



Making the right food choices, together.

**STATEMENT
OF THE
SCHOOL NUTRITION ASSOCIATION
BEFORE THE
COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY
UNITED STATES SENATE
MARCH 4, 2009**

Chairman Harkin, Senator Chambliss, Members of the Committee, I am Katie Wilson, PhD, SNS, President of the School Nutrition Association (SNA) from Onalaska, Wisconsin. With me today is the President- Elect, Dora Rivas, M.S., R.D., SNS, from Dallas, Texas, our Counsel, Marshall Matz, and a number of my colleagues.

Mr. Chairman, we are meeting here at a time of unprecedented economic challenge for our country. School food programs are a key part of the vital safety net for a growing number of our school children. For some students, school breakfast is the first meal they have eaten since the school lunch the day before. There are students who come to school on Monday not having eaten since lunch on Friday. If a school does not have a breakfast program that school lunch may be the student's first full meal since the previous school lunch.

As a country we have gone from discussing millions of dollars, to billions of dollars to trillions of dollars. It is simply overwhelming. Yet, at the same time, each of us in this hearing room is struggling to balance pennies. The average cost of producing a school lunch is \$2.92 based on our internal study. Currently local schools receive a federal reimbursement of \$2.57 for every lunch provided to a child with income below 130% of the poverty line. Therefore, on average, our reimbursement for a free meal is 35 cents less than it costs to produce that meal.



Each of us in this room can tell you personal stories of children who do not have enough money to even afford a reduced price lunch and breakfast, let alone a full priced meal. It's hard to believe, but there are in fact, many families that cannot afford 40 cents per child per day for lunch and 30 cents for breakfast. We see checks for just a few dollars that are returned due to insufficient funds. In some school districts, report cards are held up at the end of the year because the student owes a few dollars in lunch fees.

We also struggle with conflicting interests. Given the shortfall of funds, there is tremendous pressure put on the sale of competitive foods. While we have dramatically improved the appeal and nutritional quality of school meals, there are no federal guidelines for foods and beverages sold by schools outside the cafeteria that also appeal to students. Unwisely, this takes the emphasis off of nutrition. We are adding more fruits, vegetables and whole grains to both reimbursable and competitive food offerings. This is an important goal that we have embraced and made progress with, but it further increases the cost of preparing a meal. We need the money from competitive foods to offset these costs.

School administrators are also short of funds and are therefore charging school nutrition programs more and more of the overhead costs of running the entire school. It is called an "indirect cost" of the program. In short, money that you appropriate for school meals can pay for energy, or telephones, or it can even be used for personnel costs in the principal's office. In some situations, funds designated for school meals can be used for direct classroom instruction by being labeled an "indirect expense." Neither the statute nor the regulations put any cap on "indirect costs" and some districts pay as much as 15-18% of their budgets in indirect costs. We believe that States and local governments should be supplementing the federal child nutrition funds, not using them to pay for unrelated expenses to support the education function of the school, as important as that is to the child.



The school nutrition program is also asked to absorb the full cost of collecting and verifying the income of children applying for reduced price meals even though the information is being used by many programs in the school. Free and reduced price meal certification is used for many services provided in the school, including Title I funding, yet the school food account pays the full cost of collecting the information.

Mr. Chairman, as you approach Reauthorization, we ask the Congress to take a comprehensive look at the federal child nutrition programs and realize that we are struggling with competing needs and policy goals.

Nutrition standards are an excellent example. We support a consistent national interpretation of the *Dietary Guidelines for Americans* for two reasons: science and cost considerations. All children need the same nutrients to grow no matter where they live in our country. There is one *Dietary Guidelines for Americans*, and one national nutrition labeling scheme. Why would we allow 50 or more different interpretations of the *Dietary Guidelines* when it comes to the National School Lunch and Breakfast Programs? Children all need the same nutrients – whether in Iowa, Georgia or California.

If you allow every state or local community to create their own guidelines, it will further increase the cost of our meals. The school nutrition program is a small market for our vendors. When USDA changes the meal guidelines all vendors change their specifications to accommodate the latest science. If, however, there are 50 different markets and not just one, it greatly increases the cost of doing business. That increased cost is passed on to the School Nutrition Programs, which then puts more pressure on the already inadequate federal reimbursement rates.



SNA has long believed that the time has come to eliminate the “time and place” rule and give the Secretary the authority to regulate the sale of all foods and beverages sold, or made available, to students on the school campus, **consistent with the *Dietary Guidelines for Americans***. The standard, whatever it is, must be applied consistently throughout the school environment. If it is not, healthy school meals must compete with foods and beverages that are high in fat, sugar and calories and are often available in vending machines or school stores. This diverts money from the school nutrition program and it sends a completely conflicting message to students about what is healthy. Students must not be allowed to buy in the gym a product that can’t be sold in the cafeteria.

In addition, we ask that you require USDA to implement the *Dietary Guidelines for Americans* in a **practical, consistent manner all over the country**.

With regard to funding, we are asking for several changes to help us:

- First and foremost, please increase the reimbursement for all lunches served by 35 cents. In the breakfast program we are seeking 20 cents for all breakfasts served.
- We believe that the federal reimbursement rates should be updated twice a year to keep pace with inflation, as opposed to the current annual adjustment. We can no longer get annual contracts for our food. Many vendors escalate their prices monthly.
- The free meal program should be expanded to include all children who fall below the WIC income guideline, or 185% of poverty. If the family qualifies for WIC they should qualify for free meals.



- Lastly, we are asking for 10 cents in USDA commodities for each breakfast served. As you know, we receive about 20 cents in commodities for each school lunch, but there is no commodity support for breakfast. Commodity support would provide an added incentive to expand the breakfast program, and additional assistance to agriculture.

Mr. Chairman, we are asking for a lot and we realize that it makes your life more complicated. But, our children need this in order to be well nourished and prepared to learn. If the United States is to compete effectively in a world market, we must have an educated work force. That cannot happen if the children are hungry and distracted.

Mr. Chairman, in closing, we would like to thank the Senate for its leadership in providing equipment assistance funding as part of the recent stimulus bill. While school nutrition personnel are great innovators in serving wholesome foods to our nation's children, they cannot efficiently serve meals if our equipment is obsolete or in need of repair.

We regret, however, that funding for the expansion of the Child and Adult Care Food Program support effort was deleted from the final bill. In many locations, students are staying at schools later and later because of their parents' work schedules. Having the ability to provide one more meal per day is something that deserves continued consideration during these difficult economic times. Perhaps that can be addressed in the Reauthorization.

Mr. Chairman, we have attempted today to outline our major priorities. We will provide staff with a list of administrative changes that could make the programs more effective and easier to administer.



Making the right food choices, together.

We greatly appreciate this hearing and your commitment to our children and child nutrition.