



United States  
Department of  
Agriculture

Food and  
Nutrition  
Service

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DATE: August 15, 2014

MEMO CODE: SP 60-2014

SUBJECT: Second Extension of Grant Period for State Administrative Funds to Implement New Meal Pattern Requirements

TO: Regional Directors  
Special Nutrition Programs  
Financial Management  
All Regions

State Directors  
Child Nutrition Programs  
All States

This memorandum provides important information regarding the administrative funds provided to State agencies through Section 201 of the Healthy, Hunger-Free Kids Act of 2010. For each of the two fiscal years (FY), FY 2012 and FY 2013, \$47 million was authorized to help State agencies implement new meal pattern requirements. The USDA Food and Nutrition Service (FNS) extended the grant period in May 2013 (Memorandum SP39-2013) to provide State agencies an additional year to use these funds. However, as we approach the end of the extended grant period for the FY 2012 funds, many State agencies still have funds available while FNS continues to hear concerns that school food authorities (SFAs) need additional assistance with the new meal pattern requirements.

To further support States in providing assistance to SFAs for this critical child nutrition effort, FNS is extending the grant periods for use of the Section 201 funds for an additional year. With this extension, the FY 2012 allocation must be obligated by **September 30, 2015**, and the FY 2013 funding must be obligated by **September 30, 2016**. This is the final extension allowable for this funding source.

### **State Agency Plans for Obligating Section 201 Funds**

It is FNS's intent to ensure each State agency with remaining Section 201 funds develop and execute a plan to fully utilize these funds. To strengthen this effort, State agencies with unspent funds after September 30, 2014 are required to submit a plan detailing the amount remaining for each FY and how they will obligate their funds. The FNS regional and national offices are committed to providing technical assistance to support State agencies in developing plans, overcoming barriers in the use of these funds, and fully expending the funds to accomplish successful and sustainable ongoing implementation of the new meal pattern. **These plans will be due to the State agency's Regional Office by September 15, 2014.**

### **Using Section 201 Funds for Ongoing Training and Technical Assistance**

The vast majority of SFAs accomplished the initial implementation and are certified as being in compliance with the new meal pattern requirements. However, SFAs will continue to need technical assistance and training to sustain their success in providing healthy meals for students. FNS has provided flexibility in the use of Section 201 funds in memorandum SP-13-2013 (v.2) dated May 22, 2013. We encourage State agencies to review this memorandum and consider whether there are training and technical assistance activities they could newly implement or incorporate into current initiatives to further support SFAs in building their capacity to meet and sustain the meal pattern requirements. State agencies also should consider opportunities to provide training and technical assistance to encourage students to develop and embrace nutritious eating habits.

Examples of training and technical assistance focus areas that could encompass meal pattern capacity-building could include topics such as:

- Incorporating “Smarter Lunchroom” strategies to encourage students to make healthy food choices;
- Nutrition education curricula;
- Availability of USDA Foods to support healthy meals;
- Culinary training for creating tasty, kid-friendly foods and recipes;
- Recipe development;
- Financial management and procurement practices;
- Local wellness policies related to healthy eating at school;
- Program accountability;
- Integrity and the role of the School Nutrition Director in ensuring that school meals meet meal pattern requirements;
- Food production and operation management;
- Meal Pattern/HealthierUS School Challenge.

State agencies may also want to assess whether they could best use Section 201 funds to support such training and technical assistance initiatives by increasing internal staffing or using outside entities such as the National School Food Service Management Institute.

Additionally, State agencies should evaluate whether they are using their State Administrative Expense (SAE) funds for costs related to implementing and sustaining the new meal patterns and determine if Section 201 funds can be used instead. This may allow SAE funds to be preserved for other critical activities such as *Smart Snack* implementation.

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### **Change to Quarterly Reporting of Funds**

To help State agencies and FNS to better monitor the use of Section 201 funds, the frequency of financial reporting will change from annually to quarterly reporting beginning with the quarter ending September 2014. Further instructions on how to report on a quarterly basis will be forthcoming.

State agencies should direct any questions concerning this guidance to the appropriate FNS Regional Office.

**Original Signed**

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Child Nutrition Programs