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Food Research and Action Center 2009 Child Nutrition Reauthorization Budget Priorities

The child nutrition programs – WIC, school lunch and school breakfast, summer and afterschool food, and the child care food program (providing nutrition to children in Head Start, child care centers, family child care homes, and homeless and domestic violence shelters) – are among the nation’s most effective programs for children, and have broad popular support. They are up for reauthorization in 2009. There are numerous reasons to invest significant sums in targeted improvements in these programs:

- expanding participation and improving nutrition quality will reduce hunger and food insecurity;
- expanding participation and improving quality will improve birth outcomes, boost child development, improve health, school achievement and student behavior, reduce obesity, and improve the quality of schools, child care and afterschool programs;
- the reauthorization will provide an opportunity for investments that provide short-term economic stimulus and have positive long-term economic effects; and
- the Administration’s proposal can provide the first clear signal of how President Obama plans to operationalize his intent to end childhood hunger by 2015.

An investment in these programs of \$20 billion dollars (over five years) over baseline would allow the child nutrition programs to reach significantly more low-income children who desperately need access to nutritious meals and snacks at home (through WIC) and in school, at child care, and at afterschool and summer programs. It also would allow better nutrition in the programs – sorely needed improvements that can help prevent obesity and boost health.

Below we describe FRAC reauthorization priorities that carry significant cost. These items should be high priorities in any child nutrition reauthorization budget and bill going forward. Where possible, we have included with each item a cost estimate.*

FRAC’s top priorities that have significant budgetary implications are:

- **Restoring the area eligibility test (for family child care, afterschool and summer nutrition) to previous levels that would better serve children and communities.** Federal nutrition programs offer reimbursement for snacks and meals for all children in a family child care, afterschool or summer program in a low-income area, defined as an area with more than 50 percent of children eligible for free or reduced price school meals. This 50 percent area eligibility test is the most restrictive test the programs have ever had. Prior to 1981, the

* The total in this document is somewhat less than \$20 billion – to allow for items to which we have not yet attached costs, other (generally smaller) items not on this list which FRAC plans to push forward, and the rough nature of some of our estimates. These preliminary estimates are based on FRAC internal research and analysis. We have indicated instances where estimates are based on CBO calculations.

threshold for an area participating in Summer Food was 33 percent. Prior to 1996, there was no area eligibility threshold at all for family child care homes – all children received funding. Requiring programs to be located in areas in which more than half the children are eligible for free or reduced-price meals means that many low-income children have lost access to nutritious meals and snacks. Rural and suburban areas where poverty is less concentrated have an especially difficult time meeting the 50 percent requirement. Lowering the threshold back to 33 percent (or even 40 percent, as it is in the 21st Century Community Learning Center afterschool program) would allow more low-income children to receive the nutritious meals and snacks their bodies need, and ease the administrative burdens of programs seeking funding streams with incompatible area eligibility tests. (Estimated cost over five years: \$1.5 billion.)

- **Supporting a universal breakfast program (where breakfast is offered free for all students) that targets “severe need” schools.** School breakfast is like a miracle drug for schools and students – boosting academic performance and test results, and reducing absenteeism, nurse visits, discipline problems and obesity. But less than half of the low-income students who eat school lunch every day eat school breakfast. Many children arrive at school not ready to learn and unable to concentrate because they have not eaten. Breakfast offered free to all children in school has proven to be a very effective strategy for increasing student participation. It reduces stigma and encourages participation among poor as well as moderate-income students. It also enables the implementation of breakfast in the classroom, which has an even larger impact on participation. We propose targeting this initiative of extra support on schools with many low-income students (those where at least 40 percent of the lunches served are free or reduced-price). The schools would receive supplemental reimbursements when it offers free breakfast to all students. (Estimated cost over five years: \$1.59 billion.)
- **Increasing breakfast and lunch access by raising the income eligibility cut-off for free meals to 185 percent of poverty.** The benefits of school meals in improving nutrition, health and school achievement are so powerful that it is self-defeating to require a co-payment for near-poor families (currently those with incomes between 130 and 185 percent of poverty receive “reduced price” but not free meals) when so many parents cannot afford it. This results in many children not benefiting from the program and, increasingly, others being stigmatized and given less adequate meals when copayments aren’t paid by their parents. Improving school meal access for near-poor children by eliminating the reduced-price category will reduce hunger and improve educational outcomes. Note also that until 1981 free meal eligibility went up to 150 percent of the poverty line. (Estimated cost over five years: \$3 billion.)
- **Expanding the Afterschool Supper Program to all states and the District of Columbia.** Currently, only eight pilot states are included in this crucial program, which provides funding for meals during afterschool programs located in low-income areas. (Snacks are provided in all states.) The program is needed to ensure low-income children access to nutritious meals in afterschool programs when their parents work and commute long hours and hold non-traditional jobs, requiring programs to run into the late afternoon and evening. The pilots have been successful, and other states are extremely anxious to have similar coverage. (CBO cost estimate: \$726 million over ten years.)
- **Feeding children in summer, when they are most likely to be hungry.** Hunger among families with children increases during the summer, when regular school meals are not available. Over the years, the Summer Food Service Program has suffered a series of critical blows that have made it more difficult to serve needy children over summer vacations – it now serves only one in five of the low-income children who participate in school lunch during the school year. The recent enactment of the “Simplified Summer Food Program” will help, but a bigger boost is needed to get the program back on track. A significant investment that increases

reimbursement rates at least to restore 1996 funding levels (when rates were cut by 10 percent), adjusted for inflation, will mean that many more community-based and school-based programs will be willing to provide summer food. Additional funding for outreach and to cover transportation costs (special problems in summer) will ensure that children know about programs and also are able to get to them. (Estimated cost over five years: \$668 million for the reimbursement increase; \$300 million to provide funding for outreach and transportation.)

- **Directing the Secretary to provide the full complement of WIC foods recommended by the Institute of Medicine.** When OMB and USDA overhauled the WIC food packages in 2006-2007, they self-imposed cost-neutrality constraints. In at least two key respects, as a result, USDA is giving beneficiaries under the new WIC food packages less than the healthy food that IOM recommended. The new food packages do not include the full amount of fruit and vegetables determined by the Institute of Medicine (IOM) to be necessary for nutritionally sound WIC food packages. Additionally, the IOM WIC food packages eliminated yogurt purely as a cost saving measure. The full complement of fruits and vegetables and yogurt recommended by IOM should be restored to the WIC food packages. (Depending on how this change is accomplished, this could be scored as part of reauthorization, or not scored. If it is done as a scorable cost, the estimated cost over five years is \$900 million.)
- **Providing additional support to schools to improve the nutrition profile of school meals.** Current reimbursement rates for school meals, and particularly for breakfast, are too low to allow schools to continue to make needed improvements in the nutritional quality of the meals. As the multi-year USDA process moves forward to implement revised national nutrition standards for school meals, many schools are not waiting to make improvements. Schools that meet higher USDA standards (such as its Healthier US Standards) should receive additional reimbursement in recognition of their efforts to improve nutrition and of the added cost often incurred to include more fresh produce, whole grains and low fat dairy products (and their equivalents) in the meals. Other proposals in this paper (providing commodities in breakfast programs; eliminating the reduced price category; and expanding participation, which improves economies of scale) also will help alleviate any reimbursement shortfalls; but strategies that both improve nutrition and support schools facing reimbursement shortfalls tied to quality improvements also should be a high priority.
- **Allowing all meals served through the child nutrition programs to receive the commodities currently provided for school lunch.** Currently, breakfasts served at school and through CACFP in child care centers, and meals served through the Summer Food Service Program, do not receive any of the support from the commodities program that regular year school lunches receive. This limits the resources available to provide nutritious breakfasts (at school and child care centers) and meals through Summer Food. USDA's studies show that school breakfast reimbursement is less adequate than lunch reimbursement. The absence of commodity support is one reason. (Estimated cost over five years: \$2.9 billion.)
- **Allowing child care centers and homes the option of serving a third meal (typically this would be supper), as was previously allowed.** As parents work longer hours to make ends meet, many more young children are spending more of their waking hours in child care on work days. National child care standards, based on the best nutrition and child development science, specify that young children need to eat small healthy meals and snacks on a regular basis throughout the day. Child care centers and homes used to receive funding for three meals, until Congress in 1996 cut out one meal to achieve budget savings. This penny-wise and pound-foolish step harms children's nutrition and health and weakens child care. Young children should receive the full complement of meals they need while they are in child care. (Estimated cost over five years: \$1 billion.)

- **Increasing CACFP reimbursements to stem participation declines and improve nutrition.** Purchasing, preparing and serving more nourishing meals and snacks are more expensive. Increasing the availability and consumption of fruits and vegetables, whole grains, and lower fat dairy products for young children in child care is absolutely essential to improve development and health and to prevent obesity at exactly the time – early childhood—when it can have the most long-term effect. This effort needs to be supported by adequate meal reimbursements. At the same time, family child care participation declines created by reimbursement cuts need to be reversed. Higher reimbursements will assure that more children participate in CACFP, both attracting more child care centers and helping to stem the loss of child care providers. (Estimated cost over five years: \$1.5 billion.)
- **Streamlining the child nutrition programs to enable schools, local government agencies, and non-profits to feed children 365 days a year through one seamless child nutrition program.** Currently, they must operate multiple child nutrition programs in order to feed children during the school year, after school, on weekends, and during the summer. For example, a school may operate the school breakfast and lunch programs, the Child and Adult Care Food Program (to provide meals at afterschool and weekend programs), and the Summer Food Service Program. Other eligible out-of-school time sponsors (local government agencies and private nonprofits) must operate both the Summer Food Service Program and the Child and Adult Care Food Program in order to feed children year-round. The redundant paperwork required to participate in multiple nutrition programs does not improve program integrity, but raises administrative costs and discourages eligible sponsors from participating, resulting in only a fraction of eligible children receiving meals and snacks year-round. Streamlining could be done by making child nutrition programs look seamless from the viewpoint of schools and other eligible sponsors.
- **Allowing high poverty school districts to provide free school meals to all students based on statistically reliable household sampling rather than collecting paper applications from all families.** The current family paper application process requires a tremendous amount of administrative work by schools and parents, and keeps some low-income families from participating in the program. Congress should begin a process of changing this outdated process. A good place to begin is with large school districts serving many high poverty areas. A number of such districts should be allowed to forego the cumbersome administrative work of collecting and processing applications and fees from families. Instead, independent survey research or other statistical data would be used to establish reliable percentages of children eligible for free and reduced-price and paid meals at each school building. These data would be the basis for setting a blended per meal reimbursement rate for each school building in the district, and all students would receive meals at no charge. Such a paperless system has already been successfully piloted in one large urban school district and should be an option for high-poverty school districts across the country. (Estimated five year cost: \$100 million.)

There are additional improvements that FRAC will seek to strengthen the child nutrition programs. We have included here the “larger ticket” items. The first step in making all of these crucial program improvements is to include in the FY 2010 concurrent budget resolution a significant investment of new money in the child nutrition programs.