

May 11, 2011

Dear Sponsoring Organization:

The Healthy, Hunger-Free Kids Act of 2010, Public Law 111-296, was signed into law on December 13, 2010. This Act modifies the requirements for the operations of the Child and Adult Care Food Program (CACFP). The purpose of this memo is to summarize the changes that have been imposed by the Act. A copy of the Act is now available on the Illinois State Board of Education (ISBE) website at http://www.isbe.net/nutrition/htmls/hunger_free.htm

New notifications

Water Availability – On May 11, 2011, CACFP Policy Memo 20-2011 was issued establishing a requirement to make potable water available to children in the Child and Adult Care Food Program (CACFP). This new provision requires child care centers, family day care homes, at-risk afterschool programs, and shelters participating in CACFP to make drinking water available to children, as nutritionally appropriate. Throughout the day, including at meal times, water should be made available to children to drink upon their request, but does not have to be available for children to self-serve. While drinking water must be made available to children during meal times, it is not part of the reimbursable meal and may not be served in lieu of fluid milk. The 2010 Dietary Guidelines for Americans do not establish a daily minimum intake for water consumption, but do recommend that water be consumed daily. However, caregivers should not serve young children too much water before and during meal times; excess water may lead to meal displacement, reducing the amount of food and milk consumed by the children. Water can be made available to children in a variety of ways which include but are not limited to: having cups available next to the kitchen sink faucet, having water pitchers and cups set out, or simply providing water to a child when it is requested. This provision is effective immediately.

Fluid Milk and Fluid Milk Substitutions - On May 11, 2011, CACFP Policy Memo 21-2011 was issued modifying requirements for fluid milk and fluid milk substitutions in the Child and Adult Care Food Program (CACFP). The amendment require that fluid milk served in the CACFP be consistent with the most recent version of the Dietary Guidelines for Americans and allowing the substitution of non-dairy beverages that are nutritionally equivalent to fluid milk in cases of special dietary needs. The 2010 Dietary Guidelines recommend that persons over two years of age consume fat-free (skim) or low-fat (1%) fluid milk. Therefore, fluid milk served in CACFP to participants two years of age and older must be: fat-free or low-fat milk, fat-free or low-fat lactose reduced milk, fat-free or low-fat lactose free milk, fat-free or low-fat buttermilk, or fat-free or low-fat

acidified milk. Milk served must be pasteurized fluid milk that meets State and local standards, and may be flavored or unflavored. Whole milk and reduced-fat (2%) milk may not be served to participants over two years of age. In the case of children who cannot consume fluid milk due to medical or other special dietary needs, other than a disability, non-dairy beverages may be served in lieu of fluid milk. Non-dairy beverages must be nutritionally equivalent to milk and meet the nutritional standards for fortification of calcium, protein, vitamin A, vitamin D, and other nutrients to levels found in cow's milk, as outlined in the National School Lunch Program (NSLP) regulations at 7 CFR 210.10 (m)(3). Parents or guardians may now request in writing non-dairy milk substitutions, as described above, without providing a medical statement. The written request must identify the medical or other special dietary need that restricts the diet of the child. Such substitutions are at the option and expense of the facility. This provision is effective immediately.

Prior Notifications

Elimination of Block Claim Edit Checks - On December 17, 2010, CACFP Policy Memo 03-2011 was issued stating effective immediately, sponsoring organizations are no longer required to conduct edit checks designed to detect block claims as defined by 7 CFR 226.2 and required by 7 CFR 226.10 (c) (3). Also sponsoring organizations are not required to meet the follow up review requirements associated with detection of block claims. The sponsoring organizations were notified by email on December 20, 2010.

Area Eligibility - On December 22, 2010, CACFP Policy Memo 05-2011 was issued modifying the requirements for using area eligibility data to make tiering determinations for family day care homes participating in the Child and Adult Care Food Program (CACFP). Section 121 of the Act amends section 17(f)(3) of the Richard B. Russell National School Lunch Act to allow family and group day care homes to be classified as tier I for the purposes of reimbursement under CACFP if the home is located in an area served by any school in which at least 50 percent of the enrolled children are certified eligible for free and reduced-price school meals. Previously, only the enrollment for the local elementary school could be used to determine tier I eligibility. This provision is retroactively effective to October 1, 2010. The sponsoring organizations were notified by email on January 6, 2011

Administrative Payments - On December 22, 2010, CACFP Policy Memo 06-2011 was issued that stating Section 334 of the Act amends section 17(f)(3) of the Richard B. Russell National School Lunch Act eliminating the "lesser of" cost and budget comparisons for calculating administrative payments to family day care home sponsoring organizations. Effective October 1, 2010 administrative reimbursements are determined by multiplying the number of family and group day care homes submitting a claim for reimbursement during the month by the

appropriate annually adjusted administrative reimbursement rate. The sponsoring organizations were notified by email on January 14, 2011

Permanent Agreements - On January 14, 2011, CACFP Policy Memo 07-2011 was issued that modifying the requirements for agreements with sponsoring organization of family day care homes participating in the Child and Adult Care Food Program (CACFP). Section 331 (a) of the Act amends section 17(d)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(d)(1)) to require permanent operating agreements between the State agency and institutions participating in the CACFP. Previously, under 7 CFR 226.6(b)(4), permanent agreements were not required for sponsoring organizations of day care home.

Foster Children - On January 31, 2011, CACFP Policy Memo 08-2011 was issued to grant categorical eligibility for free meals to foster children. Previously a separate application for free and reduced price meals was submitted for a foster child who was considered a household of one. Now the foster child is categorically eligible and may be certified without an application. This change is effective October 1, 2010.

Privacy Protection - On February 15, 2011, CACFP Policy Memo 09-2011 was issued amendin statutory requirements for collection of Social Security Numbers (SSNs) in all Child Nutrition Programs. Section 301 of the Act amends section 9(d)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(d)(1)) by removing the requirement that the adult household member who signs a household application must provide his or her complete SSN, as a condition of eligibility. As amended by the Act, Section 9(d)(1) now requires that only the last four digits of the SSN must be provided on the application. The Act also removes the requirement that the SSN of each household member be collected to verify applications.

Cooperation with Program – On March 8, 2011, CACFP Policy Memo 13-2011 was issued clarifying the requirements for participation in evaluation and research in the Child Nutrition Programs. Section 305 of the Act amends section 28 of the Richard B. Russell National School Lunch Act (NSLA) to clarify that State agencies, local educational agencies, schools, institutions (including sponsoring organizations), facilities and contractors are required to cooperate with the Department of Agriculture officials and contractors for conducting evaluations and research.

Eligibility of Children Evacuated from Japan and Bahrain – On April 1, 2011, CACFP Policy Memo 15-2011 recognized that many families are being evacuated from Japan due to recent disasters. Sponsors in the CACFP that require eligibility information can accept certification of the child's or adult's homeless status from the agency that assisted with the evacuation or is providing shelter. If the child is not residing in an emergency shelter, the institution should

have an adult living with the child complete an income eligibility form indicating the child is homeless. No further information is required to certify that child's eligibility.

Varied Timing of Unannounced Reviews – On April 7, 2011, CACFP Policy Memo 16-2011 imposed the requirement for sponsors to vary the timing of unannounced reviews so they are unpredictable to sponsored facilities. Current regulations require sponsors to conduct three reviews per year, two of which must be unannounced. One of the unannounced reviews must include observation of a meal service. No more than six months may elapse between reviews. Beginning October 1, 2011, sponsors must ensure that the timing of unannounced reviews is varied in a way that would ensure they are unpredictable to the facility.

Transmission of Household Income Information by Tier II Family Day Care Homes – On April 7, 2011, CACFP Policy Memo 17-2011, modified requirements for the transmission of household income information by tier II family day care home providers to their sponsoring organization. Tier II family day care home providers in the CACFP are now allowed to assist in the transmission of household income information from families of enrolled children to their sponsors.

Carry Over of Unused CACFP Administrative Payments – On April 8, 2011, CACFP Policy Memo 18-2011, modified the basis for making administrative payments to family day care home sponsoring organizations. Sponsoring organizations will be permitted to carry over a maximum of 10 percent of administrative payments into the succeeding fiscal year. The 10 percent maximum is applied on the amount of administrative payments received by the sponsor over for the fiscal year. Sponsors are still required to submit annual budgets that must be approved by the State agency and the amount carried over must be accounted for in the sponsor's budget for the succeeding fiscal year. Further, sponsors remain responsible for correctly accounting for costs, and maintain records and sufficient supporting documentation to demonstrate that the cost claimed have been incurred, are allowable and comply with all applicable Program regulations and policies. The sponsoring organizations were notified by email on April 15, 2011 with further details.

Program Application – On April 8, 2011, CACFP Policy Memo 19-2011, modified the requirements for the periodic submission of renewal application by renewing institutions. Section 331 of the Act stipulates that institutions will no longer be required to re-apply after submitting the initial application; rather, they will be required to submit annual information. FNS plans to issue a proposed rule implementing these and other changes.

Sponsoring organizations are encouraged to review each of these mandates, review their current procedures, train staff on the changes, and revise all necessary written procedures. If changes are needed, please also remember to

update the current management file. We will continue to update this document as information becomes available to our agency. If you have any questions, please contact Kris Shelton by email at kshelton@isbe.net or Debbie Stoneburner dstonebu@isbe.net or by phone at 1-800-545-7892.