

**CHILD NUTRITION PROGRAM  
STATE WAIVER REQUEST  
WAIVER REQUEST SY 2023/2024 FOR SEAMLESS SUMMER OPTION(SSO)  
FOR ALL STUDENTS ON MAUI ISLAND**

Child Nutrition Programs are expected to be administered according to all statutory and regulatory requirements; waivers to the requirements are exceptions. However, Section 12(l) of the Richard B. Russell National School Lunch Act, 42 U.S.C. 1760(l), provides authority for USDA to waive requirements for State agencies or eligible service providers under certain circumstances. When requesting the waiver of statutory or regulatory requirements for the Child Nutrition Programs (CNPs), including the Child and Adult Care Food Program (CACFP), the Summer Food Service Program (SFSP), the National School Lunch Program (NSLP), the Fresh Fruit and Vegetable Program (FFVP), the Special Milk Program (SMP), and the School Breakfast Program (SBP), State agencies and eligible service providers should use this template. State agencies and eligible service providers should consult with their FNS Regional Offices when developing waiver requests to ensure a well-reasoned, thorough request is submitted. State agencies and eligible service providers are encouraged to submit complete waiver requests at least 60 calendar days prior to the anticipated implementation date. Requests submitted less than 60 calendar days prior to the anticipated implementation should be accompanied by an explanation of extenuating circumstances.

For more information on requests for waiving Program requirements, refer to [SP 15-2018](#), [CACFP 12-2018](#), [SFSP 05-2018](#), *Child Nutrition Program Waiver Request Guidance and Protocol* - Revised, May 24, 2018.

**Subject of waiver request:** Request to offer the Seamless Summer Option in lieu of the National School Lunch Program on the island of Maui

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

Name of State agency: Hawaii Child Nutrition Programs  
State agency staff contact: Sharlene Wong  
Mailing address: 650 Iwilei Road, Suite 270, Honolulu, HI 96817  
Telephone number: (808) 587-3600  
Email address: Sharlene.Wong@k12.hi.us

**2. Region:** Western Region

**3. Eligible service providers participating in waiver and affirmation that they are in good standing:**

The State Agency Hawaii Child Nutrition Programs (HCNP) requests this waiver for the Seamless Summer Option for the island of Maui for participants, in good standing, to provide free meals for children in school buildings with and without virtual classes being offered as a result of the fires on August 8, 2023.

**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(l)(2)(A)(iii) and 12(l)(2)(A)(iv) of the NSLA]:**

Hawaii requests this waiver so we may respond to program recipients to ensure children continue to receive healthy nutritious meals during this catastrophic event on the island of Maui which caused a significant economic impact on the residents and their families. Several areas on the island were affected in addition to Lahaina. Kula, Kihei, and Up Country (Makawao, Olinda, etc) experienced fires simultaneously with Lahaina. The economic impact of the fires is demonstrated by the numerous points below. This data proves the economic health of the community and families has drastically changed from the period before the fires.

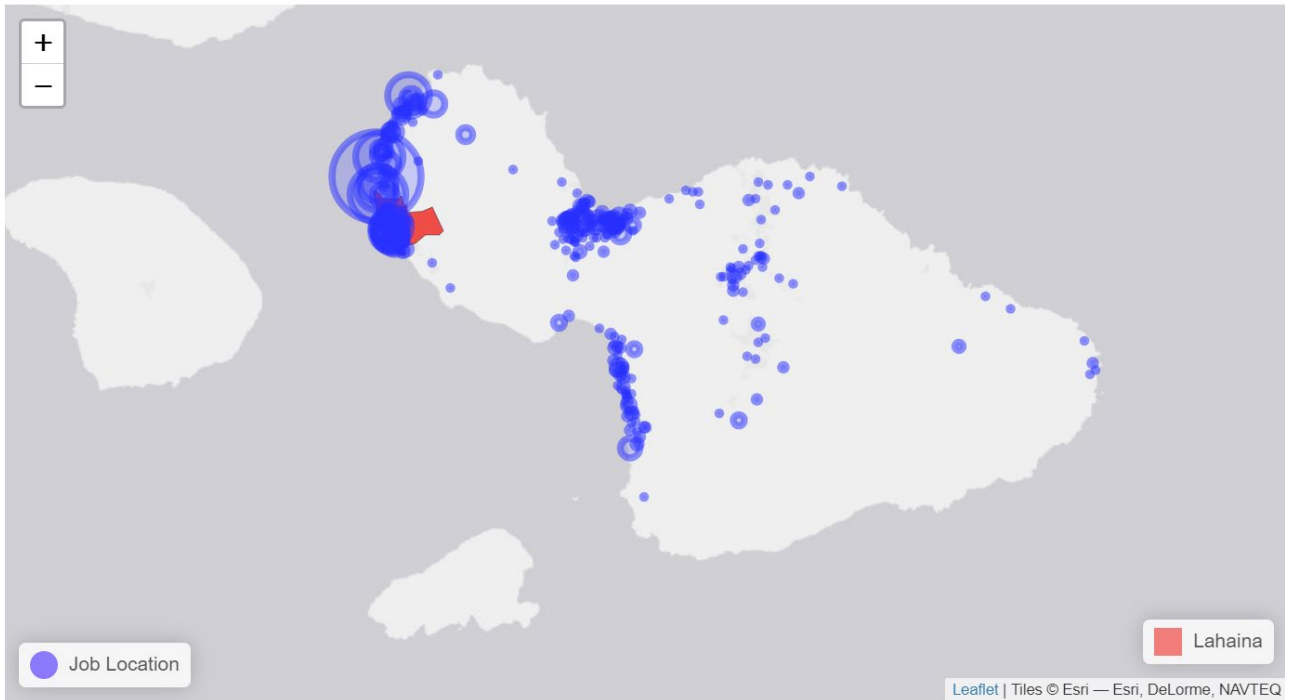
Three thousand students were displaced due to the fires in Lahaina. There are still 7000 residents living in either hotels or shelters on the island. According to the Economic Research Organization (UHERO) at the University of Hawaii, Maui was already experiencing a housing shortage before the fire. Sadly, more than 2,000 homes made up 86% of the 2,300 lost structures thus decreasing the total housing stock by 3% on the island.

UHERO notes that the businesses in Lahaina generated \$70M a month for the economy while providing over 1,500 visitor accommodations and employing over 8,500 residents. They also reported that the number of visitors dropped by three-quarters, which negatively affected businesses.

The average tourist to Maui spends \$270 a day which equates to 13M per day in revenues according to UHERO. There are now 45,000 fewer visitors to Maui which will result in serious financial consequences for the island. The economic recovery for the residents of the island could take a decade. The fires also created environmental complications that

Every 1,000 units not rented to tourists translates to a potential \$30M monthly loss for local businesses, suggesting a prolonged recovery for our workforce.

Figure: Workplace locations of Lahaina residents



As you can see from the map, most of the work locations are in the immediate Lahaina area. The devastation of this area impacts the entire Maui population.

- The Dept of Human Services provided the following information on the number of Food Stamp Recipients on Maui. This chart shows a substantial increase from July to September of 2023.

Month	Individuals	Households	% increase from the previous month
Jul-23	13,902	7,599	
Aug-23	14,540	7,921	4%
Sep-23	16,297	8,899	12%

- The Hawaii SFA reported the number of SNAP/TANF/Homeless/Foster children on Maui rose by 4% from May to October

Direct Certification			
Date	Enrollment	Number of Students DC	% DC
May 26, 2023	18,180	4,495	25%
October 11, 2023	17,734	5,102	29%

- The number of meal participants increased after the wildfire demonstrating a serious need to provide nourishment to the children on Maui as their families try to recover from the disaster. Breakfast participation for both reduced and paid eligible students was over 100% with the free eligible students slightly below 100%.

Breakfast Served 2023			
August	September	Participation increase	% increase
Free	Free		
15,870	30,682	14,812	93%
Reduced	Reduced		
2,489	5,142	2,653	107%
Paid	Paid		
7,683	15,696	8,013	104%

- Lunch participation also increased by at least 70% for all levels of eligibility.

Lunch Served 2023			
August	September	Participation increase	% increase
Free	Free		
45,649	79,225	33,576	74%
Reduced	Reduced		
8,398	14,602	6,204	74%
Paid	Paid		
34,428	58,595	24,167	70%

- Both the General Excise Tax (GET) and the Transient Accommodation Tax (TAT) experienced a decrease from July 2023 to August 2023. The GET decreased by 18% but more revealing is the decrease in the TAT which was recorded as having a 45% decrease.

MAUI	23-Jul	23-Aug	Difference	% Change
GET Tax Liability	\$ 58,184,076	\$ 47,763,556	\$ 10,420,520	18%
TAT Tax Liability	\$ 25,296,245	\$ 14,034,364	\$ 11,261,381	45%

- Unemployment data gleaned from UHERO demonstrates that unemployment claims rose significantly after the August 9<sup>th</sup> fire. Statistics show that new applicants rose by 47% over the previous month. Two weeks after the disaster the percentage of new applicants rose 416% over the previous week. By the last week of August, unemployment applicants rose 122% over the previous week.

Unemployment Totals for Maui

Date	# New Applicants	% Change from previous available data
July 31, 2023	584	
August 12, 2023	861	47%
August 19, 2023	4444	416%
August EOM	9847	122%

- Business shuttered

Data around the number of Maui businesses open in July, August, and September 2023 was unable to be found at this time. However, according to the Department of Business, Economic Development and Tourism, as of August 31, 834 businesses in the disaster area were closed. (Source: [Economic Perspective of Maui’s Devastating Wildfires - UHERO \(hawaii.edu\)](#))

- Maui Tourism Impact

The table below shows the number of tourists in Maui has decreased significantly since the August fires.

<u>July 2023</u>	<u>August 2023</u>	<u>September 2023</u>
193,825	72,599	55,792

- Source: Hawaii Tourism Authority [Monthly Visitor Statistics Reports July, August, September](#)

It is clear from this data that economic recovery will be long and complicated for Maui residents. Providing free meals to all children will eliminate one barrier to families who are focused on their financial future, mental well-being, homeless situation, loss of personal belongings, and loss of family members, friends, and colleagues who perished in the fire. These families have had to deal with an untenable situation and an uncertain future. This small investment by USDA to provide meals for all students will go a long way to help the healing of the communities in Maui.

Families who were not directly affected by the fires are also struggling with the aftereffects of this disaster. There has been an enormous amount of compassion and responsibility demonstrated by survivors to help those who were directly affected by the fires. A landmark of Hawaiian hospitality is to share what little resources one has and families have opened their homes to the displaced families during this time. After the wildfires, we Hawaiians used the phrase “Malama Kekahi I Kekahi” which means to care for one another. In that respect, families who were not directly impacted by the fires but also lived and worked in Maui would also benefit from the financial relief of free meals.

### **The goal of Waiver to Improve Services**

- During this time children have a high propensity to be food insecure. It is a social responsibility to ensure our most vulnerable population is provided nutritious meals so that they can continue to survive during these difficult times
- If approved to utilize this waiver, for SY 23-24, this waiver will allow our sponsors to continue to provide services to their students by relieving administrative burdens on sponsors and families.
- In addition, providing nutritious meals will alleviate a major financial concern for families already dealing with a traumatic and devastating event.

### **Expected Outcome of Waiver**

- Use of the waiver will allow students to receive healthy nutritious meals and minimize hunger and food insecurity during this disaster and time of rebuilding.
- Allow sponsors to concentrate on providing meals without the added complications of unpaid meals due to the changing economic status of the parents.
- Simplify program administration for the sponsors so they can focus on the highest priority needs of their program/sites.
- Allow families to focus on rebuilding their lives, dealing with the trauma of the fires, and alleviating a financial obstacle that could lead to children’s food insecurity.

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

Under the National School Lunch Act 42 USC 1761(a)8

This statute does not allow school food authorities to provide the SSO program during the regular school year.

Under the National School Lunch Act 42 USC 1761(c)(1)

This statute only allows payments for SSO meals served during the months of May to September

Under the National School Lunch Act 42 USC 1761(a)(1)(A)(i) and section 13(a)(1)(A) and in regulation 7 CFR 225.2 , 7 CFR 225.6(c)(2)(i)(G) , 7 CFR 225.6 (c)(3)(i)(B), 7 CFR 225.6 (d)(1)(i) , 7 CFR 225.14 (c)(3) , and 7 CFR 225.16 (b)(4) and SP 09-2017 #4

This section only allows the operation of SSO in “Areas In which poor economic conditions exist” and to open sites only during “unanticipated school closures”.

Under the National School Lunch Act 42 USC 1769(c)

7 CFR 210.18, 7 CFR 210.18(c) , 7 CFR 210.18(e)(3)(ii) , 7 CFR 210.18(g)(2)(ii) , 7 CFR 210.18(a) , 7 CFR 210.17(b) , 7 CFR 210.18(c) , 7 CFR 210.18(d) , 7 CFR 210.18(e) , 7 CFR 210.18(g) , 7 CFR 210.18(h) , 7 CFR 210.18(i) , 7 CFR 210.18(j) , 7 CFR 210.18(k) , 7 CFR 210.18(l) , 7 CFR 210.18(m) , 7 CFR 210.18(n) , 7 CFR 210.18(o) , 7 CFR 210.18(p) , 7 CFR 210.18(q)

This section establishes the administrative reviews and program regulations. Definitions, Timing of review, Scheduling SFAs for review, Number of schools to review, Scope of review, Critical areas of review, General areas, Entrance and Exit conference and notification, Corrective action, Withholding payments, Fiscal action, Transparency requirement, Reporting requirement, Recordkeeping, School Food authority appeal of state agency findings, FNS review activity. This state agency would need flexibility for any administrative reviews required by USDA on Maui.



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

- SFAs and Sponsors who would like to participate in these waivers on the island of Maui may submit a request to HCNP to utilize any of these waivers.
- The SA will continue to provide technical assistance to program operators on applicable regulatory and operational aspects of the meal programs and to clarify the flexibilities that are available in response to unanticipated school closures.
- The SA does not expect any challenges from program operators in implementing these waivers as similar flexibilities were utilized in response to the COVID-19 pandemic. We also anticipate no adverse impact on other program operations, including technology, state systems, or monitoring.

**7. Description of any steps the State has taken to address regulatory barriers at the State level. [Section 12(l)(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:**

HCNP does not anticipate any challenges in implementing this waiver as we successfully operated under similar waivers throughout the COVID-19 pandemic.

**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(l)(1)(A)(iii) of the NSLA]:**

The establishment of this island-wide waiver will increase the overall cost of the program to the federal government. The estimated cost of this waiver to the program would be approximately 8,083,004 based on previous meal participation data from 2022. See calculations provided by HIDOE to the State Agency for the cost of the Program.

Totals Based on MC's from SY 22-23 (Numbers based on 100% of meal volume from last year)	Free MC	Red MC	Paid K-8 MC	Paid 9-12 MC	Rev: Meal Price	Rev: Fed Reimb	Full Cost Per Plate	Total Program Cost With Federal Reimb (Labor Cost Included)
Hana	38,376	0	7,188	0	\$15,891	\$204,031	\$370,437	(\$166,406)
Lahainaluna	101,256	35,004	81,847	11,167	\$229,762	\$749,330	\$1,882,635	(\$1,133,305)
Baldwin	240,731	25,656	138,336	25,951	\$375,779	\$1,388,761	\$3,344,754	(\$1,955,993)
Kekaulike	209,146	52,227	129,129	21,646	\$354,250	\$1,334,384	\$3,159,712	(\$1,825,328)
Kulanihakoi	98	0	108	774	\$2,247	\$1,059	\$8,306	(\$7,247)
Maui	286,733	74,605	209,614	40,142	\$613,063	\$1,955,003	\$4,949,727	(\$2,994,724)
Grand Totals	876,340	187,492	566,222	99,680	\$1,590,993	\$5,632,567	\$13,715,571	(\$8,083,004)
<u>Sources:</u>								
1. Using SY23-24 Meal Reimbursement Rates								
2. Cost Per Plate:								
Breakfast:	\$4.86							
Lunch:	\$8.98							

**10. Anticipated waiver implementation date and time period**

The anticipated statewide implementation start date is immediately upon approval by USDA and is to remain in effect through May 30, 2024.

**11. Proposed monitoring and review procedures:**

HCNP will approve written requests to implement the waiver from SFAs/ Sponsors. HCNP will provide technical assistance, oversight, and monitoring of the sponsor's performance under the requested waivers and will follow administrative review regulations for each program. This practice will be consistent with 7 CFR 210, 215, 220, 225, and 226 review requirements.

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

SFAs/Sponsors will report the following to HCNP no later than July 1, 2024:

- A description of the impact the waiver had on meal service operations, children’s access to nutritious meals, and participation in SSO
- The number of participants and sites that used the waiver

HCNP will report the following data points:

- A description of the impact the waiver had on meal service operations, children’s access to nutritious meals, and participation in SSO
- The number of participants and sites that used the waiver
- A summary of findings associated with the waiver
- No later than September 15, 2024, HCNP will report to FNS Western Regional Office (WRO) the number of sponsors that used this waiver.
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**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]:** Link to public notice:

<https://hcnp.hawaii.gov/wp-content/uploads/2023/11/Free-Meals-Waiver-request-11-27.pdf>

Signature and title of requesting official :

- Signature:
- Title: Program Administrator

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Title: Sharlene Wong, SNS  
**Program Administrator**  
**Hawaii Child Nutrition Programs**  
**(808)587-3600**

Requesting official's email address for transmission of response:  
Sharlene.Wong@k12.hi.us

**TO BE COMPLETED BY FNS REGIONAL OFFICE:**

*FNS Regional Offices are requested to ensure the questions have been adequately addressed by the State agency and formulate an opinion and justification for a response to the waiver request based on their knowledge, experience and work with the State.*

**Date request was received at Regional Office:**

- Date Received: \_\_\_\_\_
  
- Check this box to confirm that the State agency has provided public notice in accordance with Section 12(l)(1)(A)(ii) of the NSLA**
  
- **Regional Office Analysis and Recommendations:**
  - Recommend Approval
  - Recommend Denial

**Explanation:**