*Total annual reporting hours:* 1,560. Dated: February 19, 2002.

George A. Braley,

Acting Administrator, Food and Nutrition Service.

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# DEPARTMENT OF AGRICULTURE

### Food and Nutrition Service

## Child Nutrition Programs—Income Eligibility Guidelines

**AGENCY:** Food and Nutrition Service, USDA.

#### **ACTION:** Notice.

**SUMMARY:** This Notice announces the Department's annual adjustments to the Income Eligibility Guidelines to be used in determining eligibility for free and reduced price meals or free milk for the period from July 1, 2002 through June 30, 2003. These guidelines are used by schools, institutions, and facilities participating in the National School Lunch Program (and Commodity School Program), School Breakfast Program, Special Milk Program for Children, Child and Adult Care Food Program and Summer Food Service Program. The annual adjustments are required by section 9 of the National School Lunch Act. The guidelines are intended to direct benefits to those children most in need and are revised annually to account for changes in the Consumer Price Index.

#### EFFECTIVE DATE: July 1, 2002.

FOR FURTHER INFORMATION CONTACT: Mr. Robert M. Eadie, Chief, Policy and Program Development Branch, Child Nutrition Division, FNS, USDA, Alexandria, Virginia 22302, or by phone at (703) 305–2620.

**SUPPLEMENTARY INFORMATION:** 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.

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), no new recordkeeping or reporting requirements have been included that are subject to approval from the Office of Management and Budget.

This action is exempted from review by the Office of Management and Budget under Executive Order 12866.

These programs are listed in the Catalog of Federal Domestic Assistance under No. 10.553, No. 10.555, No. 10.556, No. 10.558 and No. 10.559 and are 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 the final rule related notice published at 48 FR 29114, June 24, 1983.)

## Background

Pursuant to sections 9(b)(1) and 17(c)(4) of the National School Lunch Act (42 U.S.C. 1758(b)(1) and 42 U.S.C. 1766(c)(4)), and sections 3(a)(6) and 4(e)(1)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)(6) and 1773(e)(1)(A)), the Department annually issues the Income Eligibility Guidelines for free and reduced price meals for the National School Lunch Program (7 CFR part 210), the Commodity School Program (7 CFR part 210), School Breakfast Program (7 CFR part 220), Summer Food Service Program (7 CFR part 225) and Child and Adult Care Food Program (7 CFR part 226) and the guidelines for free milk in the Special Milk Program for Children (7 CFR part 215). These eligibility guidelines are based on the Federal income poverty guidelines and are stated by household size. The guidelines are used to determine eligibility for free and reduced price meals and free milk in accordance with applicable program rules.

#### **Definition of Income**

"Income," as the term is used in this Notice, means income before any deductions such as income taxes, Social Security taxes, insurance premiums, charitable contributions and bonds. It includes the following: (1) Monetary compensation for services, including wages, salary, commissions or fees; (2) net income from nonfarm selfemployment; (3) net income from farm self-employment; (4) Social Security; (5) dividends or interest on savings or

bonds or income from estates or trusts; (6) net rental income; (7) public assistance or welfare payments; (8) unemployment compensation; (9) government civilian employee or military retirement, or pensions or veterans payments; (10) private pensions or annuities; (11) alimony or child support payments; (12) regular contributions from persons not living in the household; (13) net royalties; and (14) other cash income. Other cash income would include cash amounts received or withdrawn from any source including savings, investments, trust accounts and other resources that would be available to pay the price of a child's meal.

"Income," as the term is used in this Notice, does not include any income or benefits received under any Federal programs that are excluded from consideration as income by any legislative prohibition. Furthermore, the value of meals or milk to children shall not be considered as income to their households for other benefit programs in accordance with the prohibitions in section 12(e) of the National School Lunch Act and section 11(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1760(e) and 1780(b)).

# The Income Eligibility Guidelines

The following are the Income Eligibility Guidelines to be effective from July 1, 2002 through June 30, 2003. The Department's guidelines for free meals and milk and reduced price meals were obtained by multiplying the year 2002 Federal income poverty guidelines by 1.30 and 1.85, respectively, and by rounding the result upward to the next whole dollar. Weekly and monthly guidelines were computed by dividing annual income by 52 and 12, respectively, and by rounding upward to the next whole dollar. The numbers reflected in this notice for a family of four represent an increase of 2.55 % over the July 2001 numbers for a family of the same size.

Authority: (42 U.S.C. 1758(b)(1)).

Dated: February 19, 2002.

George A. Braley, Acting Administrator. BILLING CODE 3410–30–U

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Free Meals - 130%	Month Week			1,294 299					2,962 684		+334 +77		1 201 277	1,618 374	2,035		2,869	3,286 759			+418 +97		1,105 255				2,639 609		3,406 786		+384 +89
л Ц	Annual		11,518	15,522	19,526	23,530	27,534	31,538	35,542	39,546	+4,004		14.404	19,409	24,414	29,419	34,424	39,429	44,434	49,439	+5,005		13,260	17,862	22,464	27,066	31,668	36,270	40,872	45,474	+4,602
- 185%	Week	TERRITORIES	316	425	535	644	754	864		1,083	+110		395	532	669	806	943	1,080	1,217	1,353	+137		363	489	615	741	867	666	1,119	1,245	+126
Reduced Price Meals	Month	GUAM AND	1,366	1,841	2,316	2,791	3,266	3,741	4,215	4,690	+475		1.709	2,302	2,896	3,489	4,083	4,676	5,270	5,863	+594		1,573	2,119	2,664	3,210	3,756	4,302	4,847	5,393	+546
Reduced	Annual	DISTRICT OF COLUMBIA,	16,391	22,089	27,787	33,485	39,183	44,881	50,579	56,277	+5,698	ALASKA	20.498	27,621	34,743	41,866	48,988	56,111	63,233	70,356	+7,123	HAWAII	18,870	25,419	31,968	38,517	45,066	51,615	58,164	64,713	+6,549
elines	Week	STATES, DIST	171	230	289	349	408	467	526	585	+60	I	214	288	362	436	510	584	658	732	+75	F	197	265	333	401	469	537	605	673	+69
Poverty Guidelines	Month	CONTIGUOUS UNITED	739	995	1,252	1,509	1,765	2,022	2,279	2, 535	+257		924	1,245	1,565	1,886	2,207	2,528	2,849	3,170	+321		850	1,145	1,440	1,735	2,030	2,325	2,620	2,915	+295
Federal	Annual	48 CONTI	8,860	11,940	15,020	18,100	21,180	24,260	27,340	30,420	+3,080		11,080	14,930	18,780	22,630	26,480	30,330	34,180	38,030	+3,850		10,200	13,740	17,280	20,820	24,360	27,900	31,440	34,980	+3,540
Household size			1	2	3	4	5	6		For each add'l family			1	2	3	4	5		7	8			1	2	3	4	5		7	B For each add'l familv	member add

INCOME ELIGIBILITY GUIDELINES

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