United States Department of Agriculture
Food and Consumer Service
Mountain Plains Region
1244 Speer Boulevard
Denver, CO
80204-2581

Reply to Attn of: SP-02-21
CACFP-674
SFSP-458

MAY 28 2002

Subject: Treatment of Military Housing Allowance for Families in "Privatized Housing" For Purposes of Determining Eligibility in the Child Nutrition Programs

To:

STATE AGENCY DIRECTORS - (Special Nutrition Programs)
Colorado ED, Colorado DPH, Iowa, Kansas, Missouri ED, Missouri DPHS, Montana OPI, Montana DPHHS, Nebraska, North Dakota, South Dakota, Utah and Wyoming

The Richard B. Russell National School Lunch Act has been amended by Section 4302 of the Farm Security and Rural Investment Act of 2002 (Act) to exclude certain housing allowances from consideration as income in the school nutrition programs, the National School Lunch Program, School Breakfast Program, and the Special Milk Program. For consistency among the programs, we are extending this provision to the Child and Adult Care Food Program and the Summer Food Service Program. Effective May 13, 2002, the housing allowance for military personnel living in privatized housing will not be counted as income when determining household eligibility for free and reduced price meals or free milk in any of the child nutrition programs for Federal fiscal years 2002 and 2003.

For purposes of this memorandum, "privatized housing" refers to the Military Housing Privatization Initiative, a program operating at a number of military installations. This initiative puts the operation of military owned housing under private contractors. Under this privatization initiative, a housing allowance appears on the leave and earnings statement of service members living in privatized housing.

In accordance with the provisions of the Act, the housing allowance provided under the Military Housing Privatization Initiative is excluded from consideration as income for military families applying for free and reduced price meals or free milk for their children under any of the child nutrition programs. This exclusion applies during the remainder of Federal fiscal year 2002 and for Federal fiscal year 2003. It is important to note that this income exclusion is <u>only</u> for service members living in housing covered under the Military Housing Privatization Initiative. It is not an allowable exclusion for households living off-base in the general commercial/private real estate market. There were discussions about extending the legislation to all military housing allowances; however, Congress considered this to be cost prohibitive.

The Department of Defense (DOD) will advise affected military families living in privatized housing of this change for the remainder of Federal fiscal year 2002 (May 13-September 30, 2002); and Federal fiscal year 2003 (October 1, 2002-September 30, 2003). Our National Office will work with DOD to establish some form of documentation for DOD service members to provide to schools to verify their residency in privatized housing.

Additional information about DOD's Military Housing Privatization Initiative, including a list of affected installations, may be accessed at:

http://www.defenselink.mil/acq/installation/hrso

Please call our office if you have questions.

Darlene Sanchez

DARLENE SANCHEZ
Regional Director
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