

# Minnesota Department of Education: Oversight of Feeding Our Future

Special Review

Released June 13, 2024

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## Overview of Federal Nutrition Programs

### Child and Adult Care Food Program (CACFP):

- Child-care centers, afterschool care programs, and adult day care centers, among other locations
- Generally operates year-round

### Summer Food Service Program (SFSP):

- Locations, such as summer camps, in low-income areas
- Operates when school is not in session

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2

## Administration of CACFP and SFSP



**Sites** verify eligibility of participants, serve meals and snacks, and count meals and snacks served



**Sponsors** monitor sites, train site staff, receive sites' reimbursement claims, and distribute reimbursements to sites



**State agencies** monitor sponsors, provide training, and distribute reimbursements to sponsors



**USDA** oversees and reimburses state agencies, writes federal rules, and evaluates state agency performance

## Conclusion

MDE's inadequate oversight of Feeding Our Future created opportunities for fraud

## Issues Covered Today

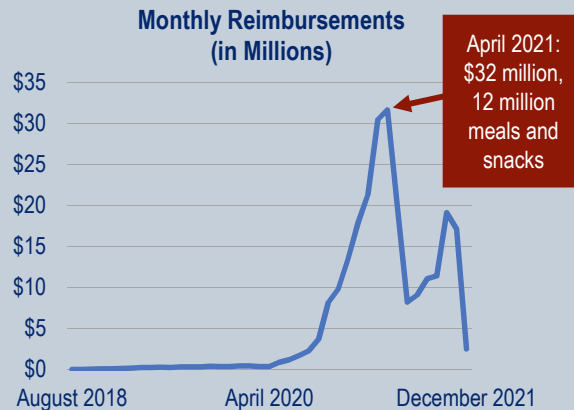
1. MDE failed to act on warning signs known to the department prior to the onset of the COVID-19 pandemic
2. MDE did not effectively exercise its authority to hold Feeding Our Future accountable to program requirements
3. MDE was ill-prepared to respond to the issues it encountered with Feeding Our Future

## Issues Covered Today

1. **MDE failed to act on warning signs known to the department prior to the onset of the COVID-19 pandemic**
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## Failed to Act on Warning Signs

- Began in CACFP in August 2018
- Began in SFSP in June 2020
- Between 2018 and 2021, Feeding Our Future grew at a significant rate



See Exhibit 2.1 (p. 14)

## Failed to Act on Warning Signs (continued)

Feeding Our Future was an outlier before and after the start of the COVID-19 pandemic

**6 times**

the number of CACFP sites than the average multisite sponsor in October 2019

**2,800%**

increase in reimbursements between fiscal years 2020 and 2021

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dollars distributed to nonprofit sponsors in Fiscal Year 2021

## Failed to Act on Warning Signs (continued)

### Concerns about Feeding Our Future's compliance with program regulations

- Findings from a 2018 administrative review related to issues that increase the risk of fraud
- Other findings showed deficiencies in Feeding Our Future's management of its CACFP program
- MDE did not conduct a follow-up review

*See Exhibit 3.3 (pp. 38-40)*

## Issues Covered Today

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2. **MDE did not effectively exercise its authority to hold Feeding Our Future accountable to program requirements**
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## MDE's Key Oversight Responsibilities



### Application Reviews

- Determine eligibility, reasonability of budget, and compliance with federal regulations

### Administrative Reviews

- Monitor compliance through onsite observations and record reviews



### Investigations

- Investigate complaints and irregularities in CACFP and SFSP
- Take appropriate action to correct irregularities



### Serious Deficiency Process

- Initiate after identifying noncompliance with federal law
- Sponsors must correct any serious deficiencies
- MDE must terminate sponsors who do not correct problems

## Ineffective Use of Authority



MDE repeatedly approved Feeding Our Future's annual applications despite serious concerns



MDE did not appropriately investigate complaints involving Feeding Our Future



MDE did not verify information provided by Feeding Our Future

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## Ill-Prepared to Respond to Issues

### MDE

Operational challenges caused by COVID 19 pandemic related waivers

Lack of clear, written guidance from USDA

Lack of rulemaking authority under state law


### OLA

MDE's choices made COVID 19 pandemic related waivers a source of reduced oversight, not the waivers themselves

MDE had the authority to take steps to address issues it identified with Feeding Our Future, regardless of any lack of detail in USDA guidance




MDE (1) had an obligation to seek legislative action to obtain that authority and (2) knew it needed to codify certain procedures in state administrative rules

## Recommendations

-  The Legislature should either establish criteria in statute or give MDE the authority to conduct rulemaking to establish application criteria

## Recommendations (continued)

MDE should:

-   • Take additional steps to verify information sponsors provide
-  • Place a greater emphasis on program integrity and risk-based monitoring if oversight requirements are waived again in the future

## Recommendations (continued)



MDE should:

- Revise its complaint investigation procedures
- Prioritize independent fact-finding
- Limit information it shares with the subject of a complaint
- Evaluate recent statutory changes related to its investigative authority

## *Minnesota Department of Education: Oversight of Feeding Our Future*

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