



Billing Code: 3410-30-P

DEPARTMENT OF AGRICULTURE

Food and Nutrition Service

Child and Adult Care Food Program: National Average Payment Rates, Day Care Home Food Service Payment Rates, and Administrative Reimbursement Rates for Sponsoring Organizations of Day Care Homes for the Period July 1, 2018 through June 30, 2019

AGENCY: Food and Nutrition Service, USDA.

ACTION: Notice.

SUMMARY: This notice announces the annual adjustments to the national average payment rates for meals and snacks served in child care centers, outside-school-hours care centers, at-risk afterschool care centers, and adult day care centers; the food service payment rates for meals and snacks served in day care homes; and the administrative reimbursement rates for sponsoring organizations of day care homes, to reflect changes in the Consumer Price Index. Further adjustments are made to these rates to reflect the higher costs of providing meals in Alaska and Hawaii. The adjustments contained in this notice are made on an annual basis each July, as required by the laws and regulations governing the Child and Adult Care Food Program.

DATES: These rates are effective from July 1, 2018 through June 30, 2019.

FOR FURTHER INFORMATION CONTACT: Jessica Saracino, Branch Chief, Program Monitoring and Operational Support Division, Child Nutrition Programs, Food and Nutrition

Service, U.S. Department of Agriculture, 3101 Park Center Drive, Room 640, Alexandria, Virginia 22302-1594.

SUPPLEMENTARY INFORMATION:

Background

Pursuant to sections 4, 11, and 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1753, 1759a and 1766), section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) and 7 CFR 226.4, 226.12 and 226.13 of the Program regulations, notice is hereby given of the new payment rates for institutions participating in the Child and Adult Care Food Program (CACFP). As provided for under the law, all rates in the CACFP must be revised annually, on July 1, to reflect changes in the Consumer Price Index (CPI), published by the Bureau of Labor Statistics of the United States Department of Labor, for the most recent 12-month period. These rates are in effect during the period July 1, 2018 through June 30, 2019.

Adjusted Payments

The following national average payment factors and food service payment rates for meals and snacks are in effect from July 1, 2018 through June 30, 2019. All amounts are expressed in dollars or fractions thereof. Due to a higher cost of living, the reimbursements for Alaska and Hawaii are higher than those for all other States. The District of Columbia, Virgin Islands, Puerto Rico, and Guam use the figures specified for the contiguous States. These rates do not include the value of USDA Foods or cash-in-lieu of USDA Foods which institutions receive as additional assistance for each lunch or supper served to participants under the Program. A notice

announcing the value of USDA Foods and cash-in-lieu of USDA Foods is published separately in the *Federal Register*.

Adjustments to the national average payment rates for all meals served under the Child and Adult Care Food Program are rounded down to the nearest whole cent.

National Average Payment Rates for Centers

The changes in the national average payment rates for centers reflect a 2.68 percent increase during the 12-month period from May 2017 to May 2018 (from 268.128 in May 2017, as previously published in the *Federal Register*, to 275.307 in May 2018) in the food away from home series of the CPI for All Urban Consumers.

Payments for breakfasts served are: Contiguous States - paid rate – 31 cents (1 cent increase from 2017-2018 annual level), reduced price rate – 1 dollar and 49 cents (4 cents increase), free rate – 1 dollar and 79 cents (4 cents increase); Alaska – paid rate – 46 cents (1 cent increase), reduced price rate – 2 dollars and 57 cents (8 cents increase), free rate – 2 dollars and 87 cents (8 cents increase); Hawaii - paid rate – 35 cents (1 cent increase), reduced price rate – 1 dollar and 79 cents (6 cents increase), free rate – 2 dollars and 09 cents (6 cents increase).

Payments for lunch or supper served are: Contiguous States - paid rate – 31 cents (no change from 2017-2018 annual level), reduced price rate – 2 dollars and 91 cents (8 cents increase), free rate – 3 dollars and 31 cents (8 cents increase); Alaska - paid rate – 51 cents (1 cent increase), reduced price rate – 4 dollars and 98 cents (14 cents increase), free rate – 5 dollars and 38 cents

(14 cents increase); Hawaii – paid rate – 37 cents (1 cent increase), reduced price rate – 3 dollars and 48 cents (10 cents increase), free rate – 3 dollars and 88 cents (10 cents increase).

Payments for snack served are: Contiguous States - paid rate – 8 cents (no change from 2017-2018 annual level), reduced price rate – 45 cents (1 cent increase), free rate – 91 cents (3 cents increase); Alaska – paid rate – 13 cents (no change), reduced price rate – 74 cents (2 cents increase), free rate – 148 cents (4 cents increase); Hawaii – paid rate – 9 cents (no change), reduced price rate – 53 cents (1 cent increase), free rate – 1 dollar and 6 cents (2 cents increase).

Food Service Payment Rates for Day Care Homes

The changes in the food service payment rates for day care homes reflect a 0.14 percent increase during the 12-month period from May 2017 to May 2018 (from 238.964 in May 2017, as previously published in the *Federal Register*, to 239.287 in May 2018) in the food at home series of the CPI for All Urban Consumers.

Payments for breakfast served are: Contiguous States - tier I – 1 dollar and 31 cents (no change from 2017-2018 annual level) and tier II – 48 cents (no change); Alaska – tier I – 2 dollars and 9 cents (no change) and tier II – 74 cents (no change); Hawaii – tier I – 1 dollar and 53 cents (1 cent increase) and tier II - 55 cents (no change).

Payments for lunch and supper served are: Contiguous States - tier I – 2 dollars and 46 cents (no change from 2017-2018 annual level) and tier II – 1 dollar and 48 cents (no change); Alaska – tier I – 3 dollars and 99 cents (no change) and tier II – 2 dollars and 41 cents (1 cent increase);

Hawaii – tier I – 2 dollars and 88 cents (no change) and tier II – 1 dollar and 74 cents (no change).

Payments for snack served are: Contiguous States - tier I – 73 cents (no change from 2017-2018 annual level) and tier II – 20 cents (no change); Alaska – tier I – 1 dollar and 19 cents (no change) and tier II – 33 cents (1 cent increase); Hawaii – tier I – 86 cents (1 cent increase) and tier II – 23 cents (no change).

Administrative Reimbursement Rates for Sponsoring Organizations of Day Care Homes

The changes in the administrative reimbursement rates for sponsoring organizations of day care homes reflect a 2.80 percent increase during the 12-month period, May 2017 to May 2018 (from 244.733 in May 2017, as previously published in the *Federal Register*, to 251.588 in May 2018) in the series for all items of the CPI for All Urban Consumers.

Monthly administrative payments to sponsors for each sponsored day care home are:

Contiguous States - initial 50 homes – 118 dollars (4 dollar increase from 2017-2018 annual level), next 150 homes – 90 dollars (3 dollar increase), next 800 homes – 70 dollars (2 dollar increase), each additional home – 62 dollars (2 dollar increase); Alaska – initial 50 homes – 191 dollars (6 dollar increase), next 150 homes – 145 dollars (4 dollar increase), next 800 homes – 113 dollars (3 dollar increase), each additional home – 100 dollars (3 dollar increase); Hawaii – initial 50 homes – 138 dollars (4 dollar increase), next 150 homes – 105 dollars (3 dollar increase), next 800 homes – 82 dollars (2 dollar increase), each additional home – 72 dollars (2 dollar increase).

Payment Chart

The following chart illustrates the national average payment factors and food service payment rates for meals and snacks in effect from July 1, 2018 through June 30, 2019.

CHILD AND ADULT CARE FOOD PROGRAM (CACFP)							
<i>Per Meal Rates in Whole or Fractions of U.S. Dollars</i>							
<i>Effective from July 1, 2018- June 30, 2019</i>							
CENTERS		BREAKFAST		LUNCH AND SUPPER¹		SUPPLEMENT	
CONTIGUOUS STATES	PAID	0.31		0.31		0.08	
	REDUCED PRICE	1.49		2.91		0.45	
	FREE	1.79		3.31		0.91	
ALASKA	PAID	0.46		0.51		0.13	
	REDUCED PRICE	2.57		4.98		0.74	
	FREE	2.87		5.38		1.48	
HAWAII	PAID	0.35		0.37		0.09	
	REDUCED PRICE	1.79		3.48		0.53	
	FREE	2.09		3.88		1.06	
DAY CARE HOMES		BREAKFAST		LUNCH AND SUPPER		SUPPLEMENT	
		TIER I	TIER II	TIER I	TIER II	TIER I	TIER II
CONTIGUOUS STATES		1.31	0.48	2.46	1.48	0.73	0.20
ALASKA		2.09	0.74	3.99	2.41	1.19	0.33
HAWAII		1.53	0.55	2.88	1.74	0.86	0.23
ADMINISTRATIVE REIMBURSEMENT RATES FOR SPONSORING ORGANIZATIONS OF DAY CARE HOMES				Initial 50	Next 150	Next 800	Each Additional
<i>Per Home/Per Month Rates in U.S. Dollars</i>							
CONTIGUOUS STATES				118	90	70	62
ALASKA				191	145	113	100
HAWAII				138	105	82	72

¹These rates do not include the value of USDA Foods or cash-in-lieu of USDA Foods which institutions receive as additional assistance for each CACFP lunch or supper served to participants. A notice announcing the value of USDA Foods and cash-in-lieu of USDA Foods is published separately in the *Federal Register*.

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. This notice has been determined to be exempt under Executive Order 12866.

CACFP is listed in the Catalog of Federal Domestic Assistance under No. 10.558 and is subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 2 CFR 415.3-415.6).

This notice has been determined to be not significant and was reviewed by the Office of Management and Budget (OMB) in conformance with Executive Order 12866.

This notice imposes no new reporting or recordkeeping provisions that are subject to OMB review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3518).

AUTHORITY: Sections 4(b)(2), 11a, 17(c) and 17(f)(3)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1753(b)(2), 1759a, 1766(f)(3)(B)) and section 4(b)(1)(B) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)(B)).

Dated: July 13, 2018.

Brandon Lipps,

Administrator,

Food and Nutrition Service.

[FR Doc. 2018-15464 Filed: 7/18/2018 8:45 am; Publication Date: 7/19/2018]