²NOT TO EXCEED 10 PERCENT OVER A SCHOOL WEEK.

(3) School food authorities shall comply with 1990 Dietary Guidelines for Americans and the provisions in paragraph (c)(2) of this section at the same time such provisions are implemented for the National School Lunch Program in accordance with § 210.10 (c)(3) of this chapter.

4. In § 220.13, paragraphs (f)(3) and (f)(4) are redesignated as paragraphs (f)(4) and (f)(5), respectively and a new paragraph (f)(3) is added to read as

§ 220.13 Special responsibilities of State agencies.

* * * * * * (f) * * *

(3) For the purposes of compliance with the 1990 Dietary Guidelines for Americans and the calorie and nutrient levels specified in § 220.8(a)(2), the State agency shall follow the provisions specified in § 210.19(a)(1) of this chapter.

Dated: January 18, 1995.

Ellen Haas

follows:

Under Secretary for Food, Nutrition, and Consumer Services

Appendix A—Regulatory Cost/Benefit Assessment: Food-Based Menu Systems

- 1. *Title*: National School Lunch and School Breakfast Program: Food-Based Menu Systems.
- 2. Background: The proposed rule for food-based menu systems is an extension of the proposed rule on Nutrition Objectives for School Meals which was published in the June 10, 1994 Federal Register at 59 FR 30218 (USDA Food and Nutrition Service, 1994).

This cost/benefit assessment extends the cost/benefit assessment which was developed for the proposed rule on Nutrition Objectives for School Meals to encompass the proposed food-based menu systems. That analysis was published in the Federal Register along with the rule.

The Healthy Meals for Healthy Americans Act of 1994, P.L. 103–448, November 2, 1994, requires USDA to provide within the National School Lunch and School Breakfast Programs an option for planning meals using a food-based system. This proposed rule amends the current meal patter requirements and defines the food components and the minimum quantities for each component for various ages or grade levels. It also defines the nutrient requirements for

school meals for each of the age or grade levels, using levels derived from the most recent (1989) *Recommended Dietary Allowances* (RDAs) published by the National Research Council and from the quantitative recommendations for the maximum levels of fat and saturated fat as a percent of calories contained in the most recent (1990) USDA/DHHS *Dietary Guidelines for Americans*. These changes would be implemented by July 1, 1996 as required by law.

3. Statutory Authority: National School Lunch Act (42 U.S.C. 1751–1760, 1779) and Child Nutrition Act of 1966 (42 U.S.C. 1773, 1779).

4. Cost/Benefit Assessment of Economic and Other Effects:

Synopsis

This assessment finds that the proposed food-based menu system requirements can be met within current food costs and with market impacts at levels presented for the Nutrient Standard Menu Planning system proposed in the June 10, 1994 Federal Register. Compared to current school food service practice, improvement in food preparation techniques and food selections within food categories would be needed to meet the proposed foodbased menu system requirements and RDA/Dietary Guidelines-derived nutrient targets for NSLP. While average food cost need not change, there will be a cost at the state level for establishing and conducting nutrient analysis as a routine component of local reviews. The national total for this cost is estimated to be less than \$2 million per year, and is offset by continuation of the previously proposed 20 percent reduction in state monitoring requirements.

a. Costs To Produce a Meal

The cost/benefit analysis accompanying the June 10, 1994 regulatory proposal "Nutrition Objectives for Healthy School Meals" determined that by using the Nutrient Standard Menu Planning approach it is possible within the current cost to provide school meals which meet defined nutrient targets derived from RDAs and the Dietary Guidelines for Americans. Since the food-based menu planning system is being proposed as a system which may be used in lieu of Nutrient Standard Menu Planning (NSMP) and Assisted Nutrient Standard Menu Planning, school food authorities will be able to select the planning approach which best fits their needs,

including consideration of the cost of planning and providing meals under the various available methods. This document extends the previously published analysis and discussion to cover the food-based menu planning option. Since the proposed meal pattern for the School Breakfast Program retains the existing pattern, this analysis focuses on the lunch meal.

Data

A nationally representative sample included in the School Lunch and Breakfast Cost Study conducted for FNS by Abt Associates found an average food cost of \$0.72 for school lunch meals prepared under the current meal pattern, rounded to the nearest whole cent (Abt Associates, 1994). This includes costs for all foods served as part of the National School Lunch Program (NSLP) reimbursable meal and is not limited to the cost of items which are credited towards the current meal pattern requirement, but excludes items offered for sale as a la carte. For example, if a school included a condiment bar and a cookie dessert along with the NSLP meal without an additional charge, the cost of the ingredients in the condiment bar and the cookie dessert were included in the overall average food cost determination, even though these items were not credited towards meeting the meal pattern minimum requirements. Similarly, if a school included in its NSLP meal more than the minimum amount of vegetable and fruit required by the current meal pattern, the cost of the ingredients in the full amount included in the NSLP meal was included in the overall average food cost determination.

Data on actual foods served in the NSLP were obtained from the 1993 USDA School Nutrition Dietary Assessment (SNDA) study conducted by Mathematica Policy Research for FNS (Mathematica Policy Research, 1993). The study included a survey of about 3550 students in grades 1 through 12 in 545 schools throughout the country. The students reported detailed information on the kinds and amounts of foods and beverages they consumed during a 24hour period. The impact analysis used only the portion of the data on foods served to children as part of credited school lunches. It included plate waste but excluded a la carte items, such as desserts, purchased in addition to the school lunch. The SNDA survey contained detailed information on over 600 food items served in the school