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United States
Department of
Agriculture

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Food and
Consumer
Service

Reply to
Attn. of: SP 99-02

Subject: Special Assistance Certification and Reimbursement
Alternative Provision 3: Two New Options

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

This memorandum makes two changes to the instructions for implementing Provision 3, set forth in our earlier memorandum SP 95-15 on September 15, 1995. These changes give school food authorities (SFAs) two new options in utilizing Provision 3.

Since the implementation of Provision 3, it has come to our attention that differences between Provisions 2 and 3 may make it difficult for a SFA to evaluate which provision would be most favorable for their food service operation. Therefore, to make the special assistance certification and reimbursement alternatives more consistent, the following policy changes are established for Provision 3 for the school year beginning July 1, 1998:

1. Schools operating under Provision 3 may implement the provision in the National School Lunch Program (NSLP), School Breakfast Program (SBP) or both. Previous policy required that schools under Provision 3 implement Provision 3 in both meal programs if the school participated in the NSLP and SBP. However, schools operating under Provision 2 have been allowed to implement the procedures for lunch or breakfast, or for both. This change in policy gives schools under Provision 3 the same options as schools under Provision 2 with regard to implementing the provision in the NSLP and/or the SBP.
2. Schools operating under Provision 3 may provide meals at no charge to all students during the base year. Previous policy required that schools under Provision 3 charge students eligible for reduced price and paid meals during the base year for which reimbursement levels were established. This

was intended to allow schools to use their most recent year in which eligibility determinations were made and meal counts by type were obtained as the base year and begin Provision 3 immediately. This policy change allows schools that are already operating a non-pricing program to implement Provision 3, using the previous year as the base year. It also allows schools to implement a non-pricing program in the base year of Provision 3. Please note that while, under Provision 3, the base year may be either pricing or non-pricing, the base year under Provision 2 must still be a non-pricing program only.

If you have any questions, please contact our office.



ANN C. DEGROAT
Regional Director
Child Nutrition Programs