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This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[Docket No. TM-06-03]

Notice of Funds Availability (NOFA) Inviting Applications for the Farmers' Market Promotion Program (FMPP); Notice of Emergency Approval of New Information Collection

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Notice.

SUMMARY: The Agricultural Marketing Service (AMS) announces the availability of approximately \$1 million in competitive grant funds for fiscal year 2006 to increase domestic consumption of agricultural commodities by expanding direct producer-to-consumer market opportunities. Examples of direct producer-to-consumer market opportunities include new farmers markets, roadside stands, community supported agriculture programs, and other direct producer-to-consumer infrastructures. AMS hereby requests proposals from eligible entities from the following categories: (1) Agricultural cooperatives, (2) local governments, (3) nonprofit corporations, (4) public benefit corporations, (5) economic development corporations, (6) regional farmers' market authorities, and (7) tribal governments. The maximum award per grant is \$75,000. In accordance with the Paperwork Reduction Act of 1995, AMS has received emergency approval of a new information approval.

DATES: Applications should be received at the address below as soon as possible, but must be postmarked not later than May 1, 2006. Comments regarding the information collection requirement under the Paperwork Reduction Act of 1995 must be received on or before May 15, 2006.

ADDRESSES: Submit proposals and other required materials to Mr. Errol Bragg, Associate Deputy Administrator, Marketing Services Branch, Transportation and Marketing Programs, Agricultural Marketing Service (AMS), USDA, Room 2646—South, 1400 Independence Avenue, SW., Washington, DC 20250-0269; phone 202/720-8317; and e-mail USDAFMPP@usda.gov. Comments concerning the information collection requirements should be sent to the office of Information and Regulatory Affairs, OMB: Attention: Desk Officer for AMS, Washington, DC 20503. Please state that your comments refer to Docket No. TM-06-03. Comments concerning the information requirements also should be sent to Mr. Errol Bragg at the above address.

FOR FURTHER INFORMATION CONTACT: Mr. Errol Bragg, Associate Deputy Administrator, Marketing Services Branch, Transportation and Marketing Programs, Agricultural Marketing Service (AMS), on 202/720-8317, fax 202/690-0031, or by e-mail USDAFMPP@usda.gov. State that your request for information refers to Docket No. TM-06-03.

SUPPLEMENTARY INFORMATION:

This solicitation is issued pursuant to section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3001-3006) as amended by section 10605 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) (the Acts) authorizing the establishment of the Farmers' Market Promotion Program (7 U.S.C. 3005) (FMPP). The amended act states that the purposes of the FMPP are "(A) to increase domestic consumption of agricultural commodities by improving and expanding, or assisting in the improvement and expansion of, domestic farmers' markets, roadside stands, community-supported agriculture programs, and other direct producer-to-consumer market opportunities; and (B) to develop, or aid in the development of, new farmers' markets, roadside stands, community-supported agriculture programs, and other direct producer-to-consumer infrastructure." The Secretary of Agriculture has delegated the program's administration to the USDA-AMS. Further, in accordance with the Secretary's Statement of Policy (36 FR 13804), it is found and determined upon

good cause that it is impracticable, unnecessary, and contrary to the public interest to engage in further public participation under 5 U.S.C 553 because the applications for the FMPP need to be made available as soon as possible as the programs season approaches. Additionally, a report to Congress is pending.

Background

AMS's authorizing authorities are the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3001-3006), and the recent amendment to the 1976 Act, the Farmers Market Promotion Program (7 U.S.C. 3005). Under the Agricultural Marketing Act of 1946, the Secretary of Agriculture is authorized to conduct, assist, and foster research, investigation, and experimentation to determine the best methods of processing, preparation for market, packaging, handling, transporting, storing, distributing, and marketing agricultural products, 7 U.S.C. 1622(a). Moreover, 7 U.S.C. 1622(f) directs and authorizes the Secretary to conduct and cooperate in consumer education for more effective utilization and greater consumption of agricultural products. In addition, 7 U.S.C. 1622(n) authorizes the Secretary to conduct services and to perform activities that will facilitate the marketing and utilization of agricultural products through commercial channels.

The Farmer-to-Consumer Marketing Act of 1976 directs USDA to encourage the direct marketing of agricultural commodities from farmers to consumers, and to promote the development and expansion of direct marketing of agricultural commodities from farmers to consumers. With this mandate in mind, AMS has been heavily involved for more than a decade in assisting and facilitating farmer and vendor participation in direct farm marketing via farmers markets, community-supported agriculture programs, roadside stands, and other direct marketing channels.

Direct marketing activities have been an especially dynamic area of growth for the U.S. agricultural sector in recent years. AMS estimates that more than 3,700 farmers markets currently operate in the United States, more than double the number of markets that existed in 1994. Community supported agriculture

arrangements, where customers purchase advance shares of a farm's production in return for regular deliveries of product during the harvest season, have also seen a dramatic rise in popularity, expanding from an estimated 60 operations in 1990 to more than 1,000 operations in 2005. The rapid growth in direct farm marketing activities is reflected in the latest statistics available from the U.S. Census of Agriculture, which reports a 37 percent increase in the value of direct farm sales between 1997 and 2002.

Farmers markets and other direct farm marketing outlets represent more than just a commercial outlet for agricultural products; they act as intermediate social structures linking urban, suburban and rural sectors of the economy. Not only do farmers markets provide consumers with convenient access to a wide variety of locally-grown, seasonal farm products at peak condition, many of which are often difficult to find through standard channels of distribution, but they also enable consumers to develop a personal relationship with farmers and learn more about the origin of the food they purchase. Meanwhile, farmers benefit from farmers markets and other direct marketing activities by being able to efficiently reach large numbers of highly motivated customers through a single channel of distribution. Such direct marketing arrangements allow farmers to enhance their farm-based income by:

- Eliminating farmer dependence on intermediaries and reducing their marketing expenses;
- Providing an outlet for farmers to merchandise highly-differentiated farm products with specific quality attributes; and
- Enabling farmers to obtain immediate feedback directly from customers and respond quickly to consumer tastes and preferences.

In view of the growing importance of direct farm marketing activities across the country, AMS has begun to receive an increasing number of requests from farmers, vendors, and other direct farm marketing stakeholders to address the operational, logistical, and training needs of the direct farm marketing community. AMS will oversee and distribute grants under the FMPP to assist those eligible entities needing assistance in order to facilitate the continued successful development and growth of direct farm marketing ventures.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995, (44 U.S.C. Chapter 35), this notice announces that Agricultural Marketing Service (AMS)

has received emergency approval from the Office of Management and Budget of a new information collection.

Title: Farmers Market Promotion Program.

OMB Number: 0581-0235.

Type of Request: Approval of a new information collection.

Expiration Date of Approval: 3 years from date of OMB approval.

Abstract: The primary objective of the FMPP is to help eligible entities to improve and expand domestic farmers markets, roadside stands, community-supported agriculture programs, and other direct producer-to-consumer market opportunities. Eligible entities under this program include agricultural cooperatives, local governments, nonprofit corporations, public benefit corporations, economic development corporations, regional farmers' market authorities, and other entities as the Secretary may designate (7 U.S.C. 3005(c)). The Secretary has designated Tribal Governments as an eligible entity for this grant program.

AMS has established guidelines for the FMPP that contain full details of the program and application process. The guidelines and all forms required for applying for FMPP grants are available from AMS's Marketing Services Branch Web site at: <http://www.ams.usda.gov/tmd/MSB/index.htm>, by calling 202/720-8317, or faxing 202/690-0031. Eligible entities are strongly encouraged to consult the guidelines when preparing applications for submission to the FMPP.

All applicants requesting Federal funding must complete Form SF-424, "Application for Federal Assistance," (approved under OMB collection number 4040-0004). Form SF-424A, "Budget Information—Non-Construction Programs," (approved under OMB collection number 0348-0044) must also be completed by applicants to show the project's budget breakdown, both as to expense categories and the division between Federal and non-federal sources, as applicable. Form SF-424B, "Assurances—Non-Construction Programs," (approved under OMB collection number 0348-0040) must also be completed by applicants to give the Federal government assurances that the applicant has the legal authority to apply for Federal assistance. Form SF-269A, Financial Status Report (Short form approved under OMB #0348-0038) or SF-269, Financial Status Report, (Long form approved under OMB #0348-0039, (if the project had program income)) is completed once by the eligible entity 90 days after the expiration date of the grant period. The

applicant also gives assurance that it will comply with various legal and regulatory requirements as described within the form.

Completed applications must include a proposal narrative along with an eligibility statement. We estimate that it will take applicants 8 hours to complete the proposal narrative and eligibility statement. Comments are requested on this new public reporting burden.

Estimate of Burden: The public reporting burden for this collection of information is estimated to average 8 hours per response.

Respondents: Agricultural Cooperatives, Local Governments, Nonprofit Corporations, Public Benefit Corporations, Economic Development Corporations, Regional Farmers' Market Authorities, and Tribal Governments.

Estimated annual number of respondents: 400.

Estimated annual number of responses per respondent: 1.

Estimated annual number of responses: 400.

Estimated total annual burden on the respondents: 3,200 hours.

AMS needs to receive the information contained in this collection of information to select the projects it believes will promote the purposes of the Acts and the domestic consumption of agricultural commodities by expanding direct producer-to-consumer marketing opportunities. The selection process is competitive and AMS must ensure that limited funds are used for the intended purpose.

Comments are invited on: (1) Whether the new collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) the accuracy of the agency's estimate of the burden of the new collection of information including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

All comments concerning the information collection shall reference the docket number and the date and page number of this issue of the **Federal Register**. Comments concerning the information collection requirements should be sent to the office of Information and Regulatory Affairs, OMB: Attention: Desk Officer for AMS, Washington, DC 20503. Please state that

your comments refer to Docket No. TM-06-03. Comments also may be sent to Mr. Errol Bragg, Associate Deputy Administrator, Marketing Services Branch, Transportation and Marketing Programs, Agricultural Marketing Service (AMS), USDA, Room 2646—South, 1400 Independence Avenue, SW., Washington, DC, 20250-0269; phone 202/720-8317; and e-mail USDAFMPP@usda.gov. Comments received will be available for public inspection during regular business hours at the same address. All comments will become a matter of public record.

AMS is committed to compliance with the Government Paperwork Elimination Act that requires Government agencies in general to provide the public the option of submitting information or transacting business electronically to the maximum extent possible. The three SF forms, as well as the proposal narrative and eligibility statement, can be filled out electronically and printed out for submission or filled out electronically and submitted as an attachment through Grants.gov with the proposal narrative and eligibility statement.

Definitions of Eligible Entities

The eligible entities include those outlined in section 6 (c) of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C 3005(c)). In addition, the Secretary has designated Tribal Governments as an eligible entity for this grant program. Eligible entities are defined in this program and throughout this NOFA as follows:¹

Agricultural cooperative—A group- or member-owned entity or business that provides, offers, or sells agricultural products or services for the mutual benefit of the members thereof.

Local Government—Local government means any unit of local government within a State, including a county, borough, municipality, city, town, township, parish, local public authority, special district, school district, intrastate district, council of governments, and any other instrumentality of local government.

Nonprofit Corporation—Any organization or institution, including nonprofits with 501(c)(3) IRS status and accredited institutions of higher education, no part of the net earnings of which inures to the benefit of any private shareholders or individuals.

Public Benefit Corporation—A corporation organized to construct or operate a public improvement, the

profits from which inure to the benefit of a State(s) or to the people thereof.

Economic Development Corporation—An organization whose mission is the improvement, maintenance, development and/or marketing or promotion of a specific geographic area.

Regional Farmers' Market Authority—An entity that establishes and enforces region, state, or county policies and jurisdiction over regional, state, or county farmers markets.

Tribal Government—A governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community (including any Native village as defined in section 3 of the Alaska Native Claims Settlement Act, 85 Stat. 688 (43 U.S.C. 1602)) certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs.

Recipient and Project Eligibility Requirements

All eligible entities shall be domestic entities, *i.e.*, those owned, operated, and located within one or more of the 50 United States and the District of Columbia only. Entities located within U.S. territories are not eligible.

Additionally, under this program eligible entities must apply for FMPP funds on behalf of direct marketing operators that include two or more agricultural farmers/vendors that produce and sell their own products through a common distribution channel. For example, a sole proprietor of a roadside farm market would not be eligible for this program. Because the FMPP is authorized by and amends the Farmer-To-Consumer Marketing Act of 1976, AMS will oversee and award grant projects that continue in developing, promoting, and expanding direct marketing of agricultural commodities from farmers to consumers. Eligible proposals should support marketing entities where agricultural farmers or vendors sell their own products directly to consumers, and the sales of these farm products should demonstrate the core business of the entity.

Individual agricultural producers, including farmers and farmers' market vendors, roadside stand operators, community supported agriculture participants, and other individual direct marketers are not eligible for FMPP funds.

FMPP grant funds must be applied to the specific programs and objectives identified in the application. Proprietary projects that benefit one agricultural producer or individual will not be considered.

Project Timeframe

Projects are to be completed within 18 months.

Proposal Preparation

Applicants must submit the following information; applications that do not contain this information will not be considered:

1. Form SF-424, "Application for Federal Assistance." This form must have an original signature.
2. Form SF-424A, "Budget Information—Non-Construction Programs."
3. Form SF-424B, "Assurances—Non-Construction Programs."
4. DUNS Number—A Dun and Bradstreet Data Universal Numbering System (DUNS) number is required for all FMPP applications and all Federal grants (68 FR 38 402). You may check to see if your organization already has a DUNS number, or if you do not already have a DUNS number, you may acquire one online at no cost at <https://eupdate.dnb.com/requestoptions/government/ccrreg/> You may also acquire one by calling the dedicated toll-free DUNS number request line on 1-866-705-5711.
5. Eligibility Statement. Explain how the applicant meets the definition of an agricultural cooperative, local government, nonprofit corporation, public benefit corporation, regional farmers' market authority, or other eligible entity as outlined in the "Definitions" section of this NOFA. Applications without sufficient information to determine their eligibility will not be considered. This eligibility statement will be counted towards the 10-page maximum for the proposal narrative.
6. Proposal Narrative. The narrative portion of the project proposal must not exceed 10 pages (Times New Roman font, 12 pt. pitch, single spaced, 8.5 by 11 inch-paper). The narrative must be organized under the following headings:
 - a. Project Title. Provide a title that captures the primary focus of the project.
 - b. Executive Summary. The project summary, not to exceed 200 words, must include the following: a description of the project including the goals to be accomplished, stages of work and resources required, the expected timeframe for completing all tasks and results, and primary project manager responsible for the project.
 - c. Goals of the Project. Provide a clear statement that includes the ultimate goal(s) and objective(s) (one or two sentences) of the project.
 - d. Background Statement. Provide information regarding past, current,

¹ References to a state also include the District of Columbia.

and/or future events, conditions, or actions taken that justify the need for the project.

e. **Workplan and Resource Requirements.** Provide a statement that includes the planned scope of work, anticipated stages and timelines, and the resources required to complete the project. Identify who will do the work, whether collaborative arrangements or subcontractors will be used, the amount of resource commitments of the collaborators, and the role(s) and responsibilities of each collaborator or project partner.

f. **Expected Results.** Describe what is to be accomplished, the expected results, and how success will be measured at the completion of the project.

g. **Beneficiaries.** Describe which persons, organizations, and/or entities will benefit from the project work or research outlined in the proposal.

h. **Supplemental Budget Summary.** Provide in sufficient detail information about the budget categories listed on Form SF-424A to demonstrate that the budget is reasonable and adequate for the proposed work. Additional detail and justification must be provided for any purchase that is expected to exceed \$5,000. For full information on how to complete the Supplemental Budget Summary, please refer to the FMPP Guidelines available from AMS's Marketing Services Branch Web site at: <http://www.ams.usda.gov/tmd/MSB/index.htm>

i. **Primary Project Manager Information.** Provide the mailing address, telephone and fax number, and e-mail address for the person responsible for managing and/or overseeing the project.

7. **Methods of Evaluating Proposals.** Applicants should ensure that evaluation criteria are addressed within the proposal narrative. Each proposal will be evaluated using the following criteria:

a. The need for the project, excluding, however, routine operational expenses such as management salaries or other's salaries associated with normal operation of farm markets/marketing entities, utility bills, and insurance premiums.

b. Direct benefit to farmers/vendors, provided any benefit for individual farmers/vendors are provided for every market participating farmer/vendor in a market/market entity.

c. Project innovation.

d. Collaboration/partnerships (include partner qualifications) and farmer/producer participation.

e. Methodology for quantitative evaluation and measurement of the project's impact.

f. Project sustainability.

g. Transferability of project outcomes.

h. Reasonableness of budget.

Grant Amounts

The amount of funds available for FMPP grants in FY 2006 is approximately \$1 million. The maximum amount of Federal funds awarded for any one proposal will be \$75,000.

Number of Awards

No one applicant can receive more than one FMPP grant.

Eligible Grant Uses

FMPP grants are for, but are not limited to, projects and proposals that are associated with the following:

1. **Innovative Approaches to Market Operations and Management**—Projects that address operational or marketing opportunities and issues of markets and/or farmers/vendors to: Enhance product value and sales; increase revenue and efficiency; or reduce expenses. These projects may address:

- Advertising and market promotion.
- Labeling and signage.
- Waste management.
- Recycling.
- Liability coverage and insurance.
- Facility planning and/or design.
- Transportation and delivery systems.

• Infrastructure for electronic benefits transfer (EBT) usage; processing, kitchen incubators, storage, packaging, and refrigeration.

2. **Improving Access to Relevant Marketing and Financial Information**—Projects that provide opportunities and promote training, education, networking, and information sharing for farmers, vendors, market management, and market sponsors. These projects are designed to enhance sales volumes, self-sufficiency, and product security/safety. Project focuses may address:

• Direct marketing practices and methods, business planning, market growth management, recordkeeping, food handling and safety, farmer and vendor selection, recruitment, and retention.

• Consumer trends, demographics, changing ethnic demographics, and their relationship to customer purchasing patterns.

• Alternative purchasing methods, such as EBT; Women, Infants, and Children (WIC) coupons; Senior Farmers Market Nutrition Program (SFMNP) coupons; and debit/credit technologies.

• Association and other organizational development.

3. **Consumer-Based Education and Market Access**—Projects that address ways to improve consumers' access and utilization of markets/entities: These projects may include:

• Increasing consumer EBT use and awareness with a required emphasis on the assessment, evaluation, and measurement of the impact at eligible markets/entities.

• Consumer education that focuses on new food and agricultural products, product applications, and chef demonstrations with a required emphasis on the assessment, evaluation, and impact of such education on consumer patronage at eligible markets/entities.

• Assessment, evaluation, and impact of the vendors and/or the market/entities in providing access to fresh fruits and vegetables to low-income households, children, and seniors.

Ineligible Grant Uses

FMPP grant funds cannot be used to pay for:

1. Acquisition of land, repair, rehabilitation, acquisition or construction of a building or facility.
2. Political or lobbying activities.
3. Any activities prohibited by 7 CFR parts 3015 and 3019.

How To Submit Proposals and Applications

Each application must contain the following information stated in the "Proposal Preparation" section of the NOFA: Forms SF-424, SF-424A, and SF-424B; the entity DUNS number; the entity eligibility statement; and the proposal narrative.

Following are the options available for submitting proposals and applications:

Electronic Submissions—Proposals that are electronically submitted to AMS via e-mail must be sent to USDAFMPP@usda.gov. E-mailed proposal submissions must be in Microsoft Word or Adobe Acrobat format. Form SF-424 "Application for Federal Assistance," must be completed and submitted with original signature and mailed to: Mr. Errol Bragg, Associate Deputy Administrator, Marketing Services Branch, Transportation and Marketing Programs, AMS, USDA, Room 2646—South, 1400 Independence Avenue, SW., Washington, DC, 20250-0269. (202) 720-8317.

Paper Submissions—For paper submissions, an original and one copy of the proposal, with all required forms, must be submitted in one package,

preferably via express mail. Because packages sent to the Agency through the United States Postal Service can be damaged or delayed due to security procedures at USDA Washington DC headquarters, express mail services or couriers are strongly recommended. Paper submissions must be sent to: Mr. Errol Bragg, Associate Deputy Administrator, Marketing Services Branch, Transportation and Marketing Programs, AMS, USDA, Room 2646—South, 1400 Independence Avenue, SW., Washington, DC, 20250-0269. (202) 720-8317.

If an e-mail address is provided, FMPP will send an e-mail message confirming receipt of the application package.

Electronic Submissions via Grants.gov—Federal grant applicants may apply electronically for grants through the Federal grants Web site: <http://www.grants.gov>. Applicants who submit their FMPP proposals via the Federal grants Web site are not required to submit any paper documents to FMPP. For information on how to apply electronically, click on <http://www.grants.gov/GetStarted>.

Dated: March 10, 2006.

Lloyd Day,
Administrator, Agricultural Marketing Service.

[FR Doc. E6-3709 Filed 3-14-06; 8:45 am]

BILLING CODE 3410-02-P

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 and free milk for the period from July 1, 2006 through June 30, 2007. 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 Richard B. Russell 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.

DATES: *Effective Date:* July 1, 2006.

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) 305-2590.

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 Richard B. Russell 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

In accordance with the Department's policy as provided in the Food and Nutrition Service publication *Eligibility Guidance for School Meals Manual*,

“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 self-employment; (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 Richard B. Russell 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, 2006 through June 30, 2007. The Department's guidelines for free meals and milk and reduced price meals were obtained by multiplying the year 2006 Federal income poverty guidelines by 1.30 and 1.85, respectively, and by rounding the result upward to the next whole dollar.

The income eligibility chart for School Year 2006-2007 continues the changes that were implemented for School Year 2004-2005. Prior to School Year 2004-2005, the Department displayed the monthly and weekly amounts for the Federal poverty guidelines in addition to the annual figures as issued by the Department of Health and Human Services. This Notice, however, only displays the annual figures because the monthly and weekly Federal poverty guidelines were