

§ 52.50 [Amended]

3. In § 52.50, the figure "\$39.50" is revised to read "\$41.00".

§ 52.51 [Amended]

4. In § 52.51, paragraph (c)(2) is amended by removing the figure "\$39.50" and adding in its place "\$42.00" and paragraph (d)(1) is amended by removing the figure "\$39.50" and adding in its place "\$42.00".

Dated: May 16, 1996.

Robert C. Keeney,

Director, Fruit and Vegetable Division.

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Food and Consumer Service**7 CFR Parts 225 and 226**

RIN 0584-AB17

Determination of Eligibility for Free Meals by Summer Food Service Program Sponsors and Free and Reduced Price Meals by Child and Adult Care Food Program Institutions

AGENCY: Food and Consumer Service, USDA.

ACTION: Final rule.

SUMMARY: This rule amends the regulations governing the collection of social security numbers and household income information on the application for free meals under the Summer Food Service Program (SFSP) for Children, and for free and reduced price meals under the Child and Adult Care Food Program (CACFP). The rule removes the requirement that households provide the social security numbers of all adult members of the household and requires the household to provide only the social security number of the adult household member who signs the application. Finally, when reporting household income, the household will no longer be required to indicate how often individual income amounts are received, or to calculate its total current income. All of the above provisions are intended to reduce paperwork and facilitate eligibility determinations for free and reduced price meals by simplifying the application requirements for both households and approving officials, while maintaining program integrity.

EFFECTIVE DATE: June 21, 1996.

FOR FURTHER INFORMATION CONTACT:

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Agriculture, 3101 Park Center Drive, Room 1007, Alexandria, Virginia 22302 or telephone 703-305-2620.

SUPPLEMENTARY INFORMATION:**Executive Order 12866**

This rule has been determined to be not significant for purposes of Executive Order 12866, and, therefore, has not been reviewed by the Office of Management and Budget.

Regulatory Flexibility Act

This rule has also been reviewed with regard to the requirements of the Regulatory Flexibility Act (5 U.S.C. 601-612). The Administrator of the Food and Consumer Service has certified that this rule will not have a significant economic impact on a substantial number of small entities. The effect of the provisions of this rule will be to reduce paperwork and facilitate eligibility determinations for free and reduced price meals by simplifying the application requirements for both households and approving officials, while maintaining program integrity.

Executive Order 12372

The CACFP and SFSP are listed in the Catalog of Federal Domestic Assistance under No. 10.558 and 10.559, respectively, and are subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials (7 CFR Part 3015, Subpart V, and final rule related notice published at 48 FR 29114, June 24, 1983).

Information Collection

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), the reporting and recordkeeping changes included in this rule have been approved by the Office of Management and Budget (OMB) under control numbers 0584-0055 and 0584-0280.

Executive Order 12778

This rule has been reviewed under Executive Order 12778, Civil Justice Reform. This rule is intended to have preemptive effect with respect to any State or local laws, regulations or policies which conflict with its provisions or which would otherwise impede its full implementation. This rule is not intended to have retroactive effect unless so specified in the "Effective Date" section of this preamble. Prior to any judicial challenge to the provisions of this rule or the application of its provisions, all applicable administrative procedures must be exhausted. In the SFSP, the administrative procedures are set forth

under the following regulations: (1) Program sponsors and food service management companies must follow State agency hearing procedures issued pursuant to 7 CFR § 225.13; and (2) Disputes involving procurement by State agencies and sponsors must follow administrative appeal procedures to the extent required by 7 CFR § 225.17 and 7 CFR Part 3015. In the CACFP, the administrative procedures are set forth under the following regulations: (1) Institution appeal procedures in 7 CFR § 226.6(k); and (2) Disputes involving procurement by State agencies and institutions must follow administrative appeal procedures to the extent required by 7 CFR § 226.22 and 7 CFR Part 3015.

This rule codifies the amendments set forth under sections 202(b)(2)(A) and (b)(2)(B)(i) of the Child Nutrition and WIC Reauthorization Act of 1989 (Pub. L. 101-147) regarding the collection of social security numbers and total income calculations for programs under the National School Lunch Act (42 U.S.C. 1751 *et seq.*) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 *et seq.*). Section 202(c) of Pub. L. 101-147 required that final regulations be issued incorporating these amendments by July 1, 1990. However, we were unable to issue regulations on the collection of social security numbers and total income calculation amendments before the statutory deadline. The provisions were implemented by a policy memorandum issued on May 18, 1990.

This rule is being issued as a final rule, rather than a proposed rule, because of the mandated implementation date. Further, this rule is being issued as a final rule because of the need to formally implement these changes to the application procedures. Although a policy memorandum has already been distributed to give State agencies guidance, the SFSP and CACFP regulations must be amended to codify the changes mandated by sections 202(b)(2)(A) and 202(b)(2)(B)(i) of Pub. L. 101-147. Final regulations have already been promulgated incorporating these changes for the National School Lunch, School Breakfast and Special Milk Programs (56 FR 33857, July 24, 1991). For consistency and simplicity, it is important that the SFSP and CACFP regulations be amended to conform with the National School Lunch, School Breakfast, and Special Milk Program regulations. Finally, the changes to the application being made by this rulemaking will simplify the application procedures for households. For these reasons, the Administrator of the Food and Consumer Service has determined, in accordance with 5 U.S.C. 553(b)(3)(B), that it is impracticable and

contrary to public interest to take prior public comment and that good cause therefore exists for publishing this rule without prior public notice and comment.

Background

For the purpose of determining eligibility for free meals in the SFSP and free and reduced price meals in the CACFP, sponsors/institutions must distribute free meal or free and reduced price meal applications to the families of enrolled participants. Prior to the amendments made by Pub. L. 101-147, under both programs, households applying for benefits were required to submit an application containing complete documentation of eligibility, as defined in Sections 225.2, "Documentation," and 225.15(f) of the SFSP regulations (7 CFR Part 225) and Sections 226.2, "Documentation," and 226.23(e)(1) of the CACFP regulations (7 CFR Part 226). Under current Sections 225.15(f)(3) and 226.23(e)(1)(iv) of the SFSP and CACFP regulations, respectively, "documentation" for participating children who were members of Aid to Families with Dependent Children (AFDC) assistance units or food stamp households means the completion of the following information on the application: the child's name; a current food stamp or AFDC case number; and the signature of an adult household member. Under current Section 226.23(e)(1)(v) of the CACFP regulations, for adult participants who were members of food stamp households or who receive assistance under the Supplemental Security Income (SSI) for the Aged, Blind and Disabled Program or under the Grant to States for Medical Assistance Programs (Medicaid), "documentation" of eligibility means the completion of the following information on the application: the name of the adult participant; his/her food stamp case number or SSI or Medicaid identification number; and the signature of an adult household member.

In all other cases, under current regulations, documentation for all children in the SFSP and for all children and adults applying for participation in the CACFP consists of a completed free meal or free and reduced price meal application that, pursuant to Section 225.15(f)(2) of the SFSP regulations and Sections 226.23(e)(1)(ii) and (iii) of the CACFP regulations includes: the names of the child or adult for whom application is being made; the names of all other household members; social security numbers for all adult household

members or an indication that an adult household member did not have a social security number; the total current income and the income received by each household member identified by source; and the signature of an adult household member. The official responsible for making eligibility determinations (the "determining official") for free or reduced price benefits is required to review the application to ensure that it is complete and, for households that submitted income information, to compare the household size and income to the Income Eligibility Guidelines issued annually by the Department. Households that provide a food stamp, AFDC, Medicaid or SSI number on the application are considered categorically eligible for free meals.

Social Security Numbers

Section 202(b)(2)(A) of Pub. L. 101-147, enacted on November 10, 1989, amended section 9(d)(1) of the National School Lunch Act (42 U.S.C. 1758(d)(1)) to eliminate the requirement for the collection of the social security numbers of all adult household members as a condition of eligibility for participants who are not categorically eligible for benefits. Rather, the law now requires that the member of the household who executes the application include the social security number of the parent or guardian who is the primary wage earner responsible for the care of the child for whom application is made, or the number of another appropriate adult member of the child's household, as determined by the Secretary. Additionally, section 9(d)(1), as further amended by section 202(b)(2)(A) of Pub. L. 101-147, requires that the household provide the social security numbers of each adult household member if the application is selected for verification of eligibility.

On May 9, 1990, the Department issued an interim rule at 55 FR 19237 which implemented sections 202(b)(2)(A) and (B) of Pub. L. 101-147 in the National School Lunch, School Breakfast and Special Milk Programs. That interim rule gave households the option of providing either the social security number of the primary wage earner or that of the household member signing the application. This option was provided in the interim rule because the Department wished to provide households with flexibility in complying with the social security number requirement. In order to provide guidance to SFSP and CACFP administrators and beneficiaries prior to the July 1, 1990, legislative deadline, and in the interest of maintaining as

much consistency as possible in the free and reduced price meal application process among the Child Nutrition Programs, an identical policy was established for the SFSP and the CACFP in a policy memorandum issued by the Department on May 18, 1990.

Commenters on the interim rule for the school programs, as well as other State and local school officials who have informally advised the Department of their experiences with the application process, believe that providing households with this option would actually result in complicating, rather than simplifying, the application process and would add to paperwork and administrative burdens. In response to those comments, the final rule governing free and reduced price applications in the National School Lunch, School Breakfast and Special Milk Programs requires only that the social security number of the adult household member who signs the application be provided (56 FR 33857, July 24, 1991). In lieu of providing a social security number, the adult household member signing the application may indicate that he or she does not possess one. In making this change from the interim rule, the Department believed that the final School Programs rule further simplified the application process, while maintaining program integrity, since the adult who signs the application must also certify that the information on the application is true and correct. Based on the foregoing, and in an effort to maintain consistency among the Child Nutrition Programs, this interim rule adopts the same application requirements for the SFSP and the CACFP.

Accordingly, this rule amends Sections 225.2, "Documentation," and 225.15(f)(2)(iii) of the SFSP regulations and Sections 226.2, "Documentation," and 226.23(e)(1)(ii)(C) and (iii)(C) of the CACFP regulations to require a completed application to include the social security number of the adult household member who signs the application. As permitted in current regulations, if the adult household member signing the application does not have a social security number, the household may indicate this fact in lieu of providing a social security number.

In a related area, section 7(b) of the Privacy Act of 1974 (5 U.S.C. 552a note) requires agencies to give advance notice and disclosure to the public of any requirement to provide social security numbers and of the uses to be made of those social security numbers. In accordance with this law, the Department requires that any individual

required to disclose his/her social security number must be informed: (1) whether that disclosure is mandatory or voluntary; (2) by what statutory authority or other authority each number is solicited; and (3) what uses will be made of the number. The current SFSP and CACFP regulations at Section 225.15(f)(2)(vi), and Sections 226.23(e)(1)(ii)(F) and (iii)(E) contain the Department's prototype Privacy Act Statements for free and reduced price applications. They reflect the statutory requirement in effect prior to the enactment of Pub. L. 101-147 that the application contain the social security number of each adult household member. These prototype Privacy Act Statements must also be modified to include the requirement that only the social security number of the adult household member signing the application need be provided (or an indication that he or she does not possess one). In addition, a new Section 225.15(f)(4) must be added and Section 226.23(h)(2)(iii) must be revised to require that households selected for verification provide the social security number for each adult household member (or an indication that the member does not possess a number) and that the notice of selection for verification also include a statement which meets the requirements of section 7(b) of the Privacy Act of 1974 (5 U.S.C. 552a note). State agencies and institutions should contact their own legal counsel to ensure that their notices comply with the Privacy Act requirements.

Accordingly, this rule amends Section 225.15(f)(2)(vi) of the SFSP regulations and Sections 226.23(e)(1)(ii)(F) and (iii)(E) of the CACFP regulations to make the aforementioned changes to each Program's prototype Privacy Act statement. In addition, Section 225.15(f)(4) has been added to the SFSP regulations and Section 226.23(h)(2)(iii) of the CACFP regulations has been revised to require that households selected for verification must provide the social security number of each adult member, or an indication that a household member does not possess one.

This rule also makes several technical changes to Part 226 to conform with the requirement that only the social security number of the adult household member signing the application for free and reduced price meals must be provided. Specifically, this rule amends the provisions found at Sections 226.15(e)(2), 226.15(e)(3), 226.17(b)(7), 226.18(f), 226.19(b)(8)(i), and 226.19a(b)(8) which govern various documentation and record retention

requirements for participation in the CACFP. This rulemaking amends these sections to require that the documentation for eligibility and retention of information conform with Section 226.23(e)(1). As mentioned above, as a result of this rule, Section 226.23(e)(1) will now require only the social security number of the adult household member signing the application. In lieu of providing a social security number, the adult household member signing the application may indicate that he or she does not possess one.

Income Information

Section 202(b)(2)(B)(i) of Pub. L. 101-147 amended section 9(d)(2)(A) of the National School Lunch Act (42 U.S.C. 1758(d)(2)(A)) to require that households provide appropriate documentation relating to their income so that individuals responsible for approving free and reduced price applications may calculate the total current income for use in determining eligibility for benefits. The current regulations at Sections 225.2, "Documentation," and 225.15(f)(2) and Sections 226.2, "Documentation," and 226.23(e)(1)(ii)(D) and (iii)(D), require that households provide the total household income on the application, as well as the income received by each household member, identified by source and amount. Based on the language of Pub. L. 101-147, this rule eliminates the requirement that the applicant household calculate total income. The elimination of this requirement will further simplify the application process and will reduce the burden on determining officials, who previously had to contact the household when there were inconsistencies between the sum of the income received by each household member identified by source and the total income figure for the household. As a result of this interim rule, the determining official will now use the income information provided by households to calculate the household's total current income. Households will still be required to indicate the amount of income received by each household member, identified by source.

A technical change is also being made to Sections 225.2, "Documentation," and 225.15(f)(2) of the SFSP regulations and Sections 226.2, "Documentation," and 226.23(e)(1)(ii)(D) and (iii)(D) of the CACFP regulations to add, as necessary, the phrase "other cash income" to the examples of sources of income (i.e., earnings, wages, welfare, pensions, support payments, unemployment compensation, and social security). This technical change is being made to bring

about consistency within each Part, as well as with the other child nutrition programs covered by 7 CFR Part 245 (Determining Eligibility for Free and Reduced Price Meals and Free Milk in Schools). No change is being made regarding the type of income to be reported on free and reduced price meal applications. Further, a technical amendment is being made to Section 225.15(f)(2)(iv) to make the language describing the sources of income conform with the examples of sources of income found in Section 225.2, "Documentation," and with the sources of income regulations under the National School Lunch, School Breakfast, and Special Milk Programs. A technical change is also being made to incorporate the undesignated paragraph into the introductory paragraph in Section 225.15(f)(3).

Accordingly, the Department is amending Section 225.2, "Documentation," and Section 225.15(f)(2) of the SFSP regulations and Sections 226.2, "Documentation," and 226.23(e)(1)(ii)(D) and (iii)(D) of the CACFP regulations to eliminate the requirement that households provide their total income on the application and to make the other technical changes discussed above.

Definition of Income

To simplify the application process, the Department is amending the definition of "Current income" at Section 226.2 of the CACFP regulations and adding a definition of "Current income" at Section 225.2 of the SFSP regulations to reflect the actual treatment of income by households submitting income information on the application and by determining officials reviewing that information. Currently, in Section 226.2, "Current income" is defined as "income received during the month prior to application for free or reduced-price meals and multiplied by 12." The definition further requires that, if this income does not accurately reflect the household's annual income, the income determination must be based on the household's projected annual income. In practice, however, most determining officials do not convert the income amounts listed for each household member to an annual income figure. Rather, if any income is reported as other than a monthly amount, most determining officials convert these income amounts to a monthly income figure and base eligibility on total monthly household income.

Therefore, the definition of "Current income" added to Section 225.2 and the definition of "Current income" at Section 226.2, as amended by this rule,

define "Current income" simply as income received during the month prior to application, and the reference to annualization is being deleted. If the prior month's income is not representative of the household's annual rate of income, the household must still report its projected annual income.

Accordingly, Section 226.2 of the CACFP regulations is amended, and a definition of "Current income" is added to Section 225.2 of the SFSP regulations, to define "Current income" as income received during the month prior to application for free or reduced-price meals.

Technical Changes to OMB Control Numbers

The OMB Control Number table found at Section 225.20 is revised to reflect current OMB control numbers for information collection/recordkeeping requirements for the following Sections: 225.3-225.4; 225.6-225.10; 225.12-224.13; and 225.15-225.18.

Request for Comments

Since the Department has exercised some discretion in the implementation of these provisions, comments and suggestions are particularly encouraged on the following amendments: (1) the requirement that only the social security number of the adult household member who executes the application be provided; and (2) the requirement that households report only monthly income for each member. The Department reminds commenters that the changes to the application requirements are intended to reduce paperwork by simplifying the application requirements while maintaining program integrity.

List of Subjects

7 CFR Part 225

Food assistance programs, Grant programs—health, infants and children.

7 CFR Part 226

Day care, Food assistance programs, Grant programs—health, infants and children, Reporting and recordkeeping requirements, Surplus agricultural commodities.

Accordingly, 7 CFR Parts 225 and 226 are amended as follows:

PART 225—SUMMER FOOD SERVICE PROGRAM

1. The authority citation for Part 225 continues to read as follows:

Authority: Secs. 9, 13 and 14, National School Lunch Act, as amended (42 U.S.C. 1758, 1761 and 1762a).

2. In Section 225.2:

a. A new definition of *Current income* is added in alphabetical order.

b. Paragraph (a) of the definition of *Documentation* is revised.

The addition and revision specified above read as follows:

§ 225.2 Definitions.

Current income means income, as defined in Section 225.15(f)(2)(iv), received during the month prior to application for free meals. If such income does not accurately reflect the household's annual income, income shall be based on the projected annual household income. If the prior year's income provides an accurate reflection of the household's current annual income, the prior year may be used as a base for the projected annual income.

Documentation means (a) the completion of the following information on a free meal application:

- (1) names of all household members;
- (2) income received by each household member, identified by source of income (such as earnings, wages, welfare, pensions, support payments, unemployment compensation, social security and other cash income);
- (3) the signature of an adult household member; and
- (4) the social security number of the adult household member who signs the application, or an indication that the he/she does not possess a social security number; or,

3. In Section 225.15:
a. Paragraphs (f)(2)(iii) and (f)(2)(iv) are revised;

b. Paragraph (f)(2)(vi) is amended by removing the first four sentences and by adding four new sentences in their place and by adding a new sentence before the word "and" at the end of the paragraph;

c. Paragraph (f)(3) is amended by removing the undesignated text following paragraph (f)(3)(ii) and by revising the introductory text of paragraph (f)(3); and

d. A new paragraph (f)(4) is added.
The additions and revisions specified above read as follows:

§ 225.15 Management responsibilities of sponsors.

- (f) * * *
- (2) * * *
- (iii) the social security number of the adult household member who signs the application, or an indication that he/she does not possess a social security number;
- (iv) the income received by each household member, identified by source

of income (such as earnings, wages, welfare, pensions, support payments, unemployment compensation, social security, and other cash income);

(vi) a statement which includes substantially the following information: "Section 9 of the National School Lunch Act requires that, unless a food stamp or AFDC case number is provided for your child, you must include the social security number of the adult household member signing the application, or indicate that the household member does not have a social security number. Provision of a social security number is not mandatory, but if a social security number is not provided or an indication is not made that the signer does not have a social security number, the application cannot be approved. This notice must be brought to the attention of the household member whose social security number is disclosed. The social security number may be used to identify the household member in carrying out efforts to verify the correctness of information stated on the application.

* * * The sponsor shall take the income information provided by the household on the application and calculate the household's total current income;

(3) If they so desire, households applying on behalf of children who are members of food stamp households or AFDC assistance units may apply for free meal benefits using the procedures described in this paragraph rather than the procedures described in paragraph (f)(2) of this section. In accordance with paragraph (f)(2)(vi) of this section, if a food stamp or AFDC case number is provided, it may be used to verify the current food stamp or AFDC certification for the child(ren) for whom free meal benefits are being claimed. Whenever households applying for benefits for children not receiving food stamp or AFDC benefits, they must apply for those children in accordance with the requirements set forth in paragraph (f)(2) of this section. Households applying on behalf of children who are members of food stamp households or AFDC assistance units shall be required to provide:

- (4) Households selected to provide verification shall provide a social security number for each adult household member or an indication that such member does not have one. The notice to households of selection for verification shall include the following:
 - (i) Section 9 of the National School Lunch requires that unless the child's

food stamp or AFDC case number is provided, households selected for verification must provide the social security number of each adult household member;

(ii) In lieu of providing a social security number, an adult household member may indicate that he/she does not possess one;

(iii) Provision of a social security number is not mandatory but if a social security number is not provided for each adult household member or an indication is not made that he/she does not possess one, benefits will be terminated;

(iv) The social security number may be used to identify household members in carrying out efforts to verify the correctness of information stated on the application and continued eligibility for the program. These verification efforts may be carried out through program reviews, audits, and investigations and may include contacting employers to determine income, contacting a food stamp or welfare office to determine current certification for receipt of food stamps or AFDC benefits, contacting the State employment security office to determine the amount of benefits received and checking the documentation produced by household members to prove the amount of income received. These efforts may result in loss or reduction of benefits, administrative claims or legal actions if incorrect information was reported; and

(v) This information must be provided to the attention of each adult household member disclosing his/her social security number. State agencies shall ensure that the notice complies with section 7 of Pub. L. 93-579 (Privacy Act of 1974). These households shall be provided with the name and phone number of an official who can assist in the verification effort. Selected households shall also be informed that, in lieu of any information that would otherwise be required, they can submit proof of current food stamp or AFDC Program certification as described in paragraph (f)(3) of this section to verify the free meal eligibility of a child who is a member of a food stamp household or AFDC assistance unit. All households selected for verification shall be advised that failure to cooperate with verification efforts will result in the termination of benefits.

* * * * *

4. In Section 225.20, the OMB Control Number table is revised to read as follows:

§ 225.20 Information collection/recordkeeping—OMB assigned control numbers.

7 CFR section where requirements are described	Current OMB control No.
225.3-225.4.	0584-0280
225.6-225.10	0584-0280
225.12-225.13	0584-0280
225.15-225.18	0584-0280

PART 226—CHILD AND ADULT CARE FOOD PROGRAM

5. The authority citation for Part 226 continues to read as follows:

Authority: Secs. 9, 11, 14, 16, and 17, National School Lunch Act, as amended (42 U.S.C. 1758, 1759a, 1762a, 1765 and 1766).

- 6. In Section 226.2:
 - a. The definition of *Current income* is amended by removing the words “and multiplied by 12”; and
 - b. The definition of *Documentation* is revised to read as follows:

§ 226.2 Definitions.

* * * * *

Documentation means (a) the completion of the following information on a free and reduced-price application:

- (1) names of all household members;
- (2) income received by each household member, identified by source of income (such as earnings, wages, welfare, pensions, support payments, unemployment compensation, social security and other cash income);
- (3) the signature of an adult household member; and
- (4) the social security number of the adult household member who signs the application, or an indication that he/she does not possess a social security number; or

(b) For a child who is a member of a food stamp household or an AFDC assistance unit, “documentation” means the completion of only the following information on a free and reduced-price application:

- (1) the name(s) and appropriate food stamp or AFDC case number(s) for the child(ren); and
- (2) the signature of an adult member of the household; or

(c) For an adult participant who is a member of a food stamp household or is an SSI or Medicaid participant, as defined in this section, “documentation” means the completion of only the following information on a free and reduced-price application:

- (1) the name(s) and appropriate food stamp case number(s) for the participant(s) or the adult participant’s SSI or Medicaid identification number, as defined in this section; and

(2) the signature of an adult member of the household.

* * * * *

7. In Section 226.15, paragraphs (e)(2) and (e)(3) are revised to read as follows:

§ 226.15 Institution Provisions.

* * * * *

(e) * * *

(2) Documentation of the enrollment of each participant at child care centers, adult day care centers and outside-school-hours care centers including information used to determine eligibility for free or reduced price meals in accordance with § 226.23(e)(1).

(3) Documentation of the enrollment of each child at day care homes and information used to determine the eligibility of enrolled providers’ children for free or reduced price meals in accordance with § 226.23(e)(1).

* * * * *

8. In Section 226.17, paragraph (b)(7) is revised to read as follows:

§ 226.17 Child Care Center Provisions.

* * * * *

(b) * * *

(7) Child care centers shall collect and maintain documentation of the enrollment of each child, including information used to determine eligibility for free and reduced price meals in accordance with § 226.23(e)(1).

* * * * *

§ 226.18 [Amended]

9. In Section 226.18, paragraph (f) is amended by adding the words ‘, in which case the day care home must maintain documentation of the information used to determine the eligibility of enrolled providers’ children for free or reduced price meals in accordance with § 226.23(e)(1)’ at the end of the paragraph.

10. In Section 226.19, paragraph (b)(8)(i) is revised to read as follows:

§ 226.19 Outside-school-hours care center provisions.

* * * * *

(b) * * *

(8) * * *

(i) Documentation of enrollment for all children, including information used to determine eligibility for free or reduced price meals in accordance with § 226.23(e)(1);

* * * * *

11. In Section 226.19a, paragraph (b)(8) is revised to read as follows:

§ 226.19a Adult day care center provisions.

* * * * *

(b) * * *

(8) Adult day care centers shall collect and maintain documentation of the

enrollment of each adult participant including information used to determine eligibility for free and reduced price meals in accordance with § 226.23(e)(1).

* * * * *

12. In Section 226.23:

a. Paragraph (e)(1)(ii)(C) is revised;

b. Paragraph (e)(1)(ii)(D) is amended by removing the words "total current household income, and the";

c. Paragraph (e)(1)(ii)(F) is amended by removing the first four sentences and by adding six new sentences in their place.

d. Paragraph (e)(1)(iii)(C) is revised;

e. Paragraph (e)(1)(iii)(D) is amended by removing the words "total current household income, and the";

f. Paragraph (e)(1)(iii)(E) is amended by removing the first four sentences and by adding six new sentences in their place;

g. Paragraph (e)(4) is amended by adding a new sentence at the beginning of the paragraph;

h. Paragraphs (h)(2)(iv) through (h)(2)(viii) are redesignated as paragraphs (h)(2)(v) through (h)(2)(ix); and

i. Paragraph (h)(2)(iii) is amended by redesignating all text after the second sentence as paragraph (h)(2)(iv), and by revising the remaining text in paragraph (h)(2)(iii).

The additions and revisions specified above read as follows:

§ 226.23 Free and reduced-price meals.

* * * * *

(e)(1) * * *

(ii) * * *

(C) The social security number of the adult household member who signs the application, or an indication that he/she does not possess a social security number;

* * * * *

(F) A statement which includes substantially the following information: "Section 9 of the National School Lunch Act requires that, unless a food stamp or AFDC case number is provided for your child, you must include a social security number on the application. This must be the social security number of the adult household member signing the application. If the adult household member signing the application does not possess a social security number, he/she must indicate so on the application. Provision of a social security number is not mandatory, but if a social security number is not provided or an indication is not made that the adult household member signing the application does not have one, the application cannot be

approved. This notice must be brought to the attention of the household member whose social security number is disclosed. The social security number may be used to identify the household member in carrying out efforts to verify the correctness of information stated on the application. * * *

* * * * *

(iii) * * *

(C) The social security number of the adult household member who signs the application, or an indication that he/she does not possess a social security number;

* * * * *

(E) A statement which includes substantially the following information: "Section 9 of the National School Lunch Act requires that, unless a food stamp case number or SSI or Medicaid assistance identification number is provided for the adult for whom benefits are sought, you must include a social security number on the application. This must be the social security number of the adult household member signing the application. If the adult household member signing the application does not possess a social security number, he/she must indicate so on the application. Provision of a social security number is not mandatory, but if a social security number is not provided or an indication is not made that the adult household member signing the application does not have one, the application cannot be approved. This notice must be brought to the attention of the household member whose social security number is disclosed. The social security number may be used to identify the household member in carrying out efforts to verify the correctness of information stated on the application. * * *

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(4) * * * The institution shall take the income information provided by the household on the application and calculate the household's total current income. * * *

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(h) * * *

(2) * * *

(iii) Households shall be informed in writing that they have been selected for verification and they are required to submit the requested verification information to confirm their eligibility for free or reduced-price benefits by such date as determined by the State agency. Those households shall be informed of the type or types of information and/or documents acceptable to the State agency and the name and phone number of an official who can answer questions and assist the

household in the verification effort. This information must include a social security number for each adult household member or an indication that he/she does not have one. State agencies shall inform selected households that:

(A) Section 9 of the National School Lunch Act requires that, unless households provide the child's food stamp or AFDC case number, or the adult participant's food stamp case number or SSI or Medicaid assistance identification number, those selected for verification must provide the social security number of each adult household member;

(B) In lieu of providing a social security number, an adult household member may indicate that he/she does not possess one;

(C) Provision of a social security number is not mandatory, but if a social security number is not provided for each adult household member or an indication is not made that he/she does not possess one, benefits will be terminated;

(D) The social security number may be used to identify household members in carrying out efforts to verify the correctness of information stated on the application and continued eligibility for the program. These verification efforts may be carried out through program reviews, audits, and investigations and may include contacting employers to determine income, contacting Federal, State or local agencies to determine current certification for receipt of food stamps or AFDC, SSI or Medicaid benefits, contacting the State employment security office to determine the amount of benefits received, and checking the documentation produced by household members to prove the amount of income received. These efforts may result in loss or reduction of benefits, administrative claims or legal actions if incorrect information was reported; and

(E) This information must be provided to the attention of each adult household member disclosing his/her social security number. State agencies shall ensure that the notice complies with section 7 of Pub. L. 93-579 (Privacy Act of 1974). These households shall be provided with the name and phone number of an official who can assist in the verification effort.

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Dated: April 30, 1996.
 William E. Ludwig,
Administrator.
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