

All responses to this notice will be summarized and included in the request for OMB approval.

All comments will also become a matter of public record.

Done in Washington, DC, this 2nd day of July 1999.

**Craig A. Reed,**

*Administrator, Animal and Plant Health Inspection Service.*

[FR Doc. 99-17446 Filed 7-8-99; 8:45 am]

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## DEPARTMENT OF AGRICULTURE

### Food and Nutrition Service

#### **Child and Adult Care Food Program: National Average Payment Rates, Day Care Home Food Service Payment Rates, and Administrative Reimbursement Rates for Sponsoring Organizations of Day Care Homes for the Period July 1, 1999-June 30, 2000**

**AGENCY:** Food and Nutrition Service, USDA.

**ACTION:** Notice.

**SUMMARY:** This notice announces the annual adjustments to: The national average payment rates for meals and supplements served in child care centers, outside-school-hours care centers, at-risk afterschool care centers, and adult day care centers; the food service payment rates for meals and supplements served in day care homes; and the administrative reimbursement rates for sponsoring organizations of day care homes, to reflect changes in the Consumer Price Index. Further adjustments are made to these rates to reflect the higher costs of providing meals in the States of Alaska and Hawaii. The adjustments contained in this notice are made on an annual basis each July, as required by the statutes and regulations governing the Child and Adult Care Food Program (CACFP).

**EFFECTIVE DATE:** July 1, 1999.

**FOR FURTHER INFORMATION CONTACT:** Melissa Rothstein, Section Chief, Child and Adult Care and Summer Programs Section, Policy and Program Development Branch, Child Nutrition Division, Food and Nutrition Service, USDA, Alexandria Virginia, 22302, (703) 305-2620.

**SUPPLEMENTARY INFORMATION:**

#### **Definitions**

The terms used in this notice shall have the meanings ascribed to them in the regulations governing the CACFP (7 CFR Part 226).

#### **Background**

Pursuant to sections 4, 11 and 17 of the National School Lunch Act (NSLA) (42 U.S.C. §§ 1753, 1759a and 1766), section 4 of the Child Nutrition Act of 1966 (CNA) (42 U.S.C. 1773) and §§ 226.4, 226.12 and 226.13 of the regulations governing the CACFP (7 CFR part 226), notice is hereby given of the new payment rates for institutions participating in CACFP. These rates shall be in effect during the period July 1, 1999 through June 30, 2000.

As provided for under the NSLA and the CNA, all rates in the CACFP must be revised annually on July 1 to reflect changes in the Consumer Price Index (CPI) for the most recent 12-month period. In accordance with this mandate, the Department last published the adjusted national average payment rates for centers, the food service payment rates for day care homes, and the administrative reimbursement rates for sponsors of day care homes on July 2, 1998 at 63 FR 36205 (for the period July 1, 1998-June 30, 1999). A subsequent notice was published on July 13, 1998 at 63 FR 37628 to correct printing errors in the original notice.

Section 103(b) of the William F. Goodling Child Nutrition Reauthorization Act of 1998, Pub. L. 105-336, enacted October 31, 1998, amended section 11(a)(3)(B) of the NSLA (42 U.S.C. § 1759a(a)(3)(B)) and changed the method of computing the annual adjustments to the reimbursement rates for free and reduced-price meals and supplements served in centers participating in CACFP. Effective July 1, 1999, the amendment requires that operating reimbursement rates for meals and supplements served in centers be rounded down to the nearest lower whole cent. This complements the amendment made by section 704(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104-193, enacted August 22, 1996, which changed the method of computing the paid meal reimbursements in centers, and the reimbursements for all meals served in CACFP family day care homes. With the amendment described within section 103(b), all reimbursement rates for meals served in CACFP will be adjusted and then rounded down to the nearest lower whole cent.

Section 708(e)(1) of Pub. L. 104-193 also amended section 17(f)(3)(A) of the NSLA to establish two "tiers" of day care homes and reimbursement rates. Tier I homes are homes located in low-income areas or homes in which the

provider's household income is at or below 185 percent of the Federal income poverty guidelines. Tier II homes are those homes which do not meet the location or provider income criteria for a tier I home. However, tier II homes may receive the tier I rates for meals served to identified income-eligible children (i.e. children from households with incomes at or below 185 percent of the Federal income poverty guidelines).

Pub. L. 104-193 further specified in section 17(f)(3)(A)(ii)(III) and (IV) the reimbursement factors for meals served in tier I day care homes as the factors in effect on July 1, 1996, with adjustments made to the factors on July 1, 1997, and each July 1 thereafter. Pub. L. 104-193 further provided in section 17(f)(3)(A)(ii)(IV) and 17(f)(3)(A)(iii)(I)(bb) (42 U.S.C. 1766(f)(3)(A)(ii)(IV) and 1766(f)(3)(A)(iii)(I)(bb)) of the NSLA that the factors paid to tier I and tier II homes be rounded down to the nearest whole cent, instead of rounding the factors up or down to the nearest quarter-cent increment as previously required. Subsequent adjustments must be based on the unrounded rate from the preceding school year. In addition, annual adjustments, which were previously based on changes in the CPI for food away from home, must now be made based on the CPI for food at home.

Please note that reimbursement rates for tier II family day care homes are set forth in section 17(f)(3)(A)(iii)(I)(aa) of the NSLA (42 U.S.C. 1766(f)(3)(A)(iii)(I)(aa)), as amended by section 708(e)(1) of Pub. L. 104-193. After these reimbursement rates were adjusted and rounded down to the nearest whole cent as required under the law, an additional six cents was added to the breakfast rate as required by section 4(b)(3) of the CNA of 1966, as amended (42 U.S.C. 1773(b)(3)). The CNA requires that all reimbursement rates for breakfasts served under the School Breakfast Program and the CACFP be adjusted upward by six cents. As background, this addition was first made in 1986, under Pub. L. 99-500, the School Lunch and Child Nutrition Amendments of 1986, which added three cents to adjusted breakfast rates to assist States in improving the nutritional quality of the breakfasts. This adjustment was raised from three cents to six cents in 1989 under Pub. L. 101-147, the Child Nutrition and WIC Reauthorization Act of 1989, for the same reason.

The payment rates for the period July 1, 1999-June 30, 2000 are:

MEALS SERVED IN CENTERS—ALL STATES EXCEPT ALASKA AND HAWAII

[Per meal rates in whole or fractions of U.S. dollars]

Type of meal served	Paid	Reduced price	Free
Breakfast .....	0.21	0.79	1.09
Lunch and Supper <sup>1</sup> .....	0.19	1.58	1.98
Supplement .....	0.05	0.27	0.54

<sup>1</sup> These rates do not include the value of commodities (or cash-in-lieu of commodities) which institutions receive as additional assistance for each lunch or supper served to participants under the program. A notice announcing the value of commodities and cash-in-lieu of commodities is published separately in the **Federal Register**.

MEALS SERVED IN DAY CARE HOMES—ALL STATES EXCEPT ALASKA AND HAWAII

[Per meal rates in whole or fractions of U.S. dollars]

Type of meal served	Tier I	Tier II
Breakfast .....	0.92	0.34
Lunch and Supper ....	1.69	1.02
Supplement .....	0.50	0.13

ADMINISTRATIVE REIMBURSEMENT RATES—ALL STATES EXCEPT ALASKA AND HAWAII

[For sponsoring organizations of day care homes]

Number of homes	Rate per home
Initial 50 .....	78
Next 150 .....	59
Next 800 .....	46
Each Additional .....	41

Pursuant to section 12(f) of the NSLA (42 U.S.C 1760(f)), the Department adjusts the payment rates for participating institutions in the States of Alaska and Hawaii. The new payment rates for Alaska are as follows:

MEALS SERVED IN CENTERS—ALASKA

[Per meal rates in whole or fractions of U.S. dollars]

Type of meal served	Paid	Reduced price	Free
Breakfast .....	0.30	1.44	1.74
Lunch and Supper <sup>1</sup> .....	0.30	2.81	3.21
Supplement .....	0.08	0.44	0.88

<sup>1</sup> These rates do not include the value of commodities (or cash-in-lieu of commodities) which institutions receive as additional assistance for each lunch or supper served to participants under the program. A notice announcing the value of commodities and cash-in-lieu of commodities is published separately in the **Federal Register**.

MEALS SERVED IN DAY CARE HOMES—ALASKA

[Per meal rates in whole or fractions of U.S. dollars]

Type of meal served	Tier I	Tier II
Breakfast .....	1.45	0.52
Lunch and Supper .....	2.73	1.65
Supplement .....	0.81	0.22

ADMINISTRATIVE REIMBURSEMENT RATES—ALASKA

[For sponsoring organizations of day care homes per home/per month rates in U.S. dollars]

Number of homes	Rate per home
Initial 50 .....	126
Next 150 .....	96
Next 800 .....	75
Each Additional .....	66

The new payment rates for Hawaii are as follows:

MEALS SERVED IN CENTERS—HAWAII

[Per meal rates in whole or fractions of U.S. dollars]

Type of meal served	Paid	Reduced price	Free
Breakfast .....	0.23	0.97	1.27
Lunch and supper <sup>1</sup> .....	0.22	1.92	2.32
Supplement .....	0.05	0.31	0.63

<sup>1</sup> These rates do not include the value of commodities (or cash-in-lieu of commodities) which institutions receive as additional assistance for each lunch or supper served to participants under the program. A notice announcing the value of commodities and cash-in-lieu of commodities is published separately in the **Federal Register**.

MEALS SERVED IN DAY CARE HOMES—HAWAII

[Per meal rates in whole or fractions of U.S. dollars]

Type of meal served	Tier I	Tier II
Breakfast .....	1.06	0.39
Lunch and Supper ....	1.97	1.19
Supplement .....	0.58	0.16

ADMINISTRATIVE REIMBURSEMENT RATES—HAWAII

[For sponsoring organizations of day care homes per home/per month rates in U.S. dollars]

Number of homes	Rate per home
Initial 50 .....	91
Next 150 .....	69
Next 800 .....	54
Each Additional .....	48

The changes in the national average payment rates for centers reflect a 2.49 percent increase during the 12-month

period, May 1998 to May 1999, (from 160.6 in May 1998 to 164.6 in May 1999) in the food away from home series of the CPI for All Urban Consumers.

The changes in the food service payment rates for day care homes reflect a 1.99 percent increase during the 12-month period, May 1998 to May 1999, (from 160.7 in May 1998 to 163.9 in May 1999) in the food at home series of the CPI for All Urban Consumers.

The changes in the administrative reimbursement rates for sponsoring organizations of day care homes reflect a 2.09 percent increase during the 12-month period, May 1998 to May 1999,

(from 162.8 in May 1998 to 166.2 in May 1999) in the series for all items of the CPI for All Urban Consumers, published by the Bureau of Labor Statistics of the Department of Labor.

The total amount of payments available to each State agency for distribution to institutions participating in the program is based on the rates contained in this notice.

This action is not a rule as defined by the Regulatory Flexibility Act (5 U.S.C. 601-612) and thus is exempt from the provisions of that Act. This notice has been determined to be exempt under Executive Order 12866.

This program is listed in the Catalog of Federal Domestic Assistance under No. 10.558 and is subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 7 CFR part 3015, subpart V, and final rule related notice published at 48 FR 29114, June 24, 1983.)

This notice imposes no new reporting or recordkeeping provisions that are subject to Office of Management and Budget review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3518).

**Authority:** Secs. 4(b)(2), 11a, 17(c) and 17(f)(3)(B) of the National School Lunch Act, as amended (42 U.S.C. 1753(b)(2), 1759a, 1766(f)(3)(B)) and section 4(b)(1)(B) of the Child Nutrition Act of 1966, as amended (42 U.S.C. 1773(b)(1)(B)).

Dated: July 2, 1999.

**Samuel Chambers, Jr.,**  
Administrator.

[FR Doc. 99-17407 Filed 7-8-99; 8:45 am]

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## DEPARTMENT OF AGRICULTURE

### Food and Nutrition Service

#### National School Lunch, Special Milk, and School Breakfast Programs; National Average Payments/Maximum Reimbursement Rates

**AGENCY:** Food and Nutrition Service, USDA.

**ACTION:** Notice.

**SUMMARY:** This Notice announces the annual adjustments to: The "national average payments," the amount of money the Federal Government provides States for lunches, afterschool snacks and breakfasts served to children participating in the National School Lunch and School Breakfast Programs; the "maximum reimbursement rates," the maximum per lunch rate from Federal funds that a State can provide

a school food authority for lunches served to children participating in the National School Lunch Program; and the rate of reimbursement for a half-pint of milk served to nonneedy children in a school or institution which participates in the Special Milk Program for Children. The payments and rates are prescribed on an annual basis each July. The annual payments and rates adjustments for the National School Lunch and School Breakfast Programs reflect changes in the Food Away From Home series of the Consumer Price Index for All Urban Consumers. The annual rate adjustment for the Special Milk Program reflects changes in the Producer Price Index for Fluid Milk Products. These payments and rates are in effect from July 1, 1999 through June 30, 2000.

**EFFECTIVE DATE:** July 1, 1999.

**FOR FURTHER INFORMATION CONTACT:** Ms. Mary Jane Whitney, Section Chief, School Programs Section, Policy and Program Development Branch, Child Nutrition Division, Food and Nutrition Service, USDA, 3101 Park Center Drive, Room 1007, Alexandria, VA 22302 or phone (703) 305-2620.

#### SUPPLEMENTARY INFORMATION:

##### Background

*Special Milk Program for Children*—Pursuant to section 3 of the Child Nutrition Act of 1966, as amended (42 U.S.C. 1772), the Department announces the rate of reimbursement for a half-pint of milk served to nonneedy children in a school or institution which participates in the Special Milk Program for Children. This rate is adjusted annually to reflect changes in the Producer Price Index for Fluid Milk Products (Code 0231), published by the Bureau of Labor Statistics of the Department of Labor.

For the period July 1, 1999 to June 30, 2000, the rate of reimbursement for a half-pint of milk served to a nonneedy child in a school or institution which participates in the Special Milk Program is 12.75 cents. This reflects a decrease of 1.41 percent in the Producer Price Index for Fluid Milk Products (Code 0231) from May 1998 to May 1999 (from a level of 141.7 in May 1998 to 139.7 in May 1999).

As a reminder, schools or institutions with pricing programs which elect to serve milk free to eligible children continue to receive the average cost of a half-pint of milk (the total cost of all milk purchased during the claim period divided by the total number of purchased half-pints) for each half-pint served to an eligible child.

*National School Lunch and School Breakfast Programs*—Pursuant to sections 11 and 17A of the National School Lunch Act, (42 U.S.C. 1759a and 1766a), and section 4 of the Child Nutrition Act of 1966, (42 U.S.C. 1773), the Department annually announces the adjustments to the National Average Payment Factors and to the maximum Federal reimbursement rates for lunches and afterschool snacks served to children participating in the National School Lunch Program and breakfasts served to children participating in the School Breakfast Program. Adjustments are prescribed each July 1, based on changes in the Food Away From Home series of the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the Department of Labor. The changes in the national average payment rates for schools and residential child care institutions for the period July 1, 1999 through June 30, 2000 reflect a 2.49 percent increase in the Price Index during the 12-month period May 1998 to May 1999 (from a level of 160.6 in May 1998 to 164.6 in May 1999).

Section 103(b) of the William F. Goodling Child Nutrition Reauthorization Act of 1998, Pub. L. 105-336, enacted October 31, 1998 amended section 11(a)(3)(B) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) and changed the method of computing the annual adjustments to the national average payment rates for meals and afterschool snacks served to *needy* children. Effective July 1, 1999, the annual adjustments to the payment rates for free and reduced price meals under section 11(a)(2) of the National School Lunch Act (42 U.S.C. 1759a(a)(2)), section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) and section 17A(c) of the National School Lunch Act (42 U.S.C. 1766a(c)), authorized under section 11(a)(3)(B) of the National School Lunch Act are rounded down to the nearest whole cent. This complements section 704(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104-193, enacted August 22, 1996, which amended section 11(a)(3)(B) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) to change the method for computing the annual adjustments to the national average payment rates for meals and afterschool snacks served to *nonneedy* children. Effective July 1, 1997, the annual adjustments to the payment rates for *paid* meals under Section 4 of the National School Lunch Act (42 U.S.C. 1753), and Section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773)