

Licensed Capacity Criterion for Proprietary Centers

**PURPOSE:** To allow childcare centers to participate in the Child and Adult Care Food Program (CACFP) if they receive compensation under TITLE XX for at least 25 percent of their enrolled children or 25 percent of their licensed capacity, whichever is less.

**SCOPE:** Proprietary centers participating in the CACFP.

**DESCRIPTION:** Public Law 102-342, the Child Nutrition Improvement Act of 1992, enacted on August 14, 1992, amended the Title XX provision of the National School Lunch Act (NSLA). Proprietary child care centers have long argued that the former Title XX provision did not fairly deal with the situation where centers, because of varying attendance schedules, serve a large number of Title XX children each day, but their total enrollment of such children was less than the 25 percent of all enrolled children that was required. The change will allow proprietary child care centers the option to use licensed capacity as their base, thus qualifying for CACFP participation based on the total number of enrolled Title XX compared to licensed capacity.

This provision does not apply to adult day care centers.

**SOURCE:** FY 1994 Child and Adult Care Food Program Policy Memorandum 12, dated September 15, 1992, United States Department of Agriculture.