

Child Nutrition - HW

Attached is an advance copy of the child nutrition reauthorization package we expect USDA to submit soon for official OMB review. Summarized below are some of the highlights:

- **"At-risk" program** (\$5.1 million in FY99 and \$68.8 million over 5 years). This proposal would allow school and non-school programs that serve "at-risk" children between the ages of 12 and 18 to participate in the child and adult care feeding program (CACFP) during after-school hours, weekends, or holidays during the regular school year. The programs would have to be located in high poverty geographical areas and could be reimbursed for one meal supplement per child per day.
- **Transfer of the Homeless Child Nutrition Program (HCNP) to CACFP** (\$1.2 million in FY99 and \$6.5 million over 5 years). This move would provide a year-round vehicle for benefit delivery to children through age 12, and would consolidate administration and benefit delivery to homeless children in shelters under a single program.
- **Make the Kentucky/Iowa demonstration permanent** (3.7 million in FY99 and 18.5 million over 5 years). Under this demonstration, for-profit child care centers in these states in which at least 25 percent of enrollments are eligible for free and reduced price meals are eligible to participate in CACFP. This proposal would make the current demo permanent and fund the program as mandatory through CACFP. (This proposal would solve an annual appropriations problem)
- **Management and Integrity Funding** (\$1.6 million in FY99 and \$22.7 million over 5 years). This provision allows USDA to retain 1/10 of one percent of annual Program expenditures in FY99 (and 1/4 of one percent thereafter), to improve implementation of the congressionally-mandated tiering proposal and to provide for improved program quality and integrity.
- **Restructure Program accountability provisions** (-\$19.7 million in FY99 and -\$110 million over 5 years). Beginning in FY99, this provision would permit states to retain 50 percent of funds recovered through state-conducted program reviews and audits, and to use such funds for program improvements under the Child Nutrition programs.

2 percent audit funds. While technically called audit funds, over the years states have been unable to use this funding effectively. The reauthorization package would more effectively target program integrity resources, eliminate duplicative funding of state reviews, and provide states with additional incentives to improve accountability.

*Child
Nutrition
Act*

USDA's Proposal to Fund After-School Programs for At-Risk Teenagers in Low-Income Areas*

- A 1994 survey of parents found that 56 percent think that children are left alone too much after school, and a 1989 survey showed that 84 percent of school principals expressed a need for before-and after-school programs. According to the Federal Bureau of Investigation, youth between the ages of 12 and 17 are most at risk of committing violent acts and being victims between 3 p.m. and 6 p.m.—a time when they are not in school.
- While some communities are already developing after-school programs, they are not widespread. In 1995, there were 23.5 million school-aged children with parents in the workforce. However, as recently as the 1993-94 school year, 70 percent of all public schools did not have a program.
- Although the CACFP is the only nutrition program that provides a meal service for after-school programs, it is not available for all schools and limits participation to children 12 years or younger. The Department's proposal would allow for the service of a free snack through the CACFP by after-school programs that serve "at risk" children between the ages of 12 and 18.
- The Department believes that this proposal can be an integral component of the many efforts being made at the Federal, State and local levels to help ensure the safety and well being of the Nation's older children. One such effort is the Department of Education's 21st Century Community Learning Center program. Funds provided to 21st Century Community Learning Centers are used to expand a school's capacity to address the educational needs of its community after school, weekends, and summers. The focus of the program is to provide expanded learning opportunities for participating children in a safe, drug-free and supervised environment. A priority of the program is to focus on middle school students, many of the same students who would be served under our proposal. Providing funding under the CACFP for nutrition benefits would help leverage other funds provided to 21st Century Learning Centers.
- This proposal also supports the goals of the recent White House Conference on Child Care.
- Providing a snack during an after-school program attracts young people into these tutoring, recreational and cultural programs. The resources that the CACFP provides for snacks often help to make after school programs possible—acting as core funding that attracts other funders in the community.
- The Department estimates that this proposal would cost \$5.7 million in Fiscal Year 1999 and \$66.1 million over five years. These costs are offset by savings in other provisions.

* Approximately 1,000 additional children ages 6-12 will have meal service available under a proposal which moves the Department-administered Homeless Child Nutrition Program into the CACFP, which is administered by the States.

03/19/98 THU 12:20 FAX 202 690 3100 03/19/98

FAX

COVER SHEET

*Child
nutr
EW*

U.S. Department of Agriculture
Under Secretary
Food, Nutrition and Consumer Services
1400 Independence Avenue, S.W., Room 240-E
Washington, D.C. 20250
Phone: 202-720-7711
FAX: 202-690-3100



DATE: 3/19/98

TO: Don Friedman

456-7431

NO. OF PAGES

(Including cover):

4

FROM: Julie Pandis

SUBJECT: Child Nutrition Proposal

COMMENTS:

*FNS staff is meeting w/ N. Ed &
Workforce staff on child nutr. reauthorization -
using our bill as the base. Attached notes
reflect discussion to date. Want to keep in
touch - give me a call. 720-7711. Thanks!!*

AN EQUAL OPPORTUNITY EMPLOYER

Author: Stanley Garnett at FNSHQ5
 Date: 3/18/98 3:28 PM
 Priority: Normal
 TO: Stanley Garnett
 Subject: legislation

----- Message Contents -----

results of Meeting with House Staffers on March 17th

Sec. 101...technical amendment to commodity... OK

Sec. 102... 50% recovery..... HOLD

Sec. 103...Elimination of ROAP..... Back to members (problem)

Sec. 104...Health Inspections..... PROBLEM

Sec. 105...Elimination of FN project..... OK
 Adequate meal time..... HOLD

Sec. 106...Buy American..... OK

Sec. 107...Adjust summer rates Alaska/Hawaii... doesn't appear a problem
 Raise site limits for PNO..... OK
 Eliminate March 1 date..... OK
 Optional vendor registration..... HOLD
 PNO contracting with commercial
 vendors..... OK (drafting problem)

Sec. 108...Reauth. commodity purchase auth.... OK

Sec. 109...Licensing changes..... Looks OK CBO may score
 Categorical elig. Even Start..... OK (drafting problem)
 Moving toward tax exempt..... OK
 15 day application change..... OK (report language on
 notifying incomplete
 applicant before 30
 days)

Distribution of program inform..... Will check

Eliminate 2% audit monies..... Major issue

1/8 management improvement..... Discuss (report language on
 use of monies)

At Risk Program..... Major issue (suggest change
 age to high
 school grade or
 under)

Ky/IA..... If CBO scores. let Senate
 handle, if not OK

Distribution of WIC materials..... Reinstatement of provision
 Elim. in Welfare Ref.
 problem.

Sec 110...Transfer of Homeless Concept good. check on costs

Sec. 111...Elim Demos..... Appears OK. Senate may

like some esp. paperwork
reduction.

Sec.112/114 CRE/TA funds..... Looks OK. report lang. on inter
action with 50% recovery and why
are we asking for more than \$4 ,
mil. in appropriation. may want
raise auth. level.

Sec.113...FSMI auth. to \$3mil;..... HOLD

Sec.115...Extension of clearing house auth.... issue on competitiveness
further discussion

Sec.116...Special Dietary Needs..... OK

Sec.201...Conforming roap

Sec.202...Eliminate 10% SAE transfer..... OK (check summer 5)

Sec.203...Physical presence WIC..... OK with some waiver auth.
Income Documentation..... OK with report language on
homeless and migrants

Vericiation..... BYE/BYE

Sharing with CSFP..... OK

BP promotion and infrastructure..... OK

NET wholesale cost..... OK

Spend forward change..... more discussion

FMNP match..... OK

Ranking FMNP..... OK

DQ vendors..... OK

Sec.204.. NET..... OK (drafting problem. elim
minimum? should not)

Sec. 301...Commodities..... all look okay have to talk
ag side.

Major issues.... 2% audit and after school care/SBP...(Woolsey provisions)

Universal School Breakfast Pilot

The table below shows the estimated Federal cost of piloting a School Breakfast Program that provides meals at no cost to all children. Two grade grouping were considered for the Pilot: 1) pre-kindergarten through grade 3 and 2) pre-kindergarten through grade 6. The pilot would occur in the States of New Hampshire, Vermont, and South Dakota, and in a large school district in Florida and in a moderate-sized school district in Washington. The estimated five year cost of this pilot is \$33 million for the pre-kindergarten through grade 3 scenario and \$46 million for the pre-kindergarten through grade 6 scenario. 53% of the pilot costs are attributable to the Florida district, 17 percent are due to South Dakota, 13 percent are due to New Hampshire, another 12 percent are due to Vermont, and the remaining 5 percent are due to the Washington district.

One and Five Year Costs of Universal SBP Pilot

State	Cost of Pre-K to Grade 3 Program (\$ Millions)		Cost of Pre-K to Grade 6 Program (\$ Millions)		% of Total
	FY1999	5 Year FY99-2003	FY1999	5 Year FY99-2003	
Florida (Large District)	3	17	4	24	53 %
New Hampshire	less than 1	4	1	6	13 %
South Dakota	1	6	1	8	17 %
Vermont	less than 1	4	1	5	12 %
Washington (Moderate-sized District)	less than 1	1	less than 1	2	5 %
Total	5	33	7	46	100 %

Funding of approximately \$4 million would be sufficient to fund an evaluation to examine the relationship between the SBP and students' breakfast consumption, attendance, and tardiness. Examining the relationship between breakfast and learning would be a more costly evaluation.

*Child Nutr. form - gw*Total Pages: 11

LRM ID: MDH152

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Friday, March 13, 1998

URGENT**LEGISLATIVE REFERRAL MEMORANDUM**

TO: Legislative Liaison Officer - See Distribution below
FROM: *Janet R. Forsgren*
OMB CONTACT: Janet R. Forsgren (for) Assistant Director for Legislative Reference
Melinda D. Haskins
SUBJECT: PHONE: (202)395-3923 FAX: (202)395-6148
AGRICULTURE/CONG AFFAIRS Testimony on AGRICULTURE Draft Bill on
Child Nutrition and WIC Reauthorization Amendments of 1998

DEADLINE: Noon Monday, March 16, 1998

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. **Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.**

COMMENTS: USDA (Watkins) will testify at a March 17th hearing before the Senate Agriculture Committee on reauthorization of child nutrition programs.

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**TESTIMONY OF
SHIRLEY R. WATKINS
UNDER SECRETARY
FOOD, NUTRITION AND CONSUMER SERVICES
U.S. DEPARTMENT OF AGRICULTURE**

**BEFORE THE
COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY
U.S. SENATE**

MARCH 17, 1998

Good morning, Mr. Chairman. I am Shirley Watkins, Under Secretary for Food, Nutrition and Consumer Services at the U.S. Department of Agriculture (USDA). I am once again accompanied by George Braley, Associate Administrator at the Food and Nutrition Service (FNS).

I am very pleased to be here today to discuss the reauthorization of the Special Supplemental Nutrition Program for Women, Infants and Children (commonly referred to as WIC). WIC is one of the Federal Government's true success stories. For almost twenty-five years, WIC has served as the first line of defense for America's infants, and today serves 46 percent of all newborns. WIC not only provides food to women and children at nutritional risk, but also teaches them the importance of good nutrition. Importantly, it serves as a gateway to other necessary health and nutrition services they may otherwise not receive including

immunizations, health insurance, family planning, smoking cessation, and food stamps.

Dozens of studies show that WIC reduces infant mortality and other medical problems associated with childbirth like low birth weight and anemia. At the same time, WIC participants have better immunization coverage and earlier prenatal care.

And amazingly, WIC saves money....every dollar that we invest in prenatal WIC saves the Government \$3.50 in other health care costs. It is little wonder that I am proud to say "WIC works." And this Administration is committed to making WIC work even better as we move into the new millennium. We are committed to making sure it is accessible to those who can benefit, that WIC maintains its integrity, and that it is administered as simply, and effectively, as possible.

The Secretary has transmitted to Congress a legislative proposal for WIC reauthorization that embodies these principles. We developed the legislation after a series of roundtables and listening sessions that my staff or I have held in various parts of the country. We listened to participants and providers on how they wanted WIC improved.

Our legislative package contains the following improvements for participant eligibility, responding to the concern that WIC program integrity is assured:

- All applicants must be present at each certification visit;
- All applicants must provide documentation of household income or show participation in a low-income program; and
- Income should be verified.

We proposed these changes because we believe that applicants should appear at the WIC office to receive the nutrition education and health referrals benefits that make WIC successful. In addition, physical presence is critical in determining health and developmental problems. It facilitates immediate delivery of important adjunct health services such as well-baby care; dental screening, and referral to sources of health insurance including the new Child Health Insurance Program and to needed immunizations. In-person certification guards also against fraudulent certifications of nonexistent, or ghost applications.

Providers and supporters want us to improve the income determination process to enhance the program's integrity. This is the reason we are proposing that all applicants present documentation of household income or participation in one of the adjunctive programs,

such as food stamps, Medicaid, or Temporary Assistance to Needy Families.

Our legislative proposal also contains improvements to the infant formula rebate system. Last year, rebates of \$1.3 billion provided benefits and nutrition services to 1.9 million participants, beneficiaries who would have gone unserved had we been forced to rely on only appropriated funds. Our bill requires State agencies to offer infant formula rebate contracts to the bidder offering the lowest net price to ensure that continued savings flow back to the program and that all infant formula companies offer rebate bids on a competitive playing field.

Our legislative proposal also limits the base for the funds that can be "spent forward", that is, used by state agencies during the fiscal year subsequent to the fiscal year in which these funds are allocated, to nutrition services and administration funds only. Food funds could not be carried over to the next year. Understandably, state operators would like to retain cash reserves for unanticipated needs. However, for food funds, we believe it is unwise because unspent food funds must be used to serve waiting participants who need food benefits now. We believe this is a more cost-effective strategy than allowing States to hold funds idle until a need arises.

We propose to increase from 1 percent to 5 percent the amount of nutrition services and administration "spend forward" funds a state may retain, if it is pursuing an electronic benefits transfer (EBT) initiative. We are committed to moving forward with EBT, but realize that many states will need funds to cover development costs. By expanding the spend forward authority, a State can conserve nutrition services and administration funds in one year to cover the costs of EBT development in the next year.

Next, with regard to the WIC program, I would like to discuss improvements in vendor management. Currently, WIC food delivery system regulations provide State agencies considerable autonomy to develop their own vendor management policies and procedures. However, the USDA Office of Inspector General and others are concerned that this lack of national standards hurts the program's integrity and the effectiveness of vendor management. In response, the Department plans to propose new vendor regulations to require standards for system integrity and consistency and to establish mandatory uniform sanctions across WIC State agencies for the most serious WIC violations. Also, in response to a mandate in the welfare reform legislation, the regulations will require the disqualification of any WIC vendor who has been disqualified from the Food Stamp Program. In addition, our legislative

package proposes permanent disqualification of WIC vendors who have been convicted of trafficking in WIC food checks or food vouchers, or of the sale of firearms, ammunition, explosive or controlled substances in exchange for WIC food vouchers. We believe such disqualifications would ensure greater integrity in WIC vendor management, an objective repeatedly voiced by the Congress and the USDA Office of Inspector General.

Now I would like to discuss briefly our legislative changes proposed for the WIC Farmers' Market Nutrition Program, which currently operates in 32 states, on two Indian reservations, and in the District of Columbia. This program is the direct link between farmers and consumers, enabling participants to become acquainted with where food comes from and to meet the people that grow it. It has increased opportunities for WIC participants make healthy food choices as well as enhancing local agricultural economies by promoting farmers' markets, thus increasing the customer base for farmers who rely on these markets as a major source of income. The Administration's budget requests \$15 million - an increase of \$3 million - and makes it a part of the Commodity Assistance Programs, separate from the WIC appropriation.

The farmers' market program is very important, and we want to ensure that it continues to be funded independently of projected WIC

spending. To respond to concerns from states unable to participate in this program, our legislative package proposes to reduce the amount of state matching funds required to enable more States to participate in the program.

In addition to these legislative changes, we are also improving WIC through the following regulatory and management actions:

- Proposed regulations to improve the formula for allocation of both food and administration funds;
- Standardization of nutritional risk criteria for eligibility; and
- A scientific review of the WIC food package to be completed by next fall.

Mr. Chairman, our budget request for the WIC program for FY 1999 is \$4.061 billion, which would serve 7.5 million participants. This supports the President's goal of reaching full participation for the WIC program.

Finally, Mr. Chairman, I return to the familiar phrase I cited at the beginning of my testimony, "WIC works." And one of the major reasons WIC works is due to the determined bipartisanship of this Committee and this Congress to make certain this program reaches and serves the individuals who are most vulnerable in our society -- at-risk women, infants, and children. I look forward to working with you and this

Committee in that spirit, and I share the enthusiasm that you have for accomplishing our mutual goals. Mr. Chairman, that concludes my testimony. I will be happy to answer any questions you may have at this time.

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$$4 \quad 5 \quad 6$$

$$32 \cdot 2 + 16 \cdot 1$$

$$64 + 16$$

$$80$$

$$120$$



Total Pages: 17

LRM ID: MDH145

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Monday, March 9, 1998

URGENT**LEGISLATIVE REFERRAL MEMORANDUM**

TO: Legislative Liaison Officer - See Distribution below
B. Pellucci
FROM: Janet R. Forsgren (for) Assistant Director for Legislative Reference
OMB CONTACT: Melinda D. Haskins
PHONE: (202)395-3923 **FAX:** (202)395-6148
SUBJECT: AGRICULTURE Testimony on Child Nutrition Programs
DEADLINE: *X* 2 PM Monday, March 9, 1998 *TODAY X X X*

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. **Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.**

COMMENTS: Attached is USDA's (Cooney) testimony for tomorrow's (3/10/98) hearing before the House Subcommittee on Early Childhood, Youth, and Families on child nutrition programs.

THIS DEADLINE IS FIRM. IF WE DO NOT HEAR FROM YOU BY THE COMMENT DEADLINE, WE WILL ASSUME THAT YOU HAVE NO OBJECTION.

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LRM ID: MDH145 SUBJECT: AGRICULTURE Testimony on Child Nutrition Programs

**RESPONSE TO
LEGISLATIVE REFERRAL
MEMORANDUM**

If your response to this request for views is short (e.g., concur/no comment), we prefer that you respond by e-mail or by faxing us this response sheet. If the response is short and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a legislative assistant.

You may also respond by:

(1) calling the analyst/attorney's direct line (you will be connected to voice mail if the analyst does not answer); or

(2) sending us a memo or letter

Please include the LRM number shown above, and the subject shown below.

TO: Melinda D. Haskins Phone: 395-3923 Fax: 395-6148
 Office of Management and Budget
 Branch-Wide Line (to reach legislative assistant): 395-7362

FROM: _____ (Date)
 _____ (Name)
 _____ (Agency)
 _____ (Telephone)

The following is the response of our agency to your request for views on the above-captioned subject:

_____ Concur

_____ No Objection

_____ No Comment

_____ See proposed edits on pages _____

_____ Other: _____

_____ FAX RETURN of _____ pages, attached to this response sheet

**TESTIMONY OF
EDWARD M. COONEY
DEPUTY ADMINISTRATOR
SPECIAL NUTRITION PROGRAMS
FOOD AND NUTRITION SERVICE
U.S. DEPARTMENT OF AGRICULTURE
BEFORE THE
SUBCOMMITTEE ON EARLY CHILDHOOD, YOUTH AND FAMILIES
COMMITTEE ON EDUCATION AND THE WORKFORCE
US HOUSE OF REPRESENTATIVES**

MARCH 10, 1998

Good morning, Mr. Chairman and Members of the Committee. I am Ed Cooney, Deputy Administrator, Special Nutrition Programs, Food and Nutrition Service, U.S. Department of Agriculture (USDA). I am responsible for overseeing the Child Nutrition Programs, the Commodity Distribution Programs, and the Special Supplemental Nutrition Program for Women, Infants and Children, commonly known as WIC. I commend the Committee for its leadership and commitment to these programs - I know that working together we can make the programs better in order to assist children and needy adults in the best traditions of good Government and service.

With me today is Mr. George Bralcy, Associate Administrator, at the Food and Nutrition Service (FNS), who many of you already know from his many dedicated years of service with the agency. You have our pledge to assist you and your staffs in any way we can as we work through the child nutrition reauthorization process.

First, I will discuss the Child Nutrition Programs and then I will talk about the WIC Program. The Child Nutrition Programs are not only vitally important but have had

astounding success. These programs have their foundation in nutrition, and the nutrition assistance they provide supply children with the food they need and low-income adults with help to meet their families' food budget. Every day, 26 million school children eat a nutritious school lunch, about half of which are for at-risk students. About 7 million children each day eat a school breakfast - and about 85 percent of these are children who come from families at or near the poverty level.

Recent studies have shown that school meals meet or exceed the Recommended Dietary Allowances for key nutrients. In fact, in this respect, school lunches are superior to any other choice made by students. Under requirements enacted by the Congress, and with technical assistance from USDA, school meals are getting better - schools are helping students meet the Dietary Guidelines using a variety of approaches. I know from my experience in my former position that a hungry child cannot learn. The availability of school meals is an absolute necessity if we are to fulfill our national goal of preparing children for life long learning.

Low-income children served by the National School Lunch and School Breakfast Programs need the basic nutrition assistance not just during the school year, but in the summer months as well. The Summer Food Service Program fills that critical need, providing meals at schools and recreational sites during the summer. We have made a concerted effort to reach more children in the summer program but still only a fraction of needy children who eat a school lunch in the school year also receive a meal in the Summer Food Service Program.

The Child and Adult Care Food Program (CACFP) provides assistance in reimbursements and food to child and adult care programs across the country and makes nutritious meals available to serve preschoolers and elementary age children in child care arrangements and also to impaired adults who need day care services. Last year, CACFP subsidized over a billion and a half meals to children in day care homes, children in family day care, and impaired adults in adult day care settings.

The Administration strongly supports reauthorization of all the expiring Child Nutrition Programs. They are critical components to our work to improve education for children. Their health and their overall well-being is enhanced through the availability of quality child care. I am confident that, working together, we can reauthorize the programs and make some important changes to respond to concerns that the child nutrition community has expressed.

In looking forward to child nutrition reauthorization, Under Secretary Shirley Watkins has kept four broad principles in mind: access, simplification, integrity and safety. If we improve access to the programs, if those who need the benefits but are blocked by some inefficient system can get help, then we will have done our job. If we can simplify, if we can snip more red tape, we will have done our job. If we make sure that the proper controls are in place so that no one robs the taxpaying citizen or the needy child, then we will have done the right thing. And if we keep our vigilance high, and make sure that what our kids are getting is of the highest quality and its safety is assured, we will have done our job.

We have done our homework over the past several months, and we have asked a number of people in a number of places about child nutrition reauthorization. Under Secretary Watkins has held "listening sessions", and has attended "roundtable" discussions all over this country. We have participated in conferences and have held some of our own. For example, in November 1997, in Portland, Oregon, we heard directly from the child nutrition state directors. Also in November, Yvette Jackson, the new Administrator of the Food and Nutrition Service, held a listening session with House and Senate Congressional staff to hear their input on child nutrition issues. At our Summer Food Service Program meeting in January 1998, we heard from members of the summer food service community. We also held "listening sessions" on the WIC program reauthorization issues.

Needless to say, at all these sessions, roundtables, and conferences, there were a great many ideas and issues brought forward; some we can do administratively, some need legislation but cost no additional funds, and many others that require not only legislation but also new spending. We are in the final stages of development of our legislative package - and I expect it will be forwarded to you soon. This package will be budget-neutral; we will propose savings to offset the new spending we believe is critical to the future of the programs.

I did say that some of the ideas could be done without further legislation - let me give you a sneak preview. We have been listening and now we are acting - Under Secretary Watkins has announced a two-year extension of the waiver to the "weighted averages" provision in the National School Lunch Program. Other changes are forthcoming.

Let me now list a few of the legislative issues we heard at the recent Summer Food Service Program (SFSP) Meetings:

- Currently, non-profit organizations can only serve 20 sites; we propose to raise that up to 25 sites. Also, there is a limit on the total number of children that can be served. We think that limit should be eliminated.
- Adjust reimbursement rates for Alaska and Hawaii, just as we do in other programs.
- Allow commercial vendors to supply meals to non-profit organizations.
- Remove the March 1 deadline for expressing interest in operating SFSP to give non-profits more time to plan.

From the child care community we heard the following:

- Reinstate Even Start categorical eligibility in the CACFP.
- Move the Homeless Children Nutrition Program into the CACFP and make it permanent.
- Allow meal supplements in programs that serve at-risk youth age 12-18.

And finally, in the National School Lunch Program and School Breakfast Program, we have heard:

- Continue to streamline program operations.
- Make sure the lunch period is long enough for good nutrition.
- Provide adequate funds for the Nutrition Education and Training Program (NET).
- Continue to provide Team Nutrition tools to local schools to help them meet the Dietary Guidelines.

Mr. Chairman, I think these and many more of the suggestions that have been brought to our attention deserve careful review as we work on reauthorization.

The broad goals and issues that I have touched on today are not accomplished alone, nor are they done solely by amending a statute or rewriting a regulation. It takes teamwork. It takes a partnership with all those groups interested in our programs, and we intend to do more to make sure these partnerships are more sound and viable. It also takes strong leadership. Good policy and good management go hand in hand.

We recently found out that some of our child care operators were not doing as good a job as they needed to do; meals that could not be supported were being claimed for reimbursement. We requested the USDA Office of Inspector General look into several situations and they confirmed the problems. We are going to fix those problems. We have already begun working with our state cooperators to improve program operations. We are not going to let these problems mar the good work being done in all the other cases where good management is the rule rather than the exception. We will not tolerate a few people taking advantage or undermining the integrity of our programs. So, clearly, integrity is crucial to keep public support high and to ensure that our programs go only to those intended.

Let me now turn my attention to the WIC Program. WIC is one of the Federal Government's true success stories and today serves 46 percent of all newborns. It not only provides a food benefit to women and children at nutritional risk, but it teaches them the importance of good nutrition and serves as a gateway to other necessary health and nutrition

services that they may otherwise not receive, such as immunizations, health insurance, family planning, smoking cessation, food stamps, and others.

Dozens of studies show that WIC reduces infant mortality and other medical problems of childbirth like low birth weight and anemia. At the same time, participating in WIC means better immunization coverage and earlier prenatal care. And not surprisingly, WIC saves money....every dollar that we invest in prenatal WIC saves the Government \$3.50 in other costs. It is little wonder that I am proud to say "WIC works". And this Administration is committed to making WIC work even better as we move into the new millennium.

As we look forward to the reauthorization of WIC, we must be certain that it is accessible to those who can benefit from it, that it maintains its integrity, and that it is administered as simply, but cost-effectively and efficiently, as possible.

With these principles in mind, we are working on a legislative proposal that we hope to deliver to the Congress soon for your review and passage. Some of the proposals are the result of issues that have been raised during the recent series of roundtables and listening sessions that I mentioned earlier. These encounters have given me an opportunity to hear first hand where participants and providers believe improvements can be made to WIC.

A major issue raised often is the degree of flexibility afforded states in program eligibility assessments of nutritional risk and income. We are addressing the need for standardization of nutritional risk eligibility through a negotiated policy-making process with a

working group of Federal, State and local WIC agencies. The goal is to issue guidance to ensure consistency in the determination of nutritional risk eligibility for WIC applicants. Establishing standard risk criteria is a major step forward. I am extremely proud of this accomplishment and the cooperative effort with our State and local partners.

A certification concern we heard is that current law does not require individuals to be physically present in order to be certified for WIC benefits. While most State agencies require applicants to be present at certification, some States certify solely -- especially children -- on the basis of referral data provided by a parent or caregiver. We believe that all applicants should appear in person to be certified for WIC participation to assure that they receive the education and health referral benefits that help make WIC a success. While medical referral data can provide basic information by which nutritional risk can be determined, we believe the competent professional authority must observe the applicant for critical health or developmental problems, or situations of abuse. Physical presence is critical in facilitating the immediate delivery of important adjunct health services, such as well-baby care, dental health screening, referral to sources of health insurance including the new Child Health Insurance Program and to needed immunizations. In addition, physical presence guards against fraudulent certifications of nonexistent, or ghost, applicants.

We also heard about the issue of improving the income determination process to enhance overall program integrity. This is a concern shared with us by the Congress, the General Accounting Office, and the Office of Inspector General. Therefore, we are proposing to require all applicants to present documentation of household income or of participation in

one of the adjunctive programs, such as Food Stamps; Medicaid or Temporary Assistance to Needy Families.

Another issue generating discussion is improvement of the infant formula rebate system. We are delighted that rebates of \$1.3 billion were used last year to provide benefits and nutrition services to 1.9 million participants who would not have been funded if the program had been limited to appropriated funds only. I congratulate all of the people in the State and local agencies who work so hard to maximize these rebates. Through their efforts, WIC is able to serve additional participants without increasing the cost to the taxpayer.

Consistent with Congressional direction in recent appropriations acts, we propose to amend WIC legislation to offer infant formula rebate contracts to the bidder offering the lowest net price to ensure that continued savings flow back to the program and that all infant formula companies offer rebate bids on a competitive playing field.

Of considerable concern to state operators is the issue of carrying funds from one year into the next. Understandably, state operators would like to retain cash reserves for unanticipated needs. However, for food funds, we believe it is unwise because unspent food funds must be used to serve waiting participants who need food benefits now. We believe this is a more cost effective strategy than allowing States to hold funds idle until a need arises. Such a change, we believe, would also help reduce the level of program funds that are carried over into the subsequent year.

We do believe, however, that authority for Nutrition Services and Administration (NSA) spendforward funds should be continued, and we would recommend a change to expand that authority from 1 percent to 5 percent if a state is pursuing an electronic benefits transfer (EBT) initiative. We are committed to moving forward with EBT, but realize that many states will need funds to cover developmental costs. By expanding the NSA spendforward authority, a State can conserve NSA funds in one year to cover the costs of EBT development in the next year.

Congress has expressed its interest in seeing the WIC program improve its funds allocation process. I am pleased to report that FNS and a National Association of WIC Directors (NAWD) Committee worked together to develop a proposal. This proposal will form the basis of a proposed regulation we expect to issue in the very near future for both the food and NSA funding formulas. We believe the changes will improve the use of WIC funds in an era of more stable funding.

Currently, WIC food delivery system regulations provide State agencies considerable autonomy to develop their own vendor management policies and procedures. However, the USDA Office of Inspector General, FNS and others are concerned that a sufficient degree of integrity, effectiveness and consistency in WIC's vendor management process is not being achieved. Further, variations in State agency vendor management policies have resulted in calls from national food retailer associations for consistency in treatment of vendors across States.

In response, the Department plans to propose new vendor regulations to require State agencies to develop standards for system integrity and consistency and to establish mandatory uniform sanctions across WIC State agencies for the most serious WIC violations. Also, in response to a mandate in the welfare reform legislation, the WIC regulations will be revised to require the disqualification of any WIC vendor who has been disqualified from the Food Stamp Program. In addition to this regulatory enforcement of vendor management, we propose the immediate permanent disqualification of WIC vendors who have been convicted of trafficking in WIC food instruments, or of the sale of firearms, ammunition, explosive or controlled substances in exchange for WIC food instruments. We believe such disqualifications would ensure greater integrity in WIC vendor management, an objective repeatedly voiced by the Congress, FNS and the USDA Office of Inspector General.

A health priority and commitment of the WIC program, breastfeeding has been promoted and supported throughout WIC clinics and to the public at large. USDA has undertaken several national initiatives to promote and support this important infant feeding practice. Last year, during WIC National Breastfeeding Week, Secretary Glickman launched USDA's Loving Support Makes Breastfeeding Work campaign, which capitalizes on the concept that everyone - family, friends, doctors and the community are all important to a woman's breastfeeding success. The Breastfeeding Promotion Consortium, comprised of 25 health and nutrition professionals, government and advocacy organizations will hold its 14th biannual meeting this May to exchange ideas on how the Federal government and private health interests can work together to promote breastfeeding. Many of these ideas have been

implemented through WIC. As a result of efforts at the local, State and national levels, breastfeeding rates have increased faster for WIC than for the general population.

As we mount our campaign, we also are mindful of the importance of conveying appropriate health messages about breastfeeding. As such, we have issued technical guidance on rare health conditions, like HIV infection, which contraindicate breastfeeding.

FNS and the Centers for Disease Control and Prevention (CDC) have developed a well coordinated, ongoing cooperative effort to increase immunization rates among preschool participants in the WIC Program. Through this strong partnership, FNS, CDC, the National Association of WIC Directors (NAWD), the Academy of Pediatrics and the Association of Territorial and Health Officials, are working to improve the quality of immunization for children, especially those under two years of age. Local WIC clinics provide comprehensive immunization screening and referrals, often to health care services on site. They also participate in media campaigns and provide immunization reminders. CDC considers the WIC Program one of its most important allies in raising and maintaining immunization coverage rates among children at risk of vaccine-preventable disease.

At our listening sessions, there was discussion about the content of the WIC food package. I am pleased to update you on our comprehensive scientific review of the food packages and the food provided to participants. The last review was done in 1992. More food consumption data, nutrition research and dietary recommendations have become available since that time. Our current review is being spearheaded by the USDA Center for Nutrition Policy

and Promotion and is expected to be completed in the fall. At that time, we will consider any changes in the selection or combination of WIC foods only on the basis of sound scientific evidence.

The WIC Farmers' Market Nutrition Program, which currently operates in 32 states, on two Indian reservations, and the District of Columbia, is also under review for improvement. As you are aware, this program is the direct link between farmers and consumers enabling consumers and their children to become acquainted with where food comes from and to meet the people that grow it. It has increased opportunities for WIC consumers to make healthy food choices as well as enhancing local agricultural economies by promoting the development of farmers' markets and increasing the customer base for small local farmers relying on these markets as a major source of income. The Administration's budget request provides for a funding level of \$15 million - an increase of \$3 million - and makes it a part of the Commodity Assistance Programs rather than the WIC appropriation. The farmers market program is very important, and we want to ensure that it is funded independent of projected WIC spending. To that end, we are proposing a modification of the state match requirement to enable more states to participate in the program.

Finally, let me mention gleaning. The Secretary is totally committed to the idea of food recovery and gleaning - so much of the abundance of food produced in America is wasted - and this is such a shame. I wanted to tell you about a program under way in the Food and Nutrition Service to give Food Recovery and Gleaning Grants to 12-14 school districts who agree to increase the recovery of excess food from their food programs and to involve students

in food recovery-related community service activities. The grants are modest (less than \$10,000 each) and are designed to help defray operational costs and transportation costs involved. This is an opportunity to get children involved at a early age, and I am excited about this project.

Mr. Chairman, you have my commitment to work with this Committee - all members of this Committee, to craft careful and thoughtful changes to the programs that fit within our means, improve program operations, and assure that tax dollars are spent wisely. Can there be a better investment than in the future of our children? We would be pleased to answer any questions that you might have.

Child Nutrition

Attached is an advance copy of the child nutrition reauthorization package we expect USDA to submit soon for official OMB review. Summarized below are some of the highlights:

- **"At-risk" program** (\$5.1 million in FY99 and \$68.8 million over 5 years). This proposal would allow school and non-school programs that serve "at-risk" children between the ages of 12 and 18 to participate in the child and adult care feeding program (CACFP) during after-school hours, weekends, or holidays during the regular school year. The programs would have to be located in high poverty geographical areas and could be reimbursed for one meal supplement per child per day.
- **Transfer of the Homeless Child Nutrition Program (HCNP) to CACFP** (\$1.2 million in FY99 and \$6.5 million over 5 years). This move would provide a year-round vehicle for benefit delivery to children through age 12, and would consolidate administration and benefit delivery to homeless children in shelters under a single program.
- **Make the Kentucky/Iowa demonstration permanent** (3.7 million in FY99 and 18.5 million over 5 years). Under this demonstration, for-profit child care centers in these states in which at least 25 percent of enrollments are eligible for free and reduced price meals are eligible to participate in CACFP. This proposal would make the current demo permanent and fund the program as mandatory through CACFP. (This proposal would solve an annual appropriations problem) Child Nutrition
- **Management and Integrity Funding** (\$1.6 million in FY99 and \$22.7 million over 5 years). This provision allows USDA to retain 1/10 of one percent of annual Program expenditures in FY99 (and 1/4 of one percent thereafter), to improve implementation of the congressionally-mandated tiering proposal and to provide for improved program quality and integrity.
- **Restructure Program accountability provisions** (-\$19.7 million in FY99 and -\$110 million over 5 years). Beginning in FY99, this provision would permit states to retain 50 percent of funds recovered through state-conducted program reviews and audits, and to use such funds for program improvements under the Child Nutrition programs.

2 percent audit funds. While technically called audit funds, over the years states have been unable to use this funding effectively. The reauthorization package would more effectively target program integrity resources, eliminate duplicative funding of state reviews, and provide states with additional incentives to improve accountability.

320 million
- Months for Admin - US-60
working
- Total Savings \$110 million
improvement

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A BILL

To amend the National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to extend certain authorities contained in such Acts through fiscal year 2002, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. SHORT TITLE.

This Act may be cited as the "Child Nutrition and WIC Reauthorization Amendments of 1998".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. Effective date.

TITLE I - AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT

Sec. 101. Technical amendments to commodity provisions.

Sec. 102. Availability of recovered funds for management activity.

Sec. 103. Elimination of regional office administered programs.

Sec. 104. Requirement for health and safety inspections.

Sec. 105. Elimination of the food and nutrition projects.

Sec. 106. Adequate meal service period.

Sec. 107. Buy American.

Sec. 108. Summer Food Service Program.

to be revised

1 Sec. 109. Food distribution provisions.

2 Sec. 110. Child and Adult Care Food Program.

3 Sec. 111. Transfer of homeless programs to the Child and Adult Care Food Program.

4 Sec. 112. Elimination of demonstration projects.

5 Sec. 113. Extension of authorization for training and technical assistance funding.

6 Sec. 114. Funding for the Food Service Management Institute.

7 Sec. 115. Extension of authorization for compliance and accountability funding.

8 Sec. 116. Extension of authority to fund information clearinghouse.

9 Sec. 117. Refocusing of effort to help accommodate the special dietary needs of individuals
10 with disabilities.

11 TITLE II - AMENDMENTS TO THE CHILD NUTRITION ACT OF 1966

12 Sec. 201. Elimination of regional office administered programs.

13 Sec. 202. State Administrative Expense Funds.

14 Sec. 203. Special Supplemental Nutrition Program for Women, Infants, and Children.

15 Sec. 204. Extension of Nutrition Education and Training Program.

16 TITLE III - AMENDMENTS TO THE COMMODITY DISTRIBUTION AND REFORM

17 ACT AND WIC AMENDMENTS OF 1987

18 Sec. 301. Commodity acceptability information.

19 Sec. 302. Authority to transfer commodities between programs.

20 Sec. 303. Authority to resolve claims.

21 **SEC. 3. EFFECTIVE DATE.**

22 This Act shall become effective on October 1, 1998.

TITLE I--AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT

SEC. 101. TECHNICAL AMENDMENT TO COMMODITY PROVISIONS.

Section 6 of the National School Lunch Act (42 U.S.C. 1755) is amended--

(1) by striking subsections (c) and (d); and

(2) by redesignating subsections (e), (f), and (g) as (c), (d), and (e).

**SEC. 102. AVAILABILITY OF RECOVERED FUNDS FOR MANAGEMENT
ACTIVITY.**

Section 8 of the National School Lunch Act (42 U.S.C. 1757) is amended by adding at the end the following:

"(h) USE OF RECOVERED PROGRAM FUNDS.--State agencies may retain up to one-half of any program funds recovered during State conducted audits or reviews of school food authorities, institutions, and service institutions participating in food assistance programs authorized under this Act and sections 3 and 4 of the Child Nutrition Act of 1966. Funds retained under this subsection shall be used by the State agency for purposes of program costs to improve the management and operations of such programs within the State, including by providing funds to schools and institutions participating in these programs."

**SEC. 103. ELIMINATION OF REGIONAL OFFICE ADMINISTERED
PROGRAMS.**

The National School Lunch Act (42 U.S.C. 1751 et seq.) is amended--

(1) in subsection 7(b) (42 U.S.C. 1756(b)), by striking the second sentence;

(2) in section 10 (42 U.S.C. 1759), to read as follows:

"SEC. 10. DISBURSEMENT TO SCHOOLS BY THE SECRETARY.

"(a) AUTHORITY TO ADMINISTER PROGRAMS.--

4

1 “(1) IN GENERAL.--Except as provided in paragraph (3), until September 30,
2 2000, the Secretary shall withhold funds payable to a State agency under this Act and
3 disburse the funds directly to school food authorities, institutions, or service
4 institutions within the State for the purposes authorized by this Act to the extent that
5 the Secretary has so withheld and disbursed such funds continuously since October 1,
6 1980, but only to that extent.

7 “(2) USE OF FUNDS.--Any funds withheld and disbursed by the Secretary in
8 accordance with paragraph (1) shall be used for the same purposes, and shall be
9 subject to the same conditions, as applicable to a State disbursing funds made
10 available under this Act.

11 “(3) STATE ADMINISTRATION.--If the Secretary is administering (in
12 whole or in part) any program authorized under this Act, the State in which the
13 Secretary is administering the program may, upon request to the Secretary, assume
14 administration of that program at any time prior to October 1, 2000.

15 “(b) PROVISION OF TRAINING AND TECHNICAL ASSISTANCE.--The
16 Secretary shall provide State agencies which assume program administration from the
17 Secretary on or before October 1, 2000 with training and technical assistance to allow for an
18 efficient and effective transfer of administrative responsibility.”; and

19 (3) in section 11(a)(1)(A) (42 U.S.C. 1759a(a)(1)(A)), by striking “Except as
20 provided in section 10 of this Act, in” and inserting “In”.

21 **SEC. 104. REQUIREMENT FOR HEALTH AND SAFETY INSPECTIONS.**

22 Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended by adding
23 at the end the following:

5
1 "(h) HEALTH AND SAFETY INSPECTIONS.—All schools participating in the
2 National School Lunch Program authorized under this Act or the School Breakfast Program
3 authorized under section 4 of the Child Nutrition Act of 1966 in which meals are prepared on
4 site shall twice during each school year obtain health and safety inspections of food service
5 operations that meet State or local standards."

6 **SEC. 105. ELIMINATION OF THE FOOD AND NUTRITION PROJECTS AND**
7 **ESTABLISHMENT OF AN ADEQUATE MEAL SERVICE PERIOD.**

8 Section 12(m) of the National School Lunch Act (42 U.S.C. 1760(m)) is amended to
9 read as follows:

10 **"(m) LENGTH OF MEAL SERVICE PERIOD AND FOOD SERVICE**
11 **ENVIRONMENT.**—Schools participating in the National School Lunch Program under this
12 Act or the School Breakfast Program authorized under section 4 of the Child Nutrition Act of
13 1966 shall make every effort to establish meal service periods that provide children adequate
14 time to fully consume their meals in an environment which is conducive to eating such
15 meals."

16 **SEC. 106. BUY AMERICAN.**

17 Section 12 of the National School Lunch Act (42 U.S.C. 1760) (as amended by
18 section 105) is amended by adding at the end the following:

19 **"(n) BUY AMERICAN.**—

20 **"(1) IN GENERAL.**—The Secretary shall require that schools purchase,
21 whenever possible, only food products that are produced in the United States.

22 **"(2) LIMITATIONS.**—Paragraph (1) shall apply to schools located in the
23 contiguous United States and to purchases for the National School Lunch Program

6

1 authorized under this Act and the School Breakfast Program authorized under section
2 4 of the Child Nutrition Act of 1966."

3 **SEC. 107. SUMMER FOOD SERVICE PROGRAM.**

4 (a) ADJUSTMENTS TO REIMBURSEMENT RATES IN THE SUMMER FOOD
5 SERVICE PROGRAM IN SPECIFIED STATES AND TERRITORIES.--Section 12(f) of the
6 National School Lunch Act (42 U.S.C. 1760(f)) is amended to read as follows:

7 "(f) ADJUSTMENTS TO REIMBURSEMENT RATES.--In providing assistance for
8 breakfasts, lunches, suppers and supplements served in Alaska, Hawaii, Guam, American
9 Samoa, Puerto Rico, the Virgin Islands, and the Commonwealth of the Northern Mariana
10 Islands, the Secretary may establish appropriate adjustments for each such State to the
11 national average payment rates prescribed under sections 4, 11, 13 and 17 of this Act and
12 section 4 of the Child Nutrition Act of 1966 to reflect the differences between the costs of
13 providing meals and supplements in those States and the costs of providing meals and
14 supplements in all other States."

15 (b) ESTABLISHMENT OF 25 SITE LIMITATION.--Section 13(a)(7)(B)(i) of the
16 National School Lunch Act (42 U.S.C. 1761(a)(7)(B)(i)) is amended to read as follows:

17 "(i) operate not more than 25 sites, with not more than 300 children
18 being served at any one site (or, with a waiver granted by the State agency
19 under standards developed by the Secretary, not more than 500 children being
20 served at any one site);".

21 (c) ELIMINATION OF MARCH 1 "INDICATION OF INTEREST"
22 REQUIREMENT, REMOVAL OF MEAL CONTRACTING RESTRICTIONS, AND

VENDOR REGISTRATION REQUIREMENTS.--Section 13 of the National School Lunch Act (42 U.S.C. 1761) is amended--

(1) in subsection (a)(7)(B) by--

(A) striking clauses (ii) and (iii); and

(B) redesignating clauses (iv), (v), (vi), and (vii) as clauses (ii), (iii), (iv), and (v), respectively; and

(2) in subsection (l)--

(A) in paragraph (1)--

(i) by striking in the first sentence--

(I) "(other than private nonprofit organizations eligible under subsection (a)(7))"; and

(II) "only with food service management companies registered with the State in which they operate" and inserting "with food service management companies"; and

(ii) by striking the last sentence;

(B) in paragraph (2)--

(i) in the first sentence, by striking "shall" and inserting "may";

and

(ii) by striking all after the first sentence;

(C) by striking paragraphs (3) and (4); and

(D) by redesignating paragraph (5) as paragraph (3).

1 (d) REAUTHORIZATION OF THE SUMMER FOOD SERVICE PROGRAM.--

2 Section 13(q) of the National School Lunch Act (42 U.S.C. 1761(q)) is amended by striking
3 "1998" and inserting "2002".

4 **SEC. 108. REAUTHORIZATION OF USE OF CCC AND SECTION 32 FUNDS FOR**
5 **COMMODITIES.**

6 Section 14(a) of the National School Lunch Act (42 U.S.C. 1762a(a)) is amended by
7 striking "1998" and inserting "2002".

8 **SEC. 109. CHILD AND ADULT CARE FOOD PROGRAM.**

9 (a) REVISION TO LICENSING AND ALTERNATE APPROVAL FOR SCHOOLS
10 AND OUTSIDE SCHOOL HOURS CHILD CARE CENTERS.—Section 17(a)(1) of the
11 National School Lunch Act (42 U.S.C. 1766(a)(1)) is amended to read as follows:

12 “(1) all institutions (except schools and family or group day care home
13 sponsoring organizations) and family or group day care homes must —

14 “(A)(i) have Federal, State, or local licensing or approval; or

15 “(ii) be complying with appropriate renewal procedures as
16 prescribed by the Secretary and the State has no information indicating
17 that the institution or family or group day care home’s license will not
18 be renewed;

19 “(B) where Federal, State, or local licensing or approval is not
20 available —

21 “(i) receive funds under Title XX of the Social Security Act;

22 “(ii) meet any alternate approval standards established by a
23 State or local government; or

9

1 “(iii) meet any alternate approval standards established by the

2 Secretary after consultation with the Secretary of Health and Human
3 Services; or

4 “(C) where an institution provides care to school children outside of
5 school hours and Federal, State, or local licensing or approval is not required,
6 meet State or local health and safety standards; and”.

7 (b) REINSTATEMENT OF CATEGORICAL ELIGIBILITY FOR EVEN START
8 PROGRAM PARTICIPANTS.--Section 17(c)(6)(B) of the National School Lunch Act (42
9 U.S.C. 1766(c)(6)(B)) is amended by striking "1997" and inserting "2002".

10 (c) TAX EXEMPT STATUS AND REMOVAL OF NOTIFICATION
11 REQUIREMENT FOR INCOMPLETE APPLICATIONS.--Section 17(d)(1) of the National
12 School Lunch Act (42 U.S.C. 1766(d)(1)) is amended --

13 (1) by inserting after the third sentence the following: "An institution moving
14 toward compliance with the requirement for tax exempt status shall be allowed to
15 participate in the program for a period of not more than six months unless it can
16 demonstrate to the satisfaction of the State agency that its inability to obtain tax
17 exempt status within the six month limit is beyond the control of the institution in
18 which case the State may grant a single extension not to exceed 90 days."; and

19 (2) by striking the last sentence.

20 (d) DISTRIBUTION OF PROGRAM INFORMATION.--Section 17 (k) of the
21 National School Lunch Act (42 U.S. C. 1766(k)) is amended--

22 (2) by inserting "(1)" before "TRAINING AND TECHNICAL
23 ASSISTANCE";

1 (2) by inserting at the end the following:

2 "(2) DISTRIBUTION OF PROGRAM INFORMATION.--

3 "(A) GENERAL.--Each State agency shall, at least once every
4 two years, provide notification of the availability of the program, the
5 requirements for program participation, and the application procedures
6 to be followed in the program to each nonparticipating institution or
7 family or group day care home that is located in a needy area within
8 the State and has Federal, State, or local licensing or approval or
9 receives funds under title XX of the Social Security Act.

10 "(B) NEEDY AREA DEFINED.--For purposes of this
11 paragraph, a needy area is a geographic area served by a school
12 enrolling elementary students in which at least 50 percent of the total
13 number of children enrolled are certified eligible to receive free or
14 reduced price school meals under this Act of the Child Nutrition Act of
15 1966."

16 (e) ELIMINATION OF AUDIT FUNDS , ESTABLISHMENT OF MANAGEMENT
17 SUPPORT FUNDING, AND PARTICIPATION BY "AT RISK" CHILD CARE
18 PROGRAMS.--Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended--

19 (1) by striking subsection (i);

20 (2) by redesignating subsections (j) through (p) as subsections (i) through (o);

21 and

22 (3) by adding at the end the following:

23 "(p) MANAGEMENT FUNDING.--

11

1 “(1) TECHNICAL AND TRAINING ASSISTANCE.--In order to assist State
2 agencies in meeting their program management and oversight responsibilities, the
3 Secretary shall provide such State agencies with increased levels of training and
4 technical assistance.

5 “(2) FUNDING.--In fiscal year 1999, the Secretary shall reserve for the
6 purpose of carrying out paragraph (1) 1/10 of 1 percent of the amount appropriated for
7 the purpose of carrying out this section. In fiscal year 2000 and each succeeding
8 fiscal year, the Secretary shall reserve for the purpose of carrying out paragraph (1)
9 1/4 of 1 percent of the amount appropriated for the purpose of carrying out this
10 section.

11 “(q) ‘AT RISK’ CHILD CARE.--

12 “(1) GENERAL.--Subject to the conditions in this subsection, institutions that
13 serve at risk children during after-school hours, weekends, or holidays during the
14 regular school year may participate in the program authorized under this section.
15 Unless otherwise specified in this subsection, all other provisions of this section shall
16 apply to these institutions.

17 “(2) AT RISK CHILDREN.--Children ages 12 through 18 who live in a
18 geographical area served by a school enrolling elementary students in which at least
19 50 percent of the total number of children enrolled are certified eligible to receive free
20 or reduced price school meals under this Act of the Child Nutrition Act of 1966 shall
21 be considered at risk.

22 “(3) MEAL REIMBURSEMENT.--

17

1 “(A) LIMITATION.—Only supplements served to at risk children
2 during after-school hours, weekends, or holidays during the regular school
3 year may be claimed for reimbursement. Institutions may claim
4 reimbursement for only one supplement per child per day.

5 “(B) RATE.—Eligible supplements shall be reimbursed at the rate for
6 free supplements under subsection (c)(3).

7 “(C) NO CHARGE.—All supplements claimed for reimbursement shall
8 be served without charge.

9 “(r) INFORMATION CONCERNING THE SPECIAL SUPPLEMENTAL
10 NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.--

11 “(1) GENERAL.—The Secretary shall provide each State agency with basic
12 information concerning the importance and benefits of the Special Supplemental
13 Nutrition Program for Women, Infants, and Children authorized under section 17 of
14 the Child Nutrition Act of 1966.

15 “(2) REQUIREMENTS FOR STATE AGENCIES.—State agencies shall--

16 “(A) ensure each participating child care center (other than institutions
17 providing day care outside of school hours) receives materials that include--

18 “(i) a basic explanation of the importance and benefits of the
19 Special Supplemental Nutrition Program for Women, Infants, and
20 Children;

21 “(ii) the maximum State income eligibility standards according
22 to family size, for the Special Supplemental Nutrition Program for
23 Women, Infants, and Children; and

"(iii) information as to how benefits under the Special Supplemental Nutrition Program for Women, Infants, and Children may be obtained;

"(B) ensure that such child care centers are provided updates of the information under paragraph (A) annually; and

"(C) ensure that such child care centers provide the information under paragraph (A) to parents of enrolled children annually."

(f) PERMANENT AUTHORIZATION OF DEMONSTRATION PROJECT.--Section 17(o) of the National School Lunch Act (42 U.S.C. 1766(o)) (as redesignated in subsection (d)) is amended--

(1) in subparagraph (1), by striking "appropriated or otherwise"; and

(2) by striking paragraphs (4) and (5).

SEC. 110. TRANSFER OF HOMELESS PROGRAMS TO THE CHILD AND ADULT CARE FOOD PROGRAM.

The National School Lunch Act (42 U.S.C. 1751 et seq.) is amended--

(1) in section 13(a)(3)(C)--

(A) by adding "or" after the semicolon in clause (i);

(B) by striking clause (ii); and

(C) by redesignating clause (iii) as clause (ii);

(2) in section 17 (as amended by section 109(e)), by adding at the end the following:

"(s) PARTICIPATION BY HOMELESS SHELTERS.

1 “(1) DEFINITION OF ELIGIBLE SHELTERS.--Subject to the conditions in
2 this subsection, public and private, nonprofit emergency shelters providing food
3 service to homeless children and their parents or guardians shall be considered
4 eligible institutions for purposes of the program authorized under this section. The
5 term ‘emergency shelter’ shall have the meaning provided in section 321(2) of the
6 Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11351(2)). Unless
7 otherwise specified in this subsection, all other provisions shall apply to these
8 institutions.

9 “(2) INSTITUTION AND SITE LICENSING.--Subsection (a)(1) shall not
10 apply to emergency shelters or sites operated by them.

11 “(3) HEALTH AND SAFETY STANDARDS.— Both emergency shelters and
12 sites operated by them shall comply with State or local health and safety standards.

13 “(4) MEAL REIMBURSEMENT.—

14 “(A) LIMITATION.—Only meals served to children through age 12
15 residing at an emergency shelters may be claimed for reimbursement.
16 Emergency shelters may claim reimbursement for no more than 3 meals or 2
17 meals and a supplement per child per day.

18 “(B) RATE.--Eligible meals shall be reimbursed at the rates for free
19 meals under subsection (c).

20 “(C) NO CHARGE.--All meals claimed for reimbursement shall be
21 served without charge.”; and
22 (3) by repealing section 17B.
23

15

SEC. 111. ELIMINATION OF DEMONSTRATION PROJECTS.

Section 18 of the National School Lunch Act (42 U.S.C. 1769) is amended by striking subsections (e), (f), (g), (h) and (i).

SEC. 112. EXTENSION OF AUTHORIZATION FOR TRAINING AND TECHICAL ASSISTANCE FUNDING.

Section 21(e)(1) of the National School Lunch Act (42 U.S.C. 1769b-1(e)(1)) is amended by striking "1998" and inserting "2002".

SEC. 113. FUNDING FOR THE FOOD SERVICE MANAGEMENT INSTITUTE.

Section 21(e)(2)(A) of the National School Lunch Act (42 U.S.C. 1769b-1(e)(2)(A)) is amended by striking "\$2,000,000" and inserting "\$3,000,000".

SEC. 114. EXTENSION OF AUTHORIZATION FOR COMPLIANCE AND ACCOUNTABILITY FUNDING.

Section 22(d) of the National School Lunch Act (42 U.S.C. 1769c(d)) is amended by striking "1996" and inserting "2002".

SEC. 115. EXTENSION OF AUTHORITY TO FUND INFORMATION CLEARINGHOUSE.

Section 26 of the National School Lunch Act (42 U.S.C. 1769g) is amended--

(1) in the first sentence of subsection (a), by striking "shall" and inserting "may";

(2) in subsection (b), by inserting ", except that, notwithstanding any other provision of law, the Secretary may enter into a contract for the services of any organization with which the Secretary has previously contracted under this section without competing such contract, assuming such organization has performed

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satisfactorily under such contract and meets the criteria established in this subsection," after "shall be selected on a competitive basis"; and

(3) by amending subsection (d) to read as follows:

"(d) FUNDING.—The Secretary may provide to the organization selected under this section, to establish and maintain the clearinghouse, for fiscal year 1999 through 2002, an amount not to exceed \$150,000."

SEC. 117. REFOCUSING OF EFFORT TO HELP ACCOMMODATE THE SPECIAL DIETARY NEEDS OF INDIVIDUALS WITH DISABILITIES.

Section 27 of the National School Lunch Act (42 U.S.C. 1769h) is amended to read as follows:

"SEC. 27. ACCOMMODATING SPECIAL DIETARY NEEDS OF INDIVIDUALS WITH DISABILITIES.

"(a) DEFINITIONS--As used in this section:

"(1) INDIVIDUALS WITH DISABILITIES.—The term 'individuals with disabilities' shall have the same meaning as in section 7(8) of the Rehabilitation Act of 1973.

"(2) COVERED PROGRAM.—The term 'covered program' means-

"(A) the National School Lunch Program authorized under this Act;

"(B) the School Breakfast Program authorized under section 4 of the Child Nutrition Act of 1966; and

"(C) any other program authorized under this Act or the Child Nutrition Act of 1966 that the Secretary determines is appropriate.

17

1 “(3) ELIGIBLE ENTITY.--The term eligible entity means a school food
2 authority, institution, or service institution that participates in a covered program.

3 “(b) ACTIVITIES.--The Secretary may carry out activities to help accommodate the
4 special dietary needs of individuals with disabilities who are participating in a covered
5 program. Such activities may include--

6 “(1) developing and disseminating to State agencies guidance and technical
7 assistance materials;

8 “(2) conducting training of State agencies and eligible entities; and

9 “(3) issuing grants to State agencies and eligible entities.”.

10 **TITLE II--AMENDMENTS TO THE CHILD NUTRITION ACT OF 1966**

11 **SEC. 201. ELIMINATION OF REGIONAL OFFICE ADMINISTERED**
12 **PROGRAMS.**

13 Section 5 of the Child Nutrition Act of 1966 (42 U.S.C. 1774) is amended to read as
14 follows:

15 **"SEC. 5 DISBURSEMENT TO SCHOOLS BY THE SECRETARY.**

16 “(a) AUTHORITY TO ADMINISTER PROGRAMS.--

17 “(1) IN GENERAL.--Except as provided in paragraph (3), until September 30,
18 2000, the Secretary shall withhold funds payable to a State agency under this Act and
19 disburse the funds directly to school food authorities, institutions, or service
20 institutions within the State for the purposes authorized by this Act to the extent that
21 the Secretary has so withheld and disbursed such funds continuously since October 1,
22 1980, but only to that extent.

1 “(2) USE OF FUNDS.--Any funds withheld and disbursed by the Secretary in
2 accordance with paragraph (1) shall be used for the same purposes, and shall be
3 subject to the same conditions, as applicable to a State disbursing funds made
4 available under this Act.

5 “(3) STATE ADMINISTRATION.--If the Secretary is administering (in
6 whole or in part) any program authorized under this Act, the State in which the
7 Secretary is administering the program may, upon request to the Secretary, assume
8 administration of that program at any time prior to October 1, 2000.

9 “(b) PROVISION OF TRAINING AND TECHNICAL ASSISTANCE.--The
10 Secretary shall provide State agencies which assume program administration from the
11 Secretary on or before October 1, 2000 with training and technical assistance to allow for an
12 efficient and effective transfer of administrative responsibility.”.

13 **SEC. 202. STATE ADMINISTRATIVE EXPENSE FUNDS.**

14 (a) HOMELESS SHELTERS.--Section 7(a)(5)(B) of the Child Nutrition Act of 1966
15 (42 U.S.C. 1776(a)(5)(B)) is amended to read as follows:

16 “(B) REALLOCATION OF FUNDS.--For each fiscal year, any
17 amounts appropriated that are not obligated or expended during such fiscal
18 year and are not carried over for the succeeding fiscal year under subparagraph
19 (A) shall be returned to the Secretary. The Secretary shall then allocate, for
20 purposes of administration costs, any remaining amounts among States that
21 demonstrate a need for such amounts.”.

1 (b) ELIMINATION OF THE TEN PERCENT TRANSFER LIMITATION.--Section
2 7(a)(6) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(a)(6)) is amended to read as
3 follows:

4 "(6) USE OF ADMINISTRATIVE FUNDS.--Funds available to States under
5 this subsection and under section 13(k)(1) of the National School Lunch Act may be
6 used by State agencies for the costs of administration of the programs established
7 under this Act, except for the program authorized under section 17 and 21 and the
8 National School Lunch Act without regard to the basis on which these funds were
9 earned and allocated."

10 (c) REAUTHORIZATION OF PROGRAM.--Section 7(g) of the Child Nutrition Act
11 of 1966 (42 U.S.C. 1776(g)) is amended by striking "1998" and inserting "2002".

12 **SEC. 203. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN,**
13 **INFANTS AND CHILDREN.**

14 (a) ADDITIONAL PROGRAM APPLICATION REQUIREMENTS.--Section
15 17(d)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(3)) is amended by adding at
16 the end the following:

17 "(C) PHYSICAL PRESENCE.--All applicants shall be physically
18 present at each certification visit in order to receive program benefits.

19 "(D) INCOME DOCUMENTATION.--All applicants shall provide
20 documentation of household income or of participation in a program
21 referenced in paragraph (2)(A)(ii) and (iii) at certification in order to be
22 determined income eligible for the program."

✓

1 (b) DISTRIBUTION OF NUTRITION EDUCATION MATERIALS.-- Section
2 17(e)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(e)(3)) is amended--

3 (1) by inserting "(A) NUTRITION EDUCATION MATERIALS.--" after
4 "(3)"; and

5 (2) by adding at the end the following:

6 "(B) SHARING MATERIALS WITH CSFP.—The Secretary may
7 provide nutrition education materials, including breastfeeding promotion,
8 developed with funds appropriated for the program under this section in bulk
9 quantity to State agencies administering the Commodity Supplemental Food
10 Program authorized under sections 4(a) and 5 of the Agriculture and
11 Consumer Protection Act of 1973 at no cost to that program.”.

12 (c) REAUTHORIZATION OF PROGRAM.—Section 17(g)(1) of the Child Nutrition
13 Act of 1966 (42 U.S.C. 1786(g)(1)) is amended by striking "1995 through 1998" and
14 inserting "1999 through 2002".

15 (d) EXTENSION of AUTHORIZATION.—Section 17(h)(2)(A) of the Child
16 Nutrition Act of 1966 (42 U.S.C. 1786(h)(2)(A)) is amended by striking "1995 through 1998"
17 and inserting "1999 through 2002".

18 (e) INFANT FORMULA PROCUREMENT.—Section 17(h)(8)(A) of the Child
19 Nutrition Act of 1966 (42 U.S.C. 1786(h)(8)(A)) is amended by adding at the end the
20 following:

21 “(iii) COMPETITIVE BIDDING SYSTEM.—A State agency
22 using a competitive bidding system for infant formula shall award
23 contracts to the bidder offering the lowest net price unless the State

1 agency demonstrates to the satisfaction of the Secretary that the
2 weighted average retail price for different brands of infant formula in
3 the State does not vary by more than five percent.”.

4 (f) INFRASTRUCTURE AND BREASTFEEDING PROMOTION/SUPPORT

5 FUNDS.—Section 17(h)(10)(A) of the Child Nutrition Act of 1966 (42 U.S.C.
6 1786(h)(10)(A)) is amended by striking “For each of fiscal years 1995 through 1998,” and
7 inserting “For each fiscal year through 2002,”.

8 (g) SPEND-FORWARD AUTHORITY.--Section 17(i)(3) of the Child Nutrition Act
9 of 1966 (42 U.S.C. 1786(i)(3)) is amended—

10 (1) in subparagraph (A)--

11 (A) by striking “and” at the end of clause (i);

12 (B) in clause (ii)--

13 (i) by inserting “nutrition services and administration” after
14 “amount of”; and

15 (ii) by striking the period at the end and inserting “; and”; and

16 (C) by adding at the end the following:

17 “(iii) with prior approval of the Secretary, not more than 4
18 percent of the amount of nutrition services and administration funds
19 allocated to a State agency for a fiscal year under this section by be
20 expended by the State agency during the subsequent fiscal year for the
21 developmental costs of electronic benefit transfer.”;

22 (2) by striking subparagraphs (D) through (G); and

23 (3) by redesignating subparagraph (H) as subparagraph (D).

7.4

1 (h) MATCHING FUNDS REQUIREMENT.--Section 17(m)(3) of the Child Nutrition
2 Act of 1966 (42 U.S.C. 1786 (m)(3)) is amended by striking "total" and inserting
3 "administrative" in both places it appears.

4 (i) RANKING CRITERIA FOR FARMERS MARKET NUTRITION PROGRAM
5 STATE PLANS.--Section 17(m)(6) of the Child Nutrition Act of 1966 (42 U.S.C.
6 1786(m)(6)) is amended--

7 (1) by striking subparagraph (F); and

8 (2) by redesignating subparagraph (G) as subparagraph (F).

9 (j) EXTENSION OF FARMERS MARKET NUTRITION PROGRAM
10 AUTHORIZATION.--Section 17(m)(9)(A) of the Child Nutrition Act of 1966 (42 U.S.C.
11 1786(m)(9)(A)) is amended by striking "1995 through 1998" and inserting "1999 through
12 2002".

13 (k) DISQUALIFICATION OF CERTAIN VENDORS.--Section 17 of the Child
14 Nutrition Act of 1966 (42 U.S.C. 1786) is amended by adding at the end the following:

15 "(o) DISQUALIFICATION OF VENDORS CONVICTED OF TRAFFICKING OR
16 ILLEGAL SALES.--State agencies shall permanently disqualify an approved vendor who
17 has been convicted of trafficking in food instruments, or the sale of firearms, ammunition,
18 explosives, or controlled substances (as defined in 21 U.S.C. 802) for food instruments. The
19 State agency shall make the disqualification effective on the date of the notice of
20 disqualification. If the disqualification is subsequently reversed through administrative or
21 judicial review, the State agency shall not be held liable for the value of any revenues lost
22 during the disqualification period."

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1 **SEC. 204. EXTENSION OF NUTRITION EDUCATION AND TRAINING**
2 **PROGRAM.**

3 Section 19(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(i)) is amended to
4 read as follows:

5 **"(i) APPROPRIATIONS AUTHORIZED.**

6 **"(1) FISCAL YEARS 1998 through 2002.--**

7 **"(A) IN GENERAL.--**There are authorized to be appropriated such
8 sums as are necessary to carry out this section for fiscal years 1997 through
9 2002.

10 **"(B) GRANTS.--**

11 **"(i) IN GENERAL.--**Grants to each State from the amounts
12 made available under subparagraph (A) shall be based on a rate of 50
13 cents for each child enrolled in schools or institutions within the State,
14 except that no State shall receive an amount less than \$75,000 per
15 fiscal year.

16 **"(ii) INSUFFICIENT FUNDS.--**If the amount made available
17 for any fiscal year is insufficient to pay the amount to which each State
18 is entitled under clause (i), the amount of each grant shall be ratably
19 reduced, except that, in no case shall the amount paid to any State be
20 less than \$50,000.

21 **"(2) AVAILABILITY OF FUNDS.--**Funds made available to any State under
22 this section shall remain available to the State for obligation in the fiscal year
23 succeeding the fiscal year in which the funds were received by the State.

1 “(3) ENROLLMENT DATA.--Enrollment data used for purposes of this
2 subsection shall be the latest available as certified by the Department of Education.”.

3 **TITLE III - AMENDMENTS TO THE COMMODITY DISTRIBUTION REFORM**

4 **ACT AND WIC AMENTMENTS OF 1987**

5 **SEC. 301. COMMODITY ACCEPTABILITY INFORMATION.**

6 Section 3 of the Commodity Distribution Reform Act and WIC Amendments of 1987
7 (7 U.S.C. 612c note) is amended--

8 (1) by amending subsection (a)(2) to read as follows:

9 “(2) APPLICABILITY.--Paragraph (1) shall apply to recipient agencies for
10 the following programs:

11 “(A) The Commodity Supplemental Food Program established under
12 sections 4(a) and 5 of the Agriculture and Consumer Protection Act of 1973 (7
13 U.S.C. 612c note).

14 “(B) The Food Distribution Program on Indian Reservations
15 established under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C.
16 2013(b)).

17 “(C) The National School Lunch Program established under the
18 National School Lunch Act (42 U.S.C. 1751 et seq.); and

19 (2) by amending subsection (f)(2) to read as follows:

20 “(2) CUSTOMER ACCEPTABILITY INFORMATION.--

21 “(A) IN GENERAL.--The Secretary shall ensure that information with
22 respect to the types and forms of commodities that are most useful is collected
23 from those recipient agencies identified in subsection (a)(2).

1 “(B) FREQUENCY.--Such information shall be collected at least once
2 every two years.

3 “(C) ADDITIONAL SUBMISSIONS. The Secretary may require
4 submission of such information from recipient agencies participating in other
5 domestic food assistance programs administered by the Secretary and shall
6 provide such recipient agencies a means for voluntarily submitting commodity
7 acceptability information.”.

8 **SEC. 302. FOOD DISTRIBUTION PROVISIONS.**

9 The Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C.
10 612c note) is amended by adding at the end new sections as follows:

11 **“SEC. 15. AUTHORITY TO TRANSFER COMMODITIES BETWEEN PROGRAMS.**

12 “(a) TRANSFER.--Subject to subsection (b), the Secretary may transfer any
13 commodities purchased for one domestic food assistance program administered by the
14 Secretary to any other such program when the transfer is necessary to ensure that the
15 commodities will be used while they are still suitable for human consumption.

16 “(b) REIMBURSEMENT.--The Secretary shall, whenever possible and practicable,
17 provide reimbursement for the value of the commodities transferred under subsection (a)
18 from accounts available for the purchase of commodities for the program receiving the
19 commodities.

20 “(c) CREDITING.--Any reimbursement made under subsection (b) shall be credited
21 to the accounts that incurred the costs when the transferred commodities were originally
22 purchased and shall be available for the purchase of commodities with the same limitations as

1 are provided for appropriated funds for the reimbursed accounts for the fiscal year in which
2 the transfer takes place.

3 "SEC. 16. AUTHORITY TO RESOLVE CLAIMS.

4 "(a) DETERMINE, SETTLE, AND ADJUST CLAIMS.--The Secretary shall have
5 the authority to determine the amount of, to settle, and to adjust any claim or part thereof
6 arising under any domestic food assistance program administered by the Secretary.

7 "(b) CLAIMS WAIVER.--The Secretary shall have the authority to waive such
8 claims if the Secretary determines that to do so would serve the purposes of the particular
9 program.

10 "(c) AUTHORITY OF THE ATTORNEY GENERAL.--Nothing contained in this
11 section shall be construed to diminish the authority of the Attorney General of the United
12 States under 28 U.S.C. 516 or any other provisions of law to supervise and conduct litigation
13 on behalf of the United States.

14 "SEC. 17. PAYMENT OF COSTS ASSOCIATED WITH MANAGEMENT OF
15 COMMODITIES WHICH POSE A HEALTH OR SAFETY HAZARD.

16 "(a)(1) PAYMENT OF COSTS ASSOCIATED WITH MANAGEMENT OF
17 COMMODITIES WHICH POSE A HEALTH OR SAFETY HAZARD.--The Secretary may
18 use funds available to carry out the provisions of section 32 of the Agricultural Act of August
19 24, 1935 (7 U.S.C. 612c) which are not expended and not needed to carry out such provisions
20 to reimburse States for State and local costs associated with commodities distributed under
21 any domestic food assistance program administered by the Secretary when the Secretary
22 determines that such commodities pose a health or safety hazard.

1 “(2) ALLOWABLE COSTS.--Such costs must be authorized by the Secretary and
2 may include storage, transportation, processing, and destruction of the hazardous
3 commodities.

4 “(3) REPLACEMENT COMMODITIES.--The Secretary may also use such funds to
5 purchase additional commodities when the purchase will expedite replacement of the
6 hazardous commodities, but the use of such funds shall not restrict the Secretary from
7 recovering funds or services from the supplier or other entity regarding the hazardous
8 commodities.

9 “(4) CREDITING OF RECOVERED FUNDS.--Any funds recovered from the
10 supplier or other entities regarding the hazardous commodities shall be credited to the section
11 32 account to the extent such funds represent expenditures from that account under
12 paragraphs (1) and (3).

13 “(5) AVAILABILITY OF RECOVERED FUNDS.--Recovered funds shall be
14 available to carry out the purposes of section 32 without fiscal year limitation.

15 “SEC. 18. AUTHORITY TO ACCEPT COMMODITIES DONATED BY FEDERAL
16 SOURCES.

17 “(a) IN GENERAL.--The Secretary may accept donations of commodities from any
18 Federal source, including those commodities of another Federal agency determined to be
19 excess personal property pursuant to section 202 of the Federal Property and Administrative
20 Services Act of 1949 (40 U.S.C. 483(d)).

21 “(b) USE.--The Secretary may donate the commodities to States for distribution
22 through any domestic food assistance program administered by the Secretary.

1 “(c) PAYMENT.—Notwithstanding section 202(d) of the Federal Property and
2 Administrative Services Act of 1949 (40 U.S.C. 483(d)), the Secretary shall not be required
3 to make any payment in connection with the commodities.”.

Attached is an advance copy of the child nutrition reauthorization package we expect USDA to submit soon for official OMB review. Summarized below are some of the highlights:

"At-risk" program (\$5.1 million in FY99 and \$68.8 million over 5 years). This proposal would allow school and non-school programs that serve "at-risk" children between the ages of 12 and 18 to participate in the child and adult care feeding program (CACFP) during after-school hours, weekends, or holidays during the regular school year. The programs would have to be located in high poverty geographical areas and could be reimbursed for one meal supplement per child per day.

Transfer of the Homeless Child Nutrition Program (HCNP) to CACFP (\$1.2 million in FY99 and \$6.5 million over 5 years). This move would provide a year-round vehicle for benefit delivery to children through age 12, and would consolidate administration and benefit delivery to homeless children in shelters under a single program.

Make the Kentucky/Iowa demonstration permanent (3.7 million in FY99 and 18.5 million over 5 years). Under this demonstration, for-profit child care centers in these states in which at least 25 percent of enrollments are eligible for free and reduced price meals are eligible to participate in CACFP. This proposal would make the current demo permanent and fund the program as mandatory through CACFP. (This proposal would solve an annual appropriations problem)

- **Management and Integrity Funding** (\$1.6 million in FY99 and \$22.7 million over 5 years). This provision allows USDA to retain 1/10 of one percent of annual Program expenditures in FY99 (and 1/4 of one percent thereafter), to improve implementation of the congressionally-mandated tiering proposal and to provide for improved program quality and integrity.
- **Restructure Program accountability provisions** (-\$19.7 million in FY99 and -\$110 million over 5 years). Beginning in FY99, this provision would permit states to retain 50 percent of funds recovered through state-conducted program reviews and audits, and to use such funds for program improvements under the Child Nutrition programs.

2 percent audit funds. While technically called audit funds, over the years states have been unable to use this funding effectively. The reauthorization package would more effectively target program integrity resources, eliminate duplicative funding of state reviews, and provide states with additional incentives to improve accountability.

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- grant

Education

Continued from Page 1

It would allow "parity treatment" for taxation between pre-paid college tuition plans and the new K-12 plans.

Under current law, college savers now have to pay taxes on appreciation built up in some state-run, pre-paid college tuition plans.

While aides to Graham and Landrieu said their senators have not committed to voting for the bill, they agreed it is now very likely. Calls to Breaux's office were not returned by presstime.

Republicans appear to have won other potential Democratic votes as well with a school construction tax provision.

School districts often receive bond money for new construction in one lump sum, but do not pay it out until construction contracts are completed.

The new provision would allow some school districts to invest that bond money until the construction payments come due — and keep the profit made on that investment tax-free.

This "arbitrage rebate exemption" could help the bill win the support of Graham, Breaux and **Sen. Robert Kerrey**, D-Neb., sources said.

During today's markup, **Sen. Carol Moseley-Braun**, D-Ill., likely will try to add her own school construction plan, in which the federal government would pay the interest costs on bonds issued for new schools.

But that plan is likely to fail due to the larger cost and issues relating to Davis-Bacon labor laws for federally funded projects.

While GOP supporters of the overall bill may not pick up Moseley-Braun, they likely will win the support of **Sen-**

ate Finance ranking member Daniel Patrick Moynihan, D-N.Y., with an agreement to expand the tax exemption for employers who pay for their employees' graduate school tuition.

Businesses right now can get an exemption if they help pay for their employees' undergraduate education. Moynihan, whose state is home to several famous medical and other graduate schools, has fought for the same treatment for graduate schools.

With all those changes to the underlying Coverdell bill, aides said they hope they have won enough Democratic votes for cloture when the bill moves to the floor. But, due to the nature of the Senate, they declined to declare victory.

"We hope we've got it, but we don't want to get too cocky until it's done," said a GOP aide.

— **By Matthew Morrissey**

HILL BRIEFS

□ Senate Democrats are reviewing a compromise proposal to impose new limits on political use of union dues and corporate funds as a way of advancing campaign finance legislation expected on the Senate floor by early March. The proposal, advanced by **Sen. Olympia Snowe**, R-Maine, is an alternative to broader restraints on union political activity being sought by **Senate Majority Leader Lott** and other Republican senators. Snowe told the *Associated Press* Monday that she "hopes that we can create middle ground on this whole issue" with the new proposal. She said she was "trying to bridge the gap between [supporters of campaign finance legislation] and the concerns on the Republican side about leveling the playing field in term of the role unions play." **Sen. Russell Feingold**, D-Wis. — who, with **Senate Commerce Chairman McCain**, is the sponsor of a major campaign reform bill — said in a statement that he has not "signed off line by line on the proposed amendment to McCain-Feingold, which is currently being discussed, but it has potential." The proposal would require speedy disclosure of contributors to any broadcast commercials targeting specific candidates for office within 30 days of a primary or 60 days of a general election.

□ Agriculture Secretary Glickman is trying to convince the OMB to approve a proposal to offer school breakfasts at no charge to children in pre-kindergarten through third grade — even though the White House rejected that idea for President Clinton's State of the Union message and the administration's FY99 budget, according to

child nutrition advocates. In a memo to the president obtained by *CongressDaily*, Glickman told Clinton a school breakfast initiative would be an opportunity to "leave an imprint and legacy like the Truman Administration did in 1947 when it first proposed the school lunch program." Legislation drafted by **Sen. Tim Johnson**, D-S.D., and **Rep. Lynn Woolsey**, D-Calif., would offer free breakfasts for all elementary school grades as part of reauthorization of child nutrition programs which expires in 1998. But, in the memo, Glickman estimated his proposal would cost \$217 million for the first year and \$1.2 billion over five years, while the congressional initiative — kindergarten through sixth grade — would cost nearly double that amount.

□ The Treasury Department Monday announced plans to address the problem of "innocent spouses" — in which a husband or wife gets drawn into a tax problem experienced by their mate. The change would assist taxpayers applying for relief as innocent spouses who become targets of IRS collections due to tax problems experienced by their spouse. IRS workers would be better trained to recognize and assist these innocent spouses, and all related forms would be processed in one location to ensure consistent treatment. "The innocent spouse is a real fairness issue," said Deputy Treasury Secretary Lawrence Summers. "And responding better to this is at the center of what having a customer-orientated IRS is all about." The department also plans to release a report on the issue today.

School breakfast

2092

(1) Breakfast

(2) Child Care 6-7-12
- after school
- older 13-18
after school
pre-school
- Very young

USDA's Child Hunger Initiative -- Summary of Relevant Literature

USDA has provided a number of articles in support of its proposed universal free breakfast program for children in Kindergarten through third grade. The articles generally make a point discussed in our Director's Review on the Child Hunger Initiative: breakfast provides nutrients critical to child learning and development. The package does not, however, include findings from the Department's own studies on the School Breakfast Program (SBP), which are provided below. Moreover, while the articles make numerous specific claims on the effect of breakfast availability and consumption on test scores, absenteeism, and tardiness, the methodologies and samples used in the various studies raise question as to their findings. Finally, SBP participation data indicate that further increase in school participation in the breakfast program does not result in higher individual child participation. As school participation in the breakfast program has nearly doubled in the last ten years, the percent of children who eat breakfast at school has leveled off, and even begun to decline.

(3) Summer
• low-income kids in CC

Following are key findings from some of the articles provided:

- **Harvard/Kellogg studies:** families that report multiple experiences of food insufficiency and hunger are more likely to show behavioral, emotional, and academic problems on a standardized measure of psychosocial dysfunction than similar children whose families do not report experiences of hunger. The authors note, however, that the "specific contribution of hunger is unknown" and that "causality cannot be determined from [the] cross-sectional design" used in the study.
- **School Breakfast Program and School Performance:** participation in the School Breakfast Program by low-income elementary school children has a significant association with improvement in standardized achievement test scores and rates of absence and tardiness. The authors note that they do not use a controlled experiment in their research, and "thus causal inferences must be made with caution." Also, the study relies on data on children in grades 3 through 6 -- a very different population than the K through 3rd graders who are targeted by the Department's proposal.
- **Increasing School Breakfast Participation through Universal Feeding, Classroom Feeding, Breakfast Carts and 'The School Breakfast Challenge':** examining school breakfast participation in low-income Philadelphia and Baltimore schools, the authors find that participation can be dramatically increased under existing USDA reimbursement procedures. The report documents very modest increases in participation among universal free schools that did not employ either of the following two techniques: (1) placing a breakfast on each child's desk in homeroom, or (2) using breakfast carts to provide a breakfast to every child as they enter the school building.
- **Does Breakfast Make a Difference in School?:** this article reviews studies conducted between 1978 and the mid-1990's examining the relationship between children's cognitive and mental functioning and short-term hunger and/or school nutrition programs. The report concludes that data from the three studies, including one conducted in Jamaica

and another in Peru, “... are insufficient to draw definitive conclusions regarding the educational benefits of school breakfast.” The study also cites USDA research that found 12% of students do not eat breakfast regardless of whether their school provided breakfast.

USDA did not include in its package the following findings from the Department’s own research:

- almost all children (94%) in Kindergarten through Grade 3 currently eat breakfast;
- approximately 60% of children eat breakfast at home;
- making the breakfast program available at school does not increase the likelihood that a child will eat breakfast;
- over 70% of all public schools currently participate in the SBP, with a disproportionate number of participating schools located in low-income neighborhoods;
- while any school can participate in the SBP, reasons generally cited for schools not participating include lack of interest among students, and scheduling and transportation problems;
- stigma does not prevent eligible children in grades K through 3 from eating free breakfast;
- of the approximately 700,000 additional children USDA estimates will participate in the SBP under a universal free program, most are likely to already be eating breakfast at home and/or be from households above 185% of poverty.

Child Nutrition and WIC Reauthorization Amendments of 1998
Section-by-section Analysis

Section 100(a) would amend section 12(f) of the National School Lunch Act (42 U.S.C. 1760(f)) by allowing for the adjustment of Summer Food Service Program (SFSP) reimbursements rates in non-contiguous States and territories where the cost of providing meals is greater than that in the contiguous States. Under current law, the Secretary may make adjustments in reimbursement rates in all the other Child Nutrition Programs to reflect differences in the cost of providing meals in Alaska, Hawaii, Guam, American Samoa, Puerto Rico and the Virgin Islands when compared to other States. Since, to this point in time, the authority to adjust rates has been used in only Alaska and Hawaii, this proposal would allow for adjustments in rates in those two States. In proposing this amendment, the Department is also proposing to amend current statutory language to clarify that these adjustments are applicable to the all meals served (breakfasts, lunches, suppers and snacks) and to the Child and Adult Care Food Program (CACFP). This is a technical correction and reflects an ongoing practice that has been determined to be consistent with the overall intent of Program reimbursement provisions in the statute. The Department estimates that this proposal would increase Federal costs by \$.2 million in Fiscal year 1999 and \$1.1 million over five years.

Section 100(b) would amend sections 12(l)(4) and 13(a)(7)(B) of the National Schools Lunch Act (42 U.S.C. 1760(l)(4) and 1761(a)(7)(B), respectively) by establishing a 25 site limit on private non-profit organizations participating in the Summer Food Service Program, removing the limitation on the total number of children (currently 2500) that a sponsor may serve. Because of problems with FNO sponsors in the past, current law limits the number of sites that they may operate to five urban and twenty rural, with a total limit of 20. Setting a 25 site limit without regard to the type of site recognizes the fact that, as a result of additional training and monitoring, PNOs have performed satisfactorily in the recent past and that there are numerous situations in which they are the only sponsors available to serve needy children. The Department estimates that this proposal would increase Federal costs by \$.3 million in Fiscal Year 1999 and \$1.5 million over 5 years.

Section 200(a) would amend section 17(c)(6)(B) of the National School Lunch Act (42 U.S.C. 1766(c)(6)(B)) by extending categorical eligibility for free Child and Adult Care Food Program (CACFP) meals for Even Start participants. This proposal would ~~extend~~ ^{recreate} the current statutory provision which allowed such categorical eligibility through September 30, 1997. Since income eligibility limits for Even Start participation are below free meal eligibility limits, there is no reason not to facilitate the participation of these needy children by extending categorical eligibility. The Department estimates that enactment of this provision will result in a minimal increase in Federal spending in Fiscal Year 1999 and approximately \$1 million over five years.

Section 200(b) would amend section 17(d)(1) of the National School Lunch Act (42 U.S.C. 1766(d)(1)) by limiting the "moving towards tax exempt status" in Child and Adult Care Food Program (CACFP) eligibility requirements to no more than six months. Under current law, non-public entities are required to be either tax-exempt or "moving toward" tax-exempt

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① promote CACFP program
② universal
→

status. Institutions in the "moving toward" category are able to participate in the CACFP without any time limit. Over the years, the "moving toward" provision has been very difficult for States to administer and resulted in participation by institutions which were ultimately determined unqualified to participate. ^{State} ~~Removing~~ ^{to be used} "moving towards" would successfully address both these problems. The Department estimates that implementation of this proposal would result in some small amount Federal savings.

Section 200(c) would amend section 17 of the National School Lunch Act (42 U.S.C. 1766) by removing the authority for audit funding in Child and Adult Care Food Program (CACFP). Under current law, each State is entitled to receive an annual payment equaling two percent of the CACFP program funds it spent in the second preceding fiscal year. This "two percent funding" is to be used by the State to conduct audits of participating CACFP institutions. Over the years, it has been the Department's experience that numerous States have not been able to use this funding effectively and, in addition, as much as 30 percent has not been used at all. As a result, the Department is proposing to eliminate the authority for this funding. This proposal is being made in conjunction with another proposal (found in section XXX(xx)) that would allow States to retain up to 50 percent of funds recovered through program reviews and audits for program improvements under all the Child Nutrition Programs. The Department believes that these two proposals combined will result in improved program oversight and increased management effectiveness at the state level. The Department estimates that this proposal would result in Federal savings of \$19.7 million in Fiscal Year 1999 and \$110 million over five years.

Section 200(d) would amend section 17(p) of the National School Lunch Act (42 U.S.C. 1766(p)) by making the Kentucky/Iowa Demonstration permanent and funding it with Child and Adult Care Food Program (CACFP) program monies. Under this demonstration, for-profit child care centers in these two States in which at least 25 percent of their enrollments are eligible for free and reduced meals are eligible for participation in the Child and Adult Care Food Program. The Department estimates that this proposal would increase Federal spending by \$2.4 million in Fiscal year 1999 and \$15.6 million over five years.

3.7 18.5
Section 200(e) would amend section 17 of the National School Lunch Act (42 U.S.C. 1766) to establish a specific management funding authority. Under this proposal, the Department would be provided funds each year to help ensure proper implementation of the family day care home tiering requirements and to provide for overall improved program quality and integrity. These funds would amount to one-tenth of one percent of Program dollars in Fiscal Year 1999 and one-quarter of one percent in each succeeding fiscal year. Among the uses of these funds would be: (1) a contract with Bureau of the Census for special tabulation of children, ages 0-12, from households with income at or below 185 percent of poverty, to ensure uniform distribution of data from the 2000 census for implementation of area eligibility under tiering and monitoring accuracy of tier I classifications; (2) completing the initial study, and conducting ongoing research, concerning the effects of tiering on children in family day care; (3) continuing the Department's State-Federal ~~Sponsor~~ ^{Integrity} initiative, improving Program monitoring and training, and ensuring that CACFP facilities meet quality standards; and (4) adding additional staff to be used exclusively in the CACFP training and

1 integrity efforts. The Department estimates that this proposal would result in increased
2 Federal spending of \$4 million in Fiscal Year 1999 and \$22.7 million over five years.

3
4 Section 200(f) would amend section 17 of the National School Lunch Act (42 U.S.C. 1766)
5 by allowing for participation in the Child and Adult Care Food Program by centers that serve
6 "at risk" children between the ages of 12 and 18. These centers would be able to participate
7 in the program during after-school hours, weekends, or holidays during the regular school year.
8 They would be required to be located in geographical areas served by a school enrolling
9 elementary students in which at least 50 percent of the children residing in the area are
10 eligible for free or reduced price meals and could be reimbursed for one meal or one
11 supplement per child per day, or where children are in attendance for three hours or more per
12 day, for one meal and one supplement or two supplements. All meals would be served free.
13 The Department believes that this proposal can be an integral component of the many efforts
14 being made at the Federal, State and local levels to help ensure the safety and well being of
15 the Nation's older children. The Department estimates that this proposal will increase
16 Federal spending by \$7.2 million in Fiscal Year 1999 and \$69.9 million over five years.

70 mill.
million

17
18 Section 300 would amend sections 13(a)(2)(C) and 17 of the National School Lunch Act
19 (NSLA) (42 U.S.C. 1761(a)(2)(C) and 1766, respectively), section 7(a)(5)(B) of the Child
20 Nutrition Act of 1966 (42 U.S.C. 1776(a)(5)(B)) and repeal section 17B of the National
21 School Lunch Act (42 U.S.C. 1766B) by moving the Homeless Children Nutrition Program
22 (HCNP) and Summer Food Service Program (SFSP) homeless sites to the Child and Adult
23 Care Food Program (CACFP). Moving the HCNP into the CACFP is consistent with the
24 proposal being prepared by the Department to be submitted to Congress, as required under
25 section 17B(f) of the NSLA (42 U.S.C. 1766B(f)). In addition, moving homeless programs
26 from the SFSP to the CACFP would provide a year-round vehicle for benefit delivery to this
27 population. Meal benefits provided in CACFP homeless sites would be for children through
28 the age of 12 (versus 6 in the HCNP and 18 in the SFSP). This proposal would improve
29 Child Nutrition Program management by consolidating administration and benefit delivery to
30 homeless children in shelters under a single program. The Department estimates that this
31 proposal would increase Federal costs by \$1.2 million in Fiscal Year 1999 and \$14.5 million
32 over five years.

6.5

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HEADLINE: Lott assails national educational testing plan

BYLINE: Joyce Howard Price; THE WASHINGTON TIMES

BODY:

Senate Majority Leader Trent Lott yesterday denounced President Clinton's plan for national student testing as the "educational equivalent of the IRS for the classroom."

"Every community should be able to measure the success or the failure of its school system. One important way to do that is by testing students," Mr. Lott said during the GOP radio address.

But "parents, and I count myself among them, do not want agents from the federal government devising those tests, making all the students take them, or passing judgment on the results," he said.

The Mississippi Republican also criticized Mr. Clinton for opposing school-choice vouchers for students in the District of Columbia and tax-free savings accounts for elementary and secondary schooling. He added that, despite their opposition to national student tests, Republicans support local testing of teachers.

Republicans have blocked the president's plan to assess reading skills of fourth-graders and math skills of eighth-graders. But sharp division within the GOP over the issue threatens an \$80 billion spending bill for the Labor, Education, and Health and Human Services departments.

Thursday, House and Senate conferees to the Education Department appropriations bill approved a compromise plan that would have allowed an independent board to continue developing national tests, but would have barred the federal government from sending them to the states.

Dissatisfied, Rep. Bill Goodling, Pennsylvania Republican and a leading opponent of the tests, submitted a counteroffer Friday that would prohibit the Clinton administration from continuing to develop the tests. His plan calls for the National Academy of Sciences to study the feasibility of developing an equivalency scale for standardized tests now commercially available or run by states.

Observers predicted the Goodling proposal would be unacceptable to the White

The Washington Times, November 2, 1997

House, which has made the tests the top item on its education agenda.

But the top Republican education priority, Mr. Lott said, "is to secure parental rights and consumer choice in schooling."

"We want to apply to education the same forces of competition and quality that operate in every other part of the economy," he said. "That means assuring families, especially poor families, the right to choose the best available school for their children. No boy or girl in America should be forced to attend a drug-infested, rats-plagued, violence-ridden school. . . ."

The Senate leader called it "tragic" that Mr. Clinton has "threatened to veto our attempts to establish school choice in the District of Columbia, where the government schools are among the worst in the country."

Likewise, Mr. Lott said, the president opposes a plan drafted by Sen. Paul Coverdell, Georgia Republican, that would "let parents use their tax-free savings accounts, like IRAs, for education, to cover the cost of elementary and secondary schooling."

While wary of national student tests, Mr. Lott said yesterday Republicans strongly support local testing of teachers for "accountability" purposes.

"When it comes to testing, congressional Republicans want to start with the teachers. The very first step in improving our schools is to make sure teachers are qualified to teach," he said.

"Teacher testing not dictated by Washington, D.C., will make sure that every school has first-rate teachers, because every American child is a first-rate child," Mr. Lott said.

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School Breakfast

Child
Nutrition

**The Impact of a Two-Year School Breakfast Program for Preschool-Aged Children
on their Nutrient Intake and Pre-Academic Performance**

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**The Impact of a Two-Year School Breakfast Program for Preschool-Aged Children
on their Nutrient Intake and Pre-Academic Performance**

ABSTRACT

The objectives of this investigation were to measure nutritional differences between home breakfasts and breakfasts prepared and served in a preschool setting following the guidelines of the School Breakfast Program (SBP), and to evaluate the nutritional impact of school breakfast participation on pre-academic performance. Baseline data on children's breakfasts was obtained from families of 4-year-olds attending our preschool, with the concomitant measuring of their performance on a battery of pre-academic and cognitive tasks. Two weeks later, we began providing breakfasts for the 4-year-olds at preschool, before they began their school day. Breakfast menus varied daily but were always in compliance with the SBP Guidelines. Six weeks after initiating the SBP, we recorded breakfasts eaten at school and re-administered the battery of performance tasks. During the next year the SBP was re-implemented, with breakfast provided at school to a sub-group of 4-year-olds, and monitored at home for their classmates who served as a control group. As in the previous year, performance data was collected during both the baseline and school breakfast phases. Results indicated that breakfast intake was altered under school breakfast conditions, and in turn, that performance on a number of tasks was improved.

Key words: preschoolers, school breakfast program, behavior

The Impact of a Two-Year School Breakfast Program for Preschool-Aged Children on their Nutrient Intake and Pre-Academic Performance

INTRODUCTION

Although malnutrition is most prevalent in developing countries, even milder forms of undernutrition— where weight loss, stunted growth, and susceptibility to disease can result— are easily observed in developed nations, including the United States (Wotecki, 1995). Mild undernutrition has also been linked to poorer cognition and compromised behavioral functioning (Gorman, 1995; Lozoff, 1989; Wachs, 1995). Studies that have examined the effects of missing but one meal, as is the case when skipping breakfast, show that even a brief fast of this nature may result in deleterious effects that can place a child at additional risk for underachievement.

Breakfast is essential to the nutritional health of children and has a pronounced effect on ensuring daily dietary adequacy. Besides assuring optimal physical growth and development (Nicklas, Bao, Webber, & Berenson, 1993; Sampson, Dixit, Meyers, & Houser, 1995), positive effects on attention, alertness, and other skills important for academic success are enhanced (Conners & Blouin, 1983; Wyon & Wyon, 1992). In a number of studies, for example, Pollitt and his colleagues (Brown & Pollitt, 1996; Pollitt, Leibel, & Greenfield, 1981) have shown that children denied breakfast display less accuracy on a variety of tasks that measure problem solving. The longest interval during which a child goes without an external supply of nutrients and energy is typically between the evening dinner and the morning breakfast. The very word breakfast, for that matter, connotes a breaking of the fasting period. If this daily fasting interval is extended

School Breakfast 2

due to the child's missing breakfast, the gradual decline in glucose levels, as well as other metabolic changes, may interfere with the child's mental functioning (Pollitt, 1995).

Conversely, children's participation in school breakfast programs, where their daily dietary intake is superior to that of children who go without breakfast, has been documented to improve performance on standardized achievement tests and other cognitive measures (Jacoby, Cueto, & Pollitt, 1996; Meyers, Sampson, Weitzman, Rogers, & Kayne, 1989). While a few studies report no adverse effects from skipping breakfast (Dickie & Bender, 1982; Lopez, deAndraca, Perales, Heresi, Castillo, & Colombo, 1993), the results of most investigations generally conclude that an adequate breakfast promotes child functioning (Pollitt, 1996). Yet recent research suggests that most children, middle-class included, fall far short of eating an adequate breakfast on a daily basis. For example, Worobey and Worobey (1996) found that while 95 % of mothers reported that their preschoolers eat breakfast on a daily basis, only 15 % of their breakfasts satisfied the criteria recommended in the government's School Breakfast Program Guidelines. Nevertheless, this line of research is often confounded by the inclusion of children who are severely undernourished from consistently having had breakfast withheld, or by sampling from low-income households where the entire diet is of a poor quality (Jacoby et al., 1996; Lopez et al., 1993; Sampson et al., 1995). A further limitation lies in the almost exclusive reliance on children who are age eight and older (Jacoby et al., 1996; Lopez et al., 1993; Meyers et al., 1989; Sampson et al., 1995; Wyon & Wyon, 1992).

With this in mind, the studies described herein were aimed at examining two related research questions. The first was to see if middle-class, preschool-aged children would

School Breakfast 3

eat a more nutritionally-balanced breakfast at school than they would at home. The second was to determine if such a breakfast would exert a measurable impact on the children's success with an array of cognitive tasks. To answer these questions, we began a school breakfast program for a class of children enrolled in our laboratory preschool, monitored their breakfast intake at home and at school, and concomitantly measured their performance on tests that were administered on the mornings that breakfast records were obtained.

STUDY 1

METHODS

Research Design. During the Fall of 1994, we initiated a school breakfast program for our class of 4-year-old children who attended morning sessions. Parents learned of the study through a written description sent home with their child, that included informed consent and breakfast enrollment forms. Parents were informed that breakfasts would be offered to their children at the preschool prior to the starting time of their usual school day, at no charge to them, and with no penalty if they did not wish their children to participate. At the same time they were asked for permission to allow their child to be tested for research purposes. The study procedures and measures were approved by the university's institutional review board.

Before implementing the school breakfast program, a workshop was given for parents, instructing them in recording breakfast food intake on the forms that would be used throughout the study. Baseline data on the children's breakfasts consumed at home during the two weeks prior to the start of the breakfast program was then obtained, with the concomitant testing of performance on a battery of pre-academic and cognitive tasks

School Breakfast 4

(see below). Six weeks after the inception of the breakfast program, food records for the participating children were kept for two weeks by trained undergraduate research assistants, with parents completing food records on the days of those weeks when the children were not attending preschool. As during baseline, performance on a battery of pre-academic and cognitive tasks (parallel forms) was measured for the children.

Breakfasts were prepared by a hired Food Technician, who arrived at the preschool about an hour before the children, in accordance with the School Breakfast Program (SBP) Guidelines formulated by the federal government. These guidelines recommend that each breakfast, at a minimum, contains: a serving of milk; a serving of fruit or vegetable or full-strength juice; and two servings of bread or meat or bread- or meat-alternates (Food & Consumer Service, 1995).

Subjects. The parents of the 20 children who attended the morning 4-year-old class, which met on Mondays, Wednesdays and Fridays, were approached as potential subjects. Twelve agreed to participate, with five girls and seven boys enrolling in the breakfast program. Children ranged in age from 3 years-10 months to 5 years-2 months. Reasons offered for not participating included parental concern for a conflicting bus schedule for the child's older sibling, or a lack of desire to complete the breakfast record forms. As a university laboratory school, the parents who send their children to this facility are predominantly middle-class and above-average in educational level (determined by data they provide on their application forms), and are frequently solicited for participation in research efforts. Over the course of our breakfast evaluation study, however, this was the only preschool-based investigation to which they contributed.

School Breakfast 5

Measures. Since our goal was to examine cognitive performance as it might be influenced by a well-balanced breakfast on a particular test day, we deliberately did not test for General Intelligence. Some tests were chosen that tapped intellectual behaviors, such as memory, that have been shown to be sensitive to the provision of a sound breakfast (Jacoby et al., 1996; Lopez et al., 1993). Others were selected because they could successfully be completed by any 4-year-old, but higher scores would result if concentration and discrimination were enhanced.

The battery of tests assembled for the first year of the study were as follows: *Mazes-* This activity, a subtest of the Wechsler (1967) Preschool and Primary Scales of Intelligence, is designed to test the child's fine-motor ability under time constraints in solving pencil-and-paper mazes of increasing difficulty. For baseline testing the subtest was used in its standardized form; for the second assessment the pictorial stimuli at the beginning and endpoints of the easier mazes were altered. In this way, the two test sessions represented a similar challenge, but different pictures were presented to reduce familiarity and possible boredom. *Embedded Figures-* The Preschool Embedded Figures Test (Coates, 1972) gauges the child's skill at distinguishing figure-from-ground (in this case a triangle hidden in a line drawing), considered to be a restructuring ability indicative of cognitive style. Half of the test plates were used for the baseline assessment, and the remaining specimens were used for the test period corresponding to the children's eating breakfasts at school. *Verbal Memory-* This activity is a subscale of the McCarthy (1972) Scales of Children's Abilities. To test short-term memory, a string of words of increasing length is read to the child, who must repeat them in the proper sequence. At the time of follow-up testing, an alternate list of words, similar in syllabic

School Breakfast 6

and conceptual difficulty, was used (Lesiak, 1978). *Numerical Memory*- This activity, also a subscale of the McCarthy Scales, tests the child's immediate recall of a series of numbers. As with the verbal memory subscale, an alternate set of numbers was used for the second test session. *Pattern Match*- This activity is a discrimination task that is presented to each child via an *Apple IIe* personal computer. Children are directed to compare the pattern of shapes pictured on the left of the screen to three rows of shapes on the right (Shapes and Patterns, 1988). The child presses a 1, 2, or 3 to identify the matching row, and stimuli are presented in order of increasing difficulty as the child continues to match correctly. After 10 problems, a summary score of successes at each level of difficulty is displayed. Since the stimuli are computer generated, each child was presented with a randomly initialized series of problems, allowing for equivalence across test sessions as well. *Same or Different*- This task, also computer-based, is a timed activity that measures the child's visual perception and discrimination skills (Comparison Kitchen, 1985). A "video baker" presents two baked goods for the child to compare and decide if they are the same or different. Correct choices result in points being accumulated, and pairings to be replaced by succeeding pairs at a higher level of discriminational difficulty. As with the Pattern Match, computer-generated test sessions were equivalent across testing sessions.

Procedure. Preschool sessions routinely start at 9 A.M. On school breakfast days, however, children arrived at 8:15 and were thereafter led to the dining room. Menus varied across the eight weeks of the program, but always were in accordance with School Breakfast Program (SBP) Guidelines. Children were served the SBP recommended serving sizes, and more was always provided at the child's initiation. Foods were

School Breakfast 7

measured prior to serving, and second servings were given in equal serving sizes.

Additionally, some foods were served on large platters with toothpicks, so that each child might spear as many as s/he wanted. For children who may not have liked the breakfast of the day, or who may have wanted additional options, two alternate whole grain cereals were always available. While children could eat as little as they wished, every child ate something at each breakfast session, and none of the children missed school on any of the test-week days. Children ate in groups of 3-4 with a trained undergraduate student at each of three tables. During these assessment weeks (six weeks after the program began), the college students assisted with the provision of breakfast, kept the records of what each child ate, and subtracted leftover amounts of foods not eaten.

The parents of the six children who were randomly assigned to be tested the first week were sent home a blank breakfast log with instructions the Friday before, so that they could keep a record of the breakfasts that their children ate at home on Tuesday and Thursday during the week that their child would be assessed. On the Friday of that week, similar packets were sent home with the parents of the remaining six children who would be tested the following week. The same procedure was followed during the two week period when retesting occurred after the breakfast program was well underway. At that time, however, parents were provided with blank record forms for only the two days that the children would be eating breakfast at home that week.

Once all children had finished their breakfast they were led back to the classroom to join the other children who were just arriving from home. After a half-hour or so of group circle time, children were approached one at a time during free play by the graduate research assistant, who would escort them to the testing room to "play some

School Breakfast 8

games." The battery of assessment tasks took from 20-30 minutes per child, with the child then returning to the classroom. Children were only removed from the classroom for testing during the free play period, so that they were not deprived of any special activities or group exercises. All testing occurred prior to the daily serving of a morning snack.

Statistical Analysis. The SPSS Statistical Package was used for data analysis (SPSS 6.1 for Windows, 1994). Specifically, a t-test for the mean paired differences was used to compare nutrient intakes at home versus the subsequent intakes observed at school. Given the relatively small N-size of the study, hypotheses were tested at the $p < .10$ confidence level.

RESULTS

Dietary Analysis. A primary issue in evaluating the success of the SBP was to examine the quality of the children's breakfasts that were eaten at school versus what the children were reported to have eaten at home. All foods and fluids consumed by the children for breakfast during the weeks of data collection were entered onto a *ZEOS-Ambra* personal computer, equipped with *MacDINE Perfect* (1992) software. This software program adjusts for child's age, height, weight, and activity level. Children were of average height and weight for size. Activity levels were estimated by the children's classroom teacher, using a 5-item scale with the mid-point indicating average. The modal child's activity rating was 3, with no child rated below 2 or above 4. Table 1 displays the dietary results for the children. The values under Home 1 & 2 represent the children's breakfasts eaten at home prior to SBP participation as well as the two breakfasts eaten at home later in the semester on the weekdays they were not in school but the SBP was in place. The School

School Breakfast 9

column in turn represents the participating children's nutrient intakes on the days that they ate breakfast in school. As the table indicates, the children ingested slightly fewer calories with the school breakfast as opposed to their home fare, but increased their calories (and percentages of calories) from protein and carbohydrates ($t = -2.1$). The latter increase is particularly noteworthy, since calories from sugar were markedly reduced with the school breakfasts ($t = 4.2$). Energy from fat also showed a decrease.

[Table 1 about here]

Performance Evaluation. In order to determine the impact of breakfast quality on test performance, the breakfast eaten by each child on the specific day s/he was tested was calculated separately before examining differences. The pattern of macronutrient intake was similar on test days to that of the average values that were shown in Table 1, with carbohydrate ($p < .06$) and protein calories slightly up for the SBP breakfast, fat slightly down, and sugar ($p < .03$) especially down. Regarding their test performance, the children did better in general when tested after the school breakfast than they did after the home breakfast. As shown in Table 2, performance on the Mazes ($t = -1.39$) and both of the computer tasks, namely Pattern Match ($t = -2.08$) and Same/Different ($t = -4.19$), were significantly higher at the time of the second assessment during the school breakfast condition. Verbal Memory and Numerical Memory were essentially the same over both occasions, with Embedded Figures being the only measure that even suggested a slightly poorer outcome after the school breakfast.

[Table 2 about here]

STUDY 2

METHODS

Research Design. Although the above results supported our research question, that is, qualitatively different breakfasts were ingested at school than at home, and children performed better on school breakfast days than on home breakfast days, the possibility of a temporal effect did exist. Children may have eaten differently at school later in the semester simply because they were older, in which case the school breakfast itself may not have exerted much influence. And with respect to the cognitive measures, performance may have improved due to the effects of practice, despite our use of parallel forms of each measure. For this reason, we chose to replicate and expand the study by providing breakfasts at school to the children of interested families; but adding as a control group their classmates who did not enroll in the breakfast program. During the Fall of 1995, then, we re-established the SBP; again, offering breakfast free-of-charge to the new cohort of 4-year-old children attending our morning sessions, but additionally enrolling the non-participants as control subjects. In this manner, home vs. school breakfasts could be better compared, with tests also administered to all the children. As in the previous year, baseline data on breakfasts consumed at home were collected during the weeks that the children were being tested. Six weeks after the re-initiation of the SBP, breakfast records were kept at preschool, supplemented by parents' recordings at home, and children were tested over two weeks with parallel forms of the tasks used earlier in the semester. The parents of control subjects provided all records of their children's breakfasts during the week that their children were tested.

Subjects. For the second study, parents of the new cohort of 19 children from the morning 4-year-old class were approached. Nine children (6 females, 3 males) were

School Breakfast 11

given permission to enroll in the breakfast program, and seven (4 females, 3 males) had parents who consented to let their children serve as control subjects for data recording and evaluation purposes. The three non-participating families gave reasons similar to those reported for Year 1. The SBP children ranged in age from 3 years-11 months to 4 years-6 months, while the control group of children from 3 years-10 months to 4 years-5 months. Parents were not approached for any other preschool-sponsored research during the course of the study.

Measures. While performance during Year 1 generally showed improvement under the SBP condition, the slight changes for a few of the tests suggested a minimal effect of nutrient intake on some of the measures. Therefore, a battery of new tasks were assembled for the Year 2 investigation that were hypothesized as possibly being more sensitive to the breakfast manipulation, for example, tests of cognitive style (Pollitt et al., 1981). For Study 2 the following psychometric measures were thus employed: *Animal House*- This is a subtest drawn from the Wechsler (1967) Scales that measures the child's speed and accuracy in carrying out a fine-motor task. Specifically, it requires the child to place small pegs of different colors in the holes that are below pictures of animals that are pre-assigned a particular color. The same task was used for both the baseline and breakfast test conditions. *Matching Figures*- The Matching Familiar Figures Test measures response time to a discrimination task as a dimension of impulsivity-reflectivity (Lewis, Rausch, Goldberg, & Dodd, 1968). Children are shown a pictorial display of four variants of an everyday object or animal and must match a stimulus card to the one of the four that is identical to it. Ten of the 20 stimulus plates were used during the baseline test session, with the remaining 10 employed at the time of the at-school

School Breakfast 12

breakfast assessment. *Cookie Hunt*- This is a computer task requiring children to use visual perception and classification skills (Comparison Kitchen, 1985). The child looks at a row of cookies and must choose which one matches the one that is presented by the "video baker" character. The game becomes more challenging as size and shape differences make way for changes in subtle attributes. The computer generation of the task made each child's experience somewhat unique, but equivalent across sessions. Finally, the Same or Different task, which showed the greatest improvement in Study 1, was also included.

Procedure. The serving of breakfasts at school and the testing that occurred during the baseline and school breakfast periods were implemented in a fashion similar to the previous study. The only departure from the original procedure was in reference to the control group. The parents of those children received their breakfast logs on the same schedule as the SBP children, and the children were tested during the same weeks as the SBP children. Specifically, 5 SBP children and 3 control children were tested the first week, and 4 SBP children and 4 control children were tested the second week. While baseline recording was therefore identical across both groups, at the time of the follow-up SBP parents completed a two-day breakfast record at home (for the Tuesday and Thursday non-school days), whereas the control group parents provided records for all five days of the relevant week. It should be pointed out that the graduate research assistant who administered the test battery was kept blind as to which children were in the SBP and which children would be eating breakfast at home. The selection of children for testing on particular days was predetermined by the researchers, who intermingled SBP and control subjects and distributed them over the two week assessment periods.

School Breakfast 13

Statistical Analysis. Despite the inclusion of a control group in this study, the small N-size made using an ANOVA prohibitive. As in Study 1 then, a t-test for mean paired difference was used to examine change over time, with an independent-sample t-test used to compare means between the school breakfast and home breakfast groups.

RESULTS

Dietary Analysis. For this segment of the investigation, two sets of comparisons were made. As in Study 1, children who participated in the SBP served as their own controls, since we had data on their breakfast intake at home prior to our initiating the program when we would be observing breakfasts eaten at school. Second, a comparison group of non-participants was now available, so that changes in nutrient intake over the semester in the SBP versus control children could be examined. As before, the *MacDINE Perfect* software program was used. Children were comparable in terms of height, weight, and activity level, with no significant differences across groups. Table 3 displays values for the macronutrients contained in the breakfasts consumed by the SBP and control group children. In the case of the SBP children, the nutrient values under Home represent the children's baseline breakfasts at home prior to SBP participation, as well as the two days of home breakfasts they ate on their non-school days during the second assessment week; the School column, in turn, represents the participating children's nutrient intakes on the days that they ate breakfast in school. For the control children, Home 1 and Home 2 represent their average nutrient intake from breakfasts at home during the first and second assessment weeks, respectively.

School Breakfast 14

As can be seen from the table, the SBP children again ingested fewer total calories with the school breakfast as opposed to their home fare, and this time appeared to do so from all energy sources. As a percentage of total energy, however, calories from protein and carbohydrates ($t = -1.91$) showed a slight increase. Similar to Study 1, calories from sugar were markedly reduced ($t = 2.42$), as were calories from fat ($t = 2.72$). The control children, who displayed a rather stable intake of total calories over the course of the semester, were nonetheless higher in terms of calories from sugar, while decreasing slightly in the percent of calories they obtained from carbohydrates. Curiously, their already low fat intake dropped even further at the second assessment, with calories from protein remaining stable across both times of measurement.

[Table 3 about here]

Performance Evaluation. No less important as our question regarding whether or not nutrient intake would be altered once again through participation in the SBP, was our interest in discovering if cognitive performance on our test battery would be enhanced as well. Unlike eating patterns which were not expected to change merely due to being recorded repeatedly, performance on psychometric tests can show improvement through familiarity with the tasks. It is for this reason that parallel forms of the tasks were employed whenever possible, and why the inclusion of a control group was particularly useful.

The procedure followed in Study 1, where macronutrient intake was calculated separately for the test days, was again employed. Test day intake again resembled the weekly averages for both the SBP and control groups, with the following exceptions: the percentage of calories from protein was significantly higher in the SBP group under the

School Breakfast 15

school breakfast condition ($p < .06$), and calories from sugar were significantly higher on the day of the second assessment for the control group ($p < .07$).

As shown in Table 4, children in the SBP and control groups showed somewhat similar patterns of change over the two occasions on which they were tested. That is, scores for the Animal House and Matching Figures tasks both reflected better performance with fewer errors, with the significance levels slightly higher for the SBP group. For example, the t-test values for time taken to complete the Animal House task by the SBP and control groups were 4.06 and 2.70, respectively. However, performance on the computer-based tasks clearly favored the SBP group. The improvement shown by the SBP group on the Same/Different task ($t = -4.27$) was much higher than that shown for the at-home breakfast group. Moreover, the scores for Cookie Hunt, while stable in the SBP group, showed a significant decline in the control group ($t = 2.91$).

[Table 4 about here]

DISCUSSION

Our goals for this investigation were two-fold, namely, to determine if children would eat a more nutritionally-balanced breakfast at school than at home (when the school breakfast was in compliance with SBP Guidelines), and if so, would their performance on a battery of pre-academic tasks show improvement. The data from Study 1 showed that serving a morning meal to preschoolers in accordance with the SBP Guidelines did result in a qualitative change in the breakfasts consumed by the program participants. Calories from complex carbohydrates showed an increase from home (baseline) to school (treatment), while calories from refined sugar showed the opposite pattern, decreasing under the school breakfast condition. An excess of refined sucrose is

School Breakfast 16

a cause of concern for a number of health-related issues in childhood (USDHHS & USDA, 1995; Marotz, Cross, & Rush, 1997), so its reduction with the SBP breakfast represents a nutritional benefit.

The results for Study 2 also support the contention that eating a well-balanced breakfast may be more possible in the school setting, where peers are present, more time can be taken, and healthy choices are presented. Again, percent of carbohydrates ingested increased while percent of refined sugar decreased, with the opposite pattern for the children who ate breakfast at home. Interestingly enough, the percentage of calories from fat did not appear to be a problem for children in the SBP either before or after enrollment, as all children were in the 20-30% range as recommended by the American Academy of Pediatrics (1993). Although breakfast for these children accounts for only one meal of the day, the control group's intake of less than 20% fat may be an alternate cause for concern.

With regard to the performance measures a fairly clear picture emerged. In Study 1, nearly every activity showed improvement when measured for the second time, after SBP participation began. Since performance on even alternate forms of such tasks could have shown improvement by merely being administered again, the use of the control group in Study 2 was critical. To this end, the similar pattern of improvement by both groups on the Animal House and Matching Figures tasks does suggest a practice effect, though it should be recalled that the improvements were of a greater magnitude in the SBP group. More striking, however, were the scores achieved by the SBP group on the computer tasks, over both studies. The significant increases for Study 1 suggested that performance on such tasks might be particularly sensitive to the SBP breakfast. As was expected for

School Breakfast 17

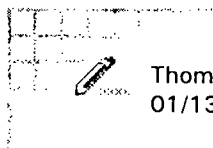
Study 2 then, the SBP group did show a superior performance on the Same/Different computer game, while the control group did not. More telling, perhaps, were the results for the Cookie Hunt computer task, where performance was maintained in the SBP group, but declined significantly in the control group. That the computer games were especially sensitive to the breakfast intervention suggests that a computer-format for testing discrimination may be more motivating than a paper-and-pencil approach. Since previous breakfast studies have not shown a pronounced effect when using computer tests of vigilance (Conners & Blouin, 1983; Pollitt et al., 1981), the entertaining manner of the present tasks, where visual and auditory feedback are automatically provided in an animated format, may have made the difference in assessing discrimination as a function of breakfast.

While few would take issue with the positive role that a wholesome breakfast is expected to provide during early development (Pollitt, 1995), a review of the literature did not show that breakfast invariably improves child outcomes (Lopez et al., 1993). Part of the problem, to be sure, rests with the types of studies that have previously been conducted, where children are either deprived of breakfast on a test day (Pollitt et al., 1981), or they are deprived in general through poverty and malnourishment (Meyers et al., 1989; Sampson et al., 1995). In the case of undernourished children, it is no wonder that a one-shot breakfast intervention would be hard-pressed to demonstrate a positive effect. Far too much may be working against the child's motivation to cooperate, let alone achieve in school. For such reasons, we deliberately designed our study to test children who were not at-risk, in order to determine if the provision of a sound breakfast could facilitate child behavior beyond what their home environments might predict.

School Breakfast 18

As indicated in the parentally-provided records, the children in these studies were white, middle-class, and from two-parent, intact families. Their parents reported that the children ate breakfast at home nearly every day. So we were not testing the effects of breakfast *per se*, but the effects of a breakfast that looked to be better balanced than what they might be used to eating. Since our intent was not to boost intelligence (nor were we naive enough to think that we could), we chose activities of which we were certain that all our children could succeed. If they did better or worse, it could be attributed to their interest, motivation, and concentration, but not to their intellect. Finally, we chose to test children of preschool age, a group whom we believe has yet to be examined with regard to breakfast routines, at least in studies of this sort. The present results thus extend the increasingly accepted viewpoint, as shown with older children and other measures, that breakfast is of substantial value in facilitating cognitive functioning and performance (Dickie & Bender, 1982; Meyers et al., 1989; Pollitt, 1995; Wyon & Wyon, 1992).

In sum, it is worth repeating that these effects were shown— not by comparing “no breakfast” to “some breakfast”— but by comparing a parentally-provided breakfast to a balanced breakfast that simply conformed to the SBP Guidelines. These results thus support the position that teachers and nutrition professionals have long taken, that good breakfasts provide children with a good start on their school day and extends this maxim to youngsters of preschool-age. In light of this, from a policy standpoint the federal School Breakfast Program should not only be viewed as a success, but as an essential social service deserving of further support and implementation.



Thomas L. Freedman
01/13/98 03:31:52 PM

EW

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Mary L. Smith/OPD/EOP
cc: Laura Emmett/WHO/EOP
Subject: Child Nutrition program.

Erskine asked Bruce to follow up on a child nutrition idea put together by coalition of groups. Here are a few points:

1. In essence, the proposal is for universal access to school breakfasts for kids.
2. The proposal is the same as the one Glickman pitched to us, pitched to Chow at OMB yesterday, and supposedly to the President.
3. None of us (Bruce, OMB and the President who Barbara Chow says hasn't asked for follow-up) have found it compelling. Mary and I followed up on the statistics, which seem to indicate that kids rate of having breakfast wouldn't increase much with the proposal (most eat at home if not at school) and it is costly.
4. Along with OMB we are looking for some pro-school breakfast nutrition program that makes sense and is feasible. We are hoping to get it done within 3 weeks, we're particularly interested in food safety.

We've talked to OMB, OPL, the leader of the group writing Erskine, and USDA .

*Turn -
Anything here?
Elena*

Child Nutrition Forum

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MEMORANDUM

January 15, 1998

TO: Tom Freedman
Domestic Policy Council
The White House

FROM: Marshall L. Matz

RE: State of the Union and Child Nutrition

Marshall

Tom, a paragraph like the following would preserve all of the President's options and give him the lead on a high visibility and important subject:

"... and in preparing our children to learn let's work together on child nutrition. Some of the child nutrition programs need to be reauthorized this year. In doing so, the school breakfast program should be expanded, at least in elementary schools. The State of Minnesota has done important research on the relationship between the school breakfast program and learning. The Minnesota pilot program shows that when school breakfasts are provided grades go up and visits to the nurse go down. Research done by Harvard Medical School shows a similar result. Federal support for school nutrition programs is an appropriate way for the federal government to help States and local schools prepare our children to learn."

MLM:jsj