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December 3, 2018

Andrea Farmer
Chief, Community Meals Branch
Policy and Program Development Division
USDA Food and Nutrition Service
3101 Park Center Drive
Alexandria VA 22302

Dear Ms. Farmer:

On behalf of the 58,000 members of the School Nutrition Association (SNA), we appreciate the opportunity to provide comments on the proposed rule, *Increasing Flexibility for Verification of For-Profit Center Eligibility in the Child and Adult Care Food Program*, published in the Federal Register on October 4, 2018. SNA's membership includes school nutrition professionals serving K-12 schools, college level academic instructors/professors in related fields, State Agency personnel administering Federal child nutrition programs and other related professionals. To address this notice, we convened SNA's State Agency Advisory Council (SAAC) for input and feedback.

SNA greatly appreciates the Department's continued efforts to streamline program regulations and minimize burdens on operators and administrators. In considering this proposed change to the Child and Adult Care Food Program (CACFP), the Food and Nutrition Service (FNS) should reach out to State Agencies that have managed complex CACFP sponsors. The proposed rule appears to streamline for-profit eligibility criteria documentation, which is a worthy goal; however, the proposal shifts verification burdens from operators (monthly) to State Agencies (annually) and leaves many unanswered questions regarding the process.

The proposed rule would "make verification of eligibility of participating for-profit institutions an annual State Agency responsibility," but is unclear regarding procedures for this new verification. Questions identified by SNA's SAAC are as follows:

- Would State Agencies annually verify that each for-profit center met both the 25 percent standard each month and the 50 percent standard each year?
- How will institutions demonstrate how they meet the standard annually? Will it be based on a single month of eligibility data or an average of many months, or some other calculation?
- Would free and reduced-price meal counts be entered on the claim each month, or is the data used to establish the for-profit centers' eligibility to participate and claim each month? If the latter, this does not take into consideration adult care centers, which do not have the option to use free and reduced-price eligibility to establish eligibility for participation.

Below is input to the specific questions proposed in the Federal Register Notice:

- 1. How easily State Agency and sponsoring organization financial systems could support the changes?** This new regulation would require a major change to the State Agency's automated system; which could take up to one year or more to complete with the vendor. Required system updates include the application approval, site criteria and financial areas. Impact for sponsoring organizations would vary depending on the current eligibility status and where they fall on the identified eligibility percentage criteria.

- 2. What impacts, if any, would there be for State Agencies or sponsoring organizations in processing claims for reimbursement?** This change would require significant time and expense to update technology programming. In addition, it would require training both at the State Agency level and with sponsoring organizations to ensure they understand how to submit claims into the revised State Agency claiming system.

- 3. How State Agency financial systems could impact for-profit institutions differently from other types of institutions?** This is unknown, as the eligibility status for the institution and its claim processing procedure may change and the other types of programs sponsored by the institution may have a corresponding eligibility change. Depending on the resources of the institution and its programs, the institution could have multiple claiming changes.

- 4. How compliance would be monitored?** To minimize burden to the State Agency, compliance should be incorporated into the Administrative Review process.

- 5. How likely it would be for a for-profit center to drop below the 25 percent standard, after the center verified an annual eligibility percentage of 50 percent?** If the institution has a relatively consistent enrollment, this would be unlikely.

- 6. How the State Agency or sponsoring organization would determine that a for-profit center dropped below the 25 percent standard, after the center had verified an annual eligibility percentage of 50 percent, and how the claiming process would be impacted?** The State Agency would only know during a review and/or if the institution self-reported on a claim that they fell below the 25 percent standard. The sponsoring organization would know prior to submitting each monthly claim, as they maintain the eligibility documentation for their facilities.

- 7. What flexibilities, if any, there could be for for-profit centers that fall below the 50 percent standard, but above the 25 percent standard?** If allowed under the revised regulation, State Agencies could allow for-profit centers that meet the 50 percent standard in the prior year, but fall below in the next year, to continue with the exemption for one additional year if the percentage was more than 25 percent but less than 50 percent. In essence, State Agencies could allow a grace period similar to the Community Eligibility Provision (CEP) in the National School Lunch Program (NSLP).

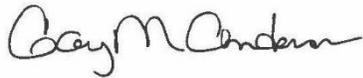
8. What impacts there would be if for-profit centers could request the State Agency to amend the claiming percentages or blended rates more frequently than annually? As the automated systems are rather intricate and interface between various modules, this accommodation would require major costly changes to the State Agency's automated claiming system.

9. How participation could be impacted if for-profit centers have the option of submitting information to the State Agency to amend the claiming percentages or blended rates more frequently than annually? The participation of the centers would not see much change, but the complexity of administration and recordkeeping will be an additional burden.

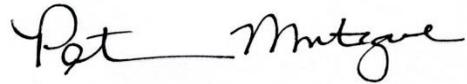
10. How, or if, the changes proposed in this rule would make CACFP more efficient and easier to manage? As noted, the verification process would require additional management and oversight at the State agency level and would require substantial time for State Agencies to update their automated systems and train staff and operators on the changes.

We appreciate the opportunity to provide these comments and look forward to continuing to collaborate with the Department. If it would be helpful, SNA's SAAC is willing to provide additional assistance or serve as a resource.

Sincerely,



Gay Anderson, SNS
President



Patricia Montague, CAE
Chief Executive Officer