

Testimony before the U.S. Senate Committee on Agriculture, Nutrition and Forestry

*Meeting the Challenges of Feeding America's School Children*

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328A Russell Senate Office Building

Chairman Stabenow, Ranking Member Cochran, other members of the Committee, on behalf of the 55,000 members of the School Nutrition Association (SNA), thank you for the opportunity to join with you today to discuss our shared goal of strengthening America's child nutrition programs through the reauthorization process.

I would also like to thank your staff members, Jacquelyn Schneider and Julian Baer for joining more than 6,500 school nutrition professionals last week in Boston for SNA's Annual National Conference. We appreciated the opportunity to show them how SNA members are constantly working together with USDA, food companies and other partners to improve school menus and encourage the 30 million students we feed to make healthier choices at school and at home.

School nutrition professionals know that the meals they provide are often the best meals that many children receive, and we recognize the importance of these meals to the health and academic success of America's students. That's why school nutrition directors have expanded our school breakfast options, increased summer feeding sites, launched new supper programs and are now, when feasible, taking advantage of the new Community Eligibility Provision, or CEP.

In my own district I have implemented breakfast in the classroom in 26 schools and added two mobile "Bus Stop Cafes" to serve summer meals where kids live and play. We have implemented the Child and Adult Care Food Program to provide suppers during after school enrichment activities, and will implement CEP in 95 of my 145 schools this coming school year. Implementing and expanding access to these critical school meal programs has allowed many districts to maintain a healthy bottom line.

Even before the Healthy, Hunger-Free Kids Act became law, school nutrition professionals have worked diligently to improve the nutrition of school menus, and we support most of the new regulatory requirements. We are increasing the serving size and variety of the fruits and vegetables we offer, serving more whole grains, meeting limits on calories and unhealthy fats, while reducing sodium in our entrees and sides.

We have also gotten creative in making healthier choices more appealing to students. My program, like so many others nationwide, has steadily increased the quantity of local foods we serve, and we have chefs on staff to help make our healthy recipes more enticing. School cafeterias across the country are using student taste tests, Harvest of the Month promotions, Farm to School programs and other unique initiatives to help familiarize students with the new fruits and vegetables they can choose with school meals.

School nutrition professionals are truly committed to the Healthy, Hunger-Free Kids Act and its goal of expanding access to our healthy school meals, and that is why we are so concerned about the historic decline in student lunch participation under the regulatory requirements of the new law.

For thirty years, the National School Lunch Program has grown steadily, serving healthy lunches to more students each year. But according to USDA data, since schools began implementing the new requirements, student participation is abruptly down in 49 states. Under the new nutrition standards, more than one million fewer students choose school lunch each day, even though student enrollment in the schools that participate in the program increased by 1.2 million last year. This participation challenge thwarts our shared goal of promoting healthier diets for *all* students.

Virtually all of the students leaving the lunch program are those who can afford to bring their lunch from home or purchase it elsewhere. Nationwide, we have witnessed a nearly 15 percent decline in participation in this paid meal category. In my district paid meal participation has declined 8% each of the last two years.

If this trend continues, the school cafeteria will no longer be a place where all students dine and learn healthy habits together, but rather a place where poor students must go to get their free lunch. As school nutrition professionals, we have worked for years to fight the stigma associated with the free and reduced meal participation, so it is heartbreaking to see our progress diminished.

We have witnessed students leaving the program for a variety of reasons. For example, the Healthy, Hunger-Free Kids Act's paid meal equity mandates forced many schools to raise meal prices on families as their cafeterias were decreasing portion sizes to meet calorie limits. The juxtaposition left some families questioning the value of school lunch.

Despite our best efforts to make meals more appealing, schools nationwide have also struggled with student acceptance of new menu options. As of July 1, all grains offered with school meals must be whole grain rich, but many schools have been challenged to find whole grain rich tortillas, biscuits, crackers and other specialty items that appeal to students.

We've heard students complain that their pastas and breads are burnt or tough or taste strange, and indeed, these whole grain rich foods do have a different texture, appearance and flavor than what students might find at home or in their favorite restaurants.

Food companies serving the school nutrition industry have worked hard to introduce new foods that meet the standards and student tastes, but some of these products are simply not available or affordable for all districts, especially small and rural districts.

My program benefits from purchasing power, a regional co-op and strong distribution channels, but I have heard from many colleagues in other districts whose vendors or distributors simply do not carry enough whole grain rich or low sodium items to choose from, let alone in portion sizes that meet the standards.

These same districts also lack the necessary staff resources to manage all the required changes. My district used to employ one staff member to oversee both menu planning and procurement. Since these new requirements took effect, I had to hire a second employee to manage these duties.

We have dedicated hours to menu planning. Trying to balance the fat, sodium, calories and component requirements is much like solving a puzzle. For example, when you reduce the fat in your recipes it becomes difficult to meet the meal's calorie minimums. I am thankful every day that I have the staff behind me to help solve the puzzle, because I know that small districts don't have the luxury of bringing on another person to help.

School districts with low free and reduced meal eligibility have also faced unique challenges under the new standards because the decline in paid meal participation has a greater impact on their budgets. In states like Minnesota, New York, and Illinois, which do not mandate participation in the National School Lunch Program, media has reported on schools dropping out of the program altogether rather than having to meet the rigid and costly regulatory requirements.

Most school districts, however, rely on the National School Lunch Program's reimbursements and do not have the option or desire to leave the program.

Some districts have been able to successfully overcome many of the challenges under the new requirements. For example, districts with very high free and reduced price eligibility benefit from higher meal reimbursements, have access to more federal grants, and are less likely to experience a decline in student participation under the new standards. Other districts benefit from lower labor and food costs, or additional state meal reimbursements or support. These districts may be better equipped to manage the financial costs of meeting the new standards.

But many districts nationwide are struggling both from reduced revenue from declining participation and the higher costs of preparing meals that meet the requirements. In fact, the School Nutrition Association's *2013 Back to School Trends Survey* found that in the 2012-2013 school year 47% of school meal programs reported revenue declined while more than nine of ten reported food costs were up.

School meal programs operate on an extremely tight budget. With the federal reimbursement rate for serving a free lunch just over \$3, schools are required to serve well-balanced, healthy school meals for less than what most people in this room paid for their morning coffee. Schools must cover labor and benefits, supplies, equipment, indirect costs and other expenses, leaving little more than \$1 to spend on the food for each lunch tray.

And unfortunately, food – especially those required in the new federal regulations – is getting more expensive. The price of fruits and vegetables are subject to drought, floods and fluctuations in transportation costs based on the growing season. Dairy costs are up, and of course, labor and benefit costs have increased nationwide. Yet, despite significant inflationary increases in food prices over the last year, the reimbursement rate adjustment for the coming school year was actually *smaller* than the one for the previous school year.

In my district, each half pint of milk will cost me a nickel more this school year. That increase alone exceeds the increase in the breakfast reimbursement and is equal to the increase in the lunch reimbursement.

Although school nutrition professionals appreciate every additional penny we receive, the 4 cent increase for breakfast comes nowhere close to covering the significant costs schools face now that they are required to double the amount of produce offered with each breakfast – up to a full cup, per the July

1, 2014 mandates. In my district, a half cup of fresh fruit costs on average 25 cents, a far cry from 4 cents.

Meanwhile, under the new mandate that every student must take a fruit or vegetable with their meals, whether they intend to eat it, school nutrition professionals have watched in despair as much of this costly produce ends up in the trash.

My program has determined that 18 percent of our students chose not to take a fruit with breakfast. Now that we must serve a fruit with every breakfast, we anticipate an \$111,000 increase in breakfast costs.

Researchers from Cornell and Brigham Young Universities found that on a national scale, the requirement to serve fruits or vegetables with school meals results in a nearly 100% increase in waste with about \$684 million worth of produce being thrown the trash per year. That is enough to serve complete reimbursable school lunches to more than 228 million students.

Schools have been encouraging students to choose fruits and vegetables and preparing them in appealing ways, but forcing students to take food they don't want is a recipe for failure. This requirement is feeding garbage cans, while depleting limited funds that could be directed to menu improvements or nutrition education, proven to increase student consumption of healthy foods.

As school nutrition professionals struggle to manage rising costs and waste, what was once a problem for school meal programs is rapidly becoming a problem for school districts. Meal programs are not permitted to carry losses over from one school year to the next, which means that school districts have to pick up the tab. Financial instability in the meal program can cut into a school district's educational funds. We all want school meals to fuel academic success not drain funds from academics.

As the 2014-2015 school year begins, school meal programs and districts alike will face additional challenges as they work together to meet the new Smart Snacks in School rules on foods sold in vending machines, school stores and a la carte lines. While many of these requirements bring welcome changes to our schools, many meal programs have been forced to strip healthy entrée options from their a la carte menus because of the strict sodium limits under Smart Snacks.

Even USDA is unable to meet these standards using their own ingredients. A sandwich prepared with USDA's 8 inch whole wheat tortilla, a half ounce of reduced fat cheddar cheese and 2 ounces reduced sodium ham contains over 900mg of sodium without any condiments. The reduced sodium ham alone nearly exceeds the *Smart Snacks* 480mg per entrée sodium limit.

School Nutrition Association has been working to support members in addressing all the challenges under the new requirements. At our Annual National Conference, SNA hosted over 90 education sessions to provide new ideas and approaches for promoting healthy school meals to students, addressing financial challenges and overcoming menu planning hurdles. We will continue to work with USDA and our partners to provide members with resources to help.

We also look forward to working with the Committee throughout the reauthorization process to address these challenges and others, like short lunch periods, which leave students little time to consume healthy school meals.

In closing I'd ask that the 55,000 members of the School Nutrition Association continue to be part of the on-going discussion and deliberation as members of the committee and staff consider and draft the reauthorization language. We want to be a resource to you, on the front end of your work, to provide you with practical applications of the law that you're creating.

And of course, any of our members would welcome and encourage any members of the committee, and all of your colleagues to visit a school in your district. You can see firsthand how the food is prepared, talk to local school nutrition personnel about what is working, what isn't, and how we can work together to improve health and nutrition outcomes.

Thank you again for inviting me here today and I'm happy to answer any questions the Committee has.