of a State agency's control such as the general food price level, or caseload composition (i.e., mix of women, infants, and children served)(Davis and Leibtag, 2005). And, some differences may be due to the State agency's ability to negotiate a favorable rebate contract, particularly with the manufacturers of infant formula. Some of the food cost differences, however, are likely related to the State agencies' policies regarding allowable foods and number and types of WIC-authorized stores.

Since WIC participants do not pay any out-of-pocket costs for their WIC food benefits, they have little incentive to pay attention to the price of products on their food instrument. There are no data on the extent to which WIC participants choose to purchase less expensive or more expensive items. Anecdotal evidence suggests that severely limiting participants' food choices to less expensive items can reduce participant satisfaction and program participation. This effect also has the potential to increase costs to WIC if retailers perceive the item to be mainly purchased by its price-insensitive WIC customers.

In developing behavioral economics strategies for WIC, it is important to understand the environment and regulations of how the program operates. WIC provides supplemental foods, health care referrals, and nutrition education to low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children (ages 1-4 years). Administered at the Federal level by FNS, the program operates through 90 WIC State agencies (including the 50 States, the District of Columbia, 34 Indian Tribal Organizations, and 5 territories), 1,900 local agencies, 10,000 clinic sites, and nearly 48,000 authorized food retail stores (vendors) (USDA, 2013).

As a discretionary program, WIC can only serve as many participants as its federally allocated budget allows. In FY 2013, WIC served nearly 8.7 million participants, at a cost of \$6.5 million to the Federal Government. Food costs are the program's largest single cost, accounting for about 70 percent of WIC's budget. Therefore, policies that are effective in controlling food costs without lowering WIC participation or participant satisfaction with the program are important as a means of increasing the efficiency and effectiveness of the WIC program.

Supplemental foods are provided in a monthly bundle known as the food package, which is adapted to the nutritional needs of the various demographic groups WIC serves (pregnant women, breastfeeding and postpartum women, infants, and children under 5 years of age). Unlike SNAP, which provides participants with a dollar amount of benefits, WIC provides participants with fixed amounts of different types of foods.<sup>1</sup> For example, the food package for children provides 128 fluid ounces of juice, 16 quarts of milk, 36 ounces of cereal, 1 dozen eggs, 2 pounds of whole-wheat bread, and 1 pound of dry legumes (or 64 ounces of canned beans, or 18 ounces of peanut butter). Most WIC participants receive their food benefits through food instruments such as paper vouchers or an electronic benefit transfer card, which they then use at WIC-authorized retail stores to obtain their WIC foods.<sup>2</sup> WIC paper vouchers often list a combination of WIC foods—such as 2 gallons of milk, 36 ounces of cereal, 18 ounces of peanut butter, and 1 dozen eggs. Participants must purchase all items listed on the voucher at the time they redeem the voucher, or they lose the unpurchased item(s). Participants under EBT have greater flexibility, in that they may purchase individual WIC items at any

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<sup>1</sup>The one exception is fruits and vegetables, which is provided via a specified dollar amount. Women receive \$10 in cash value vouchers, and children receive \$8 for the purchase of fruits and vegetables.

<sup>2</sup>Mississippi WIC uses distribution centers, while Vermont WIC uses a combination of retail stores (for fruits and vegetables) and home delivery (for all other WIC food benefits).

time during the valid time period.<sup>3</sup> All WIC State agencies are required to implement EBT by October 1, 2020.

WIC State agencies have considerable flexibility within broad Federal operational guidelines to identify brands, flavors, and package sizes that are acceptable for use in their States and determine the specific food items from which their participants can choose. Thus, within most food categories, participants can often choose from a range of forms (e.g., ready-to-drink, frozen concentrate, or nonfrozen concentrate juice), brands (Kellogg's Frosted Mini-Wheats, Malt-O-Meal Frosted Mini-Spooners, or store-brands of frosted shredded wheat), package sizes (quarts, half gallons, or gallons of milk), and flavors (grape, apple, or orange juice; Cheddar, Colby, or Monterey Jack cheese). State agencies also determine whether certain substitutions are allowed, such as cheese, soymilk, or yogurt for some of the milk, and brown rice or whole-wheat pasta for whole-wheat bread. WIC State agencies can limit the choices of products that can be purchased with WIC vouchers to control food costs; however, limiting options may have drawbacks, as described below.

In addition, WIC State agencies can determine the selection criteria, number and types of retail food stores (vendors)—such as super centers, supermarkets, large/medium/small grocery stores, and convenience stores—that they choose to authorize. For example, State agencies can choose to limit authorized vendors to stores with the lowest prices (unless a higher price store is needed to ensure participant access to food).

Federal law requires that WIC State agencies enter into cost-containment contracts with the manufacturers of infant formula. Rebates from infant formula manufacturers have proven to be very successful at reducing WIC food costs: rebates totaled \$1.9 billion in FY 2013 and supported about 23 percent of all WIC participants. WIC State agencies can negotiate with other manufacturers to obtain rebates on other products purchased with WIC vouchers; this has been most common with infant foods.

Encouraging WIC participants to shop at lower price types of stores may help reduce overall food costs. A large proportion of WIC participants (84 percent) report purchasing their WIC items at the same store where they do most of their food shopping (USDA, 2012). However, some of those participants may still purchase some of their WIC items at other (perhaps higher cost) stores, and some participants may do most of their WIC shopping at higher cost stores. In addition, overall food costs may also be reduced by nudging participants to choose less expensive items or package sizes, regardless of the store where they shop.

The challenge of limiting WIC food costs while maintaining participant satisfaction has led to interest in the potential application of behavioral economics as a possible mechanism to ensure low WIC food costs. Considerable research has been conducted that focuses on behavioral economics methods to incentivize school-age children to choose healthier foods at lunch. With tightening Federal budgets and rising food costs, there is interest in expanding the focus of behavioral economics to explore methods that could be applied to WIC participants to increase their awareness of the prices charged for WIC foods and incentivize behaviors that could help reduce WIC food costs. There is also interest in considering how behavioral economics methods might be applied to other “players” within the WIC Program—such as the WIC-authorized vendors and other program operations—to increase awareness of the prices charged for WIC foods and incentivize behaviors that can help reduce WIC food

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<sup>3</sup>WIC food benefits are usually valid for 30 days.

costs without adversely impacting the program's effectiveness. An ERS study of WIC cost containment (Kirlin et al., 2003) discusses a number of the State-based strategies and concerns.

### *Behavioral Challenges in WIC*

*WIC Participant Behavior.* Since WIC participants do not pay out-of-pocket for their WIC foods, they have little incentive to pay attention to the prices of WIC food items and choose lower cost options, or to shop at less expensive (and perhaps less convenient) stores. It should be noted, however, that about half of all WIC participants also participate in SNAP (USDA, 2012). Whereas these participants may be in the habit of shopping at less expensive stores and choosing less expensive food items, it is not clear whether, or to what extent, these habits might spill over to their WIC food purchases.

*WIC Vendor Behavior.* Although WIC vendors cannot charge WIC customers higher prices for the same product sold to other customers, the fact that WIC participants are not sensitive to the prices of WIC foods has led some WIC vendors to use creative approaches to cater to WIC participants in an effort to extract higher revenue from their WIC purchases.

*Program Operations.* Since WIC is entirely funded by Federal funds, with no State match requirement, States have little incentive to rein in program costs. Whereas WIC State agencies may desire to serve as many participants as possible, they recognize that severely restricting participants' food choices may result in participant dissatisfaction and reduced program participation. In addition, WIC State agencies face conflicting incentives in their efforts to reduce food costs since the annual funding they receive each year is based, in part, on their previous year's funding, and, in the recent past, WIC has been able to serve all those who apply for the program.

These challenges create a pressing need for behavioral economics research that accomplishes the following tasks:

1. *Conceptual White Papers on WIC Cost Containment Incentives*

The USDA Center would fund the development of 6-10 conceptual white papers based on the behavioral economics and marketing literature to illustrate innovative applications of behavioral economics methods that could be used to incentivize one or more of the WIC-related "players"—participants, retailers, program operations—to be more conscious of the prices charged for WIC foods and make food choices that result in lower WIC food costs. These conceptual white papers would also describe some of the likely challenges associated with implementing the innovative methods, and propose a pilot that could be undertaken if funding is available.

2. *Roundtable Workshop*

The USDA Center would fund a roundtable workshop in early August 2015, where each of the authors of the conceptual white papers would provide a short presentation of his or her paper. The presentations would be followed by discussions aimed at strengthening and refining the concepts, opportunities, and challenges previously identified with each strategy, with the input of relevant stakeholders such as representatives of WIC State agencies, the National WIC Association, FNS, and the food retail and marketing systems. The discussion could also include the design of pilots to test proposed strategies.

### 3. *Final Report on WIC Cost Containment Incentives*

After the workshop, the USDA Center would pull together the innovative applications described in the conceptual white papers and the discussions from the workshop into a final report that explores innovative methods that WIC State agencies could consider to incentivize WIC participants, WIC-authorized retail vendors, and/or WIC Program staff to be more conscious of the prices charged for WIC foods. In addition to identifying opportunities, the final report would also describe the challenges that could be faced in implementing these price-sensitizing changes and propose pilots that could be undertaken pending availability of funding. Subject to availability of funding, the USDA Center may consider funding some pilot projects to test the innovative and potentially successful strategies described in the USDA Center's Final Report on WIC Cost Containment Incentives.

### 4. *Proposed Timeline for WIC Tasks*

Task	Task Description	Due Date
1	USDA Center issues an RFP for conceptual white papers exploring behavioral economics methods that could be applied to WIC participants, retail stores, and State agencies, to incentivize them to be more conscious of prices charged for WIC foods	Mid-December 2014
2	WIC white paper proposals due	February/March 2015
3	WIC conceptual white papers due	Late July 2015
4	Roundtable workshop to discuss conceptual papers with input from relevant stakeholders such as representatives from WIC and the food retail and marketing systems	Early August 2015
5	Final report	November 2015

# USDA Center Awardee Responsibilities

## Conduct Innovative Behavioral Economics and Healthy Food Choice Research

The USDA Center is expected to conduct a program of innovative behavioral economics and healthy food choice research that will yield information relevant and useful for USDA food policy and program issues. As described previously, there are three major subject areas for research: (1) Industry, Retailer, and Consumer Behaviors Promoting Healthy Food Choices of All Americans; (2) Supplemental Nutrition Assistance Program; and (3) The Special Supplemental Nutrition Program for Women, Infants, and Children. In all areas, it is expected that the Center will develop and execute an overall program of research addressing important policy questions and conduct studies described under that program of research. It is expected that the Center will work closely with ERS to identify policy-relevant research questions and that ERS researchers will have the opportunity to work cooperatively with Center researchers. Behavioral economics-healthy food choice research activities focusing on WIC must include, but are not necessarily limited to, the tasks and timeline described as part of the WIC background statement.

## Broaden the Research Base

The USDA Center will broaden the network of researchers who collaborate in investigating the application of behavioral economics concepts and theories to the improvement of nutrition, food security, and health outcomes associated with healthy food choice behavior. A major strategy for broadening the research base will be administration of a program of research subawards.

The USDA Center will initiate and maintain a subawards program to foster new and innovative research on behavioral economics and healthy food choice. The USDA Center will have the lead responsibility in soliciting, reviewing, and selecting research proposals for subawards. These subawards should reflect the goals of the program, which are to cultivate the development of innovative ideas and approaches for applying behavioral economics concepts and theories to healthy food choice, encourage established researchers not involved in behavioral economics and/or food choice research to enter the field, and nurture new talent. Consequently, subawards may fall into such categories as research grants to (1) experienced investigators, including those involved in behavioral economics, nutrition, marketing, or other areas; (2) recent Ph.D. graduates; or (3) Ph.D. candidates who are mentored by established researchers.

Subawards may support economic, behavioral, and policy-related projects, including pilot research projects and experimental studies; evaluation of findings from “natural experiments,” such as local differences in SNAP or WIC program implementation and policies (e.g., differences in State WIC food packages); development, testing, and refining of research techniques; secondary analysis of available data sets; or similar research projects. USDA Center subawards should include an appropriately balanced agenda of research focusing on SNAP, WIC, and general healthy food choice behavior topics. Further, the USDA Center should provide intellectual leadership on the application of behavioral economics to healthy food choice research issues by establishing links with a broad range of established scholars from other institutions.

The USDA Center will encourage experienced researchers in other areas to expand their research interests to address the application of behavioral economics to healthy food choice behavior and to support emerging researchers with interests in the area in developing their research abilities. The USDA Center may do this by conducting workshops, conferences, and other activities that will expand researcher knowledge of behavioral economics concepts and theories and their potential application to USDA food policy issues; sponsoring visiting scholars at the USDA Center; providing direction to research grant awardees; and encouraging grant awardees to participate in professional meetings and publish results of their work in social science journals.

## Dissemination of Information

Communicating research findings and their implications for informing USDA policy and programs will be an important responsibility of the USDA Center. Information should be communicated in a manner that makes it readily available and understandable to a diverse group of stakeholders, including researchers, policymakers, program officials, and the general public. The USDA Center will be expected to develop and maintain a system to disseminate results of funded studies through print or electronic methods, including but not limited to, creative use of a website and web-based technologies, newsletters, working papers, special reports, webinars, and briefings. The USDA Center will be expected to adapt its communications to be suitable to diverse audiences, for example, publishing working papers or research reports for research audiences; nontechnical briefs suitable for informing policy and program officials, and webinars or online informational materials that present research findings and their applications to USDA programming for SNAP or WIC program agency staff.

## Compliance With Human Subjects Regulations

All research activities involving human subjects must have their project reviewed by the appropriate committee(s) at the institution where the research will be conducted.

## Research Area Guidance

The research and related activities of the USDA Center aim to foster research on behavioral economics concepts and theories as applied to the development of strategies for improving the healthfulness of food choice behaviors. Research should be policy-relevant, addressing topics of public policy interest to USDA, with a special emphasis on SNAP and WIC. For additional information on related ERS research, see the following ERS publications:

- *Could Behavioral Economics Help Improve Diet Quality for Nutrition Assistance Program Participants?* (<http://www.ers.usda.gov/publications/err43>)
- *The WIC Program: Background, Trends, and Economic Issues, 2009 Edition* (<http://www.ers.usda.gov/publications/err-economic-research-report/err73.aspx>)
- *Can Food Stamps Do More To Improve Food Choices? An Economic Perspective* (<http://www.ers.usda.gov/publications/eib-economic-information-bulletin/eib29.aspx>)
- *Assessment of WIC Cost-Containment Practices: Final Report* (<http://www.ers.usda.gov/publications/fanrr-food-assistance-nutrition-research-program/fanrr31.aspx#.U2EHK4FdVyw>)

- *Balancing Food Costs with Nutrition Goals in WIC* (<http://webarchives.cdlib.org/sw1tx36512/http://www.ers.usda.gov/AmberWaves/September03/Features/FoodCostsWIC.htm>)

The following FNS websites also provide information on SNAP and WIC program operations and research:

- [www.fns.usda.gov/snap](http://www.fns.usda.gov/snap)
- [www.fns.usda.gov/wic](http://www.fns.usda.gov/wic)

These publications and websites have information that can suggest potential research themes. However, because ERS is interested in identifying creative and innovative behavioral economics strategies, applicants should not feel constrained to the listed topics. The USDA Center is expected to provide leadership in developing additional policy-relevant research topics and SNAP and WIC program applications.

## ERS Responsibilities

ERS, in collaboration with FNS, will provide (1) reviews of USDA Center reports to ensure that objectives and award conditions are being met; (2) statements of USDA's behavioral economics and food and nutrition research priorities; (3) input to reviews of research proposals submitted to the USDA Center; (4) coordination of activities between ERS and the USDA Center to ensure, for example, a diverse selection of research projects and to eliminate duplication of research efforts; (5) technical contacts for USDA Center subawardees; and (6) facilitation of communication between the USDA Center and FNS as a means of enhancing the effectiveness of dissemination activities directed to SNAP and WIC program audiences.

## Joint Responsibilities

ERS will work with the USDA Center for Behavioral Economics and Healthy Food Choice Research in jointly establishing broad research priorities and planning strategies to accomplish the objectives of this announcement.

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# Application Process

## General Information

The guidelines below are provided to assist you in preparing a proposal. Please read these guidelines carefully before preparing your submission.

A checklist is provided at the beginning of this document to help you provide the necessary information for completing a proposal. An Application for Federal Domestic Assistance Form (SF-424) and a budget form (SF-424A) are required for the proposal. These forms (from the Short Organizational family of forms) are included in the application package, downloadable from [www.grants.gov](http://www.grants.gov). A checklist is provided on page ii of this document to help you provide the necessary information for completing a proposal.

## Submission Requirements

The purpose of a grant proposal is to persuade ERS and members of the review panel that the proposal is worthy of support under the evaluation criteria listed below. The application should be self-contained, clearly present the merits of the proposed program, and be written with care and thoroughness. It is important that all the essential information for a comprehensive review be included. Omissions often result in processing delays and may jeopardize funding opportunities.

The submission through Grants.gov must contain an Application for Federal Domestic Assistance-Short Organizational (SF-424), including authorized electronic signatures from your organization.

In preparing the proposal, applicants are urged to ensure that the name of the proposed USDA Center Director and, where applicable, the name of the submitting institution are included on the Application for Federal Domestic Assistance Form (SF-424).

## Format and Content of Proposal

The proposal and all attachments must be submitted in portable document format (pdf). Using pdf allows applicants to preserve the formatting of their documents. To save a document as a pdf, the applicant will need to use pdf generator software. Grants.gov has published the following web page on tools and software that the applicant can use: <http://www.grants.gov/web/grants/support/technical-support.html>

### *Budget Information for Non-Construction Program (SF-424A)*

A summary budget is required detailing requested support for the duration of the program, which is not to exceed 3 years. Funding levels accepted are up to \$1.9 million inclusive of indirect costs where applicable.

Funds may be requested under any of the budget categories listed, provided that the item or service requested is identified as necessary for successful conduct of the proposed program, allowable under applicable Federal cost principles, and not prohibited under any applicable Federal statute or regulation.

Table 1 Specific Instructions for Application for Federal Domestic Assistance-Short Organizational (SF-424)	
Item	Specific Instruction
1. Name of Federal Agency	Enter "Economic Research Service, USDA"
2. Catalog of Federal Domestic Assistance Number CDFA Title	Enter "10.253" Enter "Food Assistance and Nutrition Research Program"
3. Date Received	Leave blank
4. Funding Opportunity Number Funding Opportunity Title	Enter "FANRP2014001" Enter "Competitive Grant To Establish a USDA Center for Behavioral Economics and Healthy Food Choice Research"
5a-g. Applicant Information	Enter requested information
6a. Project Title	Enter title of project proposal
6b-c.	Leave blank
7. Do not include social security number	Enter other USDA Center director information
8-9.	Enter requested information

Budget items include:

- Personnel
- Fringe benefits
- Travel
- Equipment
- Supplies
- Contractual items
- Other direct costs
- Indirect charges

Salaries of faculty members and other personnel who will be working on the program may be requested in proportion to the effort they will devote to the program.

Indirect costs are limited by Federal statute to the federally recognized audited rate for the institution.

Electronic copies of the standard budget form and general instructions are available at [www.grants.gov](http://www.grants.gov) as part of the application package. Specific instructions for completing the proposal budget form are found below.

### *Program Summary Page*

The proposal must contain a Program Summary Page, which must follow immediately after the budget form, and should not be numbered. The name and institution of the proposed USDA Center Director should be listed on the summary page. The program summary is limited to 250 words. The program summary should be a self-contained, specific description of the activities to be undertaken and should focus on the overall program goals and supporting objectives and plans to accomplish the goals. The importance of a concise, informative program summary cannot be overemphasized.

Table 2 <b>Specific instructions for Budget Information for Non-Construction Program (SF-424A)</b>	
Item	Specific Instruction
1(a). Grant Program Function or Activity	Enter "FANRP"
1(b). Catalog of Federal Domestic Assistance Number	Enter "10.253"
1(c), (d), (f).	Leave blank
1(e), (g).	Enter amount of Federal funds requested
2-4.	Leave blank
5(b),(c),(d),(f).	Leave blank
5(e),(g).	Enter amount of Federal funds requested (same as item 1)
6(a-k) (columns 1 and 5).	Allocate Federal funds to appropriate budget categories
6(a-k) (columns 2-4).	Leave blank
7-20.	Leave blank
21-23.	Optional

### *Table of Contents*

A Table of Contents, itself unpaginated, should be placed immediately after the Program Summary Page. This table should direct the reader to the pages for all sections of the proposal, beginning with the Program Description.

### *Program Description*

The Program Description may not exceed 15 pages (single-spaced) of written text, and the overall application may not exceed 45 pages, including attachments. The proposal should be assembled so that the Program Description immediately follows the Program Summary. To clarify page-limitation requirements, page numbering for the Program Description should start with 1 and should be placed on the bottom of the page. All proposals are to be formatted for standard 8½" x 11" paper. In addition, margins must be at least 1 inch, type size must be 12 point (equivalent to this size for some printers is 10 pitch or 10 characters per inch, which is also acceptable), line count should be no more than 6 lines per inch, and pages should not be reduced.

The program description must address the following components (see also, Evaluation Criteria, page 13):

#### *(1) Approach and Program Plan*

A 3-year program plan should be included that discusses the kinds of behavioral economics research activities that are needed and would be provided to facilitate new and innovative research on the application of behavioral economics theory to healthy food choice behaviors, including activities specific to SNAP and WIC. The plan should demonstrate the applicant's grasp of the policy and research significance of past behavioral economics and food choice analyses, which current and future studies may build upon to advance policy knowledge, and the development and implementation of policies and strategies for improvement in nutrition and food security outcomes associated with improved food choice behavior, especially as it relates to participants in the USDA SNAP and WIC programs.

*(2) Broaden the Research Base*

The proposal should (1) describe methods to attract experienced and emerging researchers to behavioral economics research in the healthy food choice area, and (2) present a training and mentoring plan for emerging scholars that describes how new researchers will benefit from participation in the activities sponsored by the USDA Center for Behavioral Economics and Healthy Food Choice Research. The plan should provide an estimate of the proportion of USDA Center funds that will be devoted to the subaward program and describe how the USDA Center will implement its research subaward program to support identified research needs and develop research capacity. The applicant should describe approaches and tools (e.g., electronic mailing list management systems, web postings, hard copy mailings) to solicit research proposals and methods (e.g., panels, advisory committees, or other systems) to review and select proposed studies for Center subawards. The discussion should describe intended activities, such as workshops, conferences, and other activities, that will expand researcher knowledge of behavioral economics concepts and theories and their potential application to USDA policy and program issues. In addition, the discussion should include the expected number and types of emerging scholars to be supported, any special mentoring activities intended to support their professional development, the level of support anticipated, and methods to ensure diversity.

*(3) Dissemination of Findings*

The application must also include a detailed dissemination plan that describes the planned methods of disseminating USDA Center-supported analyses to interested parties through use of web-based technologies and various media, including newsletters, working papers, special reports, briefings, webinars, and presentations to key stakeholder groups.

*(4) Staffing and Organizational Plan*

The application must include a staffing and organizational proposal for the USDA Center, including an analysis of the types of background needed among staff members. The applicant shall identify the proposed USDA Center Director and key staff. Full resumes (two-page maximum) of proposed staff members shall be included in an appendix to the application as described below. The time commitment to the Center and other existing commitments for the Director and each proposed staff member should be clearly indicated in chart form.

*Citations to Program Description*

All references cited should be complete, including titles and all co-authors, and should conform to an accepted journal format.

*Budget Narrative*

The application's budget summary narrative must link the core management functions, research, mentoring, and dissemination program to the Center for Behavioral Economics and Food Choice Research funding level. This section should discuss how the budget supports proposed research, training, and dissemination activities and describe how funds will be distributed across the 3-year funding period.

*Vitae and Publications List*

To assist reviewers in assessing the competence and experience of the proposed program staff, the proposal must include a short curriculum vitae and publication list for the proposed USDA Center

Director and any other individual who expects to work on the program in a significant fashion, whether or not funds are sought for his or her support. Vitae are limited to two pages for each individual and the publications list should focus on the past 5 years.

### *Indirect Cost Rate Schedule*

For reimbursement of indirect costs, the applicant must include with the application a copy of its indirect cost rate schedule that reports the applicant's federally negotiated audited rate.

### *Current and Pending Support*

The proposal must list any other current public or private research support (including in-house support) to the proposed USDA Center Director and key staff, whether or not salary support for the person(s) involved is included in the budget.

Analogous information must be provided for any pending proposals, including this proposal, that are now being considered by, or that will be submitted in the near future to, other possible sponsors, including other USDA programs or agencies. Note that this proposal must be listed as Pending.

Applicants should include a brief statement of research objectives or project summaries for all projects listed in Current and Pending Support. Concurrent submission of identical or similar proposals to other possible sponsors will not prejudice proposal review or evaluation. However, a proposal that duplicates or overlaps substantially with a proposal already reviewed and funded (or that will be funded) by ERS will not be funded under this program.

Please include the following information under the heading "Current and Pending Support":

- Record information for active and pending projects in separate sections by name, supporting agency, total funding amount, effective and expiration dates, percentage of time committed, and title of project.
- All current research to which the proposed USDA Center Director and key staff have committed a portion of their time must be listed, whether or not salaries for the persons involved are included in the budgets of the various projects.

### *What/When/Where To Submit*

All applications must be submitted electronically through [www.grants.gov](http://www.grants.gov). Applicants may submit paper-copy applications under extenuating circumstances, such as outages of the Grants.gov website that can be substantiated by a valid case number with the Grants.gov support center.

Every effort should be made to ensure that the proposal contains all pertinent information when originally submitted. Prior to submitting, the applicant is urged to compare the application with the checklist on page ii of this announcement.

Late proposals will not be considered unless extenuating circumstances are documented with Grants.gov.

**Reminder: Applications must be  
submitted by midnight, June 30, 2014**

# Review and Evaluation Process

## Intergovernmental Review

USDA has determined that this program is not subject to Executive Order No. 12372, Intergovernmental Review of Federal Programs, because it is a program that is national in scope and the only impact on State and local governments would be through subgrants. Applicants are not required to seek intergovernmental review of their applications within the constraints of Executive Order 12372.

## Initial Screening

Each application submitted under this announcement will undergo a pre-review to determine that (1) the application was received by the closing date and submitted in accordance with the instructions in this announcement, and (2) the applicant is eligible for funding (Eligible Applicants, page 3 of this document). Applications that do not meet these pre-review requirements will not be reviewed further and will be ineligible for funding.

## Competitive Review and Evaluation Criteria

Applications for the USDA Center for Behavioral Economics and Healthy Food Choice Research that meet the initial screening requirements will be evaluated and rated by a technical review panel. The panel will use the evaluation criteria listed below to score each application. The evaluation criteria are designed to assess the quality of the proposed program and to determine the probability of its success. The evaluation criteria are closely related and are considered as a whole in judging the overall quality of an application. Points are awarded only to applications that are responsive to the evaluation criteria within the context of this program announcement. These review results will be the primary element used by ERS in making funding decisions. Selection of the successful applicant will be based on the technical and financial criteria laid out in this announcement. Reviewers will determine the strengths and weaknesses of each application in terms of the evaluation criteria listed below, provide comments, and assign numerical scores out of a possible 100 points. A summary of all applicant scores and strengths/weaknesses and recommendations will be prepared and submitted to ERS for decisions. The point value following each criterion heading indicates the maximum numerical relative weight that each section will be given in the review process. An unacceptable rating on any individual criterion may render the entire application unacceptable. Consequently, applicants should take care to ensure that all criteria are fully addressed in the applications.

## Evaluation Criteria

### *(1) Approach and Program Plan (30 points)*

The applicant demonstrates an understanding of significant behavioral economics research, especially as it applies behavioral economics concepts and theories to the improvement of food and nutrition outcomes associated with participation in USDA's SNAP and WIC programs. The applicant's plan for implementing a research program demonstrates a commitment to bring a broad-based multi-faceted approach to the development of a behavioral economics and healthy food choice research program. The applicant indicates an ability to develop projects that are scientifically sound and are likely to result in improved diets and health of American consumers, with particular reference to

participants in the USDA SNAP and WIC programs. The applicant demonstrates the existence of, or innovative and realistic plans to establish links with (a) a broad range of established scholars from other institutions; and (b) organizations that could facilitate conduct of applied healthy food choice research, for example, food retailers and SNAP and WIC program agencies. The applicant describes approaches and means used to solicit research proposals for the subaward program (e.g., electronic mailing list management systems, web postings, hard copy mailings) and identifies panels, advisory committees, or other systems employed to review and select proposed studies. The applicant includes plans for program activities, with proposed time schedules in the first year as well as a 3-year agenda.

*(2) Broadening the Research Base (20 points)*

The applicant proposes clear plans to develop and expand the group of researchers that conducts behavioral economics research applied to the food choice behavior by (1) encouraging experienced investigators to incorporate into their research a focus on the application of behavioral economics to healthy food choice behavior that is relevant to USDA policy and program interests, especially to USDA SNAP and WIC program interests, (2) influencing emerging researchers to focus their career goals on the application of behavioral economics concepts and theories to the improvement of healthy food choice behavior that is relevant to USDA policy and program interests, especially to USDA SNAP and WIC program interests; and (3) complementing the work at the Cornell BEN Center by reaching new networks of researchers and stakeholders. The applicant's plan demonstrates methods to train and mentor Ph.D. candidates, postdoctoral students, and other research scholars by conducting, for example, workshops with subaward recipients to offer direction to facilitate the successful completion of projects and dissemination of findings via presentations at professional meetings and publications in peer-reviewed journals.

*(3) Dissemination of Information (10 points)*

The applicant's mechanisms for sharing and communicating results of USDA Center-supported studies with a broad audience of researchers, policymakers, program officials, and the general public demonstrates an understanding of users' needs and effective strategies for meeting them. Dissemination of analyses and findings from USDA Center projects may occur through creative use of websites and web-based technologies and various media, including newsletters, working papers, special reports, webinars, and presentations to appropriate research, policy, program, and consumer audiences such as the Agricultural and Applied Economics Association, the Association for Public Policy Analysis and Management, the American Association of SNAP Directors, the National WIC Association, and public interest groups.

*(4) Staffing and Organizational Arrangements (25 points)*

The applicant's proposed USDA Center Director and staff demonstrate appropriate levels of research experience, demonstrated research skills, administrative skills, public administration experience, and relevant technical expertise. The applicant demonstrates an adequate level of director and staff time commitments to the Center. The applicant demonstrates an ability to work in collaboration with other scholars and practitioners in search of similar goals. The applicant demonstrates existing or planned relationships with researchers at other universities and institutions. The applicant demonstrates the nature and extent of the organization's support for research, mentoring scholars, and disseminating information related to the central priorities of the host university for the USDA

Center. The applicant demonstrates the commitment of the university (and proposed institutional unit that will contain the USDA Center) to support the USDA Center's three major activities: (1) developing scholarly, policy-relevant research that applies behavioral economics concepts and theories to the improvement of nutrition, food security, and health outcomes associated with healthy food choice behavior; (2) broadening the involvement of researchers in behavioral economics and healthy food choice behavior by both encouraging research in this area among established researchers and supporting and mentoring emerging scholars; and (3) disseminating research and other information to a broad range of research, policy, program, and consumer groups.

*(5) Budget and Resource Allocation (15 points)*

The applicant provides a budget that yields an efficient and effective allocation of funds to achieve the objectives of this announcement (i.e., conducting research, granting subawards, building research capacity, mentoring, and disseminating information, as well as core administrative functions necessary to carry out the USDA Center's mission). The application includes a narrative description and justification for proposed budget line items and demonstrates that the project's costs are adequate, reasonable, and necessary for the activities or personnel to be supported. The budget and narrative demonstrate a clear relationship to the approach. The applicant demonstrates the manner in which funds will be allocated to best serve the USDA Center's goal to provide financial support for research, including, but not necessarily limited to, the level of indirect costs (1) charged by the USDA Center and (2) allowed to the institutions of researchers receiving subawards.

## Proposal Disposition and Award Administration

### Notifications

*Approval, Disapproval, or Deferral.* On the basis of the review of the application, ERS will either (a) approve the application as a whole or in part; (b) disapprove the application; or (c) defer action on the application for such reasons as lack of funds or a need for further review.

*Notification of Disposition.* ERS will notify the applicants of the disposition of their applications. If approved, a signed notification of the award will be sent to the business office named in the application.

ERS reserves the right to negotiate with the proposed Center Director and/or with the submitting organization or institution regarding program revisions or funding level prior to recommending any program for funding.

A proposal may be withdrawn by the proposed Center Director at any time before a final funding decision is made regarding the proposal; however, withdrawn proposals normally will not be returned. One copy of each proposal that is not selected for funding (including those that are withdrawn) will be retained by ERS for a period of one (1) year. The remaining copies will be destroyed.

### Duration of Award

The initial period for which a grant is awarded may not exceed 3 years. Additional funding and time extensions will be based on USDA Center performance and availability of funds.

### Notice of Award

A competitive grant award document, containing the budget, terms and conditions of the award, and other necessary information, will be prepared and forwarded to each grantee, along with a Notice of Competitive Grant Award, by the Administrative and Financial Management, Agricultural Research Service, USDA.

### Management Information

Once a grant has been reviewed and recommended for funding, specific management and organizational information relating to the applicant shall be requested on a one-time basis prior to the award. Copies of forms needed in fulfilling the requirements will be provided by the Administrative and Financial Management, Agricultural Research Service, USDA—our servicing agency.

Authorization to make changes in approved program plans, budget, period of support, etc., will be governed largely by the terms and conditions of the competitive grant award agreement. Among other things, these terms and conditions will set forth the kinds of post-award changes that may be made by the awardee and the kinds of changes that are reserved to ERS. It is urged that all key program personnel and authorized organizational representatives read them carefully.

## Financial Obligations

For any competitive grant awarded, the maximum financial obligation of ERS shall be the amount of funds authorized for the award. This amount will be stated on the award instrument and on the approved budget. However, in the event an erroneous amount is stated on the grant award instrument, the approved budget, or any supporting document, ERS reserves the unilateral right to make the correction and to make an appropriate adjustment in the amount of the award to align with the authorized amount.

Nothing in these guidelines or any program announcement shall obligate ERS, USDA, or the Federal Government to take favorable action on any application received in response to any announcement, or to support any program at a particular level. Further, neither the approval of any application nor the award of any program grant shall commit or obligate the United States in any way to make any renewal, supplemental, continuation, or other award with respect to any approved application or portion of an approved application.

Awardees will be required to ensure that all funds are expended in accordance with the terms and conditions of grant award, USDA regulations, and the applicable Federal cost principles in effect on the date of the award. Responsibility for the use and expenditure of grant funds may not be transferred or delegated in whole or in part to another party (even if a grantee enters into a contractual relationship with that party), unless the grant agreement itself is transferred in whole or in part to another party by ERS.

## Release of Information

ERS receives grant agreement proposals in confidence and will protect the confidentiality of their contents to the extent permitted by law. When a proposal results in a grant agreement, however, it becomes part of the public record and is available to the public upon written request. Copies of proposals (including excerpts from proposals) that are not funded will not be released. Information regarding funded programs will be made available to the extent permitted under the Freedom of Information Act, the Privacy Act, and implementing USDA regulations.

Requests to obtain authorized information (and fee schedule relating to the handling of this information) or to obtain information regarding procedures related to release of grantor cooperative agreement information should be directed to the Freedom of Information Act (FOIA) Coordinator, ARS Information Staff, 5601 Sunnyside Ave., Bldg. 1, Rm. 2248, Mail Stop 5128, Beltsville, MD 20705-5128; telephone (301) 504-1640.

## How To Obtain Application Materials and Support

ERS is using the Internet for primary distribution of information and application materials for these planning grants. All applications must be submitted electronically through [www.grants.gov](http://www.grants.gov). Applicants may submit paper-copy applications under extenuating circumstances, such as outages of the Grants.gov website that can be substantiated by a valid case number with the Grants.gov support center. If you have questions, contact:

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