

## **CHILD NUTRITION PROGRAM IOWA WAIVER REQUEST**

**Child Nutrition Programs are expected to be administered according to all statutory and regulatory requirements; waivers to the requirements are exceptions. However, Section 12(l) of the Richard B. Russell National School Lunch Act, 42 U.S.C. 1760(l), provides authority for USDA to waive requirements for State agencies or eligible service providers under certain circumstances. When requesting the waiver of statutory or regulatory requirements for the Child Nutrition Programs (CNPs), including the Child and Adult Care Food Program (CACFP), the Summer Food Service Program (SFSP), the National School Lunch Program (NSLP), the Fresh Fruit and Vegetable Program (FFVP), the Special Milk Program (SMP), and the School Breakfast Program (SBP), State agencies and eligible service providers should use this template. State agencies and eligible service providers should consult with their FNS Regional Offices when developing waiver requests to ensure a well-reasoned, thorough request is submitted. State agencies and eligible service providers are encouraged to submit complete waiver requests at least 60 calendar days prior to the anticipated implementation date. Requests submitted less than 60 calendar days prior to the anticipated implementation should be accompanied by an explanation of extenuating circumstances.**

**For more information on requests for waiving Program requirements, refer to SP 15-2018, CACFP 12-2018, SFSP 05-2018, Child Nutrition Program Waiver Request Guidance and Protocol- Revised, May 24, 2018.**

**1. State agency submitting waiver request and responsible State agency staff contact information:**

Iowa Department of Education, Bureau of Nutrition and Health Services  
Kala Shipley, [kala.shipley@iowa.gov](mailto:kala.shipley@iowa.gov), Bureau Chief, 515-281-4757

**2. Region:** Mountain Plains

**3. Eligible service providers participating in waiver and affirmation that they are in good standing:**

The Iowa Department of Education, Bureau of Nutrition and Health Services affirms they are in good standing with the USDA FNS Child Nutrition Programs.

**4. Description of the challenge the State agency is seeking to solve, the goal of the waiver to improve services under the Program, and the expected outcomes if the waiver is granted. [Section 12(l)(2)(A)(iii) and 12(l)(2)(A)(iv) of the NSLA]:**

Iowa is seeking to solve the administrative burden on school food authorities (SFAs) that results from preparing for and participating in an administrative review (AR). It is estimated that a minimum of 40 hours is needed by small SFAs in gathering

required documents and supporting information for an AR. The amount of preparation time increases significantly as the size of the SFA increases. The SFAs spend additional time for the scheduled on-site AR visit, as well as responding to findings.

The three-year review cycle is also an administrative burden for the State Agency (SA). With the current number of SFAs, Iowa consultants need to complete a total of 155 ARs annually on the 3-year review cycle versus 93 reviews annually on a 5-year review cycle.

An additional challenge with the 3-year review cycle has been SFAs meeting fewer AR requirements. Many SFAs reviewed in FY18 had at least one risk flag in the Resource Management section, with some having more than one risk flag. Another area of concern is Certification and Benefit Issuance. Iowa continues to find errors in these areas during the AR. Of the ARs conducted, 20 SFAs met or exceeded the State-determined Certification error rate of 8% requiring the SFA to conduct the Independent Review of Applications in FY19.

The goal of the 5-year review cycle is to provide SFAs with on-going technical assistance and training by the SA and to support continuous improvement and program integrity of SFAs. By implementing a 5-year cycle and providing additional technical assistance, Iowa anticipates SFAs will have less findings and required corrective action. The 5-year AR cycle will reduce the administrative burden for both the SFA and the SA and reallocate that time to the identification of training needs and the delivery of timely and focused training. The technical assistance provided to the SFAs will include but not be limited to regionalized trainings on topic areas of high risk, the development and distribution of educational resources and training videos, and the provision of both virtual and on-site visits for SFAs that meet risk indicators.

The anticipated outcomes of the 5-year review cycle include:

- Reduction in Certification and Benefit Issuance Errors
- Reduction in the number of SFAs having a risk flag in the Resource Management section of the AR
- Reduction in the number of SFAs exceeding the State error criteria for Independent Review of Applications

**5. Specific Program requirements to be waived (include statutory and regulatory citations). [Section 12(l)(2)(A)(i) of the NSLA]:**

The Iowa Department of Education, Bureau of Nutrition and Health Services is requesting a waiver of the 3-year review cycle requirement. Current regulation to be waived, 7 CFR 210.18 (c): Timing of reviews. State agencies must conduct Administrative Reviews of all school food authorities participating in the National School Lunch Program (including the Afterschool Snacks and the Seamless Summer Option) and School Breakfast Program at least once during a 3-year review cycle, provided that each school food authority is reviewed at least once every 4 years. For each State agency, the first 3-year review cycle started the school year that began on July 1, 2013 and ended on June 30, 2014. At a minimum, the on-site portion of the administrative review must be completed during the school year in which the review was begun.

**6. Detailed description of alternative procedures and anticipated impact on Program operations, including technology, State systems, and monitoring:**

Alternate procedures will include a new SFA Administrative Review schedule and the implementation of timely and relevant technical assistance that supports the delivery of quality food and nutrition services for SFAs.

Approximately 90 of the 155 annual SFAs due for an AR during year one of the 3-year review cycle will be conducted in year one of the 5-year review cycle. The remaining 65 SFAs will be scheduled in year two of the 5-year cycle. With approximately 90 ARs scheduled each year of the 5-year review cycle, all active SFAs will receive an AR during the new 5-year AR cycle.

ARs will be conducted more frequently than every five years for the following SFAs to ensure program integrity.

- SFAs identified as having higher risks will receive either more frequent ARs or more intensive, individualized technical assistance. The Iowa Risk Assessment Report identifies risk in the following areas:
  - Staff - New Authorized Representative or Child Nutrition Director
  - Type of organization – Educational Institution or Private Nonprofit Institution
  - Claims - Missed or duplicate claim
  - Meal Pattern – Removal of 6 Cent Incentive, Meal Counts, Meal Pattern Requirement
  - Organization Compliance – Application Submission, Flagged for Follow-up
  - Fiscal Action – Fiscal Action under/over \$600

- SFAs contracting with Food Service Management Companies will continue to receive an AR every three years to ensure program integrity and compliance.

*Anticipated Impact on Program Operations, Technology, State Systems & Monitoring*

The impact on program operations will be positive by reducing administrative burden and shifting the focus to continuous improvement for more efficient and higher quality food and nutrition services.

- A 5-year review cycle will provide considerable relief for both the SFA and the SA. The AR process is intense. Many of the SFAs in Iowa are small to medium in size with an enrollment range of 9 in an RCCI to 34,273 in Des Moines Public Schools, Iowa's largest SFA.
- Data from the USDA FNS-640 Report, Iowa's Risk Assessment Report and the prior year's AR findings will be reviewed to determine training and technical assistance needs.
  - Regional meetings will provide training opportunities that address high risk topic areas and are convenient for SFA representatives to attend.
  - One-on-one technical assistance will be delivered both virtually and on-site and will be unique to each SFA. Topic areas for one-on-one technical assistance may include those areas identified on the Risk Assessment Report but may also be self-identified by the SFA.
  - Training webinars, recordings and supportive written materials will be available for SFAs to access on an as needed basis. Short, instructional videos/web casts will be available to assist SFAs in answering questions when completing reports and determining free and reduced lunch eligibility and verification.

Moving to a 5-year review cycle will require Iowa to adjust the review functionality of our automated system, also used by many states.

The impact of a 5-year review cycle on state systems and monitoring will be positive. The Bureau of Nutrition and Health Services consultants each conduct approximately 15-20 ARs per year under the 3-year review cycle. The on-site and off-site components of the AR require the consultants to email SFAs the review documents required for the on-site visit, review the SFA responses to off-site questions, respond to questions, conduct the on-site review, approve corrective action documents, close the review and notify the SFA of the AR closure. During a program year, consultants may be working on several ARs concurrently. Reducing the number of annual AR visits by implementing a 5-year review cycle is essential for the SA to efficiently

review the large number of SFAs and provide the level of technical assistance and training needed.

A 5-year review cycle will allow additional time to streamline operations for program expansion. Currently, the Bureau of Nutrition and Health Services is developing a process for SFAs providing At-Risk CACFP programs to complete one annual application rather than two unique program applications. Continuing to identify and improve processes utilizing technology will further reduce both the SA and SFA administrative burden. Moving to a 5-year review cycle will allow the SA to actively promote the At-Risk CACFP and reach more children. Several districts have shared an interest in expanding local programs and this feature will significantly reduce the administrative burden for the SFA.

**7. Description of any steps the State has taken to address regulatory barriers at the State level. [Section 12(l)(2)(A)(ii) of the NSLA]:**

Iowa developed several tools and processes to address regulatory requirements and reduce the SFA administrative burden.

- The electronic administrative review tool allows SFAs to complete the off-site review components prior to the review, reducing the on-site time needed for the AR.
- The Iowa Certification and Verification System (I-CAVES) was developed to assist SFAs in the approval of free and reduced price meal applications.
- A food cost calculator was developed to assist SFAs in determining non-program revenue.

SA staff meet annually to review the Administrative Review Manual to ensure uniformity of understanding. Due to the elaborate nature of the review process, Iowa developed a tool to document common responses and the type of corrective action to take for specific findings.

Due to the complexity of the procurement process Iowa has a designated staff member to focus solely on procurement, reducing the number of consultants available to conduct ARs. The other consultants on staff are involved with conducting annual regional workshops on procurement. There are many SFAs that continue to struggle with completing the procurement section of the AR and considerable time is dedicated during the review on procurement. In Iowa, consultants conduct the procurement review on-site which has resulted in an additional day and increases the consultants lodging and meal expense.

Iowa continues to develop and apply innovative ways to implement program regulations, but it is becoming increasingly difficult under the current 3-year review cycle.

**8. Anticipated challenges State or eligible service providers may face with the waiver implementation:**

No additional challenges are anticipated with this waiver request.

**9. Description of how the waiver will not increase the overall cost of the Program to the Federal Government. If there are anticipated increases, confirm that the costs will be paid from non-Federal funds. [Section 12(l)(1)(A)(iii) of the NSLA]:**

No additional costs are anticipated with this waiver request.

**10. Anticipated waiver implementation date and time period:**

Iowa requests the 5-year cycle for administrative reviews start at the beginning of state fiscal year 2020 (July 1, 2019) and continue through the end of state fiscal year 2024 (June 30, 2024). The 5-year cycle will include the following school years: 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24.

**11. Proposed monitoring and review procedures:**

Iowa will continue to use the Administrative Review Guidance and the current, fully automated, AR process to transition from a 3-year review cycle to a 5-year review cycle. Internal monitoring and tracking of ARs will be maintained. Iowa utilizes an automated system that schedules reviews on a pre-determined cycle and also provides a comprehensive report on status (i.e., scheduled, open, closed, not completed) of ARs to ensure program compliance.

Additional training and technical assistance will be provided to new and high-risk SFAs. As highlighted in #6, Iowa will use the Risk Assessment Report and other tools to identify SFAs that may need additional technical assistance either during the scheduled AR or a focused review outside of the AR to ensure program compliance and integrity.

**12. Proposed reporting requirements (include type of data and due date(s) to FNS):**

The SA will continue to complete the FNS-640 report annually. Adjustments will be made as needed to ensure all current SFAs will receive an Administrative Review within the approved 5-year review cycle.

SFAs meeting the criteria to conduct the Independent Review of Applications will be required to complete the FNS-874 Independent Review of Applications report on IowaCNP, Iowa's automated system. SFAs will be trained on Independent Review of Applications tracking and reporting outcomes of the free and reduced eligibility approval processes.

**13. Link to or a copy of the public notice informing the public about the proposed waiver [Section 12(l)(1)(A)(ii) of the NSLA]:**

<https://educateiowa.gov/pk-12/nutrition-programs/school-meals-0>

**14. Signature and title of requesting official :**



Name: Kala Shipley

Title: Bureau Chief, Nutrition and Health Services

Requesting official's email address for transmission of response: [kala.shipley@iowa.gov](mailto:kala.shipley@iowa.gov)

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**TO BE COMPLETED BY FNS REGIONAL OFFICE:**

*FNS Regional Offices are requested to ensure the questions have been adequately addressed by the State agency and formulate an opinion and justification for a response to the waiver request based on their knowledge, experience and work with the State.*

**Date request was received at Regional Office:**

- Check this box to confirm that the State agency has provided public notice in accordance with Section 12(l)(1)(A)(ii) of the NSLA**

**• Regional Office Analysis and Recommendations:**