



**United States
Department of
Agriculture**

July 06, 2004

Food and
Nutrition
Service

SUBJECT: Severe Need Assistance for the School Breakfast Program:
Reauthorization 2004 Implementation Memo SP 2

3101 Park
Center Drive
Alexandria, VA
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TO: Special Nutrition Programs
All Regions

State Agencies
Child Nutrition Programs
All States

Section 201 of the Child Nutrition and WIC Reauthorization Act of 2004 (the Act) amended section 5 of the Child Nutrition Act of 1966. Section 5(d) provides the criteria for determining schools eligibility for severe need assistance under the School Breakfast Program.

Effective July 1, 2004, schools are no longer required to document that the normal per meal reimbursement is insufficient to cover the costs of the SBP. Beginning with School Year 2004-2005, schools no longer have to maintain cost records to receive the severe need reimbursement rate for the SBP. However, any claims outstanding from School Year 2003-2004 are still subject to the cost-accounting procedures for severe need assistance.

The Act retained the provision that requires that schools must have served 40 percent or more of their lunches to free or reduced price students in the second preceding year in order to receive severe need assistance. In addition, the law now permits USDA to determine how the 40 percent test is met for schools that did not serve lunches in the second preceding year. We will be issuing further guidance on this new provision.

Please contact your regional office if you have questions.

A handwritten signature in dark ink, appearing to read "Stanley C. Garnett". The signature is written in a cursive, flowing style.

STANLEY C. GARNETT
Director
Child Nutrition Division