milk that is served either as a beverage or on cereal.

School Breakfast Component Chart

The table entitled "School Breakfast Pattern-Per Breakfast Minimums" currently in § 220.8(a) would be amended to reflect the above proposed revisions. As with the NSLP, no changes are being proposed to the minimum quantities for infants and young children and the title has been changed to "Minimum Quantities" to be consistent with the corresponding chart for the NSLP.

Compliance Monitoring

The Department proposes to monitor compliance with the nutritional standards of the food-based menu systems in a manner consistent with the compliance process proposed for NuMenus, Assisted NuMenus and with the current regulations. Compliance with meal components and quantities on a per-meal basis for the food-based menu systems remain unchanged. The requirements in $\S 210.18(g)(2)$ for Performance Standard 2 under the administrative review system would continue to apply to those review elements; i.e., on the day of a review, the lunch service must be observed to ensure that all required meal components are offered and that children accept the minimum number of items stipulated both under the standard meal service and the offer ersus serve option.

The requirement that program meals meet all nutrition standards, including the Dietary Guidelines, necessitates an additional review methodology for State agencies. While the compliance method for NuMenus and Assisted NuMenus was addressed in the June 10, 1994, rulemaking, this proposal addresses how this same basic compliance method would apply to food-based menu systems. Since, by law, these schools may not be required to conduct their own nutrient analysis, State agencies will not have nutrient analysis records to review to verify that the meals offered actually met the nutrition standards. Therefore, the Department is proposing to amend § 210.19, General Areas, to require that State agencies conduct a nutrient analysis of one week's meals using the school's production records.

This proposal would also authorize the Department to approve alternative methodologies proposed by the States if they provide the same degree of assurance that school meals are in compliance with all nutrition standards. The proposed provision on monitoring is consistent with a statement from the Committees' Analysis accompanying S.

1614 that ". . . nutrient analysis may be used by schools, State agencies or the Secretary as part of audit and compliance activities."

In order to provide maximum flexibility for States to use an alternative methodology to nutrient analysis as part of an administrative review, the Department will review any approaches proposed by State agencies or by school food authorities with the approval of their State agency to meet both the applicable Dietary Guidelines and the standards for calories and nutrients as detailed in the June 10, 1995, proposed rule at 59 FR 30234-5 and 59 FR 30239-40, for the NSLP and SBP, respectively. If the school food authority has used an approved alternative to the food-based menu systems option and has precisely followed it to meet the Dietary Guidelines and nutrition standards, the State agency would not be required to conduct a separate nutrient analysis.

The Department solicits comments on alternative methodologies that would support the production of meals that adhere to the Dietary Guidelines. The Department is particularly interested in methodologies that are easily implemented and could be shared with other States and is prepared to facilitate the sharing of information on such methodologies among States and school food authorities.

As part of its on-going efforts to implement the Dietary Guidelines, the Department has been in contact with State agencies to determine their training and technical assistance needs. As a result of information obtained from State agencies, a plan is being developed to provide a variety of resources in the areas of training modules and materials, recipes, product specifications, menu planning guides, videos and workshops in ways that are compatible with existing State training procedures. In addition, the Department will be soliciting applications for grants totalling approximately \$4,400,000 to fund State-level activities. The Department is again requesting State and local administrators to comment on what types of training and technical assistance are needed to best implement this proposed rule.

Compliance reviews would be conducted on the meals offered by the school food authority and/or the schools selected for review, depending on the level at which menus are planned and meals provided. For example, if a school food authority provides meals from satellite kitchens to schools, the State agency would use information from the production records at those kitchens to prepare the nutrient analysis. However, if an individual school with its own

menu planning and food production was selected for review, the State agency would use production records from that school's kitchen for nutrient analysis.

The State agency's nutrient analysis would be conducted using the same requirements and methodology employed by school food authorities choosing to use NuMenus or Assisted NuMenus. The Department proposed criteria for menu analysis in the June 10, 1994 proposed rule and is currently considering comments on those provisions for future adoption as a final rule.

The Department also recognizes that some schools or school food authorities may choose to use food-based menu systems and to conduct their own nutrient analysis. In these situations, the State agency may employ the analysis prepared by the local entity in lieu of conducting a separate nutrient analysis, provided that the nutrition analysis is done in accordance with the Department's criteria.

Using the Results of Nutrient Analysis To Measure Compliance

The results of the nutrient analysis from each production source would be used to determine compliance with the Dietary Guidelines' recommendation for limiting the calories from fat and saturated fat as well as the calories and the nutrient levels for the age/grade groups. In addition, the levels of sodium, cholesterol and dietary fiber would also be determined. These figures would be used for future reviews to determine if the school food authority had progressed toward meeting the nutrition standards.

School food authorities found to be out of compliance with the nutrition standards would be required to initiate corrective action. This requirement is consistent with what was proposed for implementation of NuMenus and Assisted NuMenus in the June 10, 1994, proposed regulation. School food authorities would be required to develop an acceptable corrective action plan in collaboration with the State agency. For school food authorities making good faith efforts to comply with the terms of the corrective action plan, the State agency would provide technical assistance and training to help them meet the nutrition standards and Dietary Guidelines. However, consistent with the June 10, 1994, proposal, if the school food authority has not been acting in good faith to meet the terms of the corrective action plan and refuses to renegotiate the plan, the State agency shall determine if a disallowance of reimbursement funds is warranted.