



COVID-19 Emergency Operating Costs Reimbursement Program NSLP/SBP Operators February 3, 2021



Overview: COVID-19 Emergency Operating Costs

Consolidated Appropriations Act, 2021 (Sec 722)

Purpose: To provide additional funding for Child Nutrition Program operators whose revenues decreased or were interrupted during the early days of the public health emergency.

- Relief is intended to address funding shortfalls.
- Relief **is not** intended to address increased costs due to COVID-19.
- The payment formula is tied to the past reimbursements as a result.



Payment Formula Overview



- 55% of the difference between reimbursements from the months of April, May, and June 2020, and the same months in 2019, and
- For March 2020 calculations, the payment is half of 55% of the difference between March 2020 and March 2019
- **Calculations are made on per month basis.**

Formula Overview

- Reimbursements are based on meals and supplements (snacks) served by schools under NSLP/SBP, SSO, SFSP and CACFP.
- This does NOT include other school program reimbursements such as Special Milk, FFVP, grants (NSLP equipment grants).
- The value of USDA Foods is not included in the payment calculation.
- Non-school entities operating SFSP are NOT eligible to receive payments.
- Up to 1 percent of the reimbursement amount is made available to States to cover its administrative costs for operating the reimbursement program.

Formula Terms

Reimbursement Period: March, April, May and/or June 2020

Reference Period: March, April, May and/or June 2019

Alternative Period: January and February 2020

“New” Program Operator: a CE that was not yet operating during the reference period (March – June 2019) for any given month

“All Other” Program Operators: CEs operating at any time during the reference period

What does this look like?

All Other Program Operators Example

1. Calculate the differences between 2019 and 2020 meal reimbursements for the reimbursement month: March, April, May, and June.
2. If the difference between the 2019 and 2020 claim is greater than 0, multiply the difference by 0.55 (i.e., 55% of the difference). This is the payment from TDA for that reimbursement month.
3. For March, divide the difference by 2.

	2019 Reimbursement (\$)	2020 Reimbursement (\$)	Step 1 (2019 minus 2020)	Step 2 Multiply difference by .55	Step 3 (For March, divide by 2)
March	10000	7000	3000	1650	825
April	11000	0	11000	6050	
May	10000	1000	9000	4950	
June	9000	3000	6000	3300	

New Program Operators Example

1. Calculate the average of January 2020 and February 2020 (Alternative Period) meal reimbursements.
2. Calculate the differences between the Alternative Period average and the reimbursement month: March, April, May, and/or June 2020.
3. If the difference between the Alternative Period and 2020 reimbursement month claim is greater than 0, multiply the difference by 0.55 (i.e., 55% of the difference). This is the payment from TDA for that reimbursement month.
4. For March, divide the difference by 2.

January 2020 (\$11,500) and February 2020 (\$9,500) for an AVERAGE of \$10,500

	January 2020/February 2020 Average (\$)	2020 Reimbursement (\$)	Step 1 (Alternative period minus 2020)	Step 2 Multiply difference by .55	Step 3 (For March, divide by 2)
March	10500	7000	3500	1750	962.50
April	10500	0	10500	5775	
May	10500	1000	9500	5225	
June	10500	3000	7500	4125	

What else do I need to know about the calculations??

- If the calculation for a given month equals zero (or is negative), no payment is provided.
- Partially “new” operators - Any schools that operated in May and June 2019 but not March and April 2019 will use the “new” formula for March and April reimbursements, and the formula for “all other” operators for May and June 2020.

• **Continued Participation is REQUIRED:**

- Submittal of valid claims for ANY of the months of September 2020 through December 2020; **OR**
- Assurances to TDA that they will file claim within the first full semester after the end of the COVID-19 pandemic

CACFP Operators

- Schools that operate CACFP may also be entitled to reimbursement.
 - **CACFP meal reimbursements** (7 CFR 226.11, 226.12 and 226.13) if you are a:
 - Sponsoring organization of centers; independent child care centers, at-risk afterschool care centers, outside-school-hours care centers, emergency shelters, or adult day care centers; or day care homes
 - **CACFP Administrative funds** (7 CFR 226.12) if you are a:
 - Sponsoring organization of day care homes
- The statutory formula is the same; however, some CEs may receive emergency reimbursement for meals and/or administrative funds.
- **NOTE: Sponsoring organizations of “unaffiliated centers” may retain up to 15 percent of the amount of funding to be disbursed to the center. This percentage must be agreed upon by both parties.**



What are the allowable uses of the emergency reimbursement funds?

- The funds may be used to reimburse any local source of funds (i.e., District's general fund) used to supplement the Nonprofit Food Service account to offset the impact of COVID-19 operations on that account.
 - The program operator must maintain documentation supporting these reimbursements for future audit or oversight purposes.
- Any remaining funds must be deposited in the Nonprofit Food Service account and be used in accordance with normal program requirements (i.e., on allowable CNP costs).





Payment Process

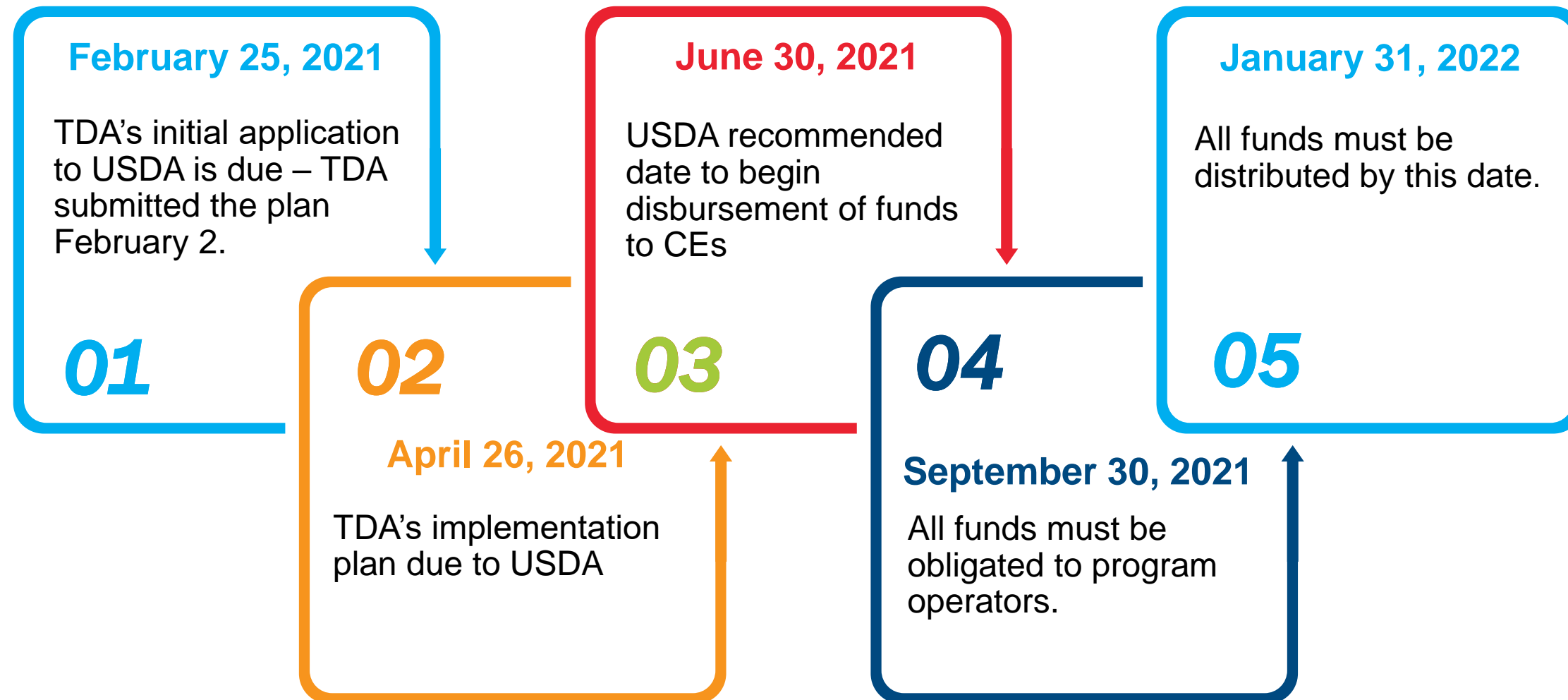
- State Agencies must submit an application and implementation plan to utilize these Emergency Funds.
- The implementation plan must include the total CE count to receive payment, estimated sum of payments, and process to disburse payments.
 - TDA has submitted the application.
 - TDA will submit the implementation plan.
 - TDA will update our CEs once this process is finalized, and the plan is approved by USDA.

Payment Process



- TDA is responsible for payment calculations
 - For schools operating both NSLP/SBP and SFSP in a single month in either 2019 or 2020, the calculation for those applicable months will be an aggregate sum of the reimbursements from both programs. TDA will calculate separate monthly reimbursement for schools also operating CACFP.
- Payments must be offered to all eligible CEs.
- CEs do not have to request payment or opt in to receive payment.
- CEs with a valid contract but have not submitted a claim for any month between September – December 2020, will be contacted to obtain the required attestation.

Key Dates



Stay tuned....

- **USDA is developing FAQs and resources for states.**
- **Continue to check [SquareMeals.org](https://www.squaremeals.org) for CE resources, FAQs and future webinars.**
- **Reach out to your ESC for questions and assistance.**

Thank you!



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Food and Nutrition Division
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This product was funded by USDA.
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Updated 02/03/2020
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Questions?