

2009 Child Nutrition and WIC Reauthorization

I. Key Themes

Improved nutrition quality and reimbursement

Improved access

Expanded participation

Simplicity

II. Background and Details

National School Lunch Program and School Breakfast Program

Access.

Rising food and gasoline costs are increasing pressures on household grocery budgets, impacting families' ability to provide adequate, nourishing meals at home. Data collected by the California Health Interview Survey revealed food insecurity facing three million California adults (and several million more children in those households). The survey identified food insecurity among families receiving WIC and child nutrition benefits and among families whose income exceeds the subsidized eligibility threshold for WIC and school meals (185% of Federal Poverty Level, or under \$32,560 for a family of three).

Underutilization of the school breakfast and lunch programs is exacerbated by several access barriers. The reduced-price co-payment made by many families is a deterrent to student participation. Several school districts and the state of Washington have waived this co-payment for some families. Additionally, families which provide copious income information to receive federal

health insurance programs are still expected to fill out paper applications for school meals, despite their certified eligibility for similar, means-tested health programs. And, as the run-up in housing prices, and now, the higher food and gasoline prices have demonstrated, there are many needy children who do not qualify for federal nutrition assistance because their household income exceeds the current eligibility cap.

Congress should:

- Establish direct certification for recipients of Medicaid.
- Eliminate the reduced-price category.
- Raise the eligibility ceiling to 200% FPL.

Participation.

The valuable benefits of the school nutrition programs are not reaching enough low-income students. In many California high schools, fewer than 20-25% of students eat NSLP, and across all grade levels, only 40% of lunch participants also consume breakfast at school. There are barriers to participation created by deficits in resources, applications, cafeteria operations and inattention to students' experience.

Congress should:

- Provide grants for demonstration projects to increase participation at high schools. Support might be offered to districts which eliminate a la carte sales, close campuses or offer innovative service models, such as kiosks, carts or facilities improvements.
- Amend Local School Wellness Policies to explicitly address student experiences (long lines, appeal, menu variety, customer service).
- Provide grants for districts to serve classroom breakfast as part of the school day at elementary sites.

Reimbursement.

Even before the enormous food price spikes of 2008, many schools and most non-school operators of child nutrition programs, were constrained in providing more children better meals by the limited funds available to produce and serve reimbursable meals. Now, with many of the staples of school nutrition – dairy, produce, eggs – experiencing exponential price increases, the federal reimbursement is woefully inadequate. Schools will receive a 4.27% increase in reimbursement during the 08-09 school year, despite costs (food and labor) that have significantly exceeded that rate of increase. There ought to be an examination of the formulas used to set national reimbursement rates to identify whether a more accurate and appropriate system could be put in place.

Additionally, the USDA reimbursement for meals served to students from full price families (household income over 185%FPL) is \$0.25 for breakfast and lunch meals. Few districts charge these households the differential to recoup the full cost of serving those meals (at least \$2.60 for lunch). The gap between what full price households pay in most districts (\$1.50-\$2.00 for secondary lunches), and the cost of those meals, is not covered by USDA's \$0.25 reimbursement, so the district and its low-income students are subsidizing the breakfast and lunches served to the households with income over 185%FPL.

Congress should:

- Re-set reimbursement at a more appropriate level for providing nutritious meals and link the higher rates to achieving targets articulated in the 2005 Dietary Guidelines for Americans.
- Establish a more nimble, responsive mechanism to adjust reimbursement rates than the current formula (annual increases are based on Consumer Price Index Food Purchased Away From Home). Rates could be increased semi-annually and or regionally, to reflect seasonal and geographic fluctuations and variations.
- Require school districts to charge full price households the full cost of serving breakfast and lunch meals minus the paid reimbursement rate.

Menus.

In November 2007, USDA released its latest School Nutrition Dietary Assessment Study-III, reviewing how well school meals meet the SMI nutrition standards. Evaluating nutrients served in school lunch against SMI standards, SNDA-III found, among other things:

- Only about 20 percent of schools served lunches that met the total fat standard and only about 30 percent met the saturated fat standard.
- Only 6 to 7 percent of schools served lunches that met all of the SMI standards.
- Essentially no schools served lunches that met the sodium benchmark.

Perhaps most disturbing was the finding that, “There were no significant changes in the proportion of schools serving lunches that met SMI standards for most targeted nutrients between SY 1998-1999 (SNDA-II) and SY 2004-2005 (SNDA-III), particularly among elementary schools.”

Compounding this finding, School Meals Initiative standards have not been aligned with the Dietary Guidelines. Although Congress, in the 2004 reauthorization, explicitly required that school meal standards be aligned with the Dietary Guidelines by June 30, 2006, this has not been done. In fact, the most recent estimate for implementation of the alignment is not until at least 2013 (3 years after the 2010 version of the Guidelines appears). This is not satisfactory; school meal standards should be much more promptly brought into compliance with the nutritional needs of children, as outlined in the 2005 Dietary Guidelines.

The SMI nutrition analysis calls for the assessment to be made on the basis of “weighted averages.” This means that the frequency with which certain foods are selected would affect the assessment’s calculation – one student’s selection of low fat cottage cheese would not be treated the same as 100 students’ choice of the ubiquitous

pepperoni pizza. The requirement to use weighted averages has been waived since it was enacted.

SMI nutrition analyses currently occur only once every 5 years, and only a small number of schools within a school district are selected for examination.

Given the severity of the obesity epidemic and the key role that school meals play in students' (particularly low-income students') daily nutrition, Congress should strengthen the School Meals Initiative nutrition review by requiring USDA to:

- a. Quickly align the SMI standards with those of the Dietary Guidelines immediately and more rapidly as future versions of the Guidelines appear.
- b. Perform the macro-nutrient (calories, fat, saturated fat) review on a weighted average of foods chosen by students rather than treating all foods offered equally.
- c. Perform the review more frequently than the current once every 5 years.
- d. Perform the review on a greater number of schools within a school district than the current sample.
- e. Allow state-level innovations to strengthen nutrition, consistent with national guidelines.

Commodities.

USDA commodities represent close to 20 percent of the food on students' plates. A broad range of food items is offered, and districts in California are free to choose whatever they want from 180 different items. Districts take nothing that they do not select. Numerous steps have been taken by USDA to bring the food items into alignment with the 2005 Dietary Guidelines for Americans. The nutrition quality of many items has been improved: less fat, less sugar, less sodium. New items have been added to the USDA list that offer high nutritional benefits, such as whole grains and, particularly, fresh fruit and vegetables. (And while it is not the subject of this nutrition-

quality study, USDA has made it much easier for states and districts to navigate the program's systems, with introduction of the Electronic Commodity Ordering System (ECOS) and other operational and administrative improvements.)

However, most (82%) of the commodity foods ordered and utilized by school districts in California in 2005-06 are animal products, specifically meat and cheese. Many of these foods contain significant amounts of saturated fat. In addition, canned foods may be a source of added salt and sugar. Most canned fruit is packed in light syrup to limit sugar intake. Nearly one-third (31 percent) of the fruit offered outside of the DOD Fresh Program contains added sugar. Study participants were concerned that, among other things, commodity processing often adds sugar and salt to the food item and produces trans fats. Processing also frequently involves frying in fats and oils. The primary items produced by processors identified in a recent Robert Wood Johnson Foundation-funded analysis contain added sodium, fat, and sugar.

Congress should:

- Establish nutritional controls at processing to ensure raw, donated USDA commodities do not gain excess, empty calories when processors turn bulk ingredients into finished products.
- Provide incentives to push whole grains and fresh vegetables.
- Add a commodity entitlement for fresh fruit, dedicated for use in the School Breakfast Program.

Competitive Foods.

Sodas and candy bars generate enormous funds for student activities, but these products teach students inappropriate dietary habits. Congress should learn from California's experience and prioritize health over fundraising by establishing restrictions on students' consumption of high-calorie beverages and snacks.

Congress should:

- Provide USDA with authority to regulate all food and beverage sales on school campuses.
- Provide school food service authorities with authority over the time and place of food and beverage sales on school campuses.

Simplification and Consolidation.

School nutrition programs famously bury administrators in red tape - USDA was a major focus of Congress's landmark 1986 Paperwork Reduction Act - but there are still numerous opportunities to streamline requirements, increase benefits to students and maintain program integrity and payment accuracy.

Congress should:

- Re-design the claiming options for schools with high concentrations of low-income students, known as the Provisions, to eliminate paper applications for more students by allowing districts to utilize socioeconomic status data for establishing eligibility.
- Combine reimbursement, claiming, monitoring and meal planning procedures for all meals served at schools, allowing districts to seamlessly operate National School Lunch and Child Care Food Programs (similar to authority districts received in 2004 to operate NSLP Summer Seamless Option).
- Eliminate the requirement for enrollment rosters in the NSLP At-Risk Afterschool Snack Program. This recordkeeping requirement consumes significant staff time and discourages participation among less frequent, drop-in style programs.
- Enable districts to establish Provision 2 eligibility using district-wide data, not school-by-school data as currently required.

Nutrition Education.

Developing appropriate, life-long eating habits among students is most effectively accomplished through providing appealing, nourishing meals and snacks. Given the junk food culture that saturates many low-income neighborhoods, students must develop

health literacy and decision-making skills to balance caloric intake and exercise. Nutrition education within the child nutrition programs can assist with developing nutrition skills (currently, school-based nutrition education, FSNE, is more closely linked to the Food Stamp Program).

Congress should:

- Fund pilot projects to address junk food options immediately surrounding schools.
- Fund pilot projects to test out point of service technology to conduct nutrition education in cafeterias.
- Fund pilot projects to identify promising practices of increasing health literacy in child care, afterschool and summer nutrition programs.

Community Programs (Summer and Afterschool)

Structure.

SFSP and CCFP Snacks require distinct reimbursement, monitoring and claiming procedures, creating a red tape nightmare for community agencies seeking to provide year-round nutrition to low-income youth through the Summer Food Service Program and Child and Adult Care Food Program At-Risk Afterschool Snack Supplement. A 2004 pilot project authorized SFSP sponsors in California to continue serving snacks year-round. This pilot has enabled SFSP sponsors to serve more than 11,000 snacks each afternoon from September through May, dramatically increasing the scope of California's afterschool nutrition safety net.

Congress should:

- Establish a seamless community nutrition program that consolidates SFSP and CCFP afterschool snacks and suppers.

Access.

At least 275,000 low-income students attend schools in neighborhoods that are currently ineligible to provide free lunches during summer months because in 1996 Congress changed the minimum area eligibility threshold from 40% free and reduced price students at the nearest school to 50%. Additionally, students living in eligible communities, with greater concentrations of poverty, are unable to receive free meals during breaks from school that are shorter than fifteen days. This prevents food banks and social service agencies from receiving Summer Food Service Program funds to provide free meals to pupils during spring break, winter holidays and other days when enrichment programs are offered.

Congress should:

- Allow community nutrition program sponsors to operate open summer lunch sites in areas with 40-49% free and reduced price eligibility.
- Eliminate 15-day requirement, allowing truly year-round service.

Simplification.

Community Nutrition Program (SFSP and CCFP) sponsors expend enormous resources on administrative functions – often instead of procuring higher-quality food or opening additional sites. The nationwide expansion of the Summer Simplified improved accounting practices, but significant reductions in administrative activities are still needed, such as the structural consolidation described earlier.

Congress should:

- Require all state agencies to establish online transactions with sponsors, beginning with application and renewal documents, claiming procedures, site change forms and all other paper correspondence. Technology grants might be necessary to ensure state agencies and sponsors are adequately wired.
- Reduce the frequency of site monitoring requirements for sponsoring agencies. Currently, agencies must conduct

numerous site visits during meal service, adding enormous, unfunded costs to the sponsoring agency, particularly for sponsors with rural and small sites.

Nutrition.

SFSP and CCFP meal patterns have not been updated since the programs' inception more than thirty years ago. Data-gathering is currently underway to gather facts about the foods and beverages served in community nutrition programs, but observational visits and Mathematica's 2003 analysis of SFSP confirm that the foods do not promote obesity prevention, nor conform with the 2005 Dietary Guidelines for Americans. Additionally, there is some anecdotal evidence in California that low appeal results in low participation, particularly among occasional, drop-in participants.

The diversity of sites (parks, church basements, mobile trucks) and the diversity of food preparation methods (vended from private food services management companies, self-prepared in rudimentary kitchens, procured from school food services) complicate efforts to provide nourishing and appealing lunches and snacks. These barriers can be overcome.

Congress should:

- Require USDA to quickly update summer and afterschool meal patterns in order to:
 - Reduce frequency of juice service; increase frequency that fresh vegetables and fruit are provided.
 - Restrict milk to 1% or nonfat.
 - Require that whole wheat bread and other whole grains are served.
 - Limit the amount of cheese that is served.
 - Eliminate added trans fats.
 - Reduce sweetened foods and snacks.
- Apply these changes to the afterschool nutrition programs.
- Add an additional (third) component to the afterschool snack program in order to enable sponsors to serve fresh fruit daily.

- Require sponsors to gather student and parent input into menus.
- Require vendors to allow sponsors greater latitude with contract substitutions to meet student preferences.

Child Care

Structure.

Schools that operate both the National School Lunch Program and CACFP would be allowed to operate CACFP under NSLP rules and regulations. They would use whichever menu planning option they were currently using for NSLP whether it was food or nutrient based. As discussed earlier, the community-based agencies that operate CACFP should be allowed to administer SFSP under the same paperwork as their child care program

Nutrition and Reimbursement.

As a recent California study demonstrates, food and beverages served in all child care settings, including CACFP, do not always promote development of eating patterns that match the 2005 Dietary Guidelines for Americans. Improvements might include: more fresh fruits and vegetables, less juice, and more whole grains. These changes would need to be accompanied by an increase in the reimbursement level to offset the additional costs of serving more nutritious foods and beverages.

Congress should:

- Provide higher CACFP reimbursement tied to improved CACFP nutrition standards that meet or exceed targets outlined in the 2005 Dietary Guidelines for Americans.

- Require CACFP sponsors to provide nutrition education in exchange for higher administrative reimbursement. A nutrition education component should be added to sponsors' monitoring visits. A higher administrative reimbursement should coincide with this requirement to offset additional personnel costs.

Access.

While the benefits of CACFP are clear, many providers do not participate in the program because the paperwork is too burdensome. The precipitous drop in sponsoring agencies in California in recent years and a less precipitous, but unacceptable, reduction in participation by homes means that the benefits of CACFP – reimbursement, nutrition, support – does not reach those children who need it most. USDA convened a Paperwork Reduction Task Force and issued several policy memoranda, but the burden on sponsoring agencies still remains enormous. Unfunded mandates include: establishment of tier 1/2 determinations, annual enrollment forms, five-day reconciliation, separate infant feeding patterns, and block claiming monitoring and verification activities.

Congress should:

- Change applicable statutes and direct USDA to immediately reduce paperwork requirements on both providers and sponsors. Activities deemed vital to sustain program integrity should be simplified as much as possible and technology should be used to make complying with the remaining requirements easier.
- Re-evaluate separation of reimbursement claims into Tier 1 and Tier 2 rates and eligibility determinations.
- Require state agencies to be the sponsor of last resort if no private sponsor exists in a given area.

Research.

More information is needed about how to apply strategies to improve the food and beverages served in licensed child care, as well as how to improve the food-related behaviors.

Congress should:

- Provide funding for demonstration projects to test out different approaches to improving food and beverage quality, as well as associated practices, such as water service, policies for food brought from home, etc. Demonstration projects should evaluate implementation of peer-to-peer training modules, web-based nutrition education, organizational policies, or parental education projects to improve food and beverage consumption habits among CACFP participants.

Women, Infants and Children Program

WIC provides Federal grants to States for supplemental foods, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age five who are found to be at nutritional risk. While WIC funding is established through the annual agriculture appropriations process, there are several important opportunities for Congressional policymakers to strengthen WIC in the 2009 reauthorization process.

Resources.

Congress should:

- Ensure adequate funding to support the full extent of need.
- Nutrition Service and Administrative (NSA) funding should reflect current costs.

- Include contingency funds so that WIC can appropriately respond to rising food costs and greater need among low-income California families facing financial hardship during economic downturns.

Obesity prevention.

Dozens of scientific studies have shown WIC to be a cost-effective and positive public health intervention, preventing infant mortality, low birth weight and other poor birth outcomes, and improving the nutrition and health of participants. Many of WIC's proven benefits are the result of its targeted food package and nutrition education modules, which have combined to reduce health care costs through improving birth outcomes and eating patterns among pregnant and post-partum mothers and their children. WIC can assist mothers to maintain a healthy weight. The updated food package will be implemented in 2009, providing WIC participants with obesity-preventing foods, which will be supported by clear messages, resulting in better dietary habits for WIC families.

Congress should:

- Continue to support breastfeeding peer counseling.
- Allow use of telephone and computer-assisted nutrition education.
- Encourage coordinated health messaging across federal nutrition programs.

Access.

WIC successfully reaches its target population with benefits and services because of its current eligibility rules and extraordinary emphasis on culturally-appropriate customer service.

Congress should:

- Continue to allow adjunctive eligibility for WIC at each states' current Medicaid eligibility threshold.
- Protect existing eligibility rules.
- Lengthen certification duration options.

Research.

Policymakers need more information about future opportunities to strengthen WIC.

Congress should:

- Provide modest annual funding to evaluate the impact of the food package changes and breastfeeding funds.
- Encourage states to pilot-test outcome-driven management using local data gathering.
- Ask Institutes of Medicine to study infant formula issues and trends.