

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, 2003—June 30, 2004**

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, 2003.

FOR FURTHER INFORMATION CONTACT: Keith Churchill, 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 Richard B. Russell 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, 2003, through June 30, 2004.

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 5, 2002, at 67 FR 44804 (for the period July 1, 2002—June 30, 2003).

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CHILD AND ADULT CARE FOOD PROGRAM (CACFP)							
Per Meal Rates in Whole or Fractions of U.S. Dollars							
Effective from July 1, 2003 - June 30, 2004							
CENTERS		BREAKFAST		LUNCH AND SUPPER¹		SUPPLEMENT	
CONTIGUOUS STATES	PAID	.22		.21		.05	
	REDUCED PRICE	.90		1.79		.30	
	FREE	1.20		2.19		.60	
ALASKA	PAID	.32		.34		.08	
	REDUCED PRICE	1.61		3.15		.48	
	FREE	1.91		3.55		.97	
HAWAII	PAID	.25		.24		.06	
	REDUCED PRICE	1.09		2.15		.35	
	FREE	1.39		2.55		.70	
DAY CARE HOMES		BREAKFAST		LUNCH AND SUPPER		SUPPLEMENT	
		TIER I	TIER II	TIER I	TIER II	TIER I	TIER II
CONTIGUOUS STATES		.99	.37	1.83	1.10	.54	.15
ALASKA		1.57	.56	2.97	1.79	.88	.24
HAWAII		1.15	.42	2.14	1.29	.63	.17
ADMINISTRATIVE REIMBURSEMENT RATES FOR SPONSORING ORGANIZATIONS OF DAY CARE HOMES				Initial 50	Next 150	Next 800	Each Additional
PER HOME/PER MONTH RATES IN U.S. DOLLARS							
CONTIGUOUS STATES				86	65	51	45
ALASKA				139	106	83	73
HAWAII				100	77	60	53

¹These 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*.

The changes in the national average payment rates for centers reflect a 2.19 percent increase during the 12-month period, May 2002 to May 2003, (from 177.6 in May 2002 to 181.5 in May 2003) 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 1.31 percent increase during the 12-month period, May 2002 to May 2003, (from 175.5 in May 2002 to 177.8 in May 2003) 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 2.06 percent increase during the 12-month period, May 2002 to May 2003, (from 179.8 in May 2002 to 183.5 in May 2003) 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: Sections 4(b)(2), 11a, 17(c) and 17(f)(3)(B) of the Richard B. Russell 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, 2003.

Roberto Salazar,
Administrator.

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