United States Department of Agriculture
Food and Nutrition Service
Mountain Plains Region
1244 Speer Boulevard
Denver, CO
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Reply to Attn of: SP-05-08
CACFP-744

Subject: State Administrative Expense (SAE) Funds: The Effect on the Minimum SAE Grant in Fiscal Year (FY) 2008

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

This memorandum conveys guidance on the SAE minimum grant amount for FY 2008, in response to a question asked at the national State Agency Directors meeting on the Reauthorization statutes, in Kansas City, Missouri, in September, 2004. It has been issued to you previously in a memorandum by our National Office on November 30, 2004, as Question and Answer number 28 in the attachment. The guidance is provided in the context of a general summary of the changes made in Child Nutrition and WIC Reauthorization Act of 2004 (Public Law 108-265).

Public Law 108-265 amended two parts of the Child Nutrition Act of 1966 (CNA) related to minimum funding levels for SAE.

*Fiscal Years 2005 through 2007 – Maintain each State's funding to not less than the State received in FY 2004.*

Section 7(a)(1)(B) of the CNA was amended to provide a minimum level of SAE funding for each State. The amendment establishes that, for each of the FYs 2005 through 2007, each State shall receive not less than the initial allocation made to the State for FY 2004.

In FY 2008, each State will receive the amount determined by the formula allocation without regard to the amount of SAE funding they received in FY 2004 or subsequent fiscal years. It is likely that by FY 2008, because of increases in Program size and expenditures of Federal funds, each State's formula allocation should exceed the amount the State received in FY 2004.

*Beginning in FY 2009, the $200,000 minimum grant level that States receive for administration of the National School Lunch Program (NSLP), School Breakfast Program (SBP), and Special Milk Program (SMP) will be indexed.*

Section 7(a)(2)(B)(i) of the CNA was amended to increase the minimum amount of the SAE grant that each State receives for administration of the NSLP, SBP, and SMP from $100,000 to $200,000. Beginning on October 1, 2008 (FY 2009), the minimum dollar amount ($200,000) will be adjusted to reflect the percentage change between the value of the index for State and local government purchases, as published by the Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30 of the preceding fiscal year and the value of that index for the 12-month period ending June 30 of the preceding fiscal year.

If you have questions, please contact our office at (303)-844-0354.

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