



COLORADO DEPARTMENT OF EDUCATION

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Commissioner of Education

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CN01-G-009

To: Food Service Directors

From: Dan C. McMillan, Director, Nutrition and Transportation

Date: June 11, 2001

Subject: Child Nutrition Programs State Matching Funds -- Update

Many of you are aware that the Colorado General Assembly, in its 2001 session, passed legislation that includes state matching funds for Child Nutrition Programs. This memo is to update you on the status of implementing the distribution and accounting for these funds.

Section 35 of Senate Bill 01-129 amended the School Finance Act to include a new section, 22-54-123, National School Lunch Act, Appropriation of State Matching Funds. These matching funds respond to a federal statutory matching requirement.

The amount of state funds authorized and appropriated for this purpose is statutorily set at \$2,472,644. This represents the minimum level required to meet the federal matching requirement. The amount is expected to remain static from year to year, unless modified by the General Assembly due to potential future changes by Congress or other influencing factor.

Our tentative plan for distribution of these funds each year is as follows, subject to modification:

1. Determine each participating district's prorata share of the state's total number of reimbursable lunches and breakfasts served in the prior school year. For this initial year, this means that school year 2000-2001 meals totals will be used to determine the distribution amount for the 2001-2002 state fiscal year. These meal totals are typically finalized by sometime late in October.
2. The prorated share will be applied to the matching funds made available, \$2,472,644. Current estimates indicate that each participating district's share should approximate four cents for each lunch and breakfast served. The exact amount will not be known until final meal counts are received and processed.
3. Each participating district will then receive a lump sum payment, most likely in November. This is an additional payment not associated with your monthly reimbursement, and should not impact the normal claiming process.
4. Although the proration method will depend on the prior year's meal counts, the funds should be recognized as current fiscal year (2001-2002) revenue.

The statute is very specific in the requirement that these funds are to be used solely to benefit your Child Nutrition Program operations, and not for any other purposes. The funds must be deposited to the Food Service Fund. Furthermore, these funds are “supplement and not supplant,” and may not be used to reduce any level of funding provided by the district’s General Fund in support of the food service operations in place during school year 2000-2001.

An audit trail must be in place to provide a means of documenting the receipt and use of these funds that will satisfy state and federal scrutiny. We are currently working on the final interpretations and instructions, including Chart of Account guidance, which will accompany the disbursement when mailed later this fall.

In the interim, if you have any questions, please contact Herminia Vigil or me at 303.866.6661 or 888.245.6092 (outside the Denver metro area).