



Making the right food choices, together.

January 13, 2009

Mr. Robert M. Eadie, Chief
Policy and Program Development Branch
Child Nutrition Division
Food and Nutrition Service
Department of Agriculture
3101 Park Center Drive, Room 640
Alexandria, Virginia 22302-1594

Dear Mr. Eadie:

The School Nutrition Association (SNA), representing 100,000 schools that participate in the National School Lunch Program and School Breakfast Program serving over 36 million breakfasts and lunches daily, appreciates this opportunity to provide you with our recommendations for the 2009 reauthorization of child nutrition programs.

We commend the Department for having held seven listening sessions throughout the United States since June 10. Many SNA members provided testimony at these sessions, highlighting our shared national concerns as well as the additional challenges they face as state and local food authorities. We are confident that you will give those presentations the thoughtful consideration they deserve.

SNA would like to take this opportunity to bring to your attention a number of priority issues which we would like to see addressed in the upcoming Child Nutrition Reauthorization Act.

School Foods Should Follow Consistent Nutrition Standards

SNA supports a two-part strategy to improve the quality of food sold in schools. First, there should be a national nutrition standard throughout the country based on a consistent interpretation of the Dietary Guidelines. Secondly, the Secretary of Agriculture should have the authority to regulate the sale of all foods and beverages sold on the school campus, thus ending the “time and place” rule and ensuring consistency within the school between the meal pattern and competitive foods.

The children in California need the same nutrients for healthy development that are needed by the children in South Dakota and Florida. Schools have a critical role to play in the fight against obesity. We must, however, craft a standard that would NOT undermine the financial status of many local programs thereby jeopardizing their service to children, including low income children. We must recognize that many of our suppliers tell us that a multitude of standards drives up their costs. The greater the disparity in nutrition standards, the higher the cost to schools.

USDA should provide a consistent and understandable meal pattern that meets the dietary guidelines. While FNS on December 17, 2007, urged that SFAs “...begin proactively implementing the applicable



recommendations of the 2005 DGAs within the current meal pattern requirements and nutrition standards,” we believe that additional guidance would be beneficial, particularly as the Department prepares for the consideration of the 2010 Dietary Guidelines for Americans.

Reimbursement Rates Should Reflect Meal Costs

We strongly urge USDA to please support an increase in the federal reimbursements as a part of any legislation to improve school meals and nutrition standards anywhere in schools.

Over the past several years, school nutrition programs have made tremendous strides in offering more whole grains, more fresh fruits and vegetables, and more low-fat dairy products. All of these healthy food items cost more in today's marketplace. Due to the increase in food, milk and energy costs, combined with high labor and benefits costs, the federal school meal reimbursement no longer covers the cost to prepare a balanced, nutritious school meal. In 2007-2008, USDA reimbursed local schools \$2.47 for every “free” lunch provided to a child with income below 130% of the poverty line...less than the price of a latte at the neighborhood coffee shop. While the new federal reimbursement for school year 2008-2009 will be \$2.57 per meal, the cost to prepare a school meal averages over \$2.90. School nutrition programs lose money on each school meal provided. As you know the national school lunch program produces 5 billion meals per year, which mean programs, on a national average, are losing approximately \$2.5 billion dollars per year on school lunch alone. Financial losses on the school lunch and breakfast programs are estimated at more than \$4 billion dollars per year!

Reimbursement Rates Should Be Adjusted Semiannually

SNA urges the Department to recommend semiannual adjustments to the meal reimbursement rate so as to better reflect the food costs SFA's are paying. SFAs have been very innovative in dealing with food costs that have escalated on a monthly basis. However, there are limits to how far this innovation can and should go. This semiannual indexing has already been proposed by Senator Robert Casey of Pennsylvania in S.3614 - a bill to require semiannual indexing of mandatory Federal food assistance programs.

The Reduced Price Meal Should Be Changed to a Free Meal

SNA's immediate past President Mary Hill testified before the House Education and Labor Committee last March, saying *“we remain concerned about low-income children who cannot afford a reduced price meal and the recent economic downturn is making the problem worse.”* Our experience since that time reinforces the fact that families are facing even more difficult conditions.

Indirect Costs Need to be Statutorily Limited

Indirect costs are a major factor for local school food authorities. As you know, there is not a federal limit on those costs. Many schools have to pay outrageous indirect costs and there is not an appeal process. An appropriate limit on indirect costs can free up resources at no cost to the federal government so that they can be used for maintaining and improving school food programs.

School Breakfast Program Needs to be Expanded

SNA strongly believes that the school breakfast program needs to be expanded and we need to identify strategies to reach all who are currently eligible. It is well known that children who eat breakfast are better able to perform in school. We should all be concerned by the fact that when comparing free and reduced-price school breakfast participation to free and reduced-price lunch participation, 45.3 children ate breakfast for every 100 children who ate lunch in school year 2006-2007.



Regional Cost of Living Variances Should be Considered in Determining Eligibility

Regional cost of living variances make the utilization of a national income eligibility standard a hardship on many communities. We urge consideration of the development of an income eligibility standard that takes these differences into account.

Continued Training and Certification of School Food Service Professionals Needs Support

SNA supports a greater recognition of and support for training and certification needs as part of the administrative support provided for school meal programs. School food service personnel are career professionals that honor their responsibility to provide quality meals to our nation's children. We believe that SFAs as well as SNA needs increased support from the federal government to continue these worthwhile efforts, particularly given the increased expectations being put on school food service personnel. We ask that you take note of our many activities. SNA offers many continuing education programs for SNA members and the school nutrition community. Our certification program is based on the standards of practice and indicators in the Keys to Excellence in School Food and Nutrition Programs that define nationally accepted standards for quality programs. We have partnered with the School Nutrition Foundation to provide webinars and other programs to meet specific training needs for SNA members and to support the SNA certification and credentialing programs.

Equipment Assistance is Needed

SNA supports the authorization of non-food assistance grants to schools. The ability to provide wholesome meals using a variety of products is dependent upon the infrastructure available for school meal service. These grants would allow SFAs to purchase food preparation equipment such as refrigeration, salad bars, and other needed items to improve their kitchen facilities and provide meals consistent with the *Dietary Guidelines* and food safety practices.

The Application Process Should be Simplified

Our mutual goal is to enable eligible children to participate in the program. However, the complexity of the application process makes it difficult for families to apply. They are concerned about the unnecessary requirement to provide social security numbers, fearing identity theft. They are fearful of language on forms that they view as threatening them with legal action for even a simple mistake. SFAs find the time needed to conduct application processing is growing at a time when their resources are severely limited.

The Department should increase efforts to allow eligibility in one program, such as WIC, to provide automatic eligibility for school meals without additional application.

Commodity Assistance is Needed for Breakfast, and Should be Restored for Lunch

The School Breakfast Program still does not receive any USDA commodity assistance, while the Lunch Program does receive this valuable supplement. It would greatly assist our programs, and help us expand the breakfast program, if the statute was amended to provide commodity assistance. SNA suggests ten cents (.10) of commodities be provided per breakfast. Again, this would greatly assist us in trying to cope with the cost of food.

Even though the School Lunch Program receives commodity assistance, it is much less than in previous years. Because of changes in the agriculture economy, "bonus commodities" have all but stopped. Traditionally, our "entitlement" commodities were supplemented by bonus commodities, or extra surplus commodities. That is no longer happening to the same extent.



Additional Reimbursement Needed for Special Needs Meals

SFAs provide special needs meals where appropriate for the dietary needs of students. However, these special needs meals are more costly to prepare than regular meals. SNA recommends that the Department develop an additional special reimbursement component to help defray the costs of these needed meals.

Provide Standby Funding Transfer Authority in the Event the Regular Appropriations Bill Is Not Completed

The Department has in recent years faced the difficult problem of contracting for the purchase of commodities when regular funding for federal programs is in doubt. Last year FNS undertook the unusual and innovative action of allowing commodity swaps in order to be sure that product continued to flow to SFAs. FNS also was required to change contracts to shorter terms because of funding uncertainty. We appreciate this effort, and recognize that short term contracts risk higher unit prices and tighter supplies than long term contracts. SNA recommends that the reauthorization bill give the Secretary of Agriculture stand-by authority to transfer such sums as may be necessary from either Section 32 or the Commodity Credit Corporation, subject to these transferred funds being repaid when the regular appropriations measure is completed. While this authority is something that we all hope will have to be used rarely if at all, we believe that providing certainty in contracting can help ensure the best possible price for these commodity purchases.

Administrative Rules, Including Valuation of Diverted Commodities, Need to be Modified

Last but not least, we support the financial integrity of school nutrition programs, but many of the administrative rules, contribute to increased rates of error within our programs. We ask USDA to review administrative rules, such as those involved with certification, eligibility and reporting to identify issues and implement positive solutions that will benefit all school nutrition program operators and recipients.

In particular, we ask that you review the rule of how the value of commodities that manufacturers are allowed to credit for processing diverted commodities is established. We offer commodity cheese as an example. Currently the value is determined by the average cost of commodity cheese over a 36 month time period. The value determined on receipt is presently at 2.20 cents per pound and the maximum allowed over the average period of 36 months is only 1.47 cents per pound. This accounting rule results in a loss of \$6.57 cents in value per case of 16" cheese pizza. Modifying the value of the commodities donated or the value of the credit allowed for the diversion should be to the same level and would provide a true accounting of the commodity value.

SNA has made many of these same recommendations in our testimony to the House Education and Labor Committee on March 4 and July 9. We attach copies of those statements as part of this submission.

The School Nutrition Association enjoys and appreciates the professional working relationship we have with the Food and Nutrition Service. We look forward to continuing our joint commitment to providing the best possible meals to our nation's school children.

Sincerely,

Katie Wilson, PhD, SNS
President

Attachments