

Office of Governmental Affairs
Food and Nutrition Service
U. S. Department of Agriculture

THE NATIONAL SCHOOL LUNCH PROGRAM

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THE NATIONAL SCHOOL LUNCH PROGRAM

WHAT IS THE NATIONAL SCHOOL LUNCH PROGRAM?

The National School Lunch Program (NSLP) is the oldest and largest of the child nutrition programs operated by the Food and Nutrition Service (FNS) of the Department of Agriculture. Since 1946, the NSLP has made it possible for schools to serve nutritious lunches to students each school day. States receive Federal reimbursement and other assistance in establishing, maintaining, and operating the program.

HOW DOES THE PROGRAM OPERATE?

At the Federal level the program is operated by FNS. Within each State, the state educational agency operates the program through agreements made with local schools or school districts. Where states do not administer the program, it is administered by the FNS Regional Office.

WHAT SCHOOLS AND INSTITUTIONS CAN PARTICIPATE?

Any public school of high school grade or under is eligible to participate in the NSLP. Any nonprofit, private school of high school grade or under can also participate. Public and

Office of Governmental Affairs, Food and Nutrition Service, USDA

licensed, nonprofit, private residential child care institutions such as orphanages, homes for retarded children, and temporary shelters for runaway children are also eligible.

ARE THERE REQUIREMENTS FOR PARTICIPATION?

To participate in the NSLP, schools and institutions must agree to:

- o Operate food service for all students without regard to race, color, national origin, sex, age, or handicap.
- o Provide free and reduced price lunches to students unable to pay the full price based on income eligibility criteria. Such students must not be identified nor discriminated against in any manner.
- o Serve lunches that meet the nutritional standards established by the Secretary of Agriculture.
- o Operate the food service on a nonprofit basis.

HOW IS ELIGIBILITY FOR FREE AND REDUCED-PRICE LUNCHES DETERMINED?

By law, students of families meeting specified income criteria receive lunches either free or at a reduced price. Eligibility determinations are made by an official at each school and are based on family size and income information provided on an application submitted by a parent or guardian.

WHAT FEDERAL FINANCIAL ASSISTANCE DO SCHOOLS AND INSTITUTIONS RECEIVE?

Office of Governmental Affairs, Food and Nutrition Service, USDA

A basic amount of Federal financial assistance is provided for all lunches served, whether paid, reduced price, or free. Additional financial assistance is provided for each reduced price and free lunch served to eligible students. These rates of reimbursement are adjusted annually in accordance with changes in the Consumer Price Index. The Department of Agriculture also provides donated commodities for lunches served under the program. The federal contribution for Fiscal Year 1989 was approximately \$3.77 billion dollars including all commodities.

HOW MANY STUDENTS PARTICIPATE?

Participation rates vary by grade levels. According to a nationally representative study conducted in 1983-4, approximately 3 out of 4 elementary school (grades 1-6) participated in the National School Lunch Program each day. Participation is significantly lower among older children. For example, in grades 10-12, slightly less than half (48 percent) participated daily.

WHAT IS THE BASIS FOR THE INCOME ELIGIBILITY STANDARDS?

All income eligibility guidelines are derived from the Federal poverty guidelines and are updated annually. The following table presents the current guidelines:

Office of Governmental Affairs, Food and Nutrition Service, USDA

INCOME ELIGIBILITY GUIDELINES
[Effective from July 1, 1990 to June 30, 1991]

Household size	Free meals--130%			Reduced-price meals		
	Annual	Month	Week	Annual	Month	Week
48 Contiguous United District of Columbia, Guam and Territories:						
1.....	8,164	681	157	11,618	969	224
2.....	10,946	913	211	15,577	1,299	300
3.....	13,728	1,144	264	19,536	1,628	376
4.....	16,510	1,376	318	23,495	1,958	452
5.....	19,292	1,608	371	27,454	2,288	528
6.....	22,074	1,840	425	31,413	2,618	605
7.....	24,856	2,072	478	35,372	2,948	681
8.....	27,638	2,304	532	39,331	3,278	757
For each extra family member add.....	+2,782	+232	+54	+3,959	+330	+77

WHAT IS THE CURRENT COMPOSITION OF STUDENTS PARTICIPATING IN THE PROGRAM?

The FY 1989 composition of the students participating in the school lunch program is: free, 40.3 percent; reduced price, 6.6 percent; and paid, 53.1 percent.

WHAT IS "GENERAL ASSISTANCE"?

As noted earlier, federal assistance for school lunches takes several forms. Basic, or general assistance, is provided for all meals served that meet Federal nutrition requirements. For the 1990-91 school year, the current basic rate is 15.50 cents per lunch for every student served, regardless of the income level of the student's family.

An additional 2 cents per lunch is added to the general assistance reimbursement level in schools in which 60 percent or

Office of Governmental Affairs, Food and Nutrition Service, USDA

more of the lunches in the second preceding year were served at free or reduced price reimbursement levels.

ARE THERE STATE MATCHING REQUIREMENTS?

The general cash assistance funds must be matched by the States. States are required to provide matching funds equal to as much as 30 percent of the total amount of Federal funds provided for all general assistance, for free, reduced price, and paid meals.

WHAT ARE THE CURRENT CASH REIMBURSEMENT RATES?

Reimbursement rates for School Year 1990-91 are \$1.6075 for free; \$1.2075 for reduced price and 15.50 cents for paid category lunches. These rates are 2 cents higher in schools where over 60 percent of the meals are served to free and reduced-price students.

WHAT IS "ENTITLEMENT"?

In addition to cash, commodity assistance to school lunch programs is provided. Commodity assistance is provided to participating schools and institutions in the form of actual commodity items to be used for lunch meals. By law, a specific per lunch value of commodities is required to be provided. The

Office of Governmental Affairs, Food and Nutrition Service, USDA

current commodity assistance rate is 14.00 cents per lunch. This amount is annually indexed to reflect changes in the Price Index for Food Used In Schools and Institutions. As with general assistance, commodity assistance is provided regardless of the family income of the participating child.

The commodity assistance is available for each meal served, and is provided to each State based on the estimated number of lunches that will be provided during the coming school year.

WHAT ARE "BONUS COMMODITIES"?

In addition to the entitlement commodities, the school lunch program may also receive "bonus commodities." This program allows the Secretary of Agriculture to donate surplus or price-support commodities, which may not be assessed against the State's mandatory allocation. The amount of commodities distributed under the bonus program varies from year to year, as do the specific types of commodities that are provided.

WHAT REQUIREMENTS MUST LUNCHES MEET?

To qualify for Federal reimbursement, schools must serve lunches which meet meal pattern requirements specified by the Secretary of Agriculture.

The lunch pattern is designed to provide, over a period of time, approximately one-third of a student's Recommended Dietary

Office of Governmental Affairs, Food and Nutrition Service, USDA

Allowance for key nutrients. The lunch must be planned to offer each student five items: a specific amount of meat or meat alternate, two or more vegetables and/or fruits, whole-grain or enriched bread or bread alternate, and fluid milk as a beverage.

Minimum amounts of food items are specified for various age/grade groups.

SCHOOL LUNCH PROGRAM-FUNDING AND PARTICIPATION

(in thousands)

Average Daily Participation**

Fiscal Year	Total	Free	Reduced	Paid	Program Total Cost *
1980	26,622	10,009	1,881	14,732	\$3,186,137
1981	25,825	10,571	1,921	13,333	\$3,276,252
1982	22,940	9,815	1,611	11,514	\$2,975,304
1983	23,185	10,362	1,555	11,268	\$3,178,411
1984	23,376	10,302	1,527	11,548	\$3,326,645
1985	23,735	10,009	1,551	12,162	\$3,390,272
1986	23,719	10,001	1,559	12,159	\$3,549,536
1987	23,939	9,975	1,585	12,379	\$3,684,976
1988	24,204	9,819	1,582	12,803	\$3,731,601
1989	24,187	9,745	1,601	12,841	\$3,772,002

* Includes value of bonus commodities.

** Average computed for months of October thru May plus September.

Office of Governmental Affairs, Food and Nutrition Service, USDA

LEGISLATIVE HISTORY

The school lunch program is the oldest and the largest of the child nutrition programs operated by the Food and Nutrition Service (FNS).

The earliest assistance for school lunch program operations began in the 1930's, primarily as a result of an agricultural policy which placed emphasis on the disposal of surplus commodities.

As early as 1932, some existing school lunch programs received Federal loans and agricultural surpluses. The Reconstruction Finance Corporation made loans to several towns in Missouri to cover the cost of the preparation and serving of school lunches. In 1933 and 1934 this work was expanded under the Civil Works Administration and the Federal Emergency Relief Administration which served in 39 States.

Beginning in 1935, new authority was established under section 32 of the Act of August 24, 1935, to provide that surplus farm commodities could be provided to school lunch programs through a direct purchase and distribution program.

From 1943 to 1946, the USDA conducted a new program under which section 32 funds were used to make cash grants to schools to enable them to purchase foods locally for the school lunch program--and school milk program. With the enactment of the 1944 Agricultural Appropriations Act (Public Law 78-129), Congress for the first time authorized a specific amount of section 32 funds for the school lunch and milk programs without regard to the existence of surpluses.

Following is a more detailed legislative history:

THE NATIONAL SCHOOL LUNCH ACT OF 1946 Public Law 79-396

The major legislation governing the school lunch program was the adoption in 1946 of the National School Lunch Act (Public Law 79-396).

The act authorized appropriations "as may be necessary" to "* * * safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other food, by assisting the States,

Office of Governmental Affairs, Food and Nutrition Service, USDA

through grants-in-aid and other means, in providing an adequate supply of food and other facilities for the establishment, maintenance, operation, and expansion of nonprofit school-lunch programs."

The Secretary of Agriculture was authorized to make payments to states on a matching basis and according to a need formula. Seventy-five percent of the available funds were to be apportioned to the states on the basis of the number of schoolchildren in the State and the need for assistance in the State based on their relation of the per capita income in the United States to the per capita income in the State. Three percent of the total funds were to be reserved for use in Alaska, the Territory of Hawaii, Puerto Rico, and the Virgin Islands. The Secretary was to have available \$10 million to provide nonfood assistance -- equipment used on school premises for the storage, preparation, or serving of food for schoolchildren -- for the school lunch program. Three percent of these funds as well were to be reserved for use in Alaska, the Territory of Hawaii, Puerto Rico, and the Virgin Islands. Three and one-half percent of the total funds were to be made available for the Secretary for administrative expenses. The remaining funds were to be used for the purchase of agricultural commodities and other food to be distributed to the participating schools. States were required to match Federal funds as follows:

Fiscal years 1947 to 1950--\$1 for each Federal dollar;

Fiscal years 1950 to 1955--\$1.50 for each Federal dollar;

and Fiscal year 1956 and thereafter--\$3 for each Federal dollar.

The program at this point consisted entirely of what is today general assistance, referred to as the section 4 program, so named because of its origination under section 4 of the National School Lunch Act.

In any State where the per capita income was less than the per capita income of the United States, the matching required would be decreased by the percentage which the State per capita income was below the per capita income for the United States. The matching requirement would be satisfied with children's meal payments, as well as the reasonable value of "donated services, supplies, facilities, and equipment as certified." However the "cost or value of land, or the acquisition, construction, or alteration of buildings or commodities donated by the Secretary,

Office of Governmental Affairs, Food and Nutrition Service, USDA

or of the Federal contributions" could not be used to meet the matching requirement.

The lunches served by the participating schools were required to meet the nutritional requirements prescribed by the Secretary. Three types of lunch were authorized: type A, type B, and type C. The type A lunch was developed to meet one-third to one-half of the minimum daily nutritional requirements of a child 10 to 12 years of age; certain adjustments in the meal could be made to meet the requirements of children of different age. The type B lunch provided a supplementary lunch in those schools where adequate facilities were not available to provide the type A lunch. One-half pint of whole milk constituted the type C lunch. Maximum reimbursement for these lunches was 9 cents for a type A lunch, 6 cents for a type B lunch, and 2 cents for a type C lunch. These reimbursement rates were reduced by 2 cents for any lunches which did not serve milk because the milk did not meet State and local standards regarding butterfat and sanitation. Any other lunch without milk was not reimbursable. Funding continued to go to the States on the basis of the need formula; these amounts merely served as maximum reimbursements which the Secretary could pay per lunch.

NOTE.--The type A lunch is the only type of meal now served in the National School Lunch Program.

Local school authorities were directed to serve lunches without cost or at a reduced price to those children determined by school authorities as being unable to pay the full cost. The law further stated that there was to be no physical segregation or discrimination against any child who was unable to pay for his or her lunch. The schools were to utilize, in so far as practicable, surplus commodities in their lunch programs. The programs were to operate on a non-profit basis, and records and accounts were to be maintained.

THE AGRICULTURAL ACT OF 1949
PUBLIC LAW 81-439

Section 416 of the Agricultural Act of 1949 (Public Law 81-439) authorized the Secretary to provide commodities acquired through price support operations to the school lunch program. The Commodity Credit Corporation was authorized to donate commodities it had acquired, under its price support programs in order to prevent waste. The bonus commodities were in addition to those authorized under section 32 of the Agricultural Act of 1935.

AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT

Office of Governmental Affairs, Food and Nutrition Service, USDA

PUBLIC LAW 87-823

The first significant change in the school lunch program occurred 1962 with the revision of section 4 funding and the establishment--under Public Law 87-823---of a new, separate funding authority, section 11, for schools drawing attendance from low-income areas. Apportionment of funds to the states was changed so that it was to be based on the participation rate for the State and the need as determined by state per capita income. Previous allocation was based on the number of children in the State--without regard to actual participation-- as well as the assistance need rate.

Funds for this new program were appropriated for fiscal year 1966. Originally, section 11 was intended for schools, rather than individual students, that were deemed needy. Specifically, the law provided special assistance to schools drawing attendance from areas in which poor economic conditions exist, for the purpose of helping such schools to meet the requirement * * * of this act concerning the service of lunches to children unable to pay the full cost of such lunches. Apportionment for section 11 funding was to be based on participation in the preceding fiscal year and the assistance need rate. The selection of schools eligible for section 11 funding was determined by the State educational agency based on the following factors: (1) The economic condition of the area from which such schools draw attendance; (2) the needs of pupils in such schools for free or reduced-price lunches; (3) the percentages of free and reduced-price lunches being served in such schools to their pupils; (4) the prevailing price of lunches served in the State under this act; and (5) the need of such schools for additional assistance as reflected by the financial position of the school lunch programs in such schools.

THE CHILD NUTRITION ACT OF 1966 PUBLIC LAW 89-642

The next significant legislative changes affecting the school lunch program were made in the Child Nutrition Act of 1966. Under this new act, Public Law 89-642, new funds were provided for State educational agencies to use in supervising and giving technical assistance to schools for the conduct of programs under this new act as well as the National School Lunch Act. Funds could also be used for the administration of additional activities under the school breakfast program, the nonfood assistance program, equipment assistance, and the general assistance program, section 11 of the National School Lunch Act.

AMENDMENTS TO THE NATIONAL SCHOOL LUNCH-ACT

Office of Governmental Affairs, Food and Nutrition Service, USDA

PUBLIC LAW 91-248

In 1970, the law was changed to require for the first time that the Secretary establish uniform national guidelines for eligibility for free and reduced-price lunches, Public Law 91-248 required that eligibility determinations for the program were to be made on the basis of an affidavit by the student's family. Schools were directed to give first priority for free meals to the neediest children. In addition, the schools were mandated to announce publicly the eligibility requirements for these programs. The maximum charge for a reduced-price meal could not exceed 20 cents. The 1970 law also revised the matching requirements so that State funds had to constitute a portion of the overall matching requirement. This insured that matching funds would not be comprised solely of students' meal charge payments. Language was also added prohibiting overt identification of children receiving free or reduced-price meals. Further, the 1970 act provided an open-ended authorization for section 11 special assistance funds--the assistance created in the 1962 law--and directed that such funds be available to any school serving free and reduced-price lunches.

In developing its uniform national guidelines in response to the 1970 law, USDA essentially used the Census Bureau's existing poverty guidelines with some variations, primarily for household size. Poverty guidelines established by the Office of Management and Budget (OMB), widely used in income tested programs since the 1970's, had not yet been developed. Legislation in 1980 converted the school lunch program to the use of the OMB guidelines for fiscal year 1981 and subsequent years.

AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT PUBLIC LAW 92-153

USDA originally issued regulations establishing 100 percent of USDA poverty guidelines as a minimum standard, but states could set a higher income limit if they chose to do so. However, subsequent regulations in October 1971, established the 100 percent level as a maximum, rather than a minimum, income eligibility level.

P.L. 92-153 for the first time established a per meal reimbursement figure. The reimbursement for section 4 (general assistance) had to average 6 cents for every lunch served within each State. This was fundamentally different from the maximum contribution rate--then set by the Secretary at 12 cents. The 12 cents maximum contribution rate set a ceiling on the amount of Federal funds that a State could receive, but did not guarantee any specific or minimum amount of reimbursement. The national

Office of Governmental Affairs, Food and Nutrition Service, USDA

average reimbursement rate, while permitting States to vary the amount they provided to individual schools, guaranteed that the States would get at least an average of 6 cents for each meal served in their State.

In addition, P.L. 92-153 established a guaranteed level of reimbursement for free and reduced-price lunches under section 11 special assistance. Free lunches were to be reimbursed at a rate of 40 cents or the cost of the meal, whichever was less; reduced-price meals were to be reimbursed at the lesser of either 40 cents, or the cost of the meal minus the highest price charged. The Secretary was permitted to provide a higher reimbursement for especially needy schools.

AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT
PUBLIC LAW 92-433

The 1972 law, Public Law 92-433 for the first time set specific statutory minimum poverty guidelines, although some deviation by States could continue. The law required that children whose family income was below 100 percent of the Secretary's poverty guidelines would be eligible for a free lunch. The states had the option of establishing eligibility for the free lunch program up to 25 percent over the guidelines i.e. 125 percent of poverty. Eligibility for the reduced-price-lunch program--which was elective at the option of States or schools within States--was to be set by the State not to exceed 50 percent above the Secretary's guidelines, that is, 150 percent of poverty.

Disbursements to nonprofit private schools could be made directly by the Secretary in the same manner and using the same reimbursement rate as for those disbursements made by State educational agencies. This was in order to assist private schools in those States where public law or State practice precluded the educational agency from making payments to private schools.

Finally, the Secretary was prohibited from prescribing regulations which would prohibit the sale of foods sold in competition with child feeding programs if the proceeds from the sale of such competitive foods accrued to the schools or a school approved student organization. This action was effectively reversed by legislation five years later.

AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT
PUBLIC LAW 93-13
PUBLIC LAW 93-150

Office of Governmental Affairs, Food and Nutrition Service, USDA

PUBLIC LAW 93-86

In 1973, Public Law 93-13 amended the law to allow States to receive in cash, during fiscal year 1973, the difference between commodities promised by USDA and those actually provided. This "cash-in-lieu of commodities" provision would trigger into effect if USDA supplied less than 90 percent of the commodities which had been promised. The level of commodities to be provided thus far had always been determined at the total discretion of the Secretary. The provision was in response to the fact that high farm prices had made it difficult for USDA to purchase surplus and price-supported commodities for school feeding programs at the same level as was originally expected and the concern about what impact this might have on school feeding programs. Commodity assistance was valued at approximately 7 cents per lunch at that time.

Later in 1973, Congress amended this authority to make this provision for cash-in-lieu of commodities permanent (Public Law 93-150).

In the same year, Congress included a provision in the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86) to provide the Secretary of Agriculture with authority to purchase sufficient amounts of commodities for schools and other domestic food assistance programs from directly appropriated funds when surplus or price-supported commodities were not available. Prior to that time, USDA was not permitted to purchase or acquire surplus commodities for the school lunch program unless such items were in surplus or selling below price-support levels.

Also in 1973, in Public Law 93-150, Congress increased the general assistance, section 4, reimbursement rate, from 8 cents to 10 cents per lunch. The additional special assistance, section 11, reimbursement rates were set at 45 cents for free and 10 cents less than the free rate--35 cents--for reduced-price lunches.

This 1973 act was also important in that it established for the first time that the reimbursement rates mandated in the law were to be automatically indexed to inflation. The law required that the rates be adjusted semiannually, each January and July, to reflect the changes in the series for Food away From Home for the most recent 6-month period for which such data are available.

In addition to reimbursement rate changes, the State optional eligibility cutoff level for the reduced-price lunch

Office of Governmental Affairs, Food and Nutrition Service, USDA

program was raised to 75 percent above the Secretary's poverty guidelines, that is, 175 percent of poverty for 1 year.

AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT
PUBLIC LAW 93-326

P.L. 93-326 in 1974 permanently provided for States to set guidelines for reduced-price lunches at 75 percent above the Secretary's poverty guidelines.

AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT
PUBLIC LAW 94-105

Congress included in the legislation a provision requiring that, beginning in fiscal year 1975, the level of commodity assistance valued at 10 cents per lunch be provided for all school lunches. This amount was to be adjusted annually for changes in the Consumer Price Index.

Under legislation enacted in 1975 (Public Law 94-105), States were required for the first time to offer reduced-price lunches to children meeting specified income criteria. Prior to this point, the reduced-price segment of the program was operational at the option of the State, and eligibility guidelines were flexible, up to 175 percent of poverty guidelines, again at the option of the State. The 1975 law required that children with incomes under 195 percent of the Secretary's poverty guidelines be eligible for reduced-price lunches.

The 1975 act also expanded the definition of "school" to include any public or licensed nonprofit, private residential child care institution. This provision included specific references to permit orphanages and homes for the mentally retarded to participate in the national school lunch program.

In addition to these changes, the new law also provided that in order to receive meal reimbursements, a type A lunch had to be offered to students, rather than served, as had previously been the case. This so-called "offer versus serve" option applied only in senior high schools.

AMENDMENT TO THE NATIONAL SCHOOL LUNCH ACT
PUBLIC LAW 95-166

In 1977, the offer versus serve option was expanded to include students in junior high and middle schools when approved by the local school district or authority (Public Law 95-166).

Office of Governmental Affairs, Food and Nutrition Service, USDA

The 1977 law also changed special assistance--section 11--to allow that in any school in which at least 80 percent of the children are eligible for free or reduced-price lunches, special assistance payment for these lunches could be made for the following fiscal year based on the number of free and reduced-price lunches served in the previous year. Additionally, a special provision was added for schools which elected to serve all children free lunches for 3 years and which paid for the lunches for nonneedy children from sources other than Federal funds.

In such circumstances, special assistance payments at free and reduced-price rates could be made to the State educational agency for that school, even though all meals had been served free, for 3 years based upon its number of children determined eligible for free and reduced-price meals during the first fiscal year. In other words, the school did not have to demonstrate its free, reduced-price and paid categories every year if it had over 80 percent free and reduced the first year.

The 1977 legislation also included a provision permitting schools to refuse to accept up to 20 percent of commodities offered and receive other commodities, if available, in their place.

AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT
PUBLIC LAW 95-627

In 1978, P.L. 95-627 set the income eligibility criteria for free lunches at 125 percent of the poverty guidelines prescribed by the Secretary.

In 1980, changes were made to income eligibility criteria in the program. The income eligibility criteria for free and reduced-price lunches had been updated annually each July 1. Prior to 1980, in indexing the USDA poverty guidelines, upon which income eligibility criteria for the school lunch program were based, inflation through the preceding March 1 was considered. This March update allowed for a more current reflection of inflation than was allowed under the OMB poverty guidelines, which provided adjustments based on the previous calendar year rate of increase in the Consumer Price Index--that is, January to December. The USDA poverty guidelines, used to revise income eligibility criteria each July, were essentially the OMB poverty guidelines updated through March of the year of their use. Consequently, when applied for program use each July, the USDA poverty guidelines reflected all but 3 months of inflation whereas the OMB guidelines measured inflation through the previous December, or all but 6 months of inflation.

Office of Governmental Affairs, Food and Nutrition Service, USDA

OMNIBUS BUDGET RECONCILIATION ACT OF 1980
PUBIC LAW 96-499

The Omnibus Budget Reconciliation Act of 1980, Public Law 96- 499, eliminated this March update of the poverty guidelines for one year. Consequently, the income cutoff levels were lower without the March update than would have been the case with the use of the USDA poverty guidelines.

In order to offset the impact of lower income eligibility criteria because of the elimination of the March update, the 1980 Reconciliation Act provided for the use of a standard deduction in computing household income. This standard deduction took the place of the legislatively terminated special, or hardship, deductions which had been allowed by regulation for extraordinary medical, housing, and special education expenses. A standard deduction of \$80 per month replaced the previous deduction schedule. The deduction was available for both free and reduced-price income eligibility.

The overall effect of the two proposals was to reduce eligibility for free and reduced-price lunches, but not to the extent that would have been the case if no standard deduction had been provided.

The 1980 act also reduced by 2.5 cents the reimbursement rate for general assistance, section 4, for school districts serving less than 60 percent of their meals to free or reduced-price students. Indexing of the reimbursement rates--which had been done semiannually since the 1973 act--was to be skipped on January 1, 1981, with semiannual indexing to be restored on July 1, 1981.

Additionally, mandated commodity assistance was reduced by 2 cents, from 15.5 cents to a level of 13.5 cents per lunch.

The changes made by the Omnibus Reconciliation Act of 1980 marked a dramatic change in the school lunch program. For the first time in its history, the reforms were of a cost-saving rather than an expansionary nature. The total budget savings anticipated from the 1980 changes were estimated by the Congressional Budget Office to save approximately \$400 million during fiscal year 1981.

OMNIBUS BUDGET RECONCILIATION ACT OF 1981
PUBLIC LAW 97-35

Additional, significant changes in the school lunch program were legislated in 1981. Again, the general tenor of the

Office of Governmental Affairs, Food and Nutrition Service, USDA

reforms, included in the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, was to achieve reductions in Federal spending as a part of the Reagan Administration's economic recovery package.

Some of the reforms were included in both the Reagan Administration's fiscal year 1982 budget as well as the outgoing Carter Administration's budget. Two measures which had been deemed temporary when they were enacted in 1980 were made permanent. The March update of the income poverty guidelines was permanently dropped. Future updates would continue to be made annually on July 1 based on inflation in the preceding calendar year. Also the temporary elimination of the January semiannual inflation adjustment of reimbursement rates was made permanent so that reimbursement rates would be indexed annually each July 1. Additionally reimbursement rates were reduced.

Income eligibility guidelines were also modified. The standard deduction which had been created by the 1980 act was eliminated. Free lunch income eligibility was set at the same level as the gross income eligibility standard required for the Food Stamp Program. The same legislation set 130 percent of poverty as the gross income test for food stamp participation. Since the previous eligibility level was 125 percent after the standard deduction had been subtracted, the effective income level under the 1980 act typically had ranged from 128 to 142 percent of poverty.

Reduced-price lunch eligibility was lowered from 195 percent of poverty to 185 percent of poverty with a corresponding elimination of the standard deduction.

CHILD NUTRITION AMENDMENTS OF 1986
PUBLIC LAW 99-500
PUBLIC LAW 99-661

The Child Nutrition Amendments of 1986 were passed as amendments to the Continuing Resolution for 1987 (P.L. 99-500) and the National Defense Authorization Act (P.L. 99-661).

Amendments affecting the National School Lunch Program provided that whole milk must be offered and that the tuition limitation on private schools be raised from \$1500 to \$2000.

(The tuition limitation was subsequently eliminated by a provision in P.L. 100-71, Supplemental Appropriations bill.) The legislation also provided automatic eligibility for a free lunch if a child's family receives food stamps or AFDC in States with a 130 percent of poverty limit.

Office of Governmental Affairs, Food and Nutrition Service, USDA

SUPPLEMENTAL APPROPRIATIONS ACT, 1987
PUBLIC LAW 100-71

P.L. 100-71 eliminated the tuition limitation on private schools; thus, making all private schools eligible to participate in the National School Lunch Program.

Commodity Distribution Reform Act and
WIC Amendments of 1987

Public Law 100-237

The Commodity Distribution Reform Act and WIC Amendments of 1987 affected the National School Lunch Program through several changes in the way State distributing agencies donate commodities to recipient agencies, including schools. Changes in the law included time frames for notification of deliveries of commodities, provision of commodity specifications to local agencies, and a requirement that States use commercial distribution systems, unless they could justify a more cost-effective state system.

Another important provision required that a national per meal value of donated food be established so that each school food authority receives donated foods not less than the national average value. The law also extended cash/CLOC sites through December 31, 1990 and extended the National Commodity Processing (NCP) Program through September 30, 1990.

CHILD NUTRITION AND WIC REAUTHORIZATION ACT OF 1989

Public Law 101-147

The Child Nutrition and WIC Reauthorization Act of 1989 is a major piece of legislation affecting the National School Lunch Program. Among the many provisions, the law:

- 1) Required both fluid whole milk and nonfat milk be offered to students.
- 2) Eliminated the dual enactment of Public Law 99-500 and 99-661 (solving technical drafting problems).
- 3) Extended commodity distribution authority under Sec 14 of the National School Lunch Act through Fiscal Year 1994 and requires payments to certain school districts for the value

Office of Governmental Affairs, Food and Nutrition Service, USDA

of bonus commodities not received as part of a study of alternatives to commodity distribution.

- 4) Eliminated the National Advisory Council.
- 5) Authorized schools to provide meal supplements to children in after school care in certain schools that operated both a lunch program and the Child Care Food Program as of May 15, 1989.
- 6) Required the Secretary to reduce paperwork to the minimum amount possible and required meetings and consultation with the public and State and local administrations to obtain suggestions for paperwork reduction. A report is due to the Congress on paperwork reduction within one year of enactment.
- 7) Training and technical assistance be provided by the Secretary to State and local administrations and further a Food Service Management Institute was authorized to improve the overall operation and quality of the food assistance programs authorized under the Child Nutrition and School Lunch Acts and in other programs as appropriate. The Institute is authorized both to do research on meal service and to provide training and technical assistance on such things as use of resources, computers, procurement, sanitation, safety, food handling, meal planning and related nutrition and other appropriate activities. The law authorizes \$3 million for FY90, \$2 million for FY91 and \$1 million for FYs92-94 for technical assistance; and \$1 million for FY90 and \$4 million for FYs92-94 for the Food Service Management Institute.
- 8) Required a unified system prescribed by the Secretary for insuring that local food service authorities comply with the provisions of the Act. The Act authorizes up to \$3 million for FY90-94 and requires the final regulations to be issued by July 1, 1990.
- 9) Required that for each program in the Child Nutrition Act and in the National School Lunch Act, the Secretary provide to each State agency information about what types of income are counted in determining eligibility, including how self-employment income is determined, and how applications from minors are handled. In addition, by July 1, 1990, the Secretary must review the model applications and simplify the format and instructions so that the forms are understandable by applicants.

Office of Governmental Affairs, Food and Nutrition Service, USDA

- 10) Required the Secretary and the Secretary of Health and Human Services to jointly develop a publication called "Nutrition Guidance for the Child Nutrition Programs" within 2 years of the Act's enactment. The Secretary is also required to revise menu planning guides, as appropriate, to include recommendations from the nutrition guidance publications. In addition to these provisions, the Public Law 101-147 included several paperwork reduction amendments. Among these were requirements to allow Federal and State agreements to be "permanent" and not require renewal (unless something major needed change), reductions in verification requirements in determining income for the program, and pilot projects for alternative meal counting system