Reply to CACFP-715
September 18, 2003

Subject: Child and Adult Care Food Program (CACFP): Eligibility Status of For-Profit Centers After September 30, 2003

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

This memorandum follows-up the email sent by Mary Nielsen on September 11, 2003, transmitting the letter sent by Stanley Garnett. It provides current information regarding the legislative provision affecting the eligibility of some for-profit child care centers to participate in the CACFP. Similar to the situation last fall, the provision of the Richard B. Russell National School Lunch Act, which allows some for-profit child care centers to participate in CACFP, will expire on September 30, 2003. As of October 1, 2003, those for-profit child care centers currently participating in CACFP due to at least 25 percent of their enrolled children being eligible for free or reduced price meals, will no longer be eligible for Program participation. However, as a result of the current Congressional consideration of reauthorization of USDA’s Child Nutrition Programs and the upcoming 2004 Federal appropriations activities, the eligibility of for-profit centers may be addressed, but we cannot predict what final legislative action may be taken.

As we advised when the situation arose last fall, for-profit centers currently eligible to participate in CACFP as a result of having at least 25 percent of enrolled children eligible for free or reduced price meals, may choose to continue to provide meal service after September 30, 2003, at their own risk. We can make no guarantee that the provision will be extended or renewed, nor can we predict whether or not retroactive reimbursement for those for-profit centers would be available even if the provision were extended or renewed. A for-profit child care center that chooses to continue providing meal service must keep the appropriate records to document compliance with CACFP requirements, as these records would be needed to support a claim if the provision were to be extended or renewed and retroactive reimbursement authorized.
Please share this with your for-profit child care centers as soon as possible. This has no affect on the statutory authority for proprietary centers in Kentucky, Iowa, and Delaware.

If there are any questions, please contact our office at (303) 844-0354.

DARLENE SANCHEZ
Regional Director
Special Nutrition Programs