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Frank Edelblut
Commissioner

Christine Brennan
Deputy Commissioner

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STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
25 Hall Street
Concord, N.H. 03301

April 10, 2023

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Pursuant to RSA 14:30-a, VI, authorize the New Hampshire Department of Education (NHED), Bureau of Student Wellness and Nutrition to accept and expend additional grant funds from the U.S. Department of Agriculture in the amount of $6,980,172 for the continued support of the Child Nutrition grant, effective upon Fiscal Committee and Governor and Council approval through June 30, 2023. 100% Federal Funds.

Funds to be budgeted as follows:

School Nutrition-SCH Programs
Account: 06-56-56-562010-25260000

	Description	Current Modified Budget	Budget Request	Revised Budget FY22
Income				
000-404489-16	Federal Funds	$51,575,855	$6,980,172	$58,556,027
Expenditures				
010-500100	Personal Services Perm Class	$480,563	$0	$480,563
020-500200	Current Expenses	$18,183	$0	$18,183
021-502668	Food Institutions	$3,000	$0	$3,000
026-500251	Organizational Dues	$5,190	$0	$5,190
027-582703	Transfers to DOIT	$57,598	$0	$57,598
028-582814	Transfers to General Service	$21,721	$0	$21,721
029-500290	Inter-Agency Transfers	$155,424	$0	$155,424
030-500301	Equipment New Replacement	$2,900	$0	$2,900
037-500173	Technology-Hardware	$13,077	$0	$13,077

038-500175	Technology-Software	$346	$0	$346
039-500191	Telecommunications	$8,788	$0	$8,788
040-501587	Indirect Costs	$149,653	$0	$149,653
041-500801	Audit Fund Set Aside	$46,250	$6,973	$53,223
042-500620	Additional Fringe Benefits	$92,700	$0	$92,700
050-500109	Personal Service Temp	$64,299	$0	$64,299
057-500531	Books Periodicals Subscript	$2,400	$0	$2,400
060-500601	Benefits	$352,796	$0	$352,796
066-500543	Employee Training	$4,331	$0	$4,331
070-500702	In State Travel Reimbursement	$19,901	$0	$19,901
072-502634	Grants Federal	$49,872,844	$6,973,199	$56,846,043
080-500710	Out of State Travel Reimburs	$22,150	$0	$22,150
085-588542	Inter-Agency Xfer Out of Fed FN	$114,858	$0	$114,858
102-500731	Contracts for Program Service	$66,883	$0	$66,883
	Total	**$51,575,855**	**$6,980,172**	**$58,556,027**

EXPLANATION

The New Hampshire Department of Education (NHED), Bureau of Student Wellness and Nutrition, Office of Nutrition Programs and Services (ONPS) receives a Child Nutrition Block Grant for the National School Lunch Program (NSLP), School Meals Breakfast (SMB) and Special Milk Program (SMP) which provide the Food and Nutrition Service (FNS) with funding to award to schools. This funding is for the purpose of claiming reimbursements for meals through Child Nutrition Programs.

The Child Nutrition meals grants are **reimbursement programs**. Reimbursement is based on the number of meals served times the funding formula rate per meal. At the time of closeout, FNS evaluates the final grant level, and the State is reimbursed the lesser of the: outlays plus unliquidated obligations reported on the FNS-777 to Maximum earning, or the meals served times rates reported on the FNS 10/44/418 reports.

The increase in the unanticipated additional reimbursement rate is the driver for additional expenditures and the need for additional appropriation. As well, the ONPS anticipates receiving additional claims through the end of the fiscal year (schools can submit claims on a 60 day lag). If the rate of reimbursement requests continues to increase, the NHED will seek additional appropriations at that time.

Below are the FNS regulations that outline the reimbursement program and are provided to the Fiscal Committee to show how the NHED is reimbursed under this program.

> **210.5 Payment process to States. (a)** ***Grant award.*** FNS will specify the terms and conditions of the State agency's grant in a grant award document and will generally make payments available by means of a Letter of Credit issued in favor of the State agency. The State agency shall obtain funds for reimbursement to participating school food authorities through procedures established by FNS in accordance with 2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415. State agencies shall limit requests for funds to such times and amounts as

will permit prompt payment of claims or authorized advances. The State agency shall disburse funds received from such requests without delay for the purpose for which drawn. FNS may, at its option, reimburse a State agency by Treasury Check. FNS will pay by Treasury Check with funds available in settlement of a valid claim if payment for that claim cannot be made within the grant closeout period specified in paragraph (d) of this section.

210.6 Use of Federal funds. ***General.*** State agencies shall use Federal Funds made available under the Program to reimburse or make advance payments to school food authorities in connection with lunches and meal supplements served in accordance with the provisions of this part; *except that,* with the approval of FNS, any State agency may reserve an amount up to one percent of the funds earned in any fiscal year under this part for use in carrying out special developmental projects. Advance payments to school food authorities may be made at such times and in such amounts as are necessary to meet the current fiscal obligations. All Federal funds paid to any State in place of donated foods shall be used as provided in part 240 of this chapter.

210.7 Reimbursement for school food authorities. (a) ***General.*** Reimbursement payments to finance nonprofit school food service operations shall be made only to school food authorities operating under a written agreement with the State agency. Subject to the provisions of § 210.8(c), such payments may be made for lunches and meal supplements served in accordance with provisions of this part and part 245 in the calendar month preceding the calendar month in which the agreement is executed. These reimbursement payments include general cash assistance for all lunches served to children under the National School Lunch Program and special cash assistance payments for free or reduced price lunches served to children determined eligible for such benefits under the National School Lunch and Commodity School Programs. Reimbursement payments shall also be made for meal supplements served to eligible children in afterschool care programs in accordance with the rates established in § 210.4(b)(3). Approval shall be in accordance with part 245 of this chapter.

APPROPRIATION EXPLANATION

Class	Class Description	Explanation
041	Audit Fund Set Aside	Appropriation is based on a percentage of the grant
072	Grants-Federal	Appropriation to provide funding to LEA's for meal reimbursements

In the event that Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,

Frank Edelblut
Commissioner of Education

Fiscal Situation

Food and Nutrition Analysis
AU 2526 Class 072

FY23 SOA Appropriation Including Bal Forward and Transfers			$	49,872,844.00
Total Actual expenditures for NSLP and Special Milk Reimbursement (7/1/2022-03/31/2023)			$	42,634,533.00
Remaining Available Appropriation as of 3/31/2023 (SOA)			$	7,238,312
Actual Spend Rate per month (calculated from 7/1/2022-03/31/2023 spend)	$ 4,737,170 X 3 Months			
Estimated Appropriation needed for Remaining (3 months: Apr-Jun) based on spend rate		$ 14,211,511	$	14,211,511
Estimate of Additional Appopriation required for class 072			$	**6,973,199**
Additional Appropriation also required in class 041 due to increase in overall grant amount			$	**6,973**
Total Fiscal Request			$	**6,980,172**

**FNS System allows SAU's to put in monthly reimbursement claim requests to be reviewed and approved for payment by State of NH DOE Office of Nutrition and Program Services specialists

REPORT 495

U.S. DEPARTMENT OF AGRICULTURE - FOOD AND NUTRITION SERVICE
GRANT AWARD DOCUMENT

1. GRANTOR AGENCY: **USDA - Food and Nutrition Service**

2. APPROPRIATION: **See below under Appropriation column**

3. NH EDUCATION DEPT. BUS MA

101 Pleasant Street

CONCORD NH 03301
VENDOR NO. S3391501 000

4. TITLE OF GRANT: Child Nutrition (2 Year)

5. APPORTIONMENT YEAR: 2023
GAD NUMBER: 4NH300304 AMENDMENT: 004

6. ESTIMATED ANNUAL GRANT AWARD:

7. GRANT PERIOD FROM: 10/01/2022
GRANT PERIOD TO: 09/30/2023

APPROPRIATION	FAIN	ACCOUNT ID	PCA TITLE	CFDA NO.	PREVIOUS LEVEL	INCREASE/DECREASE	CURRENT LEVEL
123/43539	234NH304N1099	202323N109944	- CNP BLOCK CONSOLIDATED (O)	10.555	$15,336.00	$0.00	$15,336.00
122/33539	234NH304N1099	202322N109944	- CNP BLOCK CONSOLIDATED (O)	10.555	$9,830,448.00	$0.00	$9,830,448.00
123/43539	234NH304N1199	202323N119944	- CNP BLOCK CONSOLDATD NON AP	10.555	$10,399,654.00	$10,064,687.00	$20,464,341.00
122/33539	234NH304N1199	202322N119944	- CNP BLOCK CONSOLDATD NON AP	10.555	$5,325,780.00	$0.00	$5,325,780.00
Total:					**$25,571,218.00**	**$10,064,687.00**	**$35,635,905.00**

9. SPECIAL INSTRUCTIONS/COMMENTS

Please note that the Financial Official (FO) assigned by the above grantee organization is responsible for maintaining valid banking information for this grant. This includes certifying that correct routing and transit numbers(ABA/RTN) and bank account numbers have been entered into the ASAP.gov payment system. The Food and Nutrition Service and the United States Treasury are not responsible for a misdirected payment in the event that the FO entered the incorrect ABA/RTN or bank account number information.

10. AUTHORIZATION
ALLOWANCE HOLDER (DESIGNEE)

Food and Nutrition Service
Northeast Regional Office
10 Causeway Street, Room 501

Boston MA 02222
Telephone: 617-565-5300

SIGNATURE: - Electronically Signed by - LISA FITZGERALD

DATE: 04/10/2023

TELEPHONE NO: 617-565-6460

FORM FNS 495 CREATE ID F0026156