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The Lincoln Substitute Amendment to S. 3307, *Healthy, Hunger-Free Kids Act*

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Summary

On May 5, 2010, the Senate Agriculture, Nutrition, and Forestry Committee reported the *Healthy, Hunger-Free Kids Act of 2010 (S. 3307)*. This bill would reauthorize all child nutrition and women, infant, and children (WIC) programs, currently scheduled to expire on September 30, 2010, though Fiscal Year 2015. The legislation would also make changes to the laws that fund and set the price of school lunches, school meal access, nutrition standards for school meals, and the child and adult care food program.

Since the Agriculture Committee reported the *Healthy, Hunger-Free Kids Act of 2010* in May, Senators **Lincoln** and Chambliss have developed a substitute amendment which includes all of the provisions from **S. 3307** as reported out of the Senate Agriculture Committee, with the following changes:

1. Removal of two provisions that were included in the committee-passed bill: the Environmental Quality Incentives Program, and the Efficacy of Foods Eligible for Use Under the Special Supplemental Nutrition Program for Women, Infants, and Children (sections 442 and 353 of **S. 3307**);
2. A new provision that would reallocate future unobligated funds provided for the Supplemental Nutrition Assistance Program (SNAP) under the *American Recovery and Reinvestment Act (Recovery Act, P.L. 111-5)*. This would provide savings of \$2.2 billion over the next ten years; and
3. Minor technical changes to **S. 3307**.

The amendment is entirely offset with spending reductions. It provides \$4.5 billion in new spending over the next ten years for the reauthorization of child nutrition programs.

The amendment is offset from three sources.

1. Extension of USDA authority to count bonus commodities towards the percent rule (-\$1 billion) (contained in the Committee-passed bill);
2. Restructuring SNAP nutrition education (-\$1.3 billion) (contained in the Committee-passed bill);
3. Reallocating future unobligated *Recovery Act* Supplemental Nutrition Assistance Program funding (-\$2.2 billion).

The summary of the legislation provided in the section entitled “Major Provisions” below summarizes the text of the substitute amendment.

Background

Despite advances made in strengthening Federal child nutrition programs, significant challenges remain for the low-income children and families who benefit from school lunch and nutrition assistance programs.

First, and most importantly, the need for Federal food assistance has increased dramatically in recent years. According to USDA's November 2009 report, *Household Food Security in the United States*, 14.6 percent of U.S. households (17 million households representing 49.1 million people, including 16.7 million children) were food insecure at least some time during the year. Of that number, 6.7 million households were classified as having very low food security, meaning that the food intake of one or more household members was reduced and their eating patterns were disrupted at times during the year because the household lacked money and other resources for food.

These statistics represent significant increases in food insecurity from prior years, and were the highest recorded since 1995, when the first national food security survey was conducted. For low-income households, households with children that were headed by single women or single men, and black and Hispanic households, rates of food insecurity were substantially higher than the national average. Most notably, 55 percent of all food-insecure households participated in one or more of the three largest Federal nutrition programs (Supplemental Nutrition Assistance Program, National School Lunch Program, and the WIC Program), underscoring the important role that these programs play in providing individuals with critical nutrition benefits.

The recent increases in food insecurity are consistent with larger socioeconomic trends related to poverty and household income. In December 2007, the United States economy fell into a recession, as indicated by the National Bureau of Economic Research. During this time period, real median incomes fell, and both the percentage and aggregate number of Americans living in poverty increased. According to the U.S. Census Bureau, real median household income fell by 3.6 percent between 2007 and 2008, from \$52,163 to \$50,303, offsetting the gain in income experienced over the past three years. Additionally, between 2007 and 2008 the official poverty rate increased from 12.5 percent (37.3 million persons) to 13.2 percent (39.8 million persons), the first statistically significant annual increase in the poverty rate since 2004 and the highest poverty rate since 1997. For children under 18 years of age, the poverty rate was higher than the national average, increasing from 18 percent in 2007 to 19 percent in 2008.

In addition to their importance in addressing food insecurity, Federal child nutrition programs play a critical role in providing nutritious, balanced meals to children and promoting healthy lifestyles. Major strides have been made in recent years to improve the quality of meals served to children through child nutrition programs. According to the third USDA School Nutrition Dietary Assessment (SNDA III), in school year 2004-2005, over 95 percent of National School Lunch Program (NSLP) lunches offered and served by most schools met USDA goals for cholesterol over a typical week and were lower in saturated fat than meals served in school year 1998-1999, when the last SNDA was conducted. Larger proportions of elementary schools met the standards for total fat and saturated fat, and a larger proportion of secondary schools met the standard for saturated fat.

Despite this significant progress, however, considerable work remains to improve children's diets and to bring Federally-subsidized meals in line with USDA nutritional guidelines. According to USDA, roughly 99 percent of lunches included amounts of sodium above the recommended levels. And, only 26 percent and 34 percent of schools served lunches that met USDA guidelines for total fat and saturated fat, respectively. Additionally, available research has consistently shown that the diets of U.S. children do not meet current national dietary

recommendations for nutrition and health. Overall, children today have diets that are low in fruits, vegetables, whole grains, and dairy, and high in sodium, fat and added sugars. The 2005 Dietary Guidelines recommend that Americans consume half of their grains as whole grains, but according to the U.S. Department of Health and Human Services report, *Healthy People 2010*, only 7 percent of children ages two to 19 years currently meet this recommendation.

Statistics on the nutritional profile of school meals and the diets of Americans are often set against broader information about the overall health of American adults and children. The Department of Health and Human Services notes that 18.2 million Americans have diabetes, with nearly one-third of those unaware that they have the disease, and more than 64 percent of the U.S. adult population is overweight or obese. Additionally, childhood obesity has increased steadily in recent years, especially during the past two decades. According to the Institute of Medicine report, *Progress in Preventing Childhood Obesity*: “Obesity rates among American children and youth have increased dramatically. Between 1963 and 2004, obesity rates quadrupled for older children, those ages 6 to 11 years (from 4 to 19 percent), and tripled for adolescents, those ages 12 to 19 years (from 5 to 17 percent). Between 1971 and 2004, obesity rates increased from 5 to 14 percent in 2- to 5 year olds.”

Available health research shows a strong association between obesity and other chronic diseases, including cardiovascular disease, hypertension, and diabetes. Cardiovascular disease is the leading cause of death in America, resulting in 500,000 annual deaths. Risk factors for cardiovascular disease occur with much greater frequency among obese children than they do among normal weight children. One quarter of children ages five to 10 show early warning signs for heart disease, such as elevated blood pressure or high cholesterol.

In summary, it is evident that tremendous needs exist to reduce childhood hunger and food insecurity, as well as to improve the diets and overall health of American children more generally. The purpose of this bill is to address those needs so that fewer low-income children have to go without food, and to ensure that more children from all income levels adopt the kind of healthful eating habits and lifestyles that will enable them to live longer, more productive lives.

Major Provisions

Title I—A Path to End Childhood Hunger

Direct Certification—National School Lunch Program. The substitute amendment to the *Healthy, Hunger-Free Kids Act* would expand the use of direct certification to include the Medicaid program and would be conducted in areas selected by the USDA based on optional applications submitted by interested states. The size of the pool of eligible local educational agencies will increase gradually each year, going from local educational agencies that collectively represent 2.5 percent of the students currently certified for free or reduced price school meals nationwide during the 2012-2013 school year, to 5 percent during the 2013-2014 school year, and finally to 10 percent during the 2014-2015 school year and subsequent years. Participating local educational agencies will use the income information collected by the Medicaid program to directly certify eligible children for free school meals. The Congressional Budget Office estimates that, by 2015, approximately 115,000 additional students will be certified for free school meals through this provision.

Eligibility—Summer Food Service Program. The substitute amendment would establish two new options by which schools or local educational agencies with very high proportions of low-income children can receive federal reimbursement without collecting individual paper applications from households and tracking student eligibility in the cafeteria. Reimbursement for these low-income schools will instead be based on other sources of available data, including the results of direct certification and the U.S. Census Bureau’s American Community Survey.

Expansion—After School Meals for At-Risk Children. The substitute amendment to the *Healthy, Hunger-Free Kids* would expand reimbursement for a meal in afterschool programs to all 50 states, which will ensure that more low-income children have access to a nutritious meal during after-school hours.

For the past several years, appropriations bills have modified the program to permit several states to receive reimbursement for a full meal in addition to a snack. For the 2009-2010 school year, the reimbursement level for a snack is \$0.74, compared with \$2.68 for a meal. Currently, only the District of Columbia, Connecticut, Delaware, Illinois, Maryland, Michigan, Missouri, Nevada, New York, Oregon, Pennsylvania, Vermont, West Virginia, and Wisconsin are permitted to receive reimbursement for a meal. Participating institutions in all other states may only receive reimbursement for a snack.

Title II—Reducing Childhood Obesity and Improving the Diets of Children

Reimbursement Rate—National School Lunch Program. The substitute amendment would require the Department of Agriculture to issue regulations to update the meal patterns based on the recommendations of the National Academy of Sciences’ Institute of Medicine (IOM), and would provide an increase in the federal reimbursement to help schools meet the new meal patterns, which the IOM estimates will increase food costs between four and nine percent for participating schools. Once interim or final regulations are promulgated, the Secretary of Agriculture will provide an additional 6 cents per lunch, adjusted annually for inflation, in reimbursement for local educational agencies that the State agency certifies are in compliance with the new meal patterns. The Congressional Budget Office estimates that nearly all schools would be able to comply with the new requirements and receive the higher reimbursement rate.

Nutrition Standards—National School Lunch Program. To promote healthful eating and to protect taxpayer investments in school meals, the substitute amendment would require the Secretary of Agriculture to establish science-based nutrition standards for all foods sold in schools other than foods currently reimbursed through the school lunch or breakfast programs. Such standards will apply to the entire school campus until the end of the school day. In establishing nutrition standards, the Secretary is directed to adopt measures that are consistent with the Dietary Guidelines for Americans, consider authoritative scientific research and the practical application of nutrition standards, as well as existing voluntary agreements, and provide a process for exemptions for school sponsored fundraisers if they are sanctioned by the school. The Secretary is also required to update the standards, as practicable and necessary, following the publication of new editions of the Dietary Guidelines for Americans.

Wellness Policy—Child and Adult Care Food Program. The substitute amendment to the *Healthy, Hunger-Free Kids* would continue and update the requirements of the local wellness policy included in the *Child Nutrition and WIC Reauthorization Act of 2004*

reauthorization (**P.L. 108-265**) by requiring that all local wellness policies include, at a minimum, goals for nutrition education, physical activity, and other school-based policies that promote student wellness; nutrition guidelines for all foods available on school campuses during the school day; participation by the local community in the development and periodic review of the wellness policy; public notification; and periodic assessment and reporting.

Wellness Policy—Child and Adult Care Food Program. The substitute amendment would make several changes to the nutritional requirements of the Child and Adult Care Food Program. It would require that CACFP meal patterns be based on the most recent *Dietary Guidelines*, similar to what is currently required for school lunches and breakfasts. The provision also requires that child care providers serve only low-fat or fat-free milk to children age two and up, consistent with recommendations of the *Dietary Guidelines* and the American Academy of Pediatrics, and to make fresh, safe drinking water available to children throughout the day.

In addition to encouraging the adoption of certain nutrition practices, the substitute amendment would require the Department of Agriculture and the Department of Health and Human Services to encourage physical activity and to limit sedentary activity, both of which are recommended by public health organizations and the *Dietary Guidelines*. It would also require the Department to provide training and technical assistance for states, sponsors and providers so that they have the tools they need to help children learn healthy nutrition and wellness habits.

Support for Breastfeeding—WIC Program. The substitute amendment would require the Secretary of Agriculture to create a program to recognize exemplary breastfeeding support practices. For state agencies, this provision would establish a set of high performance bonuses to state agencies that have demonstrated either the highest proportion of breastfed infants or the greatest improvement in the proportion of breastfed infants, with an emphasis on fully breastfed infants. In addition, this provision would expand the collection of WIC program data on breastfeeding rates by requiring the WIC Program to collect and publish breastfeeding data annually, rather than biannually, and also to publish rates of breastfeeding not just at the state agency level, but for local agencies as well.

Title III—Improving the Management and Integrity of Child Nutrition Programs

Electronic Benefit Transfer (EBT)—WIC Program. In order to facilitate a similar transition from paper to EBT in the WIC program, the substitute amendment to the *Healthy, Hunger-Free Kids Act* mandates WIC-EBT implementation nationwide by October 1, 2020. Exemptions are granted to State agencies in the case of unusual technological barriers or operational costs. Updating technology in the WIC Program will allow State WIC staff at all levels to perform operations more effectively and efficiently, increasing accountability and streamlining program monitoring and business practices through electronic solutions.

Sharing Materials—WIC Program. The substitute amendment would authorize State agencies administering WIC to permit local WIC agencies or clinics to share nutrition education materials with institutions participating in the Child and Adult Care Food Program at no cost to the Child and Adult Care Food Program.

Legislative History

On March 24, 2010, the Senate Committee on Agriculture, Nutrition and Forestry met in open session to mark up the 2010 child nutrition reauthorization bill. The Chairman's Mark was subsequently reported, with amendment, by voice vote.

On May 5, 2010, the Senate Agriculture, Nutrition, and Forestry Committee reported the *Healthy, Hunger-Free Kids Act of 2010* to the Senate.

The Senate is expected to consider this legislation on August 5, 2010.

Expected Amendments

The DPC will circulate information about possible amendments as it becomes available.

Administration Position

At the time of publication, the Administration had not released a Statement of Administration Policy on **S. 3307**.

Resources

Congressional Research Service, "Child Nutrition and WIC Reauthorization: Issues and Legislation in the 111th Congress," available [here](#).

Congressional Research Service, "Child Nutrition and WIC Programs: A Brief Overview," available [here](#).