



Reply to
Attn. of: SP 95-08

MAR 23 1995

Subject: Extension of Provision 2 Procedures in Schools

To: STATE AGENCY DIRECTORS - Colorado ED, Iowa, Kansas, Missouri ED,
(Child Nutrition Programs) Montana OPI, Nebraska ED, North Dakota,
South Dakota, Utah, Wyoming ED

Section 111 of Public Law 103-448, the Healthy Meals for Healthy Americans Act of 1994, modified the alternative meal counting and claiming provisions of the National School Lunch and School Breakfast Programs. One of these modifications involves extending the current 3-year cycle for "Provision 2" schools to 5 years and allowing subsequent 5-year cycles. This memorandum discusses the situations under which States may implement this provision.

State Agencies may authorize schools participating under "Provision 2" to extend their current 3-year cycle by an additional 2 years without taking new free and reduced price applications provided they meet the following criteria:

- ... The schools must have been participating in Provision 2 on November 2, 1994. Schools which began their 3-year cycle subsequent to that date are not eligible to be approved for 5 year cycles; and
- ... The State Agency must determine that available socioeconomic data approved by the Department of Agriculture indicate that the income level of the school population has remained stable since free and reduced price applications were taken. Schools are not required to take new applications if approved socioeconomic data indicate that the economic status has remained stable or has worsened.

When the current cycle, including the 2-year extension, expires, these schools may apply for a new 5-year cycle. When they reapply, these schools will not be required to make new free and reduced price determinations or develop new claiming percentages if the State again determines that the economic status of the school population has remained stable.

Schools in which the socioeconomic data indicate more than a minor improvement in the status of the school population shall not be approved for an extension but must make new free and reduced price determinations at the end of the current 3-year cycle. They may then be approved for a 5-year cycle, and new claiming percentages must be calculated during the first year.

In determining whether the income level of the school population has remained stable, the State Agency must use the best socioeconomic data available. Approved sources include local data developed or collected by city or county zoning and economic planning offices or unemployment data for the area from which the school draws attendance. In some States, local food stamp certification data may be used. The State Agency must consult the appropriate regional office for approval of data from other sources. Also, care should be taken to ensure that equivalent data is used both for the base year (the first year of the expiring 3-year cycle, when free/reduced price eligibility determinations were made) and the current year.

Please call our office if you have any questions concerning this policy.

Ann C. DeGroat

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