

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.

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## 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

not used to determine the Income Eligibility Guidelines. As detailed below, all calculations are based on the annual figures.

In addition, the chart which details the free and reduced price eligibility criteria includes columns for income received twice monthly as well as income received every two weeks. To differentiate, a person paid every two weeks is paid 26 times per year, whereas a person paid twice monthly is paid 24 times per year. Furthermore, the

inclusion of information about income received twice per month as well as income received every two weeks conforms to the format used by the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) (42 U.S.C. 1786; 7 CFR part 246).

Income calculations are made based on the following formulas: Monthly income is calculated by dividing the annual income by 12; twice monthly income is computed by dividing annual

income by 24; income received every two weeks is calculated by dividing annual income by 26; and weekly income is computed by dividing annual income by 52. All numbers are rounded upward to the next whole dollar. The numbers reflected in this notice for a family of four in the 48 contiguous states, the District of Columbia, Guam and the territories represent an increase of 3.36% over last year's level for a family of the same size.

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INCOME ELIGIBILITY GUIDELINES													
Effective from				July 1, 2006				to June 30, 2007					
HOUSEHOLD SIZE	FEDERAL POVERTY GUIDELINES		REDUCED PRICE MEALS - 185 %						FREE MEALS - 130 %				
	ANNUAL		ANNUAL	MONTHLY	TWICE PER MONTH	EVERY TWO WEEKS	WEEKLY	ANNUAL	MONTHLY	TWICE PER MONTH	EVERY TWO WEEKS	WEEKLY	
			48 CONTIGUOUS STATES, DISTRICT OF COLUMBIA, GUAM, AND TERRITORIES										
1	9,800		18,130	1,511	756	698	349	12,740	1,062	531	490	245	
2	13,200		24,420	2,035	1,018	940	470	17,160	1,430	715	660	330	
3	16,600		30,710	2,560	1,280	1,182	591	21,580	1,799	900	830	415	
4	20,000		37,000	3,084	1,542	1,424	712	26,000	2,167	1,084	1,000	500	
5	23,400		43,290	3,608	1,804	1,665	833	30,420	2,535	1,268	1,170	585	
6	26,800		49,580	4,132	2,066	1,907	954	34,840	2,904	1,452	1,340	670	
7	30,200		55,870	4,656	2,328	2,149	1,075	39,260	3,272	1,636	1,510	755	
8	33,600		62,160	5,180	2,590	2,391	1,196	43,680	3,640	1,820	1,680	840	
For each add'l family member, add	3,400		6,290	525	263	242	121	4,420	369	185	170	85	
ALASKA													
1	12,250		22,663	1,889	945	872	436	15,925	1,328	664	613	307	
2	16,500		30,525	2,544	1,272	1,175	588	21,450	1,788	894	825	413	
3	20,750		38,388	3,199	1,600	1,477	739	26,975	2,248	1,124	1,038	519	
4	25,000		46,250	3,855	1,928	1,779	890	32,500	2,709	1,355	1,250	625	
5	29,250		54,113	4,510	2,255	2,082	1,041	38,025	3,169	1,585	1,463	732	
6	33,500		61,975	5,165	2,583	2,384	1,192	43,550	3,630	1,815	1,675	838	
7	37,750		69,838	5,820	2,910	2,687	1,344	49,075	4,090	2,045	1,888	944	
8	42,000		77,700	6,475	3,238	2,989	1,495	54,600	4,550	2,275	2,100	1,050	
For each add'l family member, add	4,250		7,863	656	328	303	152	5,525	461	231	213	107	
HAWAII													
1	11,270		20,850	1,738	869	802	401	14,651	1,221	611	564	282	
2	15,180		28,083	2,341	1,171	1,081	541	19,734	1,645	823	759	380	
3	19,090		35,317	2,944	1,472	1,359	680	24,817	2,069	1,035	955	478	
4	23,000		42,550	3,546	1,773	1,637	819	29,900	2,492	1,246	1,150	575	
5	26,910		49,784	4,149	2,075	1,915	958	34,983	2,916	1,458	1,346	673	
6	30,820		57,017	4,752	2,376	2,193	1,097	40,066	3,339	1,670	1,541	771	
7	34,730		64,251	5,355	2,678	2,472	1,236	45,149	3,763	1,882	1,737	869	
8	38,640		71,484	5,957	2,979	2,750	1,375	50,232	4,186	2,093	1,932	966	
For each add'l family member, add	3,910		7,234	603	302	279	140	5,083	424	212	196	98	

Authority: 42 U.S.C. 1758(b)(1).

Dated: March 9, 2006.

Roberto Salazar,  
Administrator.

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