

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 meals and supplements served to children participating in the National School Lunch 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, 1995 through June 30, 1996 reflect a 2.27 percent increase in the Price Index during the 12-month period May 1994 to May 1995 (from a level of 145.3 in May 1994 to 148.6 in May 1995).

Lunch Payment Factors

Section 4 of the National School Lunch Act (42 U.S.C. 1753) provides general cash for food assistance payments to States to assist schools in purchasing food. There are two section 4 National Average Payment factors for lunches served under the National School Lunch Program. The lower payment factor applies to lunches served by school food authorities in which less than 60 percent of the lunches served in the school lunch program during the second preceding school year were served free or at a reduced price. The higher payment factor applies to lunches served by school food authorities in which 60 percent or more of the lunches served during the second preceding school year were served free or at a reduced price. To supplement these section 4 payments, section 11 of the National School Lunch Act provides special cash assistance payments to aid schools in providing free and reduced price lunches. The section 11 National Average Payment Factor for each reduced price lunch served is set at 40 cents less than the factor for each free lunch.

As authorized under sections 8 and 11 of the National School Lunch Act (42 U.S.C. 1757, 1759a), maximum reimbursement rates for each type of lunch are prescribed by the Department in this Notice. These maximum rates

ensure equitable disbursement of Federal funds to school food authorities.

Meal Supplement Payments in Afterschool Care Programs

Section 17A (42 U.S.C. 1766a) of the National School Lunch Act authorizes elementary and secondary schools to be reimbursed for meal supplements as part of the National School Lunch Program if they meet the following requirements: (1) Operate school lunch programs under the National School Lunch Act; (2) sponsor afterschool care programs; and (3) were participating in the Child and Adult Care Food Program as of May 15, 1989. The reimbursement rates for supplements served in Afterschool Care Programs under the National School Lunch Program are the same as the rates for supplements served in centers under the Child and Adult Care Food Program.

Breakfast Payment Factors

Section 4 of the Child Nutrition Act of 1966 establishes National Average Payment Factors for free, reduced price and paid breakfasts served under the School Breakfast Program and additional payments for schools determined to be in "severe need" because they serve a high percentage of needy children.

Revised Payments

The following specific section 4 and section 11 National Average Payment Factors and maximum reimbursement rates are in effect through June 30, 1996. Due to a higher cost of living, the average payments and maximum reimbursements for Alaska and Hawaii are higher than those for all other States. The District of Columbia, Virgin Islands, Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Marianas, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau use the figures specified for the contiguous States.

National School Lunch Program Payments

Section 4 National Average Payment Factors

In school food authorities which served *less than 60 percent* free and reduced price lunches in School Year 1993–94, the payments are: *Contiguous States*—17.25 cents, maximum rate 25.25 cents; *Alaska*—28.00 cents, maximum rate 39.75 cents; *Hawaii*—20.25 cents, maximum rate 29.25 cents.

In school food authorities which served *60 percent or more* free and reduced price lunches in School Year 1993–94, payments are: *Contiguous*

States—19.25 cents, maximum rate 25.25 cents; *Alaska*—30.00 cents, maximum rate 39.75 cents; *Hawaii*—22.25 cents, maximum rate 29.25 cents.

Section 11 National Average Payment Factors

Contiguous States—free lunch—162.25 cents, reduced price lunch 122.25 cents; *Alaska*—free lunch 263.00 cents, reduced price lunch 223.00 cents; *Hawaii*—free lunch 190.00 cents, reduced price lunch 150.00 cents.

Meal Supplements in Afterschool Care Programs

The payments are: *Contiguous States*—free supplement—49.25 cents, reduced price supplement—24.75 cents, paid supplement—4.50 cents; *Alaska*—free supplement—80.00 cents, reduced price supplement—40.00 cents, paid supplement—7.25 cents; *Hawaii*—free supplement—57.75 cents, reduced price supplement—28.75 cents, paid supplement—5.25 cents.

School Breakfast Program Payments

For schools "not in severe need" the payments are:

Contiguous States—free breakfast 99.75 cents, reduced price breakfast 69.45 cents, paid breakfast 19.50 cents; *Alaska*—free breakfast 157.75 cents, reduced price breakfast 127.75 cents, paid breakfast 28.00 cents; *Hawaii*—free breakfast 115.75 cents, reduced price breakfast 85.75 cents, paid breakfast 21.75 cents.

For schools in "severe need" the payments are:

Contiguous States—free breakfast 118.50 cents, reduced price breakfast 88.50 cents, paid breakfast 19.50 cents; *Alaska*—free breakfast 188.25 cents, reduced price breakfast 158.25 cents, paid breakfast 28.00 cents; *Hawaii*—free breakfast 137.75 cents, reduced price breakfast 107.75 cents, paid breakfast 21.75 cents.

Payment Chart

The following chart illustrates: The lunch National Average Payment Factors with the sections 4 and 11 already combined to indicate the per meal amount; the maximum lunch reimbursement rates; the reimbursement rates for meal supplements served in afterschool care programs; the breakfast National Average Payment Factors including "severe need" schools; and the milk reimbursement rate. All amounts are expressed in dollars or fractions thereof. The payment factors and reimbursement rates used for the District of Columbia, Virgin Islands, Puerto Rico and the Pacific Territories