



COLORADO DEPARTMENT OF EDUCATION

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William J. Moloney
Commissioner of Education

Richard G. Elmer
Deputy Commissioner

CN02-G-003

To: Food Service Directors

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

Date: August 17, 2001

Subject: Child Nutrition Programs State Matching Funds – Update #2

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 provide you with a second update on the status of implementing the distribution and accounting for these funds.

The provisions for distribution and use of these state funds as outlined in our first update memorandum dated June 11, 2001 (CN01-G-009) still apply.

On August 8, 2001, the Public School Finance Unit issued an alert memorandum to school district business officials. A copy is enclosed for your information.

The objective of the memorandum is to help clarify to district business officials the restrictions on the use of the matching funds, specifically, the provision in the law that calls for the funds to “supplement, not supplant.” It details the procedures CDE is putting into place to monitor compliance with the intent of the law.

We will keep you apprised as the accounting procedures are finalized.

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).

Encl.



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August 8, 2001

TO: School District Business Officials

FROM: Vody Herrmann, Director
Public School Finance Unit

RE: ALERT! Maintenance of Effort from Districts' General Fund to Food Service Fund

At the CASE Nuts & Bolts Conference, information was shared concerning the new National School Lunch Funding and its implications concerning districts' subsidies to the Food Service Fund. Many district representatives were not aware of the requirements set forth in SB01-129 and since others were not in attendance, it is important that ALL DISTRICTS have a clear understanding of the requirements.

Immediately following the 2001 Legislative Session, I sent out a series of bill summaries. Among those summaries was the SB01-129 Summary. **A section within the SB01-129 Summary needs to be emphasized. Please read the following information:**

5. National School Lunch Act Funding
 - 5A establishes a permanent appropriation for the state's match for the "National School Lunch Act.
 - 5B directs the Department of Education to develop procedures to allocate and disburse the funds among school district in compliance with the requirements of the Act.
 - 5C ***For any school district that previously subsidized school lunches from the district's general fund, requires the school district to apply the new state moneys in addition to, and not in lieu of, the amount of the subsidy.***
 - 5D the new state moneys can only be used for the provision of the district's school lunch program.

For Fiscal Year 2000-2001, ending June 30, 2001, a "base subsidy" will be established for your district, which should be in line with subsidies provided in the preceding two fiscal years. The amount of funding transferred from General Fund (Fund 10) to the Food Service Fund (Fund 51), will be identified and documented (and an ADE edit will be created). Future transfers to the Food Service Fund must equal or exceed the amount transferred in FY2000-2001. You should be sure that the subsidy for FY2000-01 was in an amount the district can continue to transfer each year. FY2000-2001 would not have been a year to make one-time adjustments (larger transfers than normal) for "catch up" purposes.

The amount of funding you should be receiving in FY2001-2002 will be approximately 4 cents per plate (for number of plates served in FY2000-2001). A grant code will be identified for this funding source and you will be notified when that occurs.

If you have questions concerning this new legislation, please do not hesitate to contact me.