Andrea Farmer

Chief, Community Meals Branch

USDA Food and Nutrition Services

Dear Ms. Farmer:

Thank you for this opportunity to comment on USDA’s proposed rule: Increasing Flexibility for Verification of For-Profit Center Eligibility in the Child and Adult Care Food Program.

We appreciate USDA’s effort to implement the Paperwork Reduction Work Group verification and payment recommendations through this rule. We believe substantial improvements will be needed before the rule can effectively meet the intended paperwork reduction goals. In response to USDA’s request for feedback on ways to strengthen the rule, we offer the following recommendations:

Establishing Annual Eligibility Determinations for For-Profit Centers Serving High Numbers of Low-Income Children:

* Allow for-profit centers qualifying for annual eligibility to claim for reimbursement without additional monthly eligibility determinations.
* Expand the proposed new annual eligibility for for-profit centers by:
  + allowing for-profit centers serving 40 percent or more low-income children to qualify for annual eligibility and
  + dropping the proposed 50 percent requirement.

Streamlining Program Payments for Centers:

* Allow all centers the option to use an annual blended rate.
* Allow all centers the option of amending the annual blended rate more frequently than annually.
* Provide State agencies clear guidance on the implementation of annual blended rates and adjustments: emphasize the importance of practical and reasonable review policies and prohibit punitive policies which automatically generate increased scrutiny of centers making adjustments.

State Agency Responsibilities:

* Provide State agencies with the best practices (specifications and contracts), technical assistance, resources, and leverage to procure the necessary programming and MIS system enhancements to implement the new rule.
* Clarify the proposed State agency responsibilities to prevent mis-interpretations and ensure the final rule does not generate significant new annual paperwork, documentation or auditing requirements for State agencies, sponsors or centers.

In summary, we strongly endorse the need for a final rule to fully implement the Paperwork Reduction Work Group recommendations for streamlining payment and reporting requirements for all centers and establishing for for-profit annual eligibility. We appreciate USDA’s continued commitment to dialogue with a broad range of stakeholders.

Sincerely,