

Comparison of Administrative Review Requirements

The following chart summarizes the key existing, proposed, and final administrative review requirements and states the anticipated outcomes.

Existing Requirement	Proposed Rule	Final Rule	Effect of Change
<p>Review Location State Agencies (SA) are required to conduct an on-site review of each SFA once every 3 years.</p>	<p>Review Location The proposal would allow portions of the review to be conducted off-site and on-site.</p> <p>No change to the 3- year cycle.</p>	<p>Review Location The final rule allows portions of the review to be conducted off- site and on-site.</p> <p>No change to the 3- year cycle.</p>	<p>The change is expected to provide SAs with review flexibility, lower travel costs, and increase their ability to use in- house/off-site staff expertise to review complex documentation.</p>
<p>Scope of Review The scope of review covers both critical and general areas for the NSLP and SBP. The critical areas, PS-1 and PS-2, assess whether meals claimed for reimbursement are served to children eligible for free, reduced price, and paid meals; are counted, recorded and consolidated, and reported through a system that consistently yields correct claims; and meet meal pattern requirements.</p> <p>The general areas assess whether the SFA met other program requirements related to free and reduced price process, civil rights, SFA monitoring, food safety, and reporting and recordkeeping.</p>	<p>Scope of Review The proposal retains the focus on critical and general areas of review, but would expand the general areas of review for a more robust monitoring process.</p> <p>New general areas would include: Resource Management, Competitive Food Services, Water and SBP and SFSP Outreach.</p> <p>In addition, the proposal would add Other Federal Program reviews and would introduce risk assessment protocols to target at risk schools/districts.</p>	<p>Scope of Review The final rule retains the focus on critical and general areas of review, but expands the general areas of review.</p> <p>New general areas include: Resource Management, Competitive Food Services, Water, SBP and SFSP Outreach, Professional Standards, and Local School Wellness Policies.</p> <p>In addition, the final rule adds Other Federal Program reviews and introduces risk assessment protocols to target at risk schools/districts.</p>	<p>The final rule establishes the unified review system envisioned by the HHFKA. While the final rule expands the scope of review by adding new general areas and Other Federal Program reviews, it also provides efficiencies resulting from off- site monitoring, risk assessment protocols, and automated forms. Overall, the change is expected to reduce the review burden on SAs and increase program integrity.</p>

Existing Requirement	Proposed Rule	Final Rule	Effect of Change
<p>Minimum Number of Schools to Review SAs must review all schools with a free average daily participation of 100 or more and a free participation factor of 100 percent or more. In no event must the SA review less than the minimum number of schools.</p>	<p>Minimum Number of Schools to Review The proposed rule retained that the SA must review all schools with a free average daily participation of 100 or more and a free participation factor of 100 percent or more.</p> <p>In no event must the SA review less than the minimum number of schools.</p>	<p>Minimum Number of Schools to Review The final rule retains that SA must review all schools with a free average daily participation of 100 or more and a free participation factor of 100 percent or more.</p> <p>In no event must the SA review less than the minimum number of schools.</p> <p>The final rule adds that the SA must review at least one school from each LEA.</p>	<p>The final rule makes clear the statutory requirement that the SA must select schools for review in each LEA using criteria established by the Secretary.</p>

Existing Requirement	Proposed Rule	Final Rule	Effect of Change
<p>Meal Pattern and Dietary Specifications – SAs must review the meal service for the day of review and menu and production records for a minimum period of 5 days. SAs must conduct a weighted nutrient analysis for each reviewed school.</p>	<p>Meal Pattern and Dietary Specifications The SAs would continue to review the meal service for the day of review, and menus and production records for 3-7 days. If the review reveals problems with components or quantities, the SA would expand the review to, at a minimum, the entire review period.</p> <p>The proposed rule would require the SAs to conduct a meal compliance risk assessment for all schools under review to identify the school at highest risk for nutrition-related violations, and to conduct a targeted menu review for that single school.</p> <p>If the targeted menu review confirms the school is at high risk for dietary specification violations, a weighted nutrient analysis for that school would be required.</p>	<p>Meal Pattern and Dietary Specifications The SAs continue to review the meal service for the day of review, and menus and production records for 3-7 days. If the review reveals problems with components or quantities, the SA expands the review to, at a minimum, the entire review period.</p> <p>This final rule requires the SAs to: (1) conduct a meal compliance risk assessment for all schools under review to identify the school at highest risk for nutrition-related violations; (2) to conduct a targeted menu review for that single school using one of four options.</p> <p>If the targeted menu review confirms the school is at high risk for dietary specification violations, a weighted nutrient analysis for that school is required.</p>	<p>Requiring a weighted nutrient analysis only for a school determined to be at highest risk for dietary specification violations makes the best use of limited SA resources. This change is expected to improve program integrity by focusing time and effort on at risk schools.</p>

Existing Requirement	Proposed Rule	Final Rule	Effect of Change
<p>Eligibility Certification SAs review the free and reduced price certifications for children in schools selected for review.</p>	<p>Eligibility Certification The proposal would require SAs to review the free and reduced price certifications made by the LEA in all schools in the district or a statistically valid sample of those certifications.</p>	<p>Eligibility Certification The final rule requires SAs to review all free and reduced price certifications made by the LEA in all schools in the district or a statistically valid sample of those certifications.</p>	<p>The change is expected to improve program integrity across the SFA. No change in burden is expected since the SA has the option to review a statistically valid sample of applications.</p>
<p>Fiscal Action Fiscal action for certification and benefit issuance violations is calculated based on errors in the reviewed schools.</p>	<p>Fiscal Action Fiscal action for certification and benefit issuance violations would apply to the entire SFA, including non- reviewed schools and would be determined in a manner prescribed by FNS.</p> <p>The proposal would also prescribe the extent of fiscal action for repeated PS-2 violations.</p> <p>If corrective action takes place, the duration of fiscal action for PS-1 and specific PS-2 violations could also be revised.</p>	<p>Fiscal Action The final rule requires that fiscal action for certification and benefit issuance violations apply to the entire SFA, including non- reviewed schools and is to be determined in a manner prescribed by FNS.</p> <p>The final rule also prescribes the extent of fiscal action for PS-1 violations and repeated PS-2 violations.</p> <p>If corrective action takes place, the SA may limit the duration of fiscal action for PS-1 and specific PS- 2 violations.</p>	<p>The change is expected to promote consistency and accuracy in fiscal action procedures used by SAs nationwide.</p>

Existing Requirement	Proposed Rule	Final Rule	Effect of Change
<p>Follow-up Reviews SAs are required to determine whether an SFA has violations in excess of specified thresholds and, if so, conduct follow-up reviews within specified timeframes.</p>	<p>Follow-up Reviews The proposal would eliminate the required follow-up reviews and corresponding review thresholds. Follow-up reviews would be at the SA's discretion.</p>	<p>Follow-up Reviews The final rule eliminates the required follow-up reviews and corresponding review thresholds. Follow-up reviews are at the SA's discretion.</p>	<p>The change recognizes that SAs will be conducting reviews on a more frequent basis. It provides States with the flexibility to conduct follow-up review activity at their discretion.</p>
<p>Reporting and Recordkeeping SAs are required to notify FNS of the names of large SFAs in need of a follow-up review. SAs are required to maintain records regarding its criteria for selecting schools for follow-up reviews.</p>	<p>Reporting and Recordkeeping The proposal would eliminate the follow-up review reporting and recordkeeping requirements.</p>	<p>Reporting and Recordkeeping The final rule eliminates the follow-up review reporting and recordkeeping requirements.</p>	<p>The change reduces reporting burden for SAs.</p>
<p>Posting of Final Review Results – No existing requirements.</p>	<p>Posting of Final Review Results The proposal would require SAs to make the final results of each SFA administrative review available to the public in an accessible, easily understood manner in accordance with guidelines established by the Secretary; such results must also be posted and otherwise made available to the public on request.</p>	<p>Posting of Final Review Results The final rule requires SAs to make the final results of administrative reviews available to the public in an accessible, easily understood manner in accordance with guidelines established by the Secretary; such results must also be posted and otherwise made available to the public on request. SAs have the discretion to require SFAs to post the results.</p>	<p>Posting this information online is expected to enhance awareness of school and SFA performance at meeting the requirements of the school meal programs and increase informed involvement of parents in the program. The increased reporting burden associated with the posting is expected to be minor.</p>

Existing Requirement	Proposed Rule	Final Rule	Effect of Change
<p>Include other Federal School Nutrition Programs in a Follow Up Review If the SA did not evaluate the certification, count and milk/meal service procedures for the SMP or afterschool care programs in the schools selected for an administrative review, it must do so during the follow-up review.</p>	<p>Include other Federal School Nutrition Programs in the Administrative Review The proposal would require SAs to review NSLP Afterschool Snacks and SSO, the SMP, and the FFVP as part of the administrative review under 7 CFR 210.18.</p>	<p>Include other Federal School Nutrition Programs in the Administrative Review The final rule requires SAs to review the NSLP Afterschool Snacks and SSO, the SMP, and the FFVP as part of the administrative review under 7 CFR 210.18.</p>	<p>The change fosters integrity of all school meal programs, and promotes efficiency.</p>

Comparison SFA Requirements

The following chart summarizes SFA requirements associated with the administrative review process.

Existing Requirement	Proposed Rule	Final Rule	Effect of Change
<p>Resource Management 7 CFR 210.8 does not address indirect costs explicitly.</p>	<p>Resource Management This proposal would add text in 7 CFR 210.14 to clarify the SFA's existing responsibilities with regard to indirect costs.</p>	<p>Resource Management This final rule adds text in 7 CFR 210.14 to clarify the SFA's existing responsibilities with regard to indirect costs.</p>	<p>The change increases understanding of indirect cost responsibilities that are monitored by the SA under the proposed administrative review.</p>
<p>SFA Monitoring SFAs are required to monitor the lunch counting and claiming processes schools annually.</p>	<p>SFA Monitoring The proposal would require the SFA to also monitor the SBP; and to expand the annual school review by including selected general areas of review that are readily observable.</p>	<p>SFA Monitoring The final rule requires the SFA to also monitor the SBP in 50 percent of schools operating the SBP annually, with all schools being monitored at least once every two years; and to expand the annual school review by including selected general areas of review that are readily observable.</p>	<p>The change results in a more robust and effective SFA monitoring process, which contributes to the integrity of the school meal programs.</p>