United States Department of Agriculture

Food and Nutrition Service

Mountain Plains Region

1244 Speer Boulevard
Denver, CO
80204-2581

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Reply to Attn of: SP 04-19
CACFP-734

Subject: SUBJECT: Child Nutrition State Administrative Expense (SAE) Funds

To: STATE AGENCY DIRECTORS - (Special Nutrition Programs) Colorado ED, Colorado DPHE, Iowa, Kansas, Missouri ED, Missouri DH, Montana OPI, Montana DPHHS, Nebraska, North Dakota, South Dakota, Utah and Wyoming

Section 202 of the Child Nutrition and WIC Reauthorization Act of 2004 (the Act) amended Section 7 of the Child Nutrition Act of 1966 to increase the minimum SAE grant level to States. In addition, for fiscal years (FY) 2005 through 2007, it maintains each State's SAE grant at not less than the amount the State received for FY 2004. These provisions become effective October 1, 2004.

The minimum grant level will be increased for the National School Lunch Program, the School Breakfast Program, and the Special Milk Program to $200,000. In addition, States will be allocated SAE funds in an amount not less than the initial allocation of SAE funds in FY 2004. It should be noted that the Act specifies that funds will be made available to the State as a whole, not on a State agency (SA) by SA basis. This means that if a State has more than one SA, the amount of the SAs added together will not be less than the initial amount allocated in FY 2004. In some cases an individual SA may be allocated less than the FY 2004 level.

The Act also incorporates an escalator clause for the minimum grant that will go into effect in FY 2008. These changes will be discussed at a later date.

If you have questions, please contact Joe Fisher or Marj DeBoer at (303) 844-0354.

Darlene Sanchez

DARLENE SANCHEZ
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