



COLORADO DEPARTMENT OF EDUCATION

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Commissioner of Education

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MEMORANDUM

CN05-G-04

TO: Food Service Directors, Superintendents, Sponsor Representatives

FROM: Dan McMillan Director, Nutrition and Transportation Unit

DATE: July 28, 2004

SUBJECT: Reauthorization of Child Nutrition Programs
Implementation Update #1

The Child Nutrition and WIC Reauthorization Act of 2004 has recently become law. In addition to extending the authorization of certain Child Nutrition programs, it calls for nearly 80 programmatic changes and additions to be implemented over the next few years, many of which will apply to school programs. The U. S. Department of Agriculture (USDA) will be implementing the provisions of the statute through a variety of means, to include policy memos, guidance, and regulations. As CDE receives and analyzes the information from USDA, we will be providing districts and other sponsoring agencies with the appropriate interpretation, notification and direction.

USDA has issued several policy memos already relating to certain provisions of the law, as well as other recent changes. The first of these notifications is summarized below.

Medicare Prescription Drug Card Benefits

Any subsidy that a household receives through the prescription drug discount program must not be treated as income in determining eligibility for free and reduced price meals.

Military Households in Privatized Housing

The provision that excludes any housing allowance that appears on leave and earnings statement of service members living in privatized housing under the Military Housing Privatization Initiative is now permanent. This allowance is not to be considered household income when determining eligibility for free and reduced price school meals. Currently, the only applicable program in Colorado is at Fort Carson, operated by GMH Military Housing. Please note that this allowance exclusion only applies to this specific program, and is not an allowable exclusion for households living off-base in the general commercial/private real estate market.

Severe Need Breakfast Cost

The requirement that the higher reimbursement rates for breakfasts served in eligible schools be justified by costs in excess of the regular reimbursement rates has been eliminated, effective July 1, 2004. Those districts and agencies that applied for severe need breakfast rates for the 2003-2004 school year will still need to provide cost information pertaining to that school year as part of the reconciliation process.

Effective with the 2004-2005 school year, districts will apply for the higher rates simply by providing data that indicates that the schools served 40 percent of their lunches to free and reduced price students in the second preceding school year. Once this eligibility criterion has been met, the full severe need rates will be assigned, and no further reconciliation will be required. The application form is in the renewal packet that was sent in a recent mailing.

Duration of Free and Reduced Price Meal Eligibility

Beginning school year 2004-2005 and until issuance of a final regulation, school officials will determine household eligibility for free and reduced price meals in the traditional manner, at or about the beginning of the school year. Once approved for free or reduced price benefits, a household will remain eligible for those benefits for a maximum of 30 operating days after the first day in the subsequent school year or when a new eligibility determination is made in the new school year, whichever comes first. The household is no longer required to report changes in circumstances, such as an increase in income of \$50 per month (\$600 annually), a decrease in household size or when the household is no longer certified eligible for food stamps or Temporary Assistance for Needy Families (TANF).

The current free and reduced price application package includes instructions for households to report the changes in household income and household size mentioned above. USDA does not expect State agencies and school food authorities to make changes in their free and reduced price application materials for this school year because the enactment of this legislation is so late in the year. Any changes to the application materials now would be very burdensome to most school districts. However, school food authorities may use other means to notify households that they do not have to report changes. For example, households may be notified via the annual media/public release or notified in their notice of approval for free and reduced price school meals.

Please note that households may continue to apply for benefits any time during the school year. This provision does not apply when the initial eligibility determination was incorrect or when verification of household eligibility does not support the level of benefits for which the household was approved. In those instances, officials must make appropriate changes in eligibility. Additionally, this provision does not apply when a household is given temporary approval. Determining officials should approve households

on a temporary basis when their need for assistance appears to be short-term, such as when the household reports zero income or a temporary reduction in income. A suggested time period for temporary approvals is a maximum of 45 days. At the end of the temporary approval, school officials must re-evaluate the household's situation.

Please contact our office if you have any questions at 303.866.6661, or 888-245-6092 outside of the Denver metro area.