What’s New and What’s Next

U.S. Department of Agriculture
Food and Nutrition Service
December 2012
Rules Implemented Since Enactment of HHFKA

- School Meal Patterns (Final)
- Certification of Compliance with New Meal Patterns (Interim)
- School Food Service Account Revenue (Interim)
- Full Use of Funds (Final)
School Food Service Account Revenue Final Rule

- FNS received 96 comments on the interim rule published in the Federal Register on June 13, 2011
- Paid Lunch Equity
- Revenue from Non-program Foods
- Provisions effective July 1, 2011
School Food Service Account Revenue: SY 2013-14 Paid Lunch Equity

- In SY 2013-14, SFAs which, on average, charged less than $2.59 for paid lunches in SY 2012-2013 must adjust their average price or provide additional non-Federal funds to the non-profit school food service account.

- The amount of the per meal increase must be calculated using 2 percent plus 2.93 percent, or 4.93 percent.

- SY 2013-14 Paid Lunch Equity Tool will be issued in December 2012.
HHFKA Proposed Rules

- Independent Review of Applications
- Direct Certification Continuous Improvement Plans
- CACFP Amendments Related to HHFKA
Independent Review of Applications

- Proposed Rule published September 13, 2012
- Strengthens the Free/Reduced Price Application process
- The comment period closed November 13, 2012 and 66 comments were received.
- Final Rule expected in 2013
Direct Certification
Continuous Improvement Plans (CIPs)

- Proposed rule published 1/31/2012
- Final Rule expected December 2012
At-risk Streamlining for SFAs

• Intended to streamline the requirements for schools participating in CACFP to be more consistent with those of the NSLP
• Highlights existing flexibilities from previous streamlining memo (CACFP 08-2008)
• Allows additional provisions to streamline operations related to:
  • applications
  • agreements
  • meal patterns
  • procurement and contracting; and
  • Monitoring
• Memo issued on 11/28/2012
CACFP Amendments Related to HHFKA

- Proposed Rule published April 9, 2012
  - Replaces renewal applications with periodic updates
  - Varied timing of reviews
  - Permanent agreements between sponsoring organizations and day care homes
  - Requires the full names of principals and providers
  - Allows day care homes to collect income eligibility information
  - Sponsoring organization admin payments on formula
  - Allows carry over up to 10% of admin funding
- The comment period closed on June 8, 2012 with 125 comments from 25 individuals.
- Final Rule expected in 2013
What’s next with HHFKA
Direct Certification
Annual Report to Congress

• Direct Certification in the National School Lunch Program: State Implementation Progress School Year 2011-2012 is expecting publication soon.
Benchmarks and Technical Assistance

- Benchmarks SY 2012-2013 - 90%
- Benchmarks SY 2013-2014, and beyond, 95%.
- Direct Certification Technical Assistance
- Continuous Improvement Plans Guidance
Direct Certification
Expected Actions

• New Direct Certification RFA
• Direct Certification with Medicaid Demonstrations
• Direct Certification Improvement Study
Community Eligibility Option

- Alternative to household applications in high poverty LEAs and schools
  - SY 2011-12: Kentucky, Illinois, Michigan
  - SY 2012-13: District of Columbia, New York, Ohio, West Virginia
  - SY 2013-14: four additional States
  - July 1, 2014: available nationwide
How will the four SY2013-2014 States be selected?

- Request for State interest in December 2012; applications due March 1.
- Similar criteria will be used to select the 4 states eligible to participate.
  ▫ Required by law, states with an adequate number and variety of LEAs and schools that could benefit from the option will be selected.
- Emphasis will be placed on commitment from eligible LEAs prepared to participate for SY2013-2014.
Implementation Issues

- Impacts of the absence of student level poverty data used to distribute other assistance funding.
  - Potential redistribution of school-level Title I funds
  - Need for alternative data for State and local funding formulas
  - Need for individual free and reduced price data for E-Rate discount level determinations.
- Requires communication between Child Nutrition staff and other State and local education staff to assess potential implications.
Nutrition Standards for All Foods Sold in Schools

• Apply to food items available for sale on the school campus throughout the school day
• In developing standards, USDA must consider:
  ▫ Scientific recommendations for standards
  ▫ Existing voluntary standards for beverages and snack foods
  ▫ Existing State and local standards
  ▫ Practical application of the standards
  ▫ Exemptions for infrequent school-sponsored fundraisers
• Status: Proposed Rule under development
Local Wellness Policy (LWP)

- USDA must publish regulations that provide a framework and guidelines for local wellness policies, including:
  - Goals for nutrition promotion and education, physical activity, and wellness
  - Nutrition guidelines for foods served on school campus
  - Guidelines to promote student health and reduce obesity
  - Requirements for certain groups to participate in the development, implementation, periodic review and update of LWPs

- Local Education Agencies (LEAs) determine specific policies appropriate for their schools
- LEAs required to inform and update the public on the content, implementation, and assessment of LWPs
- Proposed Rule expected publication 2013
LWP Implementation During School Year 2012-2013

- Review strategies to facilitate LWPs as outlined in CDC’s School Health Guidelines to Promote Healthy Eating and Physical Activity (http://www.cdc.gov/healthyyouth/npao/strategies.htm)
- Inform and update the public about the content, implementation, and assessment of LWPs
LWP Input from State Agencies

• USDA would like State agencies to share existing materials:
  ▫ Model LWPs developed at the State level
  ▫ State-developed guidelines or best practices for developing LWP at the LEA/local level
  ▫ LWP assessment materials developed, used, or recommended by the State

• Please email your existing resources to the Child Nutrition Division’s wellness training inbox by January 15th, 2013: CNDTraining@fns.usda.gov
Professional Standards for School Foodservice Personnel

USDA will publish a Proposed Rule in 2013 that establishes criteria and standards for:

- States to use in the selection of State agency directors
- Minimum education, training and certification for school food service directors
- Minimum periodic training criteria to maintain school foodservice director certification
- Annual training and certification for local foodservice personnel
Professional Standards for School Foodservice Personnel

USDA may provide financial and other assistance to one or more professional foodservice management organizations

- To establish and manage the program
- To develop voluntary training and certification programs for other school foodservice workers

• Task Force meeting March 2012. Attendees (65) included:
  - State Agency Staff
  - Child Nutrition Directors from various size school systems
  - Local Child Nutrition Manager
  - School Superintendent
  - Food Industry
  - Associations
  - Government
Childhood Hunger Research and Demos

• HHFKA provided substantial new funding for research and demonstrations to address childhood hunger and food insecurity:
  ▫ $10 million for research on the causes, characteristics, and consequences
  ▫ $40 million for demonstrations of innovative strategies
Research on Causes, Characteristics, and Consequences

• Funding: $10 million (available until expended)
• Purpose: To advance knowledge and understanding of the factors that contribute to child hunger, its geographic distribution, the effectiveness of nutrition assistance programs, impacts on child development and well being and other outcomes
• Status: USDA commissioned National Academies to convene expert workshop in early 2013 to help determine areas and methods with greatest research potential.
Demonstrations of Innovative Strategies

• Funding: $40 million (available until September 2017)
• Purpose: To test alternative models of service delivery and benefit levels, rigorously evaluate each project, and share results broadly
• Status: Competitive grant program under development; Congressionally mandated consultations with DHHS, DOL, HUD, and Education are underway.
• RFA expected Summer 2013; awards FY 2014
Local Meal Charge Policies and Alternate Meals

- HHFKA requires USDA to convene workgroup to examine current policies and practices on extending credit to students to pay for reimbursable meals, and providing “alternate” meals to students without funds
- Prepare report on the feasibility of national standards for meal charges and alternate meals, with recommendations for implementing
Local Meal Charge Policies and Alternate Meals: Current Status

• Data from School Nutrition Operations Study (Year 1) available soon
• Expect to convene workgroup in Spring 2013
• Workgroup will include State agencies, LEAs, others
New Administrative Review Process Regulation (SMARRT)
Child Nutrition Integrity Rule

• Provisions include
  ▫ Termination and disqualification for SFSP
  ▫ Program fines
  ▫ Increase in State audit funding
  ▫ Reciprocal disqualifications
  ▫ Serious deficiency process for CACFP unaffiliated sponsored centers
• Expected publication in 2013
Proposed CACFP Meal Pattern Changes

• Healthy, Hunger-Free Kids Act of 2010 requires the USDA to:
  ▫ Update the CACFP meal patterns
  ▫ Align the meal patterns with the most recent version of the Dietary Guidelines and;
• Recommendations provided by the National Academies of the Institute of Medicine as outlined in their report “CACFP: Aligning Dietary Guidance for All”
• Status: Rule in clearance, expected 2013
Other Updates
Limited English Proficiency

• Available now: Free and Reduced Price School Meals Application and verification forms translated into 33 languages.

• Available soon: Family-friendly abbreviated application translated into 33 languages.

• Translated applications and forms must be made available on State and SFA websites

http://www.fns.usda.gov/cnd/frp/frp.process.htm
Preventing Overt Identification

• **Overt Identification** is any action that may result in a child being recognized as potentially eligible to receive or certified for free or reduced price school meals.

• Guidance recently provided in FNS Policy Memo SP 45-2012, “Preventing Overt Identification of Children Certified for Free or Reduced Price School Meals.”
Preventing Overt Identification

• Prohibited actions:
  ▫ Publicizing or announcing eligible households or children’s names;
  ▫ Using different mediums of exchange;
  ▫ Having separate dining areas, service times, or serving lines;
  ▫ Limiting choices of reimbursable meals; and
  ▫ Requiring that children work for their meals.
Fresh Fruit and Vegetable Program Final Rule

• A proposed rule was published on February 24, 2012
• 181 comments were received
• A final rule is currently under development and expected to be published in 2013
742 Updates

- Form FNS-742 was revised and is currently with OMB for final approval.
- The proposed form was published for comments through a 60-day notice issued in June.
- The revised version was reformatted to include more comprehensive instructions and additional relevant data elements.
742 Updates (continued)

• After OMB approval, guidance will be issued to assist with the implementation of the new form.
• Webinars to train on the new form will be conducted.
• Currently, anticipate the new form to be implemented for the 2013-2014 School Year.
• The current form FNS-742 should be used for reporting verification data for the 2012-2013 School Year.
Increase to the Federal Small Purchase Threshold

- Small Purchase Threshold (a.k.a. Simplified Acquisition Threshold) **Increased to $150,000**
- CNP procurements with an aggregate value under $150,000 can use informal procurement procedures
- Applies to all Child Nutrition Programs
SFSP and CACFP Day Care Home Eligibility Based on Census: 2013 Data

- Census data can be used to determine eligibility for: SFSP sites and tiering in CACFP DCH
- Must use the most recent census data available
- Spring 2013 Data release:
  - 2007-2011 American Community Survey data
  - Percentage of children eligible for free or reduced price school meals for CACFP (0-12) & SFSP (0-18)
Program Integrity

• Access, Participation, Eligibility and Certification (APEC-II): Continued focus due to IPIA

• Verification for Cause SP-13-2012, February 10, 2012
Technology

- HHFKA $
- Administrative Reviews & Training (ART) Method II grants
2012 Election & The 113th Congress

USDA/State Agency Workshop
December 6, 2012

Marshall Matz
Election Overview

- President Obama is reelected
  - Electoral Vote – 332 to 206
  - Popular vote - 51.4% to 48.6%, with 62,615,406 to 59,142,004
Election Overview

● The Senate
  ● 53 Democrats; 45 Republicans; 2 Independents
  ● Democrats gain 2 seats
  ● 60 votes needed to overcome a filibuster
  ● 12 new Senators
Election Overview

● The House
  ● 233 Republicans; 200 Democrats
  ● Republicans -7; Democrats +10
  ● Large Incoming Class - 35 Republicans and 49 Democrats
  ● Nearly Half of House has served Four Years or Less
  ● Congresswoman Jo Ann Emerson (R-MO) announces her retirement
The Second Obama Term

- **Schedule C Appointments** –
  - USDA Team Expected to Remain in Place
The Budget and You

- **Budget**: All programs are on the table.
  - Sequestration – Across the board cuts of 8.2%
    - School Lunch and Breakfast currently exempted
  - Taxes - Who pays and how much?
  - Debt Limit - An increase is needed by February, but what is the price?
  - How are future budget reductions implemented?
The Budget and You

- The FY 2013 Budget Request - $140.8 billion in both mandatory and discretionary funding. About 80% goes for funding Food Assistance Programs –
  - SNAP ----------------------------------------------- $81,995,293,000
  - Child Nutrition ------------------------------------- $19,694,000,000
    - School Lunch - -----------------$11,263,349,000
    - School Breakfast ---------------$3,502,644,000
    - CACFP -------------------------- $2,916,755,000
  - WIC --------------------------------------------- $7,041,000,000
Are Block Grants the Answer?

Block Grants for SNAP and Other Food Assistance Programs.

- What is a Block Grant?
  - A Block Grant is a lump sum of money to the recipient – in this case the states – to finance some particular action or policy agenda.

- How much money is provided?
  - Block Grants offer a lump sum of money each year. The amount of money provided to each state can be based on anything from a formula to a specific application procedure.
Are Block Grants the Answer?

● Advantages
  ● Flexibility to design a program responding to local needs and desires.
  ● Less federal paperwork, oversight, requirements.
  ● People take ownership because they, themselves, have designed the program.

● Disadvantages
  ● 50 States = 50 sets of programs and 50 sets of standards.
  ● Lump some of money – No longer an entitlement.
Are Block Grants the Answer?

- **Block Grants end Entitlements** –
  - School Lunch and Breakfast are Entitlements – every eligible child who applies for the program must be served.
  - Congress must provide funding, and the funding may be used only for the program.
Are Block Grants the Answer?

- **What can they be used for?**
  - Block Grants can be used for whatever purpose is authorized by the legislation.

- **Who sets the standards?**
  - There are few, if any, federal standards.
  - For the most part, states design their own programs within the broad parameters of the Block Grant. themselves.
    - States would be free to change the standards of eligibility, along with setting benefit levels.
Are Block Grants the Answer?

- Where have we heard this story before?
  - 1995 - The “Personal Responsibility Act” included in Speaker Newt Gingrich’s Contract with America. The Speaker proposed combining school lunch, school breakfast, WIC, and Food Stamps (now called the Supplemental Nutrition Assistance Program, or “SNAP”) into a block grant.
  - Earlier this year - The Fiscal Year 2013 House Budget Resolution:
    - “Convert the Supplemental Nutrition Assistance Program (SNAP) into a block grant tailored for each state’s low-income population, indexed for inflation and eligibility beginning in 2016 – after employment has recovered. Make aid contingent on work or job training.”
Issues – Block Grants

- **Two bills in Congress –**
  - HR 6567 - The State Nutrition Assistance Flexibility Act of 2012
    - Congressman Tim Huelskamp (R-KS) (joined by eight other members)
    - October 2, 2012
      - The bill would combine five programs into a block grant, cutting funding by virtually half.
      - Ends SNAP’s entitlement status.
  - S. 3602 - the Food Stamp Restoration Act - Senator Inhofe (R-OK) - September 20, 2012.
    - Ends SNAP’s entitlement status.
Why Do We Fund These Programs?

- “Malnourishment is a national concern…. First of all there is a moral imperative: Our national conscience requires it…..Even in purely practical terms there are compelling considerations requiring the challenge to be met. A child ill fed is dulled in curiosity, lower in stamina, distracted from learning. A worker ill-fed is less productive, more often absent from work. The mounting cost of medical care for diet-related illnesses; remedial education required to overcome diet related slowness in school; all of these place a heavy economic burden on a society as a whole.”

President Richard M. Nixon
White House Conference on Food, Nutrition and Health
December 2, 1968