



BILLING CODE: 3410-30-P

DEPARTMENT OF AGRICULTURE

Food and Nutrition Service

Summer Food Service Program

2018 Reimbursement Rates

AGENCY: Food and Nutrition Service, USDA.

ACTION: Notice.

SUMMARY: This notice informs the public of the annual adjustments to the reimbursement rates for meals served in the Summer Food Service Program for Children. These adjustments address changes in the Consumer Price Index, as required under the Richard B. Russell National School Lunch Act. The 2018 reimbursement rates are presented as a combined set of rates to highlight simplified cost accounting procedures. The 2018 rates are also presented individually, as separate operating and administrative rates of reimbursement, to show the effect of the Consumer Price Index adjustment on each rate.

DATES: January 1, 2018.

FOR FURTHER INFORMATION CONTACT: Jessica Saracino, Program Monitoring and Operational Support Division, Child Nutrition Programs, Food and Nutrition Service, United States Department of Agriculture, 3101 Park Center Drive, Suite 628, Alexandria, Virginia 22302.

SUPPLEMENTARY INFORMATION:

The Summer Food Service Program (SFSP) is listed in the Catalog of Federal Domestic Assistance under No. 10.559 and is subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 2 CFR part 415 and final rule-related notice published at 48 FR 29114, June 24, 1983.)

In accordance with the Paperwork Reduction Act of 1995, 44 U.S.C. 3501-3520, no new recordkeeping or reporting requirements have been included that are subject to approval from the Office of Management and Budget.

This notice 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. Additionally, this notice has been determined to be exempt from formal review by the Office of Management and Budget under Executive Order 12866.

Definitions

The terms used in this notice have the meaning ascribed to them under 7 CFR part 225 of the SFSP regulations.

Background

This notice informs the public of the annual adjustments to the reimbursement rates for meals served in SFSP. In accordance with sections 12(f) and 13, 42 U.S.C. 1760(f) and 1761, of the Richard B. Russell National School Lunch Act (NSLA) and SFSP

regulations under 7 CFR Part 225, the United States Department of Agriculture announces the adjustments in SFSP payments for meals served to participating children during calendar year 2018.

The 2018 reimbursement rates are presented as a combined set of rates to highlight simplified cost accounting procedures. Reimbursement is based solely on a “meals times rate” calculation, without comparison to actual or budgeted costs.

Sponsors receive reimbursement that is determined by the number of reimbursable meals served, multiplied by the combined rates for food service operations and administration. However, the combined rate is based on separate operating and administrative rates of reimbursement, each of which is adjusted differently for inflation.

Calculation of Rates

The combined rates are constructed from individually authorized operating and administrative reimbursements. Simplified procedures provide flexibility, enabling sponsors to manage their reimbursements to pay for any allowable cost, regardless of the cost category. Sponsors remain responsible, however, for ensuring proper administration of the Program, while providing the best possible nutrition benefit to children.

The operating and administrative rates are calculated separately. However, the calculations of adjustments for both cost categories are based on the same set of changes in the *Food Away From Home* series of the Consumer Price Index for All Urban

Consumers, published by the Bureau of Labor Statistics of the United States Department of Labor. They represent a 2.4 percent increase in this series for the 12-month period, from November 2016 through November 2017 (from 264.699 in November 2016 to 271.152 in November 2017).

Table of 2018 Reimbursement Rates

Presentation of the 2018 maximum per meal rates for meals served to children in SFSP combines the results from the calculations of operational and administrative payments, which are further explained in this notice. The total amount of payments to State agencies for disbursement to SFSP sponsors will be based upon these adjusted combined rates and the number of meals of each type served. These adjusted rates will be in effect from January 1, 2018 through December 31, 2018.

Summer Food Service Program
 2018 Reimbursement Rates (Combined):

Per Meal Rates in whole or fractions of U.S. dollars	All States except Alaska and Hawaii		Alaska		Hawaii	
	Rural or Self-prep Sites	All Other Types of Sites	Rural or Self-prep Sites	All Other Types of Sites	Rural or Self-prep Sites	All Other Types of Sites
Breakfast	2.2325	2.1900	3.6275	3.5600	2.6175	2.5675
Lunch or Supper	3.9225	3.8575	6.3625	6.2600	4.5950	4.5200
Snack	0.9300	0.9100	1.5025	1.4700	1.0875	1.0625

Operating Rates

The portion of the SFSP rates for operating costs is based on payment amounts set in section 13(b)(1) of the NSLA, 42 U.S.C. 1761(b)(1). They are rounded down to the nearest whole cent, as required by section 11(a)(3)(B)(iii) of the NSLA, 42 U.S.C. 1759a(a)(3)(B)(iii).

Summer Food Service Program
Operating Component of 2018 Reimbursement Rates:

Operating Rates in U.S. dollars, rounded down to the nearest whole cent	All States		
	except Alaska and Hawaii	Alaska	Hawaii
Breakfast	2.03	3.30	2.38
Lunch or Supper	3.55	5.76	4.16
Snack	0.83	1.34	0.97

Administrative Rates

The administrative cost component of the reimbursement is authorized under section 13(b)(3) of the NSLA, 42 U.S.C. 1761(b)(3). Rates are higher for sponsors of sites located in rural areas and for “self-prep” sponsors that prepare their own meals at the SFSP site or at a central facility instead of purchasing them from vendors. The administrative portion of SFSP rates are adjusted, either up or down, to the nearest quarter-cent.

Summer Food Service Program

Administrative Component of 2018 Reimbursement Rates:

Administrative Rates in U.S. dollars, adjusted, up or down, to the nearest quarter-cent	All States except Alaska and Hawaii		Alaska		Hawaii	
	Rural or Self-prep Sites	All Other Types of Sites	Rural or Self-prep Sites	All Other Types of Sites	Rural or Self-prep Sites	All Other Types of Sites
Breakfast	0.2025	0.1600	0.3275	0.2600	0.2375	0.1875
Lunch or Supper	0.3725	0.3075	0.6025	0.5000	0.4350	0.3600
Snack	0.1000	0.0800	0.1625	0.1300	0.1175	0.0925

Authority: Sections 9, 13, and 14, Richard B. Russell National School Lunch Act, 42 U.S.C. 1758, 1761, and 1762a, respectively.

Dated: January 8, 2018.

Brandon Lipps
 Administrator,
 Food and Nutrition Service

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