

McKenzie Snow, Director

Kim Reynolds, Governor

September 10, 2024

Maged Hanafi
Food & Nutrition Service Midwest Regional Office
United States Department of Agriculture
77 W. Jackson Blvd., 20th Floor
Chicago, Illinois 60604

RE: Home Sponsor Contracted Services Waiver Request

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

Iowa Department of Education (Department), Bureau of Nutrition & Health Services

Kala Shipley, Bureau Chief, kala.shipley@iowa.gov, 515-681-2307Cheryl Tolley, Administrative Consultant, cheryl.tolley@iowa.gov, 515-681-2304**2. Region:** Midwest**3. Eligible service providers participating in waiver and affirmation that they are in good standing:**

The Iowa Department of Education is requesting this waiver as the USDA Child Nutrition Program State agency and on behalf of Iowa home sponsor organizations participating in the Child and Adult Care Food Program that agree to take on home providers located in counties impacted by a home sponsor ending their agreement.

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(I)(2)(A)(iiii) and 12(I)(2)(A)(iv) of the NSLA]:

The State agency is requesting a waiver to allow Iowa home sponsors who conduct business in counties more than 35 miles from the home sponsor's home office the opportunity to contract out monitoring services, corrective action, and preparation of application materials. This will encourage home sponsors to pick up counties that are more than 35 miles away from their home sponsor office, including those home providers who will be impacted from their current home sponsor ending their agreement with the State agency. Home sponsor organizations are facing staffing shortages and increased operating costs. This waiver request would be available to only the current home sponsors that agree to take any additional county or counties that were previously covered by a home sponsor organization that ended their State agency agreement in FFY2024 and FFY2025.

The goal of requesting this waiver is to alleviate staff time spent on travel. The expected outcome of this waiver would allow organizations to reduce costs while still meeting the monitoring, corrective action and preparation of application materials requirement in a timely manner. Allowing home sponsors to contract out these services will alleviate staff travel time and allow timely delivery of these services. The contracted services may include contracted

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employment services provided by an independent contractor, temporary staffing organization or local child care organization. The home sponsor will monitor contractor compliance and accept final administrative and financial responsibility for their home sponsor operations.

This waiver will meet two very important outcomes. Current home sponsors taking on additional home providers will increase reimbursements at a time when home sponsors are reporting administrative reimbursement does not always cover program expenses. It will also help to ensure that home providers will continue on the CACFP with little disruption and children will continue to have access to healthy meals.

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

The Department is requesting a waiver to the following regulations and requirements to be performed for home sponsors to contract out the monitoring services:

7 CFR 226.15(c) of the Child and Adult Care Food Program regulations require that all institutions accept final administrative and financial responsibility for their operations under the Program.

FNS INSTRUCTION 792-2 Rev. 1 states the regulation prohibits an institution from contracting out for all of its management functions. Management functions which institutions may not contract out under any circumstance include monitoring, corrective action, and preparation of application materials. See the instruction here: <https://fns-prod.azureedge.us/sites/default/files/resource-files/Contracting%20Out%20Management%20Functions%20in%20the%20Child%20and%20Adult%20Care%20Food%20Program.pdf>

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

Interested sponsors must notify the Department of their intent to participate in the waiver by completing a request form.

There will be no impact on program operations for the State agency or sponsor levels.

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

There are currently no state level regulatory barriers related to this specific issue.

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

There are no anticipated challenges with waiver implementation. Rather, it is anticipated that this waiver will allow home sponsors to carry out monitoring and corrective actions and preparation of applications by contracting out the services to a local contractor while saving the home sponsoring organization funding on mileage, gas, vehicle usage and staff time. This will allow home sponsoring organizations to implement cost saving measures while continuing to serve the home providers in additional counties.

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(I)(1)(A)(iii) of the NSLA]:

The requested waiver does not impact the overall cost of the program to the State or Federal government.

10. Anticipated waiver implementation date and time period:

This waiver will be implemented upon approval from USDA and will be effective through Sept. 30, 2025.

11. Proposed monitoring and review procedures:

The State agency will continue to carry out normal monitoring via administrative reviews. Sponsoring organizations found to have noncompliance issues as related to this waiver will receive technical assistance or corrective action from the State agency. If implemented, the State agency will collect feedback on how the use of the waiver benefitted the home sponsor organization.

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

The Department will report to FNS the number of contracted staff or organizations utilized and the total dollar amount of the contract(s) needed to provide services in areas not currently served by CACFP home sponsors.

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

Public notice posted at: <https://educate.iowa.gov/pk-12/operation-support/nutrition-programs/child-adult-care-food-program>

14. Signature and title of requesting official:

Kala Shipley

Title: Kala Shipley, Bureau Chief

Requesting official's email address for transmission of response:

kala.shipley@iowa.gov
cheryl.tolley@iowa.gov