

Streamlining Program Requirements and Improving Integrity in the Summer Food Service Program (SFSP)

Proposed Rule

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Today's Agenda

- Purpose and background
- Section-by-section review of flexibilities and other changes
- Request for public comments



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Background

- Rescission of SFSP memoranda
- Opportunity to request State and sponsor waivers
- FNS approval of **230 waivers** for Summer 2019



Overview: Clarify and Simplify

- Streamline to facilitate compliance
- Strengthen program integrity
- Improve program operations
- Reduce burden for SFSP sponsors and State agencies





Rescinded Waivers and Authority to Waive Regulations



Waivers

- **Area Eligibility of Closed Enrolled Sites**
- **First-Week Site Visit Exemptions**
- **Meal Service Time Flexibilities**
- **Offer Versus Serve at Non-SFA Sites**



Closed Enrolled Sites

Current Requirement	Waiver	Proposed Rule
Must use income eligibility forms to determine eligibility for free or reduced-price (F/RP) meals	May establish eligibility based on area data of site location	Establishes eligibility based on area data of site location



First Week Site Visits

Current Requirement	Waiver	Proposed Rule
Must visit all sites at least once during the first week of operations	Exempts sponsors in good standing and for sites that had operated successfully the previous year	Creates a tiered framework for first monitoring visits



Framework

Number of Sites Sponsor is responsible for managing	Timeframe during which first monitoring visits must take place
10 or fewer sites	First week (7 calendar days)
More that 10 sites	Within first two weeks (14 calendar days)
*Sites that operate for a week or less	Within period of operation

Request for Comments

- How many sites does a sponsor manage?
- How many staff conduct site visits?
- What are the logistics of site visits?
- How do time, resources, and other factors impact sponsor compliance?
- Does the proposed tiering provide sufficient flexibility for sponsors?
- What are the benefits of visiting all sites versus new or problem sites?



First Week Site Visits

Current Requirement	Proposed Rule
Must conduct food service review of each site during first 4 weeks of operation	Allows food service reviews to occur at the same time as first monitoring visit



Meal Service Times

Current Requirement	Waiver	Proposed Rule
<ul style="list-style-type: none">• Require 3 hours between beginning one meal service and beginning of next meal service• Require 4 hours between the service of a lunch and supper when no snack is served• Require supper to begin no later than 7 pm and not extend beyond 8 pm	Eliminates all meal service time restrictions	<ul style="list-style-type: none">• Removes meal service time restrictions• Requires minimum of 1 hour between end of one meal service and beginning of next meal service

Meal Service Times

Need for Clarification and Flexibility

- Breakfast meals served after lunch and claimed as a reimbursable breakfast
- Need for flexibilities to conduct meal service in event of unforeseen circumstances

Proposed Rule

- Clarifies requirements for breakfast
- Allows reimbursement of meals served outside of approved meal service time if an unanticipated event occurs



Offer Versus Serve

Current Requirement	Waiver	Proposed Rule
<ul style="list-style-type: none">• Allow children to refuse one or more food items at school food authority (SFA) sites• Require use of NSLP meal pattern	<ul style="list-style-type: none">• Extends OVS to non-SFA sponsors• Allows OVS under SFSP meal pattern	<ul style="list-style-type: none">• Allows OVS only at SFA sites• Allows OVS under SFSP meal pattern

Request for Comments

- What level of training do non-SFA sponsors receive in order to properly implement OVS?
- Do non-SFA sponsors have the resources needed to properly implement OVS?
- What level of technical assistance do non-SFA sponsors receive?
- How would non-SFA sponsors be impacted if OVS were not available?
- How does OVS benefit sponsors?



Authority to Waive Statute and Regulations



This rule proposes codify USDA's **authority to waive statutory and regulatory requirements for all Child Nutrition Programs** and:

- Describe the process of requesting a waiver
- Allow the State agency the discretion to deny a waiver request
- Describe monitoring requirements for States
- Describe Data reporting requirements



Authority to Waive Statute and Regulations - Comments



USDA is requesting comments on:

- The process of requesting a waiver
- Monitoring implementation of the waiver
- Reporting data on waivers





Streamlining Program Requirements



Streamlining Program Requirements

- Application procedures for new sponsors
- Demonstration of financial and administrative capability
- Performance standards for evaluating sponsor viability, capability, and accountability



Application Procedures for New Sponsors

Current Requirement	Policy Guidance	Proposed Rule
<ul style="list-style-type: none">Includes different requirements for new and experienced sponsors applying for participation in the SFSP	<ul style="list-style-type: none">Allows new sponsors in good standing in CACFP or NSLP to apply for participation in SFSP using the procedures for experienced sponsors	<ul style="list-style-type: none">Allows new NSLP and CACFP sponsors in good standing to apply using the process for experienced sponsors



Demonstration of Financial and Administrative Capability



Current Requirement	Policy Guidance	Proposed Rule
<ul style="list-style-type: none">Requires sponsors to demonstrate financial and administrative capability prior to approval to operate the program	<ul style="list-style-type: none">SFAs and CACFP institutions in good standing do not have to submit further evidence of financial and administrative capability	<ul style="list-style-type: none">SFAs and CACFP institutions in good standing do not have to submit further evidence of financial and administrative capabilityState agencies establish information sharing processes.

Request for Comments

- Would sharing of information help improve the integrity of the program?
- Would developing an info sharing process create undue burden on State agencies?
- What are potential costs of developing an info sharing process?



Performance Standards for Evaluating Sponsor Viability, Capability, and Accountability

Current Requirement	Proposed Rule
<ul style="list-style-type: none">Requires sponsors to demonstrate financial and administrative capability prior to approval to operate the program	<ul style="list-style-type: none">Clarifies existing SFSP requirements and provides support and guidance to State agencies when evaluating sponsor applicationsProvides performance standards that correspond to standards currently in place for CACFP:<ul style="list-style-type: none">Financial viability and financial managementAdministrative capabilityProgram accountability

Facilitating Compliance with Program Monitoring Requirements



Facilitating Compliance with Monitoring Requirements

- First week site visits*
- Approved level of meals for vended sites
- Statistical monitoring procedures
- Site selection
- Meal claim validation



**discussed in earlier section with waivers*



Approved Level of Meals for Vended Sites

Current Requirement	Policy Guidance	Proposed Rule
<ul style="list-style-type: none">• Must establish “site cap” of maximum number of children’s meals served• Allows adjustment only during site reviews or sponsor’s documentation• Must disallow payments for meals served over the site cap at vended sites	<ul style="list-style-type: none">• May request adjustment to site cap at any time prior to submitting claim for reimbursement	<ul style="list-style-type: none">• May request adjustment to site cap at any time prior to submitting claim for reimbursement• Provides guidance for determining site caps for sites lacking accurate historical records

Statistical Monitoring Procedures, Site Selection, and Meal Claim Validation for Site Reviews

Current Requirement

Set the frequency and number of required sponsor and site reviews

Proposed Rule

- Removes option for statistical monitoring
- Retains requirement to conduct reviews of at least 10 percent of each sponsor's sites, or one site, whichever number is greater
- Provides site selection criteria



Site Selection Criteria for State Agency Sponsor Reviews

- Maximum number of meals approved to serve
- Method of obtaining meals (i.e., self-preparation or vended meal service)
- Time since last State agency review
- Type of site (i.e., open, closed enrolled, or camp)
- Type of physical location (e.g., school, outdoor area, community center)
- Rural designation
- Sponsor's affiliation



Meal Claim Validation

Current Requirements

Requires validation of 100 percent of all meal claims from all sites under reviewed sponsor

Proposed Rule

- Creates new method for conducting meal claim validations
- Would initially validate a small sample of claims
- Requires validation of additional claims only if sufficient error is detected



Calculating Percent Error

$$\frac{M_R - MV_R}{M_R} \times 100$$

M_R = total meals claimed by the sponsor for validated sites

MV_R = total meals validated by the State agency for validated sites



Stepped Increase for Meal Claim Validations

Step 1: Validate 100 percent of meal claims for the sites being reviewed

- If error rate is less than 5 percent, the review is complete
- If error rate is 5 percent or greater, move to step 2

Step 2: Expand validation to 25 percent of the sponsor's total sites

- If error rate is less than 5 percent, the review is complete
- If error rate is 5 percent or greater, move to step 3

Step 3: Expand validation to 50 percent of the sponsor's total sites

- If error rate is less than 5 percent, the review is complete
- If error rate is 5 percent or greater, move to step 4

Step 4: Expand validation to 100 percent of the sponsor's total sites

- If error rate is less than 5 percent, the review is complete
- If error rate is 5 percent or greater, the review is complete

Slide 35

MC2

does this say in the review period or prior year in rule?

Morgan, Cassandra - FNS, 1/15/2020

Request for Comments

- How would completing meal claim validations under a stepped increase impact:
 - 1. the burden of the State to validate meal claims compared to current practices?
 - 2. the accuracy of the claim validation process?
- Comments on the stepped increases and percentages specified in each step.





Providing a Customer-Service Friendly Meal Service



Providing a Customer-Service Friendly Meal Service

- Meal Service Times
- Off-Site Consumption of Food Items
- Offer versus Serve



Off-Site Consumption of Food Items

Current Requirement	Policy Guidance	Proposed Rule
Must maintain children on site while meals are consumed	Allows children to take certain food items (i.e., fruit, vegetable, or grain items) off-site for later consumption	Allows children to take certain food items (i.e., fruit, vegetable, or grain items) off-site for later consumption



Request for Comments

- What is State agency's ability to monitor effective implementation of off-site consumption?
- Would State agency use discretion to prohibit certain sponsors from using this option on a case-by-case basis?





Clarification of Program Requirements



Clarification of Program Requirements

- Reimbursement Claims for Meals Served Away from Approved Locations
- Timeline for Reimbursements to Sponsors
- Requirements for Media Release
- Annual Verification of Tax-Exempt Status



Reimbursement Claims for Meals Served Away from Approved Locations

Current requirement	Policy Guidance	Proposal
<ul style="list-style-type: none">Meals are reimbursable only when served at sites approved by the State agency	<ul style="list-style-type: none">Allows meals served away from the approved site location during a field tripSponsors must notify the State agency	<ul style="list-style-type: none">Allow meals served away from the approved site location during a field tripSponsors must notify State agencyState agency discretion to set limits and disallow meals that were not notified of in advanceSponsors would have to be capable of meeting all Program requirements on field tripsSponsors of open sites must continue operation at approved site location while field trip occurs



Timeline for Reimbursement to Sponsors

Current requirement

- State agencies must forward reimbursements to sponsors within 45 calendar days of receiving a valid claim
- State agency must return the incomplete or invalid claims within 30 calendar days, with an explanation of the reason for disapproval
- State agency must take final action within 45 calendar days of receipt of revised claim

Proposal

- If the claim is determined to be potentially unlawful, the State agency must still disapprove the claim within 30 calendar days with an explanation of the reason for disapproval
- State agencies may be exempt from the 45 calendar day timeframe for final action if more time is needed to complete a thorough examination



Requirements for Media Release

Current requirement	Policy Guidance	Proposal
<ul style="list-style-type: none">All sponsors must annually announce the availability of free meals in the media	<ul style="list-style-type: none">State agencies may complete media release requirement on behalf of all sponsors of open sites in their State through an all-inclusive Statewide media release	<ul style="list-style-type: none">Allow State agencies the discretion to issue a media release on behalf of all sponsors operating SFSP sites in the State, including campsSponsors of camps and other sites not eligible under the definition of “areas in which poor economic conditions exist” must <i>only</i> notify participants or enrolled children of the availability of free mealsSection would be renamed, “Notification to the Community”



Annual Verification of Tax-Exempt Status

Current requirement	Policy Guidance	Proposal
Sponsors must maintain their nonprofit status	State agencies must annually review a sponsor's tax-exempt status	Codify the requirement for annual confirmation of tax-exempt status at the time of application



Important Definitions



Important Definitions in the SFSP

- Self-Preparation and Vended Sites
- Roles and Responsibilities of Site Supervisors
- Unaffiliated Sites
- Unanticipated School Closure
- Nonprofit Food Service, Nonprofit Food Service Account, Net Cash Resources



Self-Preparation versus Vended Sites

The rule proposes to:

- Add definitions for “self-preparation site” and “vended site”
- Amend requirements at sections 225.6(c)(2)(viii) and 225.6(c)(3)(v) to require a summary of how meals will be obtained at each site as part of the sponsor application

While adding these definitions is an important first step, USDA is interested in learning more about current data collection practices, and the capabilities of claiming systems...



Self-Preparation versus Vended Sites - Comments

USDA is requesting comments on the following questions:

- How many State agencies have systems that are capable of receiving claims at the site level? Are any State agencies currently receiving claims at the site level and providing reimbursement based on the individual site classification?
- What are the costs and benefits of implementing systems that can receive claims at the site level?



Self-Preparation versus Vended Sites - Comments

USDA is requesting comments on the following questions:

- How common or uncommon is it for a site to use two different methods of obtaining meals (e.g., offering a self-prepared breakfast and a vended lunch)?
- Do any State agencies have systems that are able to account for different methods of obtaining meals within the same site?
- What would be the impact on claiming and monitoring of collecting and paying claims at the site level?



Roles and Responsibilities of Site Supervisors



The rule proposes to add the following definition:

- ***Site supervisor.*** The individual on site for the duration of the meal service, who has been trained by the sponsor, and is responsible for all administrative and management activities at a site including but not limited to: ordering meals, maintaining documentation of meal deliveries, ensuring that all meals served are safe, and maintaining accurate point of service meal counts

Unaffiliated sites

The rule proposes to add the following definition:

- ***Unaffiliated site.*** A site that is legally distinct from the sponsor

The rule proposes to include this type of situation as a characteristic that should be taken into consideration when determining which sites a State agency should choose to review during a sponsor review in order to fulfill requirements



Unanticipated School Closure



The rule proposes to add definition of “unanticipated school closure”

- Would align with statutory requirements and existing regulatory provisions
- Would allow regulatory text to be streamlined and remove duplicative and repetitive references throughout the regulations



Nonprofit Food Service, Nonprofit Food Service Account, Net Cash Resources

The rule proposes to add definitions of “nonprofit food service,” “nonprofit food service account,” and “net cash resources”

- Would align with the terms already defined under the NSLP





Miscellaneous



Miscellaneous

- Authority to Waive Statute and Regulations
- Duration of Eligibility
- Methods of Providing Training
- Meal quality facility reviews



Duration of Eligibility

This rule proposes to amend the **duration of eligibility** based on school and census data from three years to **five years**

- The NSLA authorizes the use of school and census data to establish area eligibility in SFSP
- Eligibility must be reassessed every five years but may be reassessed more frequently.



Methods of Providing Training



This rule proposes to amend regulations to include the option for training to be conducted via the internet

- Capability to provide mandatory trainings via the Internet
- Variety of training opportunities and formats
- Accommodate varying sponsor needs
- Minimize the time and expense incurred by the State agency



Meal Quality Facility Reviews



This rule proposes to rename the section title from “Food Service Management Company Visits” in current section 225.7(d)(6) to “Meal Quality Facility Review”

- Current requirement is unclear and places undue burden on State agencies
- Clarifies that each facility should be reviewed at least one time during the program year

Requirement is intended to verify that meals being served are prepared, stored, and transported in such a manner that complies with local health and safety standards





Final Remarks & Request for Public Comments



Final Remarks

The proposed changes:

- Streamline and decrease administrative requirements
- Increase flexibilities for State agencies and sponsors
- Provide clarity where current program requirements are currently unclear
- Streamline SFSP operations for both State agencies and program operators
- Codify policies that have proven effective in improving efficiencies in the operation of the SFSP
- Improve compliance with program regulations

These new changes will not impact participation, meal costs, or costs to State agencies, sponsors, or sites, beyond accounting for the decreased burden needed to fulfill program requirements under the proposed changes



Public Comments

- **Name of proposed rule: Streamlining Program Requirements and Improving Integrity in the Summer Food Service Program (SFSP)**
- **All comments must be received by March 23, 2020**
- Submit comments online or through mail (no duplicates):
 - **Web based address: www.regulations.gov**
 - *Postal address:* Community Meals Branch, Policy and Program Development Division, Food and Nutrition Service, P.O. Box 2885, Fairfax, VA 22031-0885
 - *Overnight, courier, or hand delivery:* Community Meals Branch, Policy and Program Development Division, Food and Nutrition Service, 1320 Braddock Place, 4th Floor, Alexandria, Virginia 22314



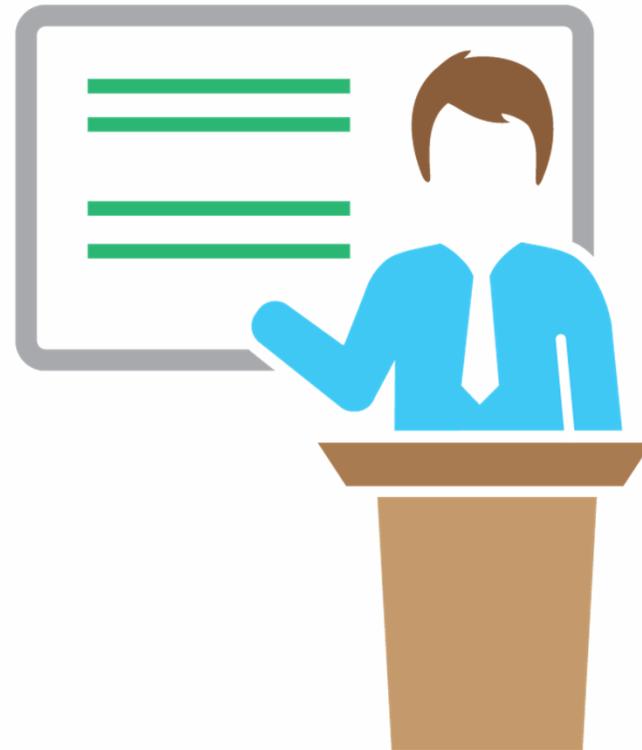
Public Comments

- Focus comments on proposed changes
- Final rule expected winter 2020.



Resources

- **USDA-FNS Summer Food Service Program:**
- <https://www.fns.usda.gov/sfsp/summer-food-service-program>
- **Summer Food Service Program Policy Resources:**
- https://www.fns.usda.gov/resources?f%5B0%5D=program%3A28&f%5B1%5D=resource_type%3A15





QUESTIONS?



Thank You!

<http://fns.usda.gov/>



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