



Food and  
Nutrition  
Service

March 19, 2021

Braddock  
Metro Center

Ms. Michele Bowers, Director  
South Carolina Department of Social Services  
Division of Early Care and Education  
1535 Confederate Avenue  
Columbia, SC 29201-1915

1320  
Braddock  
Place  
Alexandria  
VA 22314

Dear Ms. Bowers:

This letter is in response to the February 26, 2021 updated waiver request from the South Carolina Department of Social Services (SCDSS). SCDSS requested to waive the following statutory and regulatory requirements:

Child and Adult Care Food Program (CACFP)

- 42 USC 1766(d)(2)(C)(i) & 7 CFR 226.6(m)(6) Frequency and number of required institution reviews. Annually review at least 33.3% of all institutions (at least 15 percent of the total number of facility reviews required must be unannounced);
- 7 CFR 226.6(m)(2) Review priorities;
- 7 CFR 226.6(m)(3)(i) Recordkeeping (including all records listed at 7 CFR 226.15(e)); and
- 7 CFR 226.6(m)(3)(vi) Compliance with the requirements for annual updating of enrollment forms.

The Food and Nutrition Service (FNS) recognizes that due to Program operation changes as the result of *COVID 19: Child Nutrition Response #59*, allowing the Summer Food Service Program and the National School Lunch Program Seamless Summer Option to continue to operate through June 30, 2021, many Child Nutrition Program monitoring requirements will be difficult for State agencies and local operators to meet. In light of this, FNS will waive program monitoring requirements when a State agency provides a waiver request with an alternative plan that ensures program integrity is continued this year.

In its waiver request, SCDSS proposed to modify CACFP reviews for FY2021. SCDSS stated in their request that they have experienced burden conducting reviews per regulations off-site and that granting this waiver request would allow them to complete all required reviews by September 30, 2021. SCDSS has asked to waive review priorities, frequency and number of reviews, and specific sections of review content including recordkeeping, and compliance with requirements for updating enrollment forms annually. SCDSS will continue to conduct strong oversight and integrity measures by reviewing all other aspects of CACFP per regulations except for those listed above.

To ensure program integrity in the CACFP, SCDSS plans to modify review criteria for those institutions scheduled for a serious deficiency (SD) review and perform targeted reviews of the areas of SD. SCDSS plans to fully review institutions that fall into this category in FY2022, according to the three year review cycle. SCDSS is requesting to waive the 33.3% total number of reviews but will still review institutions according to the review cycle schedule which includes reviewing institutions once every 3 years, large sponsors every 2 years, and new sponsors with 5 or more facilities. According to SCDSS, through this waiver they plan to reduce the number of documents reviewed in the area of recordkeeping and focus on a sponsor's oversight of facilities by examining sponsor monitoring documentation of facilities. The review of sponsor records will encompass a review of the sponsor administrative staff and facility staff training, sponsor operating and administrative costs, and sponsor meal count reporting on the claim for reimbursement. When reviewing participant enrollment and free and reduced price eligibility, SCDSS plans to review 20% of reported participant enrollment. If more than half of the sample is found to have invalid enrollment or free and reduced price meal eligibility, SCDSS plans to expand the review of participant enrollment to 100%. SCDSS also plans to conduct scheduled training and institution technical assistance for sponsors of all institution types. SCDSS plans to follow all other CACFP review criteria as outlined in regulation except for the waiver of regulations listed above and nationwide waivers already in place. SCDSS has not requested a waiver of any sponsor level regulations.

Given the numerous flexibilities and waivers that FNS has provided during the novel coronavirus public health emergency, many of the current monitoring requirements and regulations do not efficiently address the oversight of the Child Nutrition Programs. Since these flexibilities alter the normal operations of the Programs, monitoring strategies must adapt. This waiver request, and activities within, does not increase the overall costs of the Program(s) to the Federal Government, rather it allows the State agency to alter its oversight activities in order to strengthen program integrity and conduct efficient monitoring. Through implementation of this waiver, the State agency will continue to fulfill its oversight responsibilities and provide technical assistance which is critical to ensure that current program requirements are met.

Pursuant to section 12(l) of the Richard B. Russell National School Lunch Act (NSLA), (42 USC 1760(l)), FNS approves SCDSS's waiver request effective through September 30, 2021. FNS has determined that, in light of the exceptional circumstances of the current novel coronavirus public health emergency and other program flexibilities provided by FNS, waiving the above statutory and regulatory requirements will facilitate SCDSS's ability to successfully carry out the purpose of the Programs.

SCDSS's oversight plan, as discussed above, provides assurance that SCDSS will continue to conduct oversight and provide technical assistance upon approval of this waiver. These actions will help Program operators effectively operate Child Nutrition Programs that meet the nutritional needs of eligible Program participants. In addition,

as part of this waiver, SCDSS must take program integrity measures to identify any misuse of Federal funds and identify fraudulent activities.

The waiver authority at section 12(l)(5) of the NSLA requires that FNS review the performance of any State that is granted a waiver and terminate the waiver if the performance of the State has been inadequate to justify a continuation of the waiver. Beginning on July 1, 2021, FNS is requiring that for the duration of this waiver, SCDSS provide the FNS Southeast Regional Office (SERO) a quarterly written report. The report must provide information on how SCDSS is implementing its oversight plan and quantify the impact of the waiver, as described below.

The report must include:

- A description of how the waiver impacted meal service operations and eligible participants access to nutritious meals and snacks;
- A description of how the waiver has facilitated the State agencies oversight abilities and responsibilities;
- A summary of program integrity measures taken to identify any misuse of Federal funds and identify fraudulent activities, and, if anything was identified, any actions taken;
- A description of how the waiver impacted the quantity of paperwork necessary to administer the Program(s); and
- A summary of any technical assistance measures that were provided.

Should SCDSS determine this waiver is no longer necessary prior to September 30, 2021, please notify the FNS SERO.

FNS understands that these are challenging times for all and that many State agencies and Program operators face significant resource and time constraints. We are committed to supporting State agencies and Program operators as they strive to run successful programs and meet Child Nutrition Program requirements in order to provide nutritious food to eligible participants.

If you have any questions or concerns, please contact the FNS SERO.

Sincerely,



Jessica Saracino

Acting Director

Program Monitoring and Operational Support Division

Child Nutrition Programs