

CONNECTICUT STATE DEPARTMENT OF EDUCATION
Division of Teaching and Learning Programs and Services
Bureau of Health and Nutrition Services and Child/Family/School Partnerships
25 Industrial Park Road
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MEMORANDUM

TO: Child and Adult Care Food Program (CACFP) Day Care Home Sponsors

FROM: Maureen Staggenborg, Director
Child Nutrition Programs

DATE: July 16, 2004

SUBJECT: **Operational Memorandum #15H-04 CACFP Updates:**

1. Child Care Assessment Project
2. Sunflower Seed Butter
3. Privatized Military Housing Exclusion
4. Prescription Drug Card Subsidies

1. The U.S. Department of Agriculture (USDA) is conducting a ***Child Care Assessment Project*** to determine the success of regulatory changes and program improvement initiatives designed to improve the overall management of the program. As a preliminary stage to this project, USDA will be collecting and analyzing data at both the sponsor and provider levels. The first day care home sponsor chosen for assessment in New England was from the state of Maine and USDA will be conducting three assessments each year in the Northeast for the next several years.
2. Sunflower seed butter is a new product being offered to schools through the USDA commodity Program and may become available on the retail market. The question has been asked regarding the safety of this product for children with peanut allergies. To answer this question, USDA turned to the American Academy of Allergy, Asthma & Immunology, who state that 90 percent of all food allergic reactions are caused by 8 types of foods known as the "big eight" -- peanuts, tree nuts, eggs, cow's milk, soybean, fish, crustaceans, and wheat. They point out that a "second eight" category of food allergens exists, accounting for the other 10 percent of food allergic reactions. This second eight category includes seed allergens -- sunflower seeds, sesame seeds, cottonseed, and poppy.

Those children whose allergy is limited to peanuts could in many cases substitute sunflower seed butter, without the dangers of severe allergic reactions. However, no food that has the *potential* to cause an allergic reaction is 100% safe. It should be recognized that sunflower seed butter can potentially still cause an allergic reaction in a limited number of children, although there would be a lower level of risk associated with consuming it compared to consuming peanut butter. Therefore, sunflower seed butter may be considered as a relatively safe substitute for peanut butter in certain circumstances, and can meet children's consumption requirements as a non-meat, high-protein peanut butter alternative. Information about crediting sunflower seed butter can be found in *Nutrition Policies and Guidance for the Child and Adult Care Food Program (revised May 2004)* Section 2: Crediting Foods: Meat and Meat Alternates.

3. In accordance with the Child Nutrition and WIC Reauthorization Act of 2004, the housing allowance for military personnel living in privatized housing will be permanently excluded from income when determining household eligibility for free and reduced price meals or free milk in all of the child nutrition programs. The provision is effective July 1, 2004.
“Privatized housing” refers to the Military Housing Privatization Initiative, a program operating at a number of military installations. This initiative puts the operation of military owned housing under private contractors. Under this privatization initiative, a housing allowance appears on the leave and earnings statement of service members living in privatized housing. It is important to note that this income exclusion is only for service members living in housing covered under the Military Housing Privatization Initiative. It is not an allowable exclusion for households living off-base in the general commercial/private real estate market. Original provisions regarding this matter were communicated in *Operational Memorandum # 12H-02 and 12-02 (SFSP) Treatment of Military Housing Allowances for Families in “Privatized Housing” for Purposes of Determining Eligibility in Child Nutrition Programs*.
4. Authorized by the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA), the prescription drug discount card provides Medicare beneficiaries with negotiated prices that should be lower than the regular price of prescription drugs. Additionally, from June to December 2004, Medicare is providing through the drug discount cards a \$600 subsidy (“transitional assistance”) to Medicare beneficiaries whose incomes are not more than 135 percent of the poverty line and who do not have certain other drug coverage. An additional subsidy of up to \$600 will be provided in calendar year 2005.

Section 1860D-31(g)(6) of the Social Security Act, as amended by the MMA, states that the availability of negotiated prices or transitional assistance received through the prescription drug card “shall not be treated as benefits or otherwise taken into account in determining an individual’s eligibility for, or the amount of benefits under, any other Federal program.” Therefore, in accordance with the MMA and regulations issued by the Centers for Medicare and Medicaid Services, any subsidy that a household receives through the prescription drug discount card program must not be treated as income in determining eligibility for free and reduced price meals under any of the Child Nutrition Programs.

If there are questions regarding the issues addressed in this memorandum, contact Maureen Staggenborg at 860-807-2070 or Susan Bohuslaw at 860-807-2073.