



Cheryl Kennedy
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April 11, 2019

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

Colorado Department of Education (CDE) School Nutrition Unit.

Kerri Link, link_k@cde.state.co.us , 303-866-3686.

2. Region: Mountain Plains

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

This waiver request is applicable for CDE School Nutrition Unit and affirms they are in good standing.

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]:

The CDE School Nutrition Unit is requesting a state-wide waiver of the 3-year Administrative Review (AR) requirement and extend the review cycle that was proposed by the USDA Food and Nutrition Services (FNS) on February 22, 2019 through *SP 12-2019 Flexibility for the Administrative Review Cycle Requirement*.

The impact and challenges of the 3-year review cycle on the state agency (SA) and sponsors, as well as the goals and expected outcomes are outlined below.

Completion of the AR requires extensive time on the SA and sponsors. In a post-AR survey from school year (SY) 17-18, 36 sponsors reported spending an average of 75 hours preparing for and completing the review, with 25% indicating unpaid overtime was required to complete review related tasks. For example, the SA recently conducted an AR with Boulder Valley School District, which has 51 sites, and staff tracked and reported spending 341 hours preparing for and completing the review. Additionally, an internal AR productivity study was conducted in SY





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17-18 with School Nutrition staff and results indicated that a reviewer spends a minimum of 21 hours per review.

Currently all sponsors receive an AR, 56 sponsors receive a separate SFSP review and 30 receive a CACFP review within a 3 year cycle, and a procurement review every 6 years. Review findings of National School Lunch Program (NSLP) over the last three years indicates an average of five findings per review with only 3% of sponsors incurring fiscal action. The number and frequency of reviews puts undue burden on these sponsors. With the state's technology system and processes in place to reduce claims errors, minimal findings and fiscal action and multiple reviews from the SA required, CDE School Nutrition is proposing that a 5- year cycle is adequate to ensure compliance and integrity of the programs. Within the proposed 5-year cycle, a sponsor will receive an AR and procurement review on the same cycle, applicable SFSP and/or CACFP review and an additional technical assistance visit. The draft review cycle included with the waiver outlines a comparison of a 3-year vs. 5-year cycle. Sponsor review years were spread out to 5 years based on the current 3-year cycle. Sponsors that were up for review in their base year will either stay in their base year or move to the next year. Sponsors either stayed in their base year or were moved based on their previous AR findings. The SA looked at the number and severity of findings as well as PS1 and PS2 violations to determine if they would stay in their base year or move to the next year. Severity was determined by risk indicators created by the SA. For example, sponsors with a certification and benefit issuance finding with less than 5 application errors were considered lower risk than a sponsor with greater than 5 errors, especially if the errors were systemic. Similar risk indicators for meal pattern errors will be used. For example, a lower risk will be applied if there were insufficient quantities due to missing documentation and/or incorrectly determining component contribution compared to findings that had menus with insufficient quantities offered and/or missing meal components.

The goal of the waiver is to improve customer service and align reviews to support sponsors as they strive to run exceptional school meal programs. Approval of this waiver will ensure sponsors are reviewed at least once during a 5-year review cycle while streamlining monitoring operations, allow staff to support sponsors through training and technical assistance and decrease the administrative burden on sponsors and the SA. This will also allow the SA and sponsors to focus efforts on important program areas, such as financial management, procurement, and program access and participation while still ensuring program integrity in all program areas.





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Additionally, the School Nutrition Unit is aligning and expanding work to support the Colorado Blueprint to End Hunger, a 5-year collaborative, statewide plan to eliminate food insecurity in Colorado. School Nutrition is a lead partner in achieving Blueprint Goal 5 - increasing participation in and access to Child Nutrition Programs. In a recent statewide survey of all sponsors operating the National School Lunch Program (88% response rate), over half of sponsors reported a high level of opportunity to increase student participation in the NSLP, 60% in the School Breakfast Program and 80% in the SFSP. Moving to a 5-year cycle would allow School Nutrition to expand training and resource offerings to support sponsors in increasing student participation and expanding programs offered, especially in high-need areas including 4-day school week, small and rural districts.

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

The CDE School Nutrition Unit is requesting a waiver of the 3-year review cycle requirement.

Current regulation to be waived 7 CFR 210.18 (c): 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:

A 5-year review cycle will allow the SA to align the AR and procurement reviews and provide the opportunity to support sponsors through additional training and technical assistance. All sponsors will receive an AR and procurement review in addition to a technical assistance visit within the 5-year cycle to ensure program integrity. The procurement review is currently on a six year cycle, but will transition to the same 5-year cycle to further align with the AR (with the exception of SFAs who contract with a Food Service Management Companies who will continue to receive a procurement review every three years). A draft cycle is included with this waiver request. In addition to the AR and technical assistance visit, many sponsors will also receive Summer Food Service Program (SFSP) and/or Child and Adult Care Food Program





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(CACFP) reviews within the 5-year cycle. These additional program reviews allow the SA to ensure program integrity and compliance with regulations. If a sponsor has a high risk of noncompliance, the sponsor will be considered for an additional technical assistance visit or follow up review outside of the cycle.

Technical assistance visits will mirror and help sustain School Nutrition’s “kick start” model that was created and implemented with the Administrative Review Training (ART) grant ending September 2019. The kick start model provides one-on-one or small workgroup sessions led by School Nutrition staff and targets the five areas of review that received the most findings in SY 14-15 and 15-16. This model has shown to improve program compliance and customer service. Based on AR findings data, sponsors that attended a kick start in SY 16-17 had a 61% decrease in total findings when compared to their previous AR and had fewer findings in three of the five targeted areas of review compared to sponsors that did not attend a kick start. In addition to a decrease in findings, kick start sessions have strengthened the SA’s relationship and rapport with sponsors. A post-survey from kick start sessions in SY 16-17 included the following feedback:

“I appreciated that the Kick Start session allowed us to be upfront and truthful about our shortcomings, weaknesses, and struggles without the intimidation factor or consequences. It was truly complete guidance with the how can I be of service to you to help you be successful with your upcoming review.”

“I enjoyed the small group setting the most. It was nice to be able to ask questions as we went along.”

In addition, School Nutrition administered a survey to all sponsors (n=208) in February 2019, which included questions regarding future training needs and modalities. With a high respondent rate of 88%, the survey captured almost all of the state’s sponsors. Over half of the sponsors indicated their preference for individualized, small group workshops (51.9%) as well as regional trainings (51.4%) for the mode of training that would be most useful. Moving to a 5-year cycle will allow School Nutrition to focus efforts on these preferred methods of support.

The technical assistance visits will cover a variety of topics based on sponsor need; however, all visits will have a focus on procurement and financial management, which the SA has prioritized based on review findings and sponsor feedback. Data Pipeline (statewide data collection tool) financial information from SY 16-17 indicates 120 out of 182 SFAs had general





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fund transfers because the food service department was not self-sustaining. Due to limited time and resources, the SA has not been able to prioritize this type of training. The 5-year review cycle will give the SA time to create resources, conduct internal training with staff and technical assistance visits with sponsors to decrease findings and improve the financial viability in child nutrition programs across the state.

Lastly, the 5-year review cycle will allow sponsors and the SA to allocate more time and attention to increase access and participation in Child Nutrition Programs through training and sponsors sharing strategies at kick start sessions. In a survey sent to all sponsors in February 2019, 79.9% of sponsors said improved meal quality (e.g. adding more fresh and local food/variety/menu options, scratch cooking, etc.) has been most effective in increasing student participation. The following percentages indicate sponsors that have interest in expanding current Child Nutrition Programs but have not had the opportunity for a variety of reasons: SBP 24.1%, NSLP 16.7%, ASP 36% and SFSP 34.2%.

The 5-year cycle will not impact the SA's current staffing or budget. The time and travel spent on training and kick start sessions is significantly less than what is required for an AR. Less ARs will allow staff to spend more time in the field training and providing technical assistance, which has been requested across the state. In addition, this waiver will not impact our technology system, will significantly decrease administrative burden on sponsors and the SA, align AR and procurement reviews, allow for additional technical assistance and training to support sponsors in efforts to increase access and participation, improve the financial viability of operations and continue to ensure program integrity of all Colorado sponsors.

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]:

The CDE School Nutrition Unit implemented the 3-year cycle requirement when the AR was released in 2011. Since that time, School Nutrition applied for grants, implemented USDA flexibilities, partnered with CDPHE-CACFP to streamline reviews of shared sponsors, and implemented lean principles in an effort to streamline and continually improve monitoring processes. However, the number of reviews and time to complete them creates barriers to financial viability and expansion of Child Nutrition Programs. To address these barriers, the CDE School Nutrition Unit is submitting this waiver.





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

There are no anticipated challenges with waiver implementation and will not affect staffing or the current budget. Internal processes and procedures are already in place to ensure program integrity, align reviews and improve customer service through technical assistance. CDE leadership promotes the use of flexibilities to further support sponsors across the state and remove administrative burden when possible, especially for the many small, rural districts that administer Child Nutrition Programs with limited resources.

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]:

There is no anticipated impact on Federal administrative costs for State Agency oversight with implementation of this waiver.

10. Anticipated waiver implementation date and time period:

This waiver will be implemented immediately upon approval for a 5-year cycle starting SY 2019-20 and ending SY 2023-24. If findings are reduced and the waiver is successful, CDE would anticipate a renewal of the waiver if it is available at that time.

11. Proposed monitoring and review procedures:

The CDE School Nutrition Unit will continue to monitor sponsors on all AR requirements outlined in 7 CFR 210.18 - Administrative Reviews. A proposed 3-year cycle and 5-year cycle are included as separate attachments with this waiver. The 5-year cycle will align AR and procurement reviews. Based on the proposed 5-year cycle, all sponsors will receive a review and a technical assistance visit within five years. The technical assistance visit, in addition to possible Summer Food Service Program (SFSP) and/or Child and Adult Care Food Program (CACFP) reviews, will allow the SA to ensure program integrity and compliance for all sponsors. If a sponsor has a high risk of noncompliance, the sponsor will be considered for an additional





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technical assistance visit or follow up review outside of the cycle. This technical assistance vs. monitoring approach is in line with Colorado’s Blueprint to End Hunger strategy of “maximizing participation, innovation and effectiveness in school-based child nutrition programs by providing technical assistance and support to all school districts.” The SA will continue to analyze and compare data in relation to kick start sessions, other SA training and number of findings to ensure that we are targeting the right information and the technical assistance and trainings are successful.

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

The CDE School Nutrition Unit will provide FNS with required reports, including the FNS 640, review findings and technical assistance provided during reviews and survey results showing impact on improved services and streamlined administrative requirements. This information will be available annually and upon request.

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]:

The public notice is located on CDE School Nutrition Unit AR webpage:
<https://www.cde.state.co.us/nutrition/administrativereview>





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14. Signature and title of requesting official:

Name: Kerri Link, MS, RD, SNS

Title: School Nutrition Programs Review Supervisor

Requesting official's email address for transmission of response: link_k@cde.state.co.us

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:

