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School Meals Programs and Other USDA Child Nutrition Programs: A Primer

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Summary

“Child nutrition programs” is an overarching term used to describe the U.S. Department of Agriculture’s Food and Nutrition Service (USDA-FNS) programs that provide food for children in school or institutional settings. The best known programs, which serve the largest number of children, are the school meals programs: the National School Lunch Program (NSLP) and the School Breakfast Program (SBP). The child nutrition programs also include the Child and Adult Care Food Program (CACFP), which provides meals and snacks in day care and after school settings; the Summer Food Service Program (SFSP), providing food during the summer months; the Special Milk Program (SMP), supporting milk for schools that do not participate in NSLP or SBP; and the Fresh Fruit and Vegetable Program (FFVP), which funds fruit and vegetable snacks in elementary schools.

This report presents an overview of the benefits and services these programs and related activities provide as well as participation and funding information. The report emphasizes details for the school meals programs and provides an orientation to the operations of the other programs.

The child nutrition programs are largely open-ended, “appropriated entitlements,” meaning that the funding is appropriated through the annual appropriations process, but the level of *spending* is dependent on participation and the benefit and eligibility rules in federal law. Additionally, recipients of appropriated entitlements may have legal recourse if Congress does not appropriate the necessary funding. Federal cash funding and USDA commodity food support is guaranteed to schools and other providers based on the number of meals or snacks served, who is served (e.g., free meals for poor children get higher subsidies), and legislatively established (and inflation-indexed) per-meal reimbursement (subsidy) rates. In FY2014, federal spending on these programs totaled over \$19 billion. The vast majority of the child nutrition programs account is considered mandatory spending, with trace amounts of discretionary funding for certain related activities.

The underlying laws covering the child nutrition programs were last reauthorized in 2010 in the Healthy, Hunger-Free Kids Act of 2010 (HHFKA, P.L. 111-296). The legislation made significant changes in child nutrition programs—including increasing federal financing for school lunches, expanding access to community eligibility and direct certification options for schools, and expanding eligibility options for child care homes. The law required an update to school meal nutrition guidelines as well as new guidelines for food served outside the meal programs (e.g., vending machines and cafeteria a la carte lines). USDA updated the nutrition guidelines for school meals, and these changes have been gradually implemented in school meals. For school year 2014-2015, schools are following USDA rules that add nutrition guidelines for the non-meal foods sold in schools. Further information on the 2010 reauthorization’s provisions can be found in CRS Report R41354, *Child Nutrition and WIC Reauthorization: P.L. 111-296*; however, some provisions will be discussed as part of this report’s program overview.

Contents

Introduction and Background	1
Authorization and Reauthorization.....	2
Federal, State, and Local Administration	3
Funding Overview	3
Open-Ended, Appropriated Entitlement Funding.....	3
Other Federal Funding	5
State, Local, and Participant Funds.....	5
Child Nutrition Programs at a Glance	5
Related Resources on Child Nutrition Programs and Policies	7
School Meals Programs	7
General Characteristics.....	7
School Meals Eligibility Rules.....	9
National School Lunch Program (NSLP): Program-Specific Data and Policies.....	16
School Breakfast Program (SBP): Program-Specific Data and Policies	17
Other Child Nutrition Programs	18
Child and Adult Care Food Program (CACFP).....	19
CACFP at <i>Centers</i>	20
CACFP for <i>Day Care Homes</i>	21
Summer Food Service Program (SFSP)	22
Special Milk Program (SMP)	24
Fresh Fruit and Vegetable Program (FFVP).....	24
Support for After-School Meals and Snacks: CACFP, NSLP Options	25
Related Programs, Initiatives, and Support Activities	27
Selected Current Issues in the USDA Child Nutrition Programs.....	28
Updated Nutrition Standards for Lunch and Breakfast (Final Rule, January 26, 2012).....	29
Nutrition Standards for All Foods Sold in Schools (Interim Final Rule, June 28, 2013).....	30
Updated Nutrition Standards for CACFP (Proposed Rule, January 9, 2015).....	31

Figures

Figure 1. Federal, State, and Local Administration of Child Nutrition Programs	9
Figure 2. Overview of Certification for Free and Reduced-Price School Meals.....	14
Figure 3. National School Lunch Program, FY2014 Participation and Spending.....	16
Figure 4. School Breakfast Program, FY2014 Participation and Spending.....	18
Figure 5. SFSP Participants and Meal Sites FY1990-FY2014	23

Tables

Table 1. Child Nutrition Programs at a Glance.....	5
Table 2. Income Eligibility Guidelines for a Family of Four for National School Lunch Program (NSLP) and School Breakfast Program (SBP) in the 48 States and DC.....	11

Table 3. FY2013 and FY2014 Federal Expenditures for Child Nutrition Programs 26

Table A-1. Acronyms 33

Table B-1. National School Lunch Program, Meals 34

Table B-2. National School Lunch Program, After-School Snacks 34

Table B-3. School Breakfast Program 35

Table B-4. Value of Commodity Food Assistance, NSLP and CACFP (Centers) 35

Table B-5. Child and Adult Care Food Program (CACFP), *Child Care Centers, At-Risk After-School Programs* 35

Table B-6. Child and Adult Care Food Program (CACFP), *Child Care Homes* 36

Table B-7. Summer Food Service Program (SFSP) 36

Table B-8. Special Milk Program 37

Appendixes

Appendix A. Acronyms Used in This Report 33

Appendix B. Per-meal or Per-snack Reimbursement Rates for Child Nutrition Programs 34

Contacts

Author Contact Information 37

Acknowledgments 37

Introduction and Background

The federal child nutrition programs provide assistance to schools and other institutions in the form of cash, commodity food, and administrative support (such as technical assistance and administrative cost aid) based on the provision of meals and snacks to children.¹ In general, these programs were created (and amended over time) to both improve children's nutrition and provide support to the agricultural economy.

Today, the child nutrition programs refer primarily to the following meal, snack, and milk reimbursement programs (these and other acronyms are listed in **Appendix A**):²

- **National School Lunch Program (NSLP)** (Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);
- **School Breakfast Program (SBP)** (Child Nutrition Act, Section 4 (42 U.S.C. 1773));
- **Child and Adult Care Food Program (CACFP)** (Richard B. Russell National School Lunch Act, Section 17 (42 U.S.C. 1766));
- **Summer Food Service Program (SFSP)** (Richard B. Russell National School Lunch Act, Section 13 (42 U.S.C. 1761)); and
- **Special Milk Program (SMP)** (Child Nutrition Act, Section 3 (42 U.S.C. 1772)).

The programs provide financial support and/or foods to the institutions that prepare meals and snacks served outside of the home (unlike other food assistance programs such as the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program) where benefits are used to purchase food for home consumption). Though exact eligibility rules and pricing vary by program, in general the amount of federal reimbursement is greater for meals served to qualifying low-income individuals or at qualifying institutions, although most programs provide some subsidy for all food served. Participating children receive subsidized meals and snacks, which may be free or at reduced price. Forthcoming sections discuss how program-specific eligibility rules and funding operate.

This report describes how each program operates under current law, focusing on eligibility rules, participation, and funding. This introductory section describes some of the background and principles that generally apply to all of the programs; subsequent sections go into further detail on the workings of each.

Unless stated otherwise, participation and funding data come from USDA-FNS's "Keydata Reports."³

¹ As discussed later in the report, the Child and Adult Care Food Program (CACFP) also supports food in adult day care facilities, but the child nutrition programs overwhelmingly serve children.

² Some lists also include the Fresh Fruit and Vegetable Program (FFVP) (Richard B. Russell National School Lunch Act, Section 19 (42 U.S.C. 1769a)), a newer program that is financed in a much different way than the programs listed below. FFVP is discussed further later in the report ("Fresh Fruit and Vegetable Program").

³ This CRS report uses the June 2014 and April 2015 reports, which contain data through March 2014 and January 2015, respectively. Keydata Reports available at <http://www.fns.usda.gov/data-and-statistics>.

Authorization and Reauthorization

The child nutrition programs are most often dated back to Congress's 1946 passage of the National School Lunch Act, which created the National School Lunch Program, albeit in a different form than it operates today.⁴ Most of the child nutrition programs do *not* date back to 1946; they were added and amended in the decades to follow, as policymakers expanded child nutrition programs' institutional settings and meals provided. The Special Milk Program was created in 1954.⁵ The School Breakfast Program was piloted in 1966, regularly extended, and eventually made permanent in 1975.⁶ A program for child care settings and summer programs was piloted in 1968, with separate programs authorized in 1975 and then made permanent in 1978.⁷ These are now the Child and Adult Care Food Program⁸ and Summer Food Service Program. The Fresh Fruit and Vegetable Program began as a pilot in 2002.⁹

The programs are now authorized under three major federal statutes: the Richard B. Russell National School Lunch Act (originally enacted as the National School Lunch Act in 1946), the Child Nutrition Act (originally enacted in 1966), and Section 32 of the act of August 24, 1935 (7 U.S.C. 612c).¹⁰ Congressional jurisdiction over the underlying three laws has typically been exercised by the Senate Agriculture, Nutrition, and Forestry Committee; the House Education and the Workforce Committee; and, to a limited extent (relating to commodity food assistance and Section 32 issues), the House Agriculture Committee.

Congress periodically reviews and reauthorizes expiring authorities under these laws. The child nutrition programs were most recently reauthorized in 2010 through the Healthy, Hunger-Free Kids Act of 2010 (HHFKA, P.L. 111-296), and those authorities that expire do so after September 30, 2015 (the end of FY2015).¹¹ *NOTE: WIC (the Special Supplemental Nutrition Program for Women, Infants, and Children) is also typically reauthorized with the child nutrition programs. WIC is not one of the child nutrition programs and is not discussed in this report.*¹²

⁴ P.L. 79-396. There were, however, a number of smaller, more temporary precursor school food programs prior to 1946; see Gordon W. Gunderson, *National School Lunch Program: Background and Development*, 1971, <http://www.fns.usda.gov/nslp/history>. The 1946 law supported school lunch programs by giving formula grant funding to states based on factors such as per capita income, rather than the current-day open-ended entitlements based largely on eligibility and participation rules.

⁵ P.L. 83-690. Milk purchases and donations for schools did exist prior to the 1954 law.

⁶ Gordon W. Gunderson, *National School Lunch Program: Background and Development*, 1971, <http://www.fns.usda.gov/nslp/history>.

⁷ P.L. 90-302, P.L. 94-105, P.L. 95-627. Institute of Medicine, *Child and Adult Care Food Program: Aligning Dietary Guidance for All*, 2011, p. 30, <http://www.iom.edu/reports/2010/child-and-adult-care-food-program-aligning-dietary-guidance-for-all.aspx>.

⁸ Adult day care was added in 1987.

⁹ Farm Security and Rural Investment Act of 2002 ("2002 Farm Bill"; P.L. 107-171).

¹⁰ In 1999, P.L. 106-78 renamed the National School Lunch Act in Senator Richard B. Russell's honor.

¹¹ Reimbursements for NSLP, SBP, CACFP, SMP, and certain related USDA activities are permanently authorized. SFSP, WIC, and WIC Farmers Market Nutrition Program, State Administrative Expenses (discussed in "Related Programs, Initiatives, and Support Activities"), and certain related USDA activities have a September 30, 2015 expiration.

¹² See CRS Report R42353, *Domestic Food Assistance: Summary of Programs*, by Randy Alison Aussenberg and Kirsten J. Colello.

Federal, State, and Local Administration

The U.S. Department of Agriculture's Food and Nutrition Service (USDA-FNS) administers the programs at the federal level. The programs are operated by a wide variety of local public and private providers, and the degree of direct state involvement varies by program and state. In rare instances, the federal government (via USDA-FNS) takes the place of state agencies (e.g., where a state has chosen not to operate a specific program or where there is a state prohibition on aiding private schools).¹³ At the state level, education, health, social services, and agriculture departments all have roles; at a minimum, they are responsible for approving and overseeing local providers such as schools, summer program sponsors, and child care centers and day care homes, as well as making sure they receive the federal support they are due. At the local level, program benefits are provided to millions of children (e.g., there were 30.4 million in the National School Lunch Program, the largest of the programs, in FY2014), through some 100,000 public and private schools and residential child care institutions, about 200,000 child care centers and family day care homes, and nearly 40,000 summer program sites.

All programs are available in the 50 states and the District of Columbia. Virtually all operate in Puerto Rico, Guam, and the Virgin Islands (and, in differing versions, in the Northern Marianas and American Samoa).¹⁴

Funding Overview

This section summarizes the nature and extent to which the programs' funding is mandatory and discretionary, including a discussion of appropriated entitlement status. **Table 3** lists child nutrition program and related expenditures.

Open-Ended, Appropriated Entitlement Funding

Most spending for child nutrition programs is provided in annual appropriations acts to fulfill the legal financial obligation established by the authorizing laws. That is, the level of spending for such programs, referred to as appropriated entitlements, is not effectively controlled through the annual appropriations process, but instead is derived from the benefit and eligibility criteria specified in the authorizing laws. The appropriated entitlement funding is treated as mandatory spending. Further, if Congress does not appropriate the funds necessary to fund the program, eligible entities may have legal recourse.¹⁵ Congress considers the Administration's forecast for program needs in its appropriations decisions. That funding is not capped and fluctuates based on the reimbursement rates and the number of meals/snacks served in the programs.

In the meal service programs, such as the National School Lunch Program, School Breakfast Program, summer programs, and assistance for child care centers and day care homes, federal aid is provided in the form of statutorily set subsidies (reimbursements) paid for each meal/snack

¹³ As of FY2012, FNS operates certain child nutrition programs for certain institution types in lieu of state agencies in three states (Virginia, Georgia, and Colorado).

¹⁴ For more information on child nutrition programs in the Northern Marianas and American Samoa, see Federal Regional Council, Region IX; Outer Pacific Committee, *Grants to the Outer Pacific: FY 2012*, February 2013, p. 6.: http://www.doi.gov/oia/pdf/Grants_to_OP_Final_MAR_10.pdf.

¹⁵ GAO Budget Glossary, p. 13: <http://www.gao.gov/new.items/d05734sp.pdf>.

served that meets federal nutrition guidelines. Although all (including full-price) meals/snacks served by participating providers are subsidized, those served free or at a reduced price to lower-income children are supported at higher rates. All federal meal/snack subsidy rates are indexed annually (each July) for inflation, as are the income eligibility thresholds for free and reduced-price meals/snacks.¹⁶ Subsequent sections will discuss how a specific program's eligibility and reimbursements work, but all rates are adjusted for inflation each school year.

Most subsidies are cash payments to schools or other providers, but about 9% of the total value of all aid is provided in the form of **USDA-purchased commodity foods**. Laws for three child nutrition programs (NSLP, CACFP, and SFSP) require the provision of commodity foods (or in some cases allow cash in lieu of commodity foods).¹⁹

Meal and snack service entails non-food costs. Federal child nutrition per-meal/snack subsidies may be used to cover local providers' administrative and operating costs. However, the separate direct federal payments for administrative/operating costs (State Administrative Expenses, discussed in "Related Programs, Initiatives, and Support Activities") are limited to expense grants to state oversight agencies, a small set-aside of funds for state audits of child care sponsors, and special administrative payments to sponsors of summer programs and family day care homes.

Concept of a REIMBURSABLE MEAL in the Child Nutrition Programs

A "reimbursable meal" (or snack in the case of some programs) is a phrase used by USDA, state, and other child nutrition policy and program operators to indicate a meal (or snack) that meets federal requirements and thereby qualifies for meal reimbursement.¹⁷

In general, a meal or snack that is reimbursable means that it is

- served to the correctly eligible person and/or at the eligible institution, and
- in compliance with **federal nutrition requirements** for the meal or snack.¹⁸

In general, the level of reimbursement to an institution varies according to federal law. In the school meals programs (with some variation in other programs), the highest reimbursement is paid for meals served free to eligible children, a slightly lower reimbursement is paid for meals served at a reduced price to eligible children, and a much smaller reimbursement is also paid for meals served to children who are either ineligible for assistance or not certified. For this last group, the children pay the full price as advertised but meals are still technically subsidized.

¹⁶ Per-meal subsidies paid to providers (e.g. schools, child care centers) are indexed annually based on the CPI-U Food Away from Home Component. For family child care homes, the annual indexing is based on the CPI-U Food at Home Component.

¹⁷ See, for example, definition of "reimbursement" at 7 C.F.R. 210.2.

¹⁸ The authorizing statutes for all four of the main child nutrition programs include nutritional requirements for the meals and snacks served; these are sometimes referred to as "nutrition standards," "nutrition guidelines," or "meal patterns." In most respects, the details of the requirements are specified in USDA-FNS regulations. The nutrition guidelines differ by program, largely in consideration of the age groups fed, meals/snacks authorized, and perhaps the settings in which meals are served. See program regulations for nutritional requirements: NSLP, 7 C.F.R. 210.10; SBP, 7 C.F.R. 220.8; CACFP, 7 C.F.R. 226.20; SFSP, 7 C.F.R. 225.16. The 2012 update of school meal nutrition guidelines is discussed in "Selected Current Issues in the USDA Child Nutrition Programs."

¹⁹ See USDA-FNS Food Distribution Division resources for more information on USDA Foods and child nutrition programs, <http://www.fns.usda.gov/fdd/schoolscn-usda-foods-programs>.

Other Federal Funding

In addition to the open-ended, appropriated entitlement funds summarized above, the child nutrition programs’ funding also includes certain other mandatory funding and a limited amount of discretionary funding. Some of the activities discussed in “Related Programs, Initiatives, and Support Activities,” such as Team Nutrition, are provided for with discretionary funding.

Aside from the appropriated funding, the child nutrition programs are also supported by certain permanent appropriations and transfers—notably, funding for the Fresh Fruit and Vegetable Program, which is funded by a transfer from USDA’s Section 32 program, a permanent appropriation of 30% of the previous year’s customs receipts.

State, Local, and Participant Funds

Federal subsidies do not necessarily cover the full cost of the meals and snacks offered by providers. States and localities contribute to cover program costs—as do children’s families (by paying charges for non-free or reduced-price meals/snacks). There is a non-federal cost-sharing requirement for the school meals programs, and some states supplement school funding through additional state per-meal reimbursements or other prescribed financing arrangements.

Child Nutrition Programs at a Glance

The subsequent sections of this report delve into the details of how each of the child nutrition programs support the service of meals and snacks in institutional settings; however, it may be helpful for policymakers to begin with a broader perspective of primary program elements as they consider policy objectives and related proposals. **Table 1** is a simplified look at the different programs, subtracting much of the nuance and detailed rules that the subsequent sections discuss. In particular, this table displays each program’s distinguishing characteristics (what meals are provided, in what settings, to what ages) and recent program spending (in order to see the relative cost of the programs).

Table 1. Child Nutrition Programs at a Glance

Program	Authorizing Statute (Year First Authorized)	Distinguishing Characteristics	FY2014 Expenditures (in millions)	FY2014 Average Daily Participation	Maximum Daily Snack/Meals ^a
National School Lunch Program	Richard B. Russell National School Lunch Act (1946)	<ul style="list-style-type: none"> • Lunches at school • Typically served in schools, to pre-K-12 students, during the school day and year • Possible to provide meals during summer and snacks. 	\$12,655	30.4 million	One meal and snack per child

School Breakfast Program	Child Nutrition Act (1966)	<ul style="list-style-type: none"> • Breakfasts at school (also for K-12) • Typically served in schools, to K-12 students, during the school day and year 	\$3,686	13.6 million	Generally one breakfast per child, with some flexibility
Child and Adult Care Food Program (child care center, day care homes, adult day care centers)	Richard B. Russell National School Lunch Act (1968)	<ul style="list-style-type: none"> • Meals and snacks in early childhood and adult day care settings • Rules and funding differ based on type of institution 	\$3,135 (includes at-risk after-school spending, described below)	3.8 million children; 122,000 adults	Two meals and one snack, or one meal and two snacks per participant
Child and Adult Care Food Program (at-risk after-school snacks and meals)^b	Richard B. Russell National School Lunch Act (1994)	<ul style="list-style-type: none"> • Supper and snacks for school-age children after-school • Eligibility based on area eligibility 	(Not available; included in CACFP total above)	977,000 children (included in CACFP children above)	One meal and one snack per child
Summer Food Service Program	Richard B. Russell National School Lunch Act (1968)	<ul style="list-style-type: none"> • Meals and snacks provided during summer months • Sites vary and include schools, community centers, camps, parks, and others • Eligibility rules vary for “open” and “closed” sites 	\$465	2.6 million ^c	Lunch and breakfast or lunch and one snack per child Exception: maximum of three meals for camps or programs that serve primarily migrant children
Special Milk Program	Child Nutrition Act (1954)	<ul style="list-style-type: none"> • Subsidizes milk, not meals or snacks • Institutions eligible must not participate in NSLP or SBP. 	\$11	222,000 half-pints served ^d	Not specified
Fresh Fruit and Vegetable Program	Richard B. Russell National School Lunch Act (2002)	<ul style="list-style-type: none"> • Provides free fresh fruit and vegetable snacks to elementary school students 	\$168 ^e	Not available	Not applicable

Source: Except where noted, participation and funding data from USDA-FNS Key Data Report, generated April 10, 2015, based on data through January 2015.

- a. These maximums are provided in the authorizing law for CACFP and SFSP, but specified only in regulations (7 C.F.R. 210.10(a), 220.9(a)) for NSLP and SBP.
- b. At-risk after-school snacks and meals are part of CACFP law and CACFP funding, but differ in their rules and the age of children served.
- c. Based only on July 2014 participation data.
- d. Data from p. 32-63 of FY2016 USDA-FNS Congressional Budget Justification.
- e. Obligations data from p. 32-15 of FY2016 USDA-FNS Congressional Budget Justification.

Related Resources on Child Nutrition Programs and Policies

Other relevant CRS reports in this area include²⁰

- CRS Report R41354, *Child Nutrition and WIC Reauthorization: P.L. 111-296*;
- CRS Report R42353, *Domestic Food Assistance: Summary of Programs*;
- CRS Report R43669, *Agriculture and Related Agencies: FY2015 Appropriations*;
- CRS Report RL34081, *Farm and Food Support Under USDA's Section 32 Program*.

Further information about child nutrition programs also may be found at USDA-FNS's website, <http://www.fns.usda.gov/cnd/>.

Resources for Tracking the Implementation of the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296)

CRS Report R41354, *Child Nutrition and WIC Reauthorization: P.L. 111-296* (also listed above) summarizes the most recent reauthorization section-by-section. Although the Senate version of the legislation became law, the report also includes differences from the House bill.

USDA Resources:

- USDA-FNS keeps a clearinghouse of Healthy, Hunger-Free Kids Act of 2010 resources and implementation updates on the web: <http://www.fns.usda.gov/school-meals/healthy-hunger-free-kids-act>.

Federal Register—<https://www.federalregister.gov/topics/nutrition>—The *Federal Register* allows you to browse by topic. The nutrition listing, while not exclusively child nutrition or P.L. 111-296 news, gives a glimpse of related notices.

School Meals Programs

This section discusses the school meals programs: the National School Lunch Program (NSLP) and the School Breakfast Program (SBP). Principles and concepts common to both programs are discussed first; subsections then discuss features and data unique to the NSLP and SBP, respectively.

General Characteristics

The federal school meals programs provide federal support in the form of cash assistance and USDA commodity foods; both are provided according to statutory formulas based on the number of reimbursable meals served in schools. The subsidized meals are served by both public and private nonprofit elementary and secondary schools and residential child care institutions (RCCIs)²¹ that opt to enroll and guarantee to offer free or reduced-price meals to eligible low-

²⁰ Archived historical reports that may provide useful background include CRS Report RL33829, *Domestic Food Assistance and the 2008 Farm Bill* and CRS Report RL33299, *Child Nutrition and WIC Legislation in the 108th and 109th Congresses*.

²¹ This CRS report refers to “schools,” but it should be understood that – for NSLP and SBP – it means both schools (continued...)

income children. Both cash and commodity support to participating schools is calculated based on the number and price of meals served (e.g., lunch or breakfast, free or full price), but once the aid is received by the school it is used to support the overall school meal service budget, as determined by the school. This report focuses on the federal reimbursements and funding, but it should be noted that some states have provided state financing through additional state-specific funding.²²

Federal law does not require schools to participate in the school meals programs. However, some states have mandated that schools provide lunch and/or breakfast, and some of these states require that their schools do so through NSLP and/or SBP.²³ The program is open to public and private schools. Based on USDA-FNS and National Center for Education Statistics data, it can be estimated that in school year 2011-2012, 91% of public schools and 19% of private schools participated in NSLP, while 83% of public schools and 9% of private schools participated in SBP.²⁴

A reimbursable meal requires compliance with federal school nutrition standards, which have changed throughout the history of the program based on nutritional science and children's nutritional needs. Food items not served as a complete meal meeting nutrition standards (e.g., a la carte offerings) are not reimbursable meals, and therefore are not eligible for federal per-meal, per-snack reimbursements. Following rulemaking to implement P.L. 111-296 provisions, the standards for reimbursable meals were updated in January 2012, and USDA also has provided nutrition standards for the non-meal foods served in schools during the school day (see "Selected Current Issues in the USDA Child Nutrition Programs" for more on these policies).

USDA-FNS administers the school meals programs federally, and state agencies (typically state departments of education) oversee and transmit reimbursements through agreements with school food authorities (SFAs) (typically local educational agencies (LEAs); usually these are school districts). **Figure 1** provides an overview of the roles and relationships between these levels of government.

There is a cost-sharing requirement for the programs, which amounts to a contribution of approximately \$200 million from the states.²⁵ There also are states that choose to supplement federal reimbursements with their own state reimbursements.²⁶

(...continued)

and RCCIs. NSLP regulations, 7 C.F.R. 210.2, define RCCIs as follows: "The term 'residential child care institutions' includes, but is not limited to: homes for the mentally, emotionally or physically impaired, and unmarried mothers and their infants; group homes; halfway houses; orphanages; temporary shelters for abused children and for runaway children; long-term care facilities for chronically ill children; and juvenile detention centers. A long-term care facility is a hospital, skilled nursing facility, intermediate care facility, or distinct part thereof, which is intended for the care of children confined for 30 days or more."

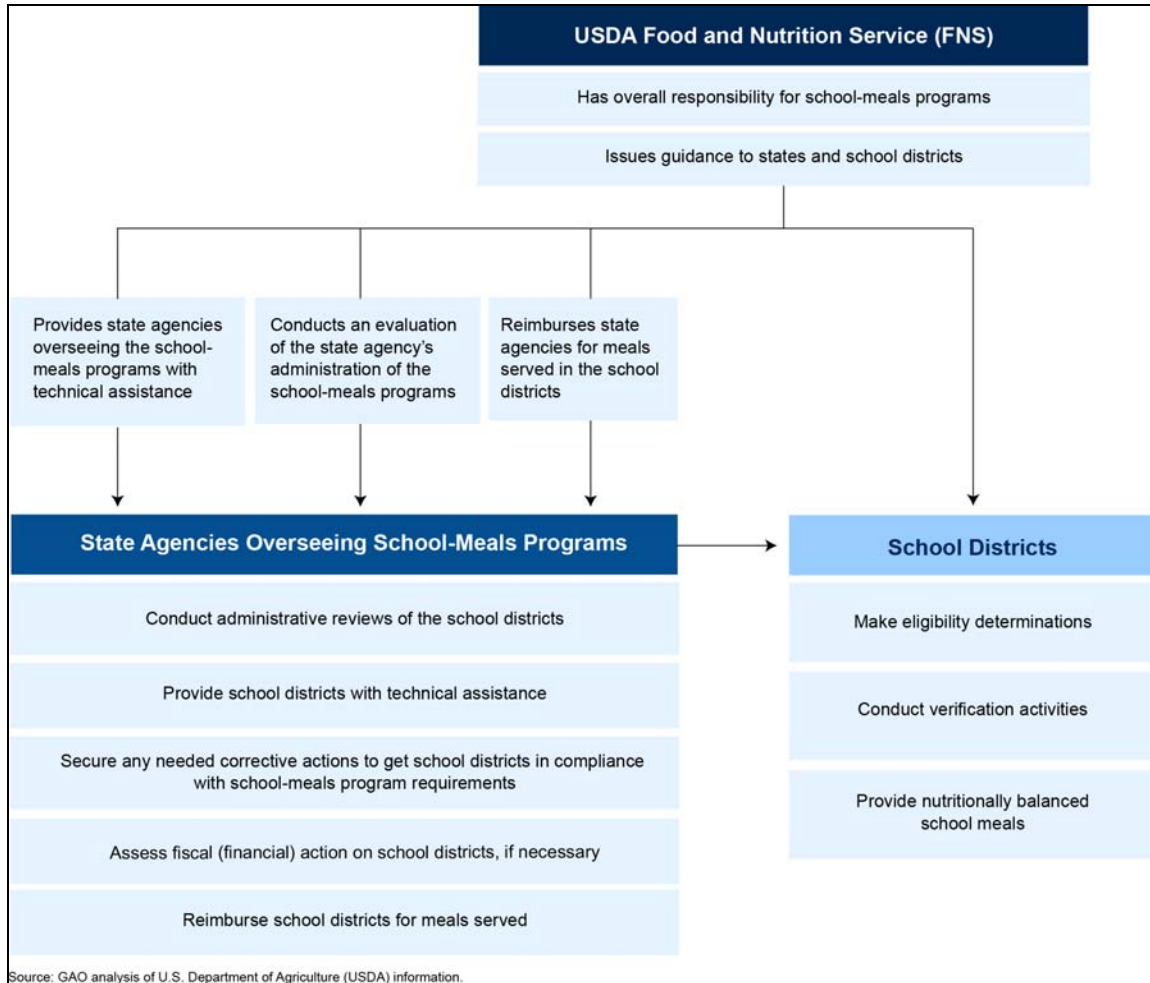
²² See School Nutrition Association, *State School Meal Mandates and Reimbursements: School Year 2014-2015*, September 17, 2014, http://www.schoolnutrition.org/uploadedFiles/Legislation_and_Policy/SNA_Policy_Resources/2014-15StateSchoolMealMandatesandReimbursements.pdf.

²³ Ibid.

²⁴ 2011-2012 is the most recent year that total schools data is available from National Center for Education Statistics (http://nces.ed.gov/programs/digest/d13/tables/dt13_214.10.asp). Participating public and private schools provided by USDA-FNS. These percentages are an estimate due to the possibility that the data sources define schools differently or at different points in time.

²⁵ Section 7(a)(1) of Richard B. Russell National School Lunch Act, codified at 42 U.S.C. 1756(a)(1). Section 7(f) of Child Nutrition Act, codified at 42 U.S.C. 1776(f).

Figure I. Federal, State, and Local Administration of Child Nutrition Programs



Source: Government Accountability Office (GAO), GAO-14-262, p. 47.

School Meals Eligibility Rules

The school meals programs and related funding do not serve only low-income children. *All* students can receive a meal at a NSLP- or SBP-participating school, but how much the child pays for the meal and/or how much of a federal reimbursement the state receives will depend largely on whether the child qualifies for a “free,” “reduced-price,” or “paid” (i.e., advertised price) meal. Both NSLP and SBP use the same household income eligibility criteria and categorical eligibility rules. States and schools receive the largest reimbursements for free meals, smaller reimbursements for reduced-price meals, and the smallest (but still some federal financial support) for the full-price meals.

Whether a child receives a free or reduced-price meal depends on three groups of federal rules:

(...continued)

²⁶ See School Nutrition Association, *State School Meal Mandates and Reimbursements: School Year 2014-2015*, September 17, 2014.

1. Household **income eligibility rules** for free and reduced-price meals (information typically collected via household application),
2. **Categorical (or automatic) eligibility rules** (information collected via household application or a direct certification process), and
3. School-wide free meals under the **Community Eligibility Provision (CEP)**, an option for eligible schools that is based on the share of students identified as eligible for free meals.²⁷

Each of these groups is discussed in more detail below.

Income Eligibility Rules

The income eligibility thresholds (summarized below) are based on multipliers of the federal poverty guidelines. As the poverty guidelines are updated every year, so are the eligibility thresholds for NSLP and SBP.

- **Free Meals:** Children receive free meals if they have household income below 130% of the federal poverty guidelines; these meals receive the highest subsidy rate. (Reimbursements are approximately \$3.00 per lunch served, less for breakfast.)
- **Reduced-Price Meals:** Children may receive reduced-price meals (charges of no more than 40 cents for a lunch or 30 cents for a breakfast) if their household income is between 130% and 185% of the federal poverty guidelines; these meals receive a subsidy rate that is 40 cents (NSLP) or 30 cents (SBP) below the free meal rate. (Reimbursements are approximately \$2.60 per lunch served.)
- **Paid Meals:** A comparatively small per-meal reimbursement is provided for full-price or paid meals served to children whose families do not apply for assistance or whose family income does not qualify them for free or reduced-price meals.²⁸ The paid meal price is set by the school but must comply with federal regulations.²⁹ (Reimbursements are approximately 30 cents per lunch served.)

The annual income thresholds for meal assistance for school year 2014-2015 are listed below in **Table 2**, and the exact federal reimbursement rates for NSLP and SBP are listed in **Table B-1** and **Table B-3**, respectively.

²⁷ CEP is not the only way schools may provide universal free meal service, but it is unique in that it does not require the collection of applications.

²⁸ The subsidy for paid meals is provided under the authority of Section 4 of the Richard B. Russell National School Lunch Act. Section 4 establishes two different payment levels: one for schools in which *less than 60%* of the school population is participating in free or reduced-price lunch and one for schools in which *60% or more* of the school population is receiving free or reduced price lunch. Please see <http://www.fns.usda.gov/cnd/Governance/notices/naps/NAPs11-12.pdf> for these reimbursement rates. USDA also establishes a “maximum [reimbursement] rate” intended to ensure that states distribute federal funding to all participating school food authorities relatively equally.

²⁹ The 2010 reauthorization established a policy intended to assure that paid meal revenues were covering the costs of producing a meal. See FNS regulation and resources on paid meal equity <http://www.fns.usda.gov/cnd/governance/regulations/2011-06-17.pdf>.

Table 2. Income Eligibility Guidelines for a Family of Four for National School Lunch Program (NSLP) and School Breakfast Program (SBP) in the 48 States and DC
Income Eligibility Requirements for School Year 2014-2015

Meal Type	Income Eligibility Threshold (% of the Federal Poverty Level)	Annual Income for a Family of Four ^a
Free	<130%	<\$31,055
Reduced-Price	130-185%	\$31,055 - \$44,123

Source: USDA, Food and Nutrition Service, “Child Nutrition Programs-Income Eligibility Guidelines,” 79 *Federal Register* 12467-12469, March 5, 2014.

Note: This school year is defined as July 1, 2014, through June 30, 2015.

- a. For other years, household sizes, Alaska, and Hawaii, see USDA-FNS website: <http://www.fns.usda.gov/school-meals/income-eligibility-guidelines>.

Households complete paper or online applications that collect relevant income and household size data so the school district may determine if children in the household are eligible for free meals, reduced-price meals, or neither.

Note: Though these income guidelines primarily influence funding and administration of the schools, institutions, and facilities participating in the NSLP and SBP, they are also referenced in the eligibility rules for the SFSP, CACFP, and SMP. As described in subsequent sections, some of these programs use income thresholds to determine an institution’s area eligibility, rather than individual household eligibility.

Categorical Eligibility for Free Meals

In addition to the eligibility thresholds listed above, the school meals programs also convey eligibility for free meals based on household participation in certain other need-tested programs or children’s specified vulnerabilities (e.g., foster children). Per Section 12 of the National School Lunch Act, “a child shall be considered automatically eligible for a free lunch and breakfast ... without further application or eligibility determination, if the child is”:³⁰

- in a household receiving benefits through SNAP (Supplemental Nutrition Assistance Program) or FDPIR (Food Distribution Program on Indian Reservations, a program that operates in lieu of SNAP on some Indian reservations) benefits, or TANF (Temporary Assistance for Needy Families) cash assistance;
- enrolled in Head Start;
- in foster care;
- a migrant;

³⁰ See Section 9(b)(12)(A) of the Russell National School Lunch Act, codified at 42 U.S.C. 1758(b)(12)(A), for the more specific definitions of these categories.

- a runaway; or
- homeless.³¹

For meals served to students certified in the above categories, the state/school will receive reimbursement at the free meal amount and children receive a free meal. (See **Table B-1** and **Table B-3** for school year 2014-2015 rates.)

Some school districts collect information for these categorical eligibility rules via paper application. Others conduct a process called **direct certification**—a proactive process where the government agencies typically cross-check their program rolls and certify a household’s children for free school meals without the household having to complete a school meals application.

Prior to 2004, it was a state option to conduct direct certification of SNAP (then, the Food Stamp Program), TANF, and FDIPIR participants. In the 2004 child nutrition reauthorization (P.L. 108-265), states were required under federal law to conduct direct certification for SNAP participants, with nationwide implementation taking effect in school year 2008-2009. The Healthy, Hunger-Free Kids Act of 2010 (HHFKA; P.L. 111-296) made further policy changes to expand the impact of direct certification (discussed further in the next section). Conducting direct certification for TANF and FDIPIR remains at the state’s discretion.

Under SNAP direct certification rules generally, schools enter into agreements with SNAP agencies to certify children in SNAP households as eligible for free school meals without requiring a separate application from the family. Direct certification systems match student enrollment lists against SNAP agency records, eliminating actions for the child’s parents or guardians. Direct certification allows schools to make use of the more in-depth eligibility certification done for SNAP; this can reduce errors that may occur in school lunch application eligibility procedures that are otherwise used.³² From a program access perspective, direct certification also reduces applications for a household to complete.

Figure 2, created by GAO and published in their May 2014 report, provides an overview of how school districts certify students for free and reduced meals under the income-based and category-based rules, via applications and direct certification.³³ Using available data from school year 2012-2013, approximately 52% of students certified to receive free school meals were *directly certified*.³⁴

³¹ Note: From this list, SNAP, FDIPIR, and TANF have income limits, but the other qualifications, as defined, in the statute, are not limited by income. In addition to the above list, following HHFKA’s authorization of a new demonstration authority, some states are direct certifying children based on Medicaid (limited to households below 133% of poverty). For school year 2014-2015, per USDA-FNS, seven states are participating in this demonstration (California, Florida, Illinois, Kentucky, Massachusetts, New York, Pennsylvania). See also USDA-FNS, Request for Applications for Participation In Demonstration Projects to Evaluate Direct Certification with Medicaid, p. 6, <http://www.fns.usda.gov/sites/default/files/dcm-year3rfa.pdf>.

³² See, for example, U.S. Government Accountability Office, *School-Meals Programs: USDA Has Enhanced Controls, but Additional Verification Could Help Ensure Legitimate Program Access*, GAO-14-262, May 2014, pp. 16-19, <http://www.gao.gov/products/GAO-14-262>.

³³ U.S. Government Accountability Office, *School-Meals Programs: USDA Has Enhanced Controls, but Additional Verification Could Help Ensure Legitimate Program Access*, GAO-14-262, May 2014, <http://www.gao.gov/products/GAO-14-262>.

³⁴ Total certified from USDA-FNS administrative data for October 2012; direct certification total from Quinn Moore, Kevin Conway, and Brandon Kyler, et al., *Direct Certification in the National School Lunch Program: State* (continued...)

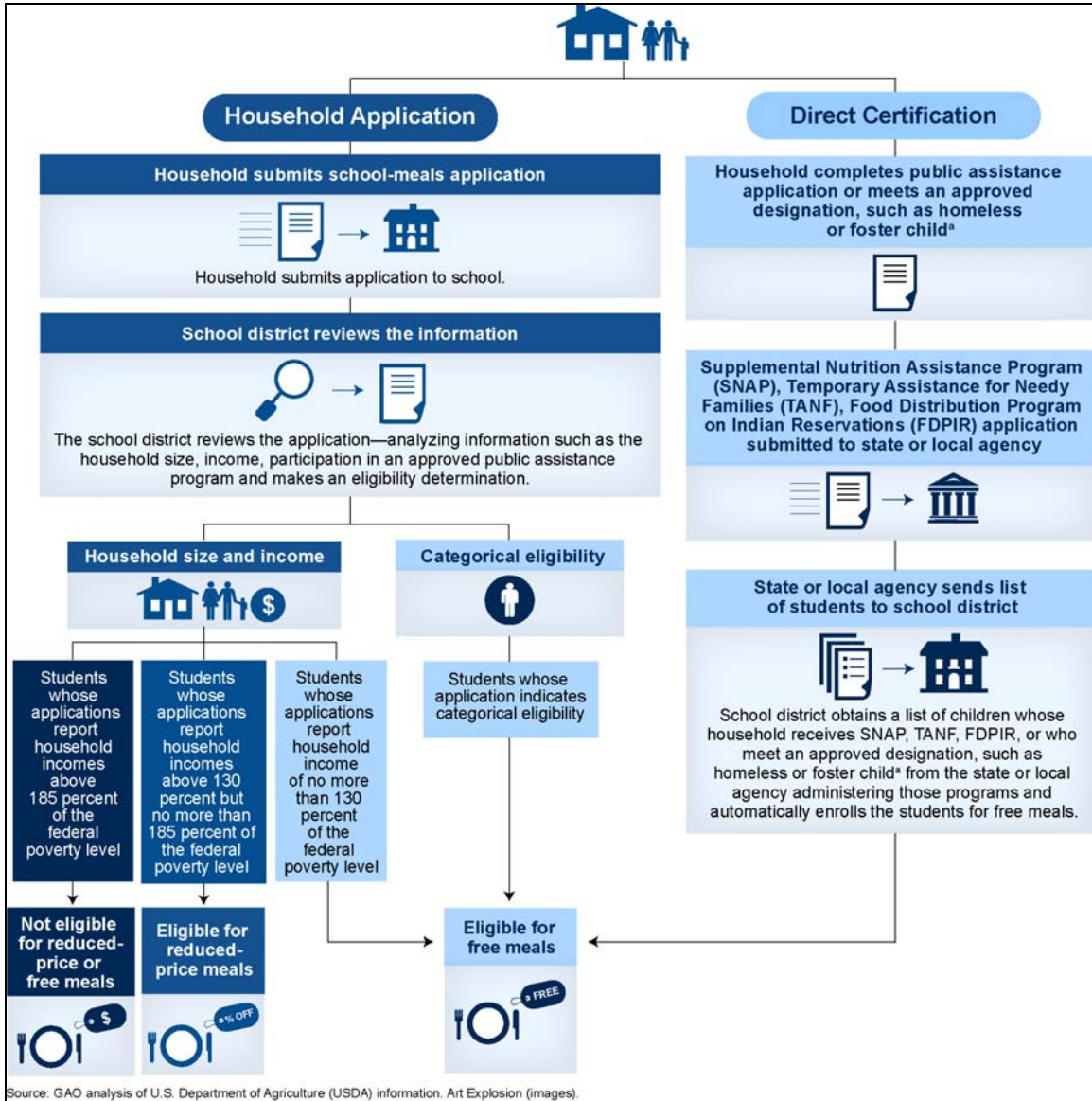
HHFKA made additional policy changes to federal law that would expand and incentivize states to make full use of direct certification. The law created a demonstration project to look at expanding categorical eligibility and direct certification to Medicaid households. It also funded performance incentive grants for high-performing states and authorized correcting action planning for low-performing states.³⁵

(...continued)

Implementation Progress School Year 2012-2013: Report to Congress, Mathematica Policy Research for USDA-FNS, November 2013, p. 19, <http://www.fns.usda.gov/direct-certification-national-school-lunch-program-state-implementation-progress-school-year-2012>.

³⁵ See CRS Report R41354, *Child Nutrition and WIC Reauthorization: P.L. 111-296*, by Randy Alison Aussenberg for further discussion of these and related policies.

Figure 2. Overview of Certification for Free and Reduced-Price School Meals
Highlights Household Application and Direct Certification Pathways



Source: Figure and figure notes (below) from Government Accountability Office (GAO), GAO-14-262, p. 13.

^a Students who meet an approved designation—(1) homeless, runaway, or migrant; (2) foster child; or (3) enrolled in a federally funded Head Start Program—are categorically eligible for free school meals.

Community Eligibility Provision: An Option for Eligible Schools to Offer Free Meals to All Enrolled Students³⁶

HHFKA also authorized the school meals Community Eligibility Provision (CEP), an option in NSLP and SBP law that allows eligible schools and school districts to offer *free meals to all enrolled students* based on the percentage of their students who are identified as automatically eligible from non-household application sources, primarily direct certification through other programs.³⁷

Based on the statutory parameters, USDA-FNS has phased-in this option over the last several school years, and it was made available nationwide for school year 2014-2015. LEAs had until August 31, 2014, to notify USDA-FNS if they will participate in CEP. According to USDA-FNS, 13,819 schools in 2,218 school districts opted into CEP for 2014-2015.³⁸

For a school (or school district, or group of schools within a district) to provide free meals to all children, the following must align:

- the school(s) must be eligible for CEP, based on the share (40% or greater) of its enrolled children that can be identified as categorically (or automatically) eligible for free meals, and
- the school must *opt-in* to CEP.

Though CEP schools serve free meals to all students, they are not reimbursed at the “free meal” rate for every meal. Instead, the law provides a funding formula: the percentage of students identified as automatically eligible is multiplied by a factor of 1.6; the result is the percentage of meals served that will be reimbursed at the free meal rate, with the remainder reimbursed at the far smaller paid meal rate. As an example, if a CEP school identifies that 40% of students are eligible for free meals, then 64% of the meals served will be reimbursed at the free meal rate and 36% at the paid meal rate.³⁹ Schools that identify 62.5% or more students as eligible for free meals receive the free meal reimbursement for all meals served.

Some of the considerations that impact a school’s decision may include whether the new funding formula would ultimately be beneficial for their school meal budget; an interest in reducing

³⁶ Explanation here draws in part from Madeleine Levin and Zoe Neuberger, *Improving Direct Certification Will Help More Low-Income Children Receive School Meals*, Center on Budget and Policy Priorities & Food Research and Action Center, July 25, 2014, p. 3.

³⁷ Aside from CEP, schools may also provide universal free meal service through the “Provision 2” and “Provision 3” options. CEP is unique in that no school meal applications are required. For information on other options, see USDA-FNS website, <http://www.fns.usda.gov/school-meals/provisions-1-2-and-3>.

³⁸ Participating institutions from USDA-FNS data at <http://www.fns.usda.gov/sites/default/files/cn/state-cep-election-data.pdf>. See other USDA-FNS CEP resources at <http://www.fns.usda.gov/school-meals/community-eligibility-provision>. The Center on Budget and Policy Priorities calculated states’ Community Eligibility Provision participation rates in 2014-2015; see Zoe Neuberger, Becca Segal, and Catlin Nchako, et al., *Take Up of Community Eligibility This School Year*, Center on Budget and Policy Priorities, February 25, 2015, <http://www.cbpp.org/research/take-up-of-community-eligibility-this-school-year>.

³⁹ Though, to the children of community eligibility schools, all meals are free, the USDA-FNS school meals expenditure data used throughout this report counts these meals served in a more nuanced fashion. The percentage derived through this calculation is used to record those meals that are “free” and those meals that are “paid” (i.e., using the example from above, USDA-FNS data would reflect 64% of the meals served in the school as a “free” expenditure and meal served, and 36% as “paid”).

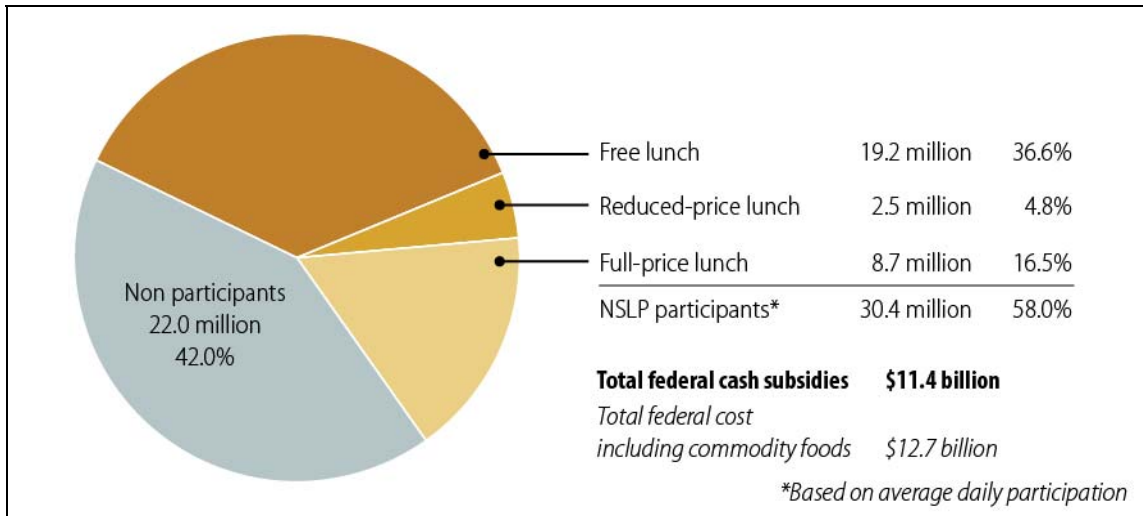
paperwork for families and schools; and an interest in providing more free meals, including meals to students who have not participated in the program before.

National School Lunch Program (NSLP): Program-Specific Data and Policies

Figure 3 shows FY2014 participation and spending data. In that year, NSLP subsidized over 5.0 billion lunches to children in nearly 96,000 schools and nearly 4,200 RCCIs. Average daily participation was 30.4 million students (58.0% of the 52.5 million children enrolled in participating schools and RCCIs). Of the participating students, 63% (19.2 million) received free lunches and 8.1% (2.5 million) received reduced-price lunches. The remainder were served full-price meals, though schools still receive a reimbursement for these meals.

FY2014 federal school lunch costs totaled approximately \$12.7 billion (see **Table 3** for the various components of this total). About 74% of the NSLP cash assistance funding was used to subsidize free and reduced-price lunches.

Figure 3. National School Lunch Program, FY2014 Participation and Spending
Percent of Participants and Non-participants Is Based on Enrollment at NSLP Participating Schools



Source: Figure created by CRS based on FY2014 data from the U.S. Department of Agriculture, Food and Nutrition Service.

Notes: Numbers may not add due to rounding. In order to reflect participation for the actual school year (September through May), these participation estimates are based on nine-month averages of October through May, plus September, rather than averages of the 12 months of the fiscal year (October through September).

HHFKA also provided an additional 6-cent per-lunch reimbursement to schools that provide meals that meet the updated nutritional guidelines requirements.⁴⁰ This bonus is not provided for

⁴⁰ In January 2014, USDA-FNS issued a final rule implementing the 6-cent reimbursement: USDA-FNS, “Certification of Compliance With Meal Requirements for the National School Lunch Program Under the Healthy, Hunger-Free Kids Act of 2010,” 79 *Federal Register* 326, January 3, 2014. Note: 6-cent increase authorized is also indexed for inflation.

breakfast, but funds may be used to support schools' breakfast programs. NSLP lunch reimbursement rates are listed in **Table B-1**.

In addition to federal *cash* subsidies, schools participating in NSLP receive USDA-acquired *commodity foods*. Schools are entitled to a specific, inflation-indexed value of USDA commodity foods for each lunch they serve. Also, schools may receive donations of bonus commodities acquired by USDA in support of the farm economy.⁴¹ In recent years, the value of federal commodity food aid to schools has totaled over \$1 billion a year. The per-meal rate for commodity food assistance is included in **Table B-4**.

While the vast majority of NSLP funding is for lunches served during the school day, during the school year, NSLP may also be used to support snack service and to serve meals during the summer. These features are discussed in subsequent sections, "Summer Food Service Program (SFSP)" and "Support for After-School Meals and Snacks: CACFP, NSLP Options." Reimbursement rates for snacks are listed in **Table B-2**.

School Breakfast Program (SBP): Program-Specific Data and Policies

The School Breakfast Program (SBP) provides per-meal cash subsidies for breakfasts served in schools. Participating schools receive subsidies based on their status as a severe need or non-severe need institution. Schools can qualify as a severe need school if 40% or more of their lunches are served free or at reduced prices. See **Table B-3** for SBP reimbursement rates.

Figure 4 displays FY2014 SBP participation and spending data. In that year, SBP subsidized nearly 2.3 billion breakfasts in over 86,000 schools and over 4,100 RCCIs. Average daily participation was 13.6 million children (nearly 28% of the students enrolled in participating schools and RCCIs). The majority of meals served through SBP are free or reduced price. Of the participating students in FY2014, 77% (10.5 million) received free meals and over 7% (1.0 million) purchased reduced price meals.

Significantly fewer schools and fewer students participate in SBP than in NSLP. Participation in SBP tends to be lower for several reasons, including the (traditionally) required early arrival by students in order to receive a meal and eat before school starts. Appropriation laws in FY2012, FY2013, FY2014, and proposals in FY2015, have included dedicated grants for school breakfast expansion.⁴² Some schools offer (and anti-hunger groups have encouraged) models of breakfast service that can result in greater SBP participation, such as Breakfast in the Classroom, where meals are delivered in the classroom; "grab and go" carts, where students receive a bagged

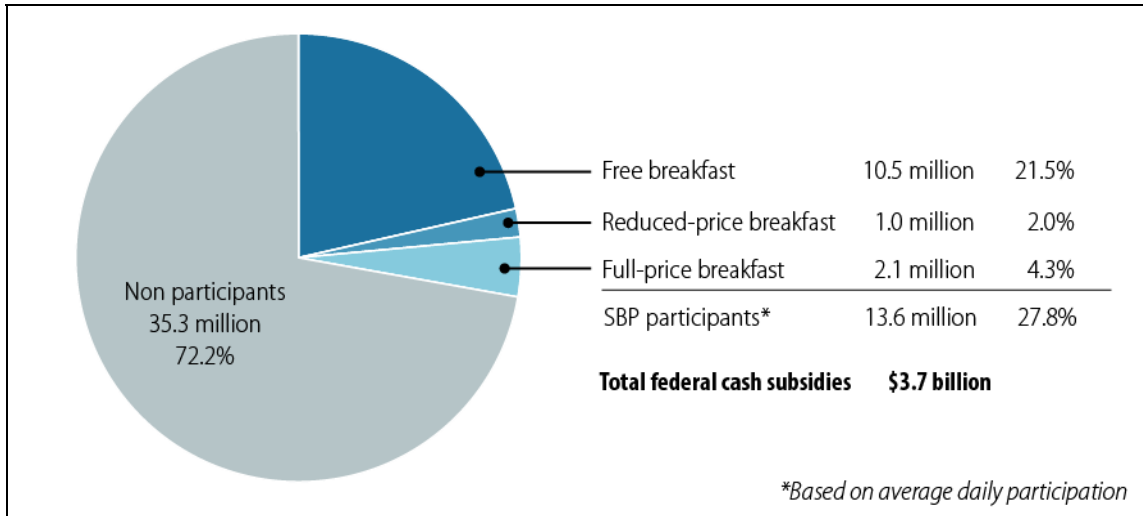
⁴¹ USDA commodity foods are foods purchased by the USDA for distribution to USDA nutrition programs. These programs distribute "entitlement commodities" (an amount of USDA foods to which grantees are entitled by law) as well as "bonus commodities" (USDA food purchases based on requests from the agricultural producer community). For more information see CRS Report R42353, *Domestic Food Assistance: Summary of Programs*; or CRS Report RL34081, *Farm and Food Support Under USDA's Section 32 Program*.

⁴² CRS Report R43669, *Agriculture and Related Agencies: FY2015 Appropriations*, coordinated by Jim Monke. See Table 10.

breakfast that they bring to class, or serving breakfast later in the day in middle and high schools.⁴³

Unlike NSLP, commodity food assistance is not a formal part of SBP funding; however, commodities provided through NSLP may be used for school breakfasts as well.

Figure 4. School Breakfast Program, FY2014 Participation and Spending
Percent of Participants and Non-participants Is Based on Enrollment at SBP Participating Schools



Source: Figure created by CRS based on FY2014 data from the U.S. Department of Agriculture, Food and Nutrition Service.

Notes: In order to reflect participation for the actual school year (September through May), these estimates are based on nine-month averages of October through May, plus September, rather than averages of the 12 months of the fiscal year (October through September). The federal government provides a small subsidy for full-price meals.

Other Child Nutrition Programs

In addition to the school meals programs discussed above, federal child nutrition programs provide for federal subsidies and commodity food assistance for schools and other institutions that offer meals and snacks to children in early childhood, summer, or after-school settings. This assistance is provided to (1) schools and other governmental institutions, (2) private for-profit and nonprofit child care centers, (3) family/group day care homes, and (4) nongovernmental institutions/organizations that offer outside-of-school programs for children. (Although this report focuses on the programs that serve children, one child nutrition program (CACFP) also serves day care centers for chronically impaired adults and elderly persons under the same general per-meal/snack subsidy terms.) The programs in the sections to follow serve comparatively fewer children and spend comparatively fewer federal funds than the school meal programs. This report discusses these smaller programs in comparatively less detail.

⁴³ See Food Research and Action Center, “Expanding School Breakfast Participation,” <http://frac.org/federal-foodnutrition-programs/school-breakfast-program/breakfast-in-the-classroom/> (Accessed October 3, 2014). This website also lists different funding options for offering free breakfast universally.

Child and Adult Care Food Program (CACFP)

CACFP subsidizes meals and snacks served in early childhood, day care, and after-school settings. CACFP provides subsidies for meals and snacks served at participating non-residential child care centers, family day care homes, and (to a lesser extent) adult day care centers. The program also provides assistance for meals served at after-school programs. CACFP reimbursements are available for meals and snacks served to children age 12 or under, migrant children age 15 or under, children with disabilities of any age, and (in the case of adult care centers) chronically impaired and elderly adults. Pre-school age children form the overwhelming majority of those served by the program.

CACFP provides federal reimbursements for breakfasts, lunches, suppers, and snacks served in participating centers (facilities or institutions) or day care homes (private homes). The eligibility and funding rules for CACFP meals and snacks depends, first, on whether the participating institution is a center or a day care home. This section provides an overview of the program generally, while the next two sections will discuss the rules specific to centers and day care homes. According to FY2014 CACFP data, child care centers have an average daily attendance of about 50 children, day care homes have an average daily attendance of approximately 7 children, and adult day care centers typically care for an average of 45 chronically ill or elderly adults.⁴⁴

Subsidized CACFP meals and snacks must meet program-specific federal nutrition standards, and providers must demonstrate that they comply with government-established standards for other child care programs. Like in school meals, federal assistance is made up overwhelmingly of *cash* reimbursements calculated based on the number of meals/snacks served and federal per-meal/snack reimbursements rates, but about 1% of aid is in the form of federal USDA commodity *foods*. Federal CACFP reimbursements flow to individual providers either directly from the administering state agency (this is the case with many child/adult care centers able to handle their own CACFP administrative functions) or through “sponsors” who oversee and provide administrative support for a number of local providers (this is the case with some child/adult care centers and with all day care homes). In many cases, sponsor organizations that provide administrative support to multiple providers also are paid federal reimbursements for their costs. Day care homes must have a sponsoring organization, while child care centers may have a sponsor but are not required to do so.

In FY2014, total CACFP spending was over \$3.1 billion, including cash reimbursement, commodity food assistance, and costs for sponsor audits. (See **Table 3** for a further breakdown of CACFP costs.) This spending total also includes the after-school meals and snacks provided through CACFP’s “at-risk after-school” pathway; this aspect of the program is discussed later in “Support for After-School Meals and Snacks: CACFP, NSLP Options.” CACFP also supports meals in emergency shelters.⁴⁵

⁴⁴ USDA-FNS’ administrative data on the CACFP is the source of these attendance numbers.

⁴⁵ See <http://www.fns.usda.gov/cacfp/emergency-shelters> for further information.

CACFP at Centers

Participation

Child care centers in CACFP can be (1) public or private nonprofit centers, (2) Head Start centers, (3) for-profit proprietary centers (if they meet certain requirements as to the proportion of low-income children they enroll), and (4) shelters for homeless families. Adult day care centers include public or private nonprofit centers and for-profit proprietary centers (if they meet minimum requirements related to serving low-income disabled and elderly adults).⁴⁶ In FY2014, approximately 59,000 child care centers with an average daily attendance of nearly 3 million children participated in CACFP. Approximately 2,700 adult care centers, serving 122,000 adults, were served through CACFP.

Eligibility and Administration

Participating centers may receive daily reimbursements for up to either two meals and one snack or one meal and two snacks for each participant, so long as the meals and snacks meet federal nutrition standards.

The eligibility rules for CACFP centers largely track those of NSLP. The same income guidelines apply for CACFP centers (see **Table 2**), based on 130% and 185% of the current poverty line. Participation in the same categorical eligibility programs as well as foster child status convey eligibility for free meals.⁴⁷ Like school meals, all meals and snacks served in the centers are federally subsidized to some degree, even those that are paid. Different reimbursement amounts are provided for breakfasts, lunches/suppers, and snacks, and reimbursement rates are set in law and indexed for inflation annually. The largest subsidies are paid for meals and snacks served to participants with family income below 130% of the federal poverty income guidelines (the income limit for free school meals), and the smallest to those who have not met a means test. Like school meals, eligibility is determined through paper applications or direct certification processes. See **Table B-5** for current CACFP center reimbursement rates.

Unlike school meals, CACFP institutions are less likely to collect per-meal payments. Although federal assistance for day care centers differentiates by household income, centers have discretion on their pricing of meals. Centers may adjust their regular fees (tuition) to account for federal payments, but CACFP itself does not regulate these fees. In addition, centers can charge separately for meals/snacks, so long as there are no charges for children meeting free-meal/snack income tests and limited charges for those meeting reduced-price income tests.

Independent centers are those without sponsors handling administrative responsibilities. These centers must pay for administrative costs associated with CACFP out of non-federal funds or a portion of their meal subsidy payments. For centers with sponsors, the sponsors may retain a proportion of the meal reimbursement payments they receive on behalf of their centers to cover their costs.

⁴⁶ Participating adult care programs “should be structured, comprehensive and provide health and social support services to enrolled participants. Centers that simply provide social or rehabilitative services to adults do not qualify to participate in CACFP.” <http://www.fns.usda.gov/cnd/care/Regs-Policy/AdultCare/Adultfaqs.htm>.

⁴⁷ See also summary of CACFP eligibility rules at USDA-FNS website, <http://www.fns.usda.gov/cacfp/why-cacfp-important>.

CACFP for Day Care Homes

Participation

CACFP-supported day care *homes* tend to serve a smaller number of children per home than the number of children in CACFP-supported *centers* serve per center. Roughly 20% of children in CACFP (approximately 780,000 in FY2014 average daily attendance) are served through day care homes. In FY2014, nearly 118,000 homes (with over 890 sponsors) received CACFP support.

Eligibility and Reimbursement

As with centers, payments to day care homes are provided for up to either two meals and one snack or one meal and two snacks a day for each child. Unlike centers, day care homes must participate under the auspices of a public or, more often, private nonprofit sponsor that typically has 100 or more homes under its supervision. CACFP day care home sponsors receive monthly administrative payments, based on the number of homes for which they are responsible.⁴⁸

Federal reimbursements for family day care homes differ by the home's status as "Tier I" or "Tier II." Unlike centers, day care homes receive cash reimbursements (but not commodity foods) that generally are not based on the child participants' household income. Instead, there are two distinct, annually indexed reimbursement rates that are based on area or operator eligibility criteria.

- Tier I homes are located in low-income areas or operated by low-income providers. They receive higher subsidies for each meal/snack they serve.
- Tier II (lower) rates are by default those for homes that do not qualify for Tier I rates; however, Tier II providers may seek the higher Tier I subsidy rates for individual low-income children for whom financial information is collected and verified. (See **Table B-6** for current Tier I and Tier II reimbursement rates.)

Additionally, HRFKA introduced a number of additional ways (as compared to prior law) by which family day care homes can qualify as low-income and get Tier I rates for the entire home or for individual children.⁴⁹

⁴⁸ As an example of the role that sponsors and homes play in CACFP, in Allentown, Pennsylvania, the Lehigh Valley Children's Centers (LVCC) serves as a sponsor for child care homes in the area. They offer a variety of administrative services to family child care homes that are registered with the state. In their brochure, they state that it is LVCC's responsibility to "monitor meals and reimburse [homes] for meals served," and it is homes' responsibility "to plan nutritional menus that meet meal requirements, maintain and submit daily attendance records and monthly meal counts." See <http://www.lvcconline.org/images/pdf/CACFP-Brochure.pdf>.

⁴⁹ Previously, child care homes could only use data from the elementary school level to establish the area as low-income. The new law allows these homes to use data from the middle and high school level as well to establish need and qualify as a "Tier I" home. Also, P.L. 111-296 included policies to streamline application processes and eliminate some paperwork. As part of this process, the annual application process has been eliminated and sponsors and child care centers will only have to submit paperwork the first time they apply, with amendments submitted as necessary. Finally, P.L. 111-296 increased CACFP sponsoring organizations' and providers' flexibility over administrative funds, including the option to carry over up to 10% of administrative funds from one fiscal year to the next. USDA-FNS has begun to implement these changes. See, for example, USDA Food and Nutrition Service, "Child and Adult Care Food Program: Amendments Related to the Healthy, Hunger-Free Kids Act of 2010," 77 *Federal Register* 21018-21038, (continued...)

As with centers, there is no requirement that meals/snacks specifically identified as free or reduced-price be offered; however, unlike centers, federal rules prohibit any separate meal charges.

Summer Food Service Program (SFSP)

SFSP supports meals for children during the summer months. The program provides assistance to local public and private nonprofit service institutions running summer youth/recreation programs, summer feeding projects, and camps. Assistance is primarily in the form of cash reimbursements for each meal or snack served; however, federally donated commodity foods are also offered. Participating service institutions often, but not of necessity, are entities that provide ongoing year-round service to the community and include schools, local governments, camps, colleges and universities in the National Youth Sports program, and private nonprofit organizations like churches.

Sponsors are institutions that manage the food preparation, financial, and administration responsibilities of SFSP. Sites are the places where food is served and eaten. At times, a sponsor may also be a site. State agencies authorize sponsors, monitor and inspect sponsors and sites, and implement USDA policy.

Participation

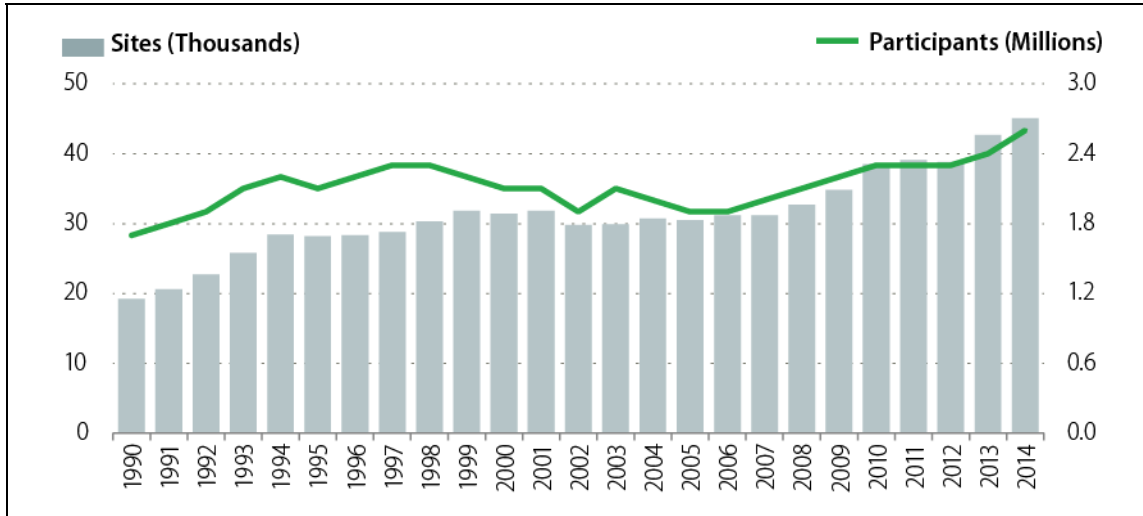
In FY2014, over 5,000 sponsors with over 45,000 food service sites participated in the SFSP and served an average of approximately 2.7 million children daily. For FY2014, lunch was the most frequent meal served by the SFSP sites.

Participation of sites and children reached its height in FY2014 (see **Figure 5**). Program expenditures for FY2014 totaled \$465 million, including cash assistance, commodity foods, administrative cost assistance, and health inspection costs.

(...continued)

April 9, 2012; USDA-FNS Memorandum, *Child Nutrition Reauthorization 2010: Area Eligibility for Family Day Care Homes*, Memo Code: CACFP 05-2011-Revised, January 10, 2011, <http://www.fns.usda.gov/sites/default/files/CACFP-05-2011.pdf>.

Figure 5. SFSP Participants and Meal Sites FY1990-FY2014
Average Daily Attendance and Number of Food Distribution Sites



Source: Created and updated by CRS based on USDA Economic Research Service chart, dated March 2014 (http://www.ers.usda.gov/topics/food-nutrition-assistance/child-nutrition-programs/charts/summer-programs.aspx#.VCLh_7EtGac). USDA-FNS data based on July of each fiscal year.

Eligibility and Administration

There are several options for eligibility and meal/snack service for SFSP sponsors (and their sites):

- **Open sites** provide summer food to all children in the community. These sites are certified based on *area* eligibility measures, where 50% or more of area children have family income that would make them eligible for free or reduced-price school meals (see **Table 2**).
- **Closed or Enrolled sites** provide summer meals/snacks free to all children enrolled at the site. The eligibility test for these sites is that 50% or more of the *children enrolled* in the sponsor’s program must be eligible for free or reduced-price school meals based on household income. Closed/enrolled sites may also become eligible based on area eligibility measures noted above.
- **Summer camps** (that are not enrolled sites) receive subsidies only for those children with household eligibility for free or reduced-price school meals.
- **Other programs specified in law**, such as the National Youth Sports Program, and centers for homeless or migrant children.

Summer sponsors get operating cost (food, storage, labor) subsidies for all meals/snacks they serve—up to one meal and one snack, or two meals (three meals for children in programs for migrant children) per child per day. In addition, sponsors receive payments for administrative costs, and states are provided with subsidies for administrative costs and health and meal-quality inspections. See **Table B-7** for current SFSP reimbursement rates. Actual payments vary slightly (e.g., by about 5 cents for lunches) depending on the location of the site (e.g., rural vs. urban) and whether meals are prepared on-site or by a vendor.

NSLP/SBP Seamless Summer Option⁵⁰

Although SFSP is the child nutrition program most associated with providing meals during summer months, it is not the only program option for providing these meals and snacks. The Seamless Summer option, run through NSLP or SBP programs, is also a means to provide to students during summer months. Much like SFSP, Seamless Summer operates in summer sites (summer camps, sports programs, churches, private nonprofit organizations, etc.) and for a similar duration of time. Unlike SFSP, *schools are the only eligible sponsors*, although schools may operate the program at other sites. Reimbursement rates for Seamless Summer meals are the same as current NSLP/SBP rates.

Special Milk Program (SMP)

Schools (and institutions like summer camps and child care facilities) that are not already participating in the other child nutrition programs can participate in the Special Milk Program. Schools may also administer SMP for their part-day sessions for kindergartners or pre-kindergartners.

Under SMP, participating institutions provide milk to children for free and/or at a subsidized paid price, depending on how the enrolled institution opts to administer the program (see **Table B-8** for current Special Milk reimbursement rates for each of these options):

- An institution that *only sells milk* will receive the same per-half pint federal reimbursement for each milk sold.
- An institution that *sells milk and provides free milk* to eligible children (income eligibility is the same as free school meals, see **Table 2**), receives a reimbursement for the milk sold and a higher reimbursement for the free milks.
- An institution that *does not sell milk* provides milk free to all children and receives the same reimbursement for all milk (the same as the paid rate). This option is sometimes called non-pricing.

In FY2014, about 50 million half-pints were subsidized, 9% of which were served free. Federal expenditures for this program were approximately \$11 million in FY2014.

Fresh Fruit and Vegetable Program (FFVP)

States receive formula grants through the Fresh Fruit and Vegetable Program, under which state-selected schools receive funds to purchase and distribute *fresh* fruit and vegetable snacks to all children in attendance (regardless of family income). Money is distributed by a formula under which about half the funding is distributed equally to each state and the remainder is allocated by state population. States select participating schools (with an emphasis on those with a higher proportion of low-income children) and set annual per-student grant amounts (between \$50 and \$75).

Funding is set by law at \$150 million for school year 2011-2012, and inflation-indexed for later years. Funding for school year 2014-2015 was approximately \$168 million.

⁵⁰ For further discussion, see the USDA-FNS website: http://www.fns.usda.gov/cnd/seamless_summer.htm and the agency's related comparison chart, http://www.fns.usda.gov/sites/default/files/SFSP_SeamlessComparisonChart.pdf.

In recent years, FFVP has been amended by omnibus farm bill laws, rather than through child nutrition reauthorization. After a limited pilot, FFVP was expanded to all states and permanently funded by the 2008 farm bill (P.L. 110-246).⁵¹ The 2014 farm bill essentially made no changes to this program. The 2014 farm bill (P.L. 113-79) did include, and fund at \$5 million in FY2014, a pilot project that requires USDA to test schools offering frozen, dried, and canned fruits and vegetables in at least five states as well as an evaluation of the pilot.

Support for After-School Meals and Snacks: CACFP, NSLP Options

Two of the child nutrition programs discussed in previous sections, the National School Lunch Program (NSLP) and Child and Adult Care Food Program (CACFP), also provide federal support for snacks and meals served during after-school programs.⁵²

NSLP provides reimbursements for after-school snacks; however, this option is open only to schools that already participate in NSLP. These schools may operate after-school snack-only programs during the school year which (1) if low-income area eligibility criteria are met, provide free snacks in lower-income areas; or (2) if area eligibility criteria are not met, offer free, reduced-price, or fully paid-for snacks, based on household income eligibility (like lunches in NSLP). The vast majority of snacks provided through this program are through the first option, area eligible schools. Through this program, a total of approximately 220 million snacks were served in FY2014 (a daily average of over 1.3 million). This is a fraction (under 5%) of the nearly 5 billion *lunches* served (a daily average of 28.1 million).

CACFP provides assistance for after-school food in two ways. First, centers and homes that participate in CACFP and provide after-school care may participate in traditional CACFP (the eligibility and administration described earlier). Second, the CACFP at-risk program provides free snacks and suppers to all children at centers located in areas where at least half the children in the community are eligible for free or reduced-price school meals. Expansion of the at-risk after-school meals program was a major policy change included in HHFKA. Prior to the law, 13 states were permitted to offer CACFP at-risk after-school meals (instead of just a snack); the law allowed all 50 states (and DC) to offer such meals.⁵³ In FY2014, the At-Risk Afterschool program served approximately 54 million free snacks, 108.7 million free suppers, and around 1 million other meals to an average of nearly 977,000 children each day. While this program did recently expand, it still does not serve as many snacks as the NSLP-based snack program.

⁵¹ Permanent funding is made possible through the Section 32 account. See CRS Report RL34081, *Farm and Food Support Under USDA's Section 32 Program*, by Dennis A. Shields.

⁵² For further discussion of the NSLP and CACFP after-school snack program, see Joanne Guthrie, *Feeding Children After School: The Expanding Role of USDA Child Nutrition Programs*, USDA Economic Research Service, Amber Waves, March 1, 2012, <http://www.ers.usda.gov/amber-waves/2012-march/feeding-children-after-school.aspx#.VCHkzrEtGac>.

⁵³ U.S. Congress, Senate Committee on Agriculture, Nutrition, and Forestry, *Healthy, Hunger-Free Kids Act of 2010*, 111th Cong., 2nd sess., May 5, 2010, Report 111-178 (Washington: GPO, 2010), p. 7.

Table 3. FY2013 and FY2014 Federal Expenditures for Child Nutrition Programs
In Millions of Dollars

Program or Program Component	FY2013	FY2014	Change from FY2013 to FY2014	
National School Lunch Program	\$12,214	\$12,655	+\$441	+4%
<i>free meal reimbursements</i>	\$8,415	\$8,670	+\$255	+3%
<i>reduced-price meal reimbursements</i>	\$938	\$914	-\$24	-3%
<i>paid meal reimbursements</i>	\$1,388	\$1,409	+\$21	+2%
<i>additional funding to schools with more than 60% free or reduced-price participation</i>	\$69	\$71	+\$2	+3%
<i>performance-based meal reimbursements</i>	\$247	\$292	+\$45	+18%
<i>commodity food assistance^a</i>	\$1,157	\$1,300	+\$143	+12%
School Breakfast Program	\$3,514	\$3,686	+\$172	+5%
<i>free meal reimbursements</i>	\$3,162	\$3,330	+\$168	+5%
<i>reduced-price meal reimbursements</i>	\$260	\$260	\$0	0%
<i>paid meal reimbursements</i>	\$92	\$96	+\$4	+4%
Child and Adult Care Food Program (CACFP)	\$2,992	\$3,135	\$143	+5%
<i>meal reimbursements at child care centers</i>	\$1,818	\$1,947	\$129	+7%
<i>meal reimbursements at child care homes</i>	\$779	\$775	-\$4	-1%
<i>meal reimbursements at adult day care centers</i>	\$123	\$129	+\$6	+5%
<i>commodity food assistance^a</i>	\$124	\$135	+\$11	+9%
<i>administrative costs for child care sponsors</i>	\$148	\$149	+\$1	+1%
Summer Food Service Program	\$428	\$465	+\$37	+9%
<i>meal reimbursements</i>	\$376	\$409	+\$33	+9%
<i>commodity food assistance^a</i>	\$2	\$2	\$0	0%
<i>sponsor and inspection costs</i>	\$50	\$55	+\$5	+10%
Special Milk Program	\$11	\$11	\$0	0%
Fresh Fruit and Vegetable Program^b	\$165	\$168	+\$3	+2%
State Administrative Expenses^c	\$292	\$257	-\$35	-12%
Mandatory Other Program Costs^d	\$56	\$54	-\$2	-4%
Discretionary Activities^e	\$16	\$53	+\$37	+231%
TOTAL OF FUNDS DISPLAYED^f	\$19,688	\$20,424	\$736	4%

Source: Program expenditures data from USDA-FNS Keydata Reports (dated March 2014 and January 2015), except where noted below.

Notes: Expenditures displayed here will vary from displays in CRS appropriations reports and in some cases the USDA-FNS annual budget justification. Since the majority of program funding is for open-ended entitlements, expenditure data capture spending better than the total of appropriations. This table includes some functions that are

funded through permanent appropriations or transfers (i.e., funding not provided in appropriations bills). Due to rounding to the nearest million, percentage increases or decreases may be exaggerated or understated.

- a. Amounts included in this table for commodity food assistance include only entitlement commodities for each program, not bonus commodities.
- b. Obligations data displayed on p. 32-15 of FY2016 USDA-FNS Congressional Budget Justification.
- c. Obligations data displayed on p. 32-13 of FY2016 USDA-FNS Congressional Budget Justification.
- d. Obligations data displayed on p. 32-13 of FY2016 USDA-FNS Congressional Budget Justification. These costs are made up of Food Safety Education, Coordinated Review, Computer Support, Training and Technical Assistance, studies, payment accuracy, and the Farm to School Team.
- e. Obligations data displayed on p. 32-13 of FY2016 USDA-FNS Congressional Budget Justification. FY2013 obligations include Team Nutrition and School Breakfast Expansion Grants. FY2012 obligations include Team Nutrition only.
- f. This table summarizes the vast majority of child nutrition programs' federal spending, but does not capture all federal costs.

Related Programs, Initiatives, and Support Activities⁵⁴

Federal child nutrition laws authorize and program funding supports a range of additional programs, initiatives, and activities.

Through **State Administrative Expenses** funding, states are entitled to federal grants to help cover administrative and oversight/monitoring costs associated with child nutrition programs. The national amount each year is equal to about 2% of child nutrition reimbursements. The majority of this money is allocated to states based on their share of spending on the covered programs; about 15% is allocated under a discretionary formula granting each state additional amounts for CACFP, commodity distribution, and Administrative Review efforts. In addition, states receive payments for their role in overseeing summer programs (about 2.5% of their summer program aid). States are free to apportion their federal administrative expense payments among child nutrition initiatives (including commodity distribution activities) as they see fit, and appropriated funding is available to states for two years. State Administrative Expense spending in FY2014 totaled to approximately \$257 million.⁵⁵

Team Nutrition is a USDA-FNS program that includes a variety of school meals initiatives around nutrition education and the nutritional content of the foods children eat in schools. These included the HealthierUS Schools Challenge (HUSSC), originated in the 2004 reauthorization of the Child Nutrition Act. HUSSC is a voluntary certification initiative designed to recognize schools that have created a healthy school environment through the promotion of nutrition and physical activity.⁵⁶

⁵⁴ This section does not list all related federal funding and support activities, and it broadly summarizes those activities that are discussed. For further details on these and other functions funded by the “child nutrition programs” account, see the *2015 USDA Budget Explanatory Notes for Committee on Appropriations* for USDA-FNS, <http://www.obpa.usda.gov/32fns2015notes.pdf>, pp. “32-11” through “32-59.”

⁵⁵ For the formula for administrative and oversight/monitoring costs, see Section 7 of the Child Nutrition Act of 1966 (codified at 42 U.S.C. 1776).

⁵⁶ See USDA-FNS website, <http://www.fns.usda.gov/tn/healthierus/index.html>.

Farm-to-school programs broadly refer to “efforts to serve regionally and locally produced food in school cafeterias,” with a focus on enhancing child nutrition.⁵⁷ The goals of these efforts include increasing fruit and vegetable consumption among students, supporting local farmers and rural communities, and providing nutrition and agriculture education to school districts and farmers. HHFKA amended existing child nutrition programs to establish mandatory funding of \$5 million per year for competitive **farm-to-school grants** that support schools and nonprofit entities in establishing farm-to-school programs that improve a school’s access to locally produced foods.⁵⁸ Grants may be used for training, supporting operations, planning, purchasing equipment, developing school gardens, developing partnerships, and implementing farm-to-school programs. USDA’s website provides information on national and regional farm-to-school programs and other resource guides.⁵⁹

Through an **Administrative Review** process (formerly referred to as Coordinated Review Effort (CRE)), USDA-FNS, in cooperation with state agencies, conducts periodic on-site NSLP school compliance and accountability evaluations to improve management and identify administrative, subsidy claim, and meal quality problems.⁶⁰ State agencies are required to conduct administrative reviews of all SFAs that operate the NSLP under their jurisdiction at least once during a three-year review cycle.⁶¹ Administrative review expenditures were approximately \$9.3 million in FY2014.

USDA-FNS and state agencies conduct many other child nutrition program support activities for which dedicated funding is provided. Among other examples, there is a national **Food Service Management Institute (FSMI)**, which provides technical assistance, instruction, and materials related to nutrition and food service management; it receives \$5 million a year in directly appropriated mandatory funding. FSMI is located at the University of Mississippi. USDA-FNS provides training on food safety education. Funding is also provided for USDA-FNS to conduct studies, provide training and technical assistance, and oversee payment accuracy.

Selected Current Issues in the USDA Child Nutrition Programs

Since the enactment HHFKA, USDA-FNS has promulgated multiple regulations, formulated various program guidance, and published many other policy documents and reports. Two of the major changes authorized by the 2010 law are (1) requiring an update to the nutrition standards

⁵⁷ USDA, National Agriculture Library’s (NAL) Alternative Farming Systems Information Center (AFSIC), “Farm to School,” <http://www.nal.usda.gov/afsic/>.

⁵⁸ HHFKA, Section 243 (Access to Local Foods: Farm to School Program), amending §18 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(j)). In addition, appropriations are authorized “such sums as are necessary for each of fiscal years 2011 through 2015.”

⁵⁹ See CRS Report R42155, *The Role of Local Food Systems in U.S. Farm Policy*, by Renée Johnson, Randy Alison Aussenberg, and Tadlock Cowan for further discussion of farm to school programs. See also USDA-FNS’s farm-to-school resources: <http://www.fns.usda.gov/cnd/F2S/Default.htm> and http://www.fns.usda.gov/cnd/f2s/f2_grant_program.htm.

⁶⁰ Text in this paragraph is adapted from the USDA-FNS, *National School Lunch program: Coordinated Review Effort (CRS)*, FNS-640 Data Report, January 2014.

⁶¹ HHFKA required USDA to increase the frequency of administrative reviews from once every five years to once every three years.

for NSLP and SBP meals and (2) giving USDA the authority to regulate other foods sold in schools (e.g., vending machines, a cafeteria's a la carte line).

Updated Nutrition Standards for Lunch and Breakfast (Final Rule, January 26, 2012)⁶²

Section 201 of P.L. 111-296 established a timeframe for USDA to promulgate regulations *updating meal patterns and nutrition standards for school meal programs* based on recommendations from the National Academy of Sciences (of which the Institute of Medicine (IOM) is a part).⁶³ Schools meeting the new requirements would be eligible for the increased federal subsidies (6 cents a lunch) noted above. It also provided funding for technical assistance to help implement new meal patterns and nutrition standards.

Ultimately, following a proposed rule, comments submitted, and policy rider provisions of the 2012 appropriations law,⁶⁴ USDA-FNS issued a final rule. The final rule sought to align school meal patterns with the 2010 Dietary Guidelines for Americans and called for increased availability of fruits, vegetables, whole grains, and low-fat or fat-free milk in school cafeterias—generally consistent with IOM's recommendations. The regulations also include calorie maximums (whereas prior guidelines had only calorie minimums), and sodium limits that phase in over time, among other requirements.⁶⁵

Although the rule was finalized in January 2012, all aspects of the rule were not to be implemented immediately; for instance, some aspects of the new guidelines went into effect for school year 2014-2015, even though the rule went into effect in school year 2012-2013.⁶⁶ Three aspects of the new regulations that went into effect for 2014-2015 were: all grains served must be whole-grain-rich, new fruit requirements for breakfast, and the first of three weekly sodium targets (Target 1).

As some schools have had difficulty implementing the new guidelines,⁶⁷ Congress, in House and Senate appropriations proposals, took varying approaches to addressing these concerns in FY2015 appropriation bills.⁶⁸ Ultimately, the enacted appropriation (P.L. 113-235) included

⁶² For the final rule and related resources, see USDA-FNS website at <http://www.fns.usda.gov/school-meals/nutrition-standards-school-meals>.

⁶³ The 2010 law added a deadline, but it was the 2004 reauthorization (P.L. 108-265) that required USDA to update the standards based on National Academy of Sciences recommendations. IOM's report, issued in 2010, had made a number of recommendations around such topics as imposing calorie limits, increasing fruit and vegetables, and reducing sodium intake. IOM, *School Meals: Building Blocks for Healthy Children*, Washington, DC, 2010.

⁶⁴ See Section 743 of P.L. 112-55. Also discussed in CRS Report R41964, *Agriculture and Related Agencies: FY2012 Appropriations*, coordinated by Jim Monke.

⁶⁵ When originally issued, the rule and USDA-FNS policy also required certain weekly maximums on grains and protein. School nutrition stakeholders expressed challenges with menu planning due to these particular restrictions, USDA-FNS issued policy guidance that gave flexibility on these maximums for school years 2012-2013 and 2013-2014. Then, in a subsequent regulation, USDA-FNS revised the regulations in January 2014 to lift these restrictions. See, for example, USDA-FNS, "Certification of Compliance With Meal Requirements for the National School Lunch Program Under the Healthy, Hunger-Free Kids Act of 2010," 79 *Federal Register* 326, January 3, 2014.

⁶⁶ See USDA-FNS Implementation Timeline, http://www.fns.usda.gov/sites/default/files/implementation_timeline.pdf, based on regulations.

⁶⁷ For a summary of available studies on the implementation of the 2012 updated nutrition standards, CRS has released (continued...)

- **Exemptions from whole grain rules (Section 751).** USDA is required to allow states to exempt school food authorities (typically school districts) from the 100% whole grain requirements, if they “demonstrate hardship, including financial hardship, in procuring specific whole grain products which are acceptable to the students and compliant with the whole grain-rich requirements.” The provision, however, requires such exempted school food authorities to maintain a 50% whole grain minimum, the requirement in place prior to school year 2014-2015. The law requires the availability of the whole grain exemptions from the date of the law’s enactment through school year 2015-2016.
- **Scientific basis for sodium limits (Section 752).** This policy rider seeks to prevent USDA from implementing regulations that would require the reduction of sodium in “federally reimbursed meals, foods, and snacks sold in schools” below the “Target 1” limits until “the latest scientific research establishes the reduction is beneficial for children.” (Note: According to the school meals regulations published in January 2012, a lower “Target 2” is to take effect during school year 2017-2018, and a still lower “Target 3” in school year 2022-2023.)

Nutrition Standards for All Foods Sold in Schools (Interim Final Rule, June 28, 2013)⁶⁹

In another major policy change, Section 208 of HRFKA gave USDA the authority to regulate other foods in the school nutrition environment. Sometimes called competitive foods, these foods and the related regulation pertain to, for example, vending machines and non-meal snacks served in the cafeteria.

Relying on recommendations made by a 2007 IOM report,⁷⁰ USDA-FNS promulgated a proposed rule and then the interim final rule, which went into effect for school year 2014-2015. The interim final rule imposes nutrition guidelines for all non-meal foods and beverages that are sold *during the school day* (defined as midnight until 30 minutes after dismissal). Such foods must meet whole-grain requirements; have certain primary ingredients; and meet calorie, sodium, and fat limits, among other requirements. Schools are limited to a list of no- and low-calorie beverages they may sell (with larger portion sizes and caffeine allowed in high schools).

Regarding fundraisers, there are no limits on fundraisers of foods that meet the interim final rule’s guidelines. Fundraisers outside of the school day are not subject to the guidelines. HRFKA and

(...continued)

a congressional distribution memorandum. Congressional clients may request a copy from Randy Alison Aussenberg at raussenberg@crs.loc.gov or Agata Dabrowska at adabrowska@crs.loc.gov.

⁶⁸ House and Senate proposals summarized in CRS Report R43669, *Agriculture and Related Agencies: FY2015 Appropriations*, coordinated by Jim Monke.

⁶⁹ For the interim final rule and related resources, see USDA-FNS website at <http://www.fns.usda.gov/cnd/governance/legislation/allfoods.htm>.

⁷⁰ IOM, *Nutrition Standards for Foods in Schools: Leading the Way toward Healthier Youth*, 2007, <http://www.iom.edu/Reports/2007/Nutrition-Standards-for-Foods-in-Schools-Leading-the-Way-toward-Healthier-Youth.aspx>.

the interim final rule provide states with discretion to exempt infrequent fundraisers of foods or beverages that do not meet the nutrition standards.

The rule does not limit foods brought from home, only foods sold at school during the school day. The federal standards included are a minimum standard; states and school districts are permitted to issue more strenuous policies.

After piloting implementation of this interim policy, USDA-FNS is expected to issue a final rule. USDA sought comments on the interim final rule; the comment period closed on October 28, 2013.

Updated Nutrition Standards for CACFP (Proposed Rule, January 9, 2015)⁷¹

HHFKA also required USDA to update the meal pattern for CACFP. In a proposed rule published January 9, 2015, USDA proposes to make a number of changes to the infant meal pattern as well as the child and adult meal patterns. The proposed rule also revises the aspects of the National School Lunch Program and School Breakfast Program regulations that pertain to pre-kindergarten meals and snacks (those pre-K regulations were not changed by the January 2012 final regulation discussed earlier). USDA-FNS's proposed rule relies upon an IOM panel's recommendations and the 2010 Dietary Guidelines for Americans.⁷²

Below are some examples of changes included in the proposed rule:⁷³

- For **infant meals**, the rule proposes a number of changes to CACFP nutrition requirements. The proposal would condense the current three infant age groups into two age groups. It would make policy changes to support breastfeeding, including providing program reimbursements when mothers come to day care centers or homes to breastfeed their infants.
- In **child and adult meals**, the rule proposes a number of changes to CACFP nutrition requirements. It would add a fourth age group (13-18 years of age), although the meal pattern for this group would be the same as 6-12 year olds. The proposal would create separate fruit and vegetable serving requirements, while the current requirement condenses fruits and vegetables as one group. It would require a serving of whole-grain rich grains. The proposed rule would also require that at least one daily serving of grains be whole-grain rich. Cereals served would have to meet the requirements for the WIC program.⁷⁴ For adults

⁷¹ USDA-FNS, "Child and Adult Care Food Program: Meal Pattern Revisions Related to the Healthy, Hunger-Free Kids Act of 2010," 80 *Federal Register* 2037 et seq., January 15, 2015.

⁷² Ibid. at 2037. IOM (Institute of Medicine), *Child and Adult Care Food Program: Aligning Dietary Guidance for All*. Washington, DC: The National Academies Press, 2011.

⁷³ For the proposed rule and related resources, see USDA-FNS website at <http://www.fns.usda.gov/cacfp/meals-and-snacks>.

⁷⁴ 7 C.F.R. 246.10(e)(12). From the preamble of the CACFP proposed rule: "This means that breakfast cereals must: Contain a minimum of 28 mg of iron per 100 grams of dry cereal; contain no more than 21.2 grams of sucrose and other sugars per 100 grams of dry cereal (no more than 6 grams per dry ounce); contain a minimum of 51 percent whole grains (using dietary fiber as an indicator); meet the regulatory definitions for 'low saturated fat' at 21 CFR 101.62 (no more than one gram of saturated fat per Reference Amount Customarily Consumed (RACC)) and "low (continued...)"

only, yogurt may be served as an alternate to fluid milk, but not more than once a day. This proposal also disallows frying as an onsite preparation method.

- **“Best practices”** for the different age groups are included in the proposed rule, not as requirements for reimbursement, but as examples of ideal policies to promote good nutrition and health. One example is the “best practice” that a center or home provide mothers with a quiet, private area to breastfeed.

The public comment period for the proposed rule was extended from April 15, 2015, to May 27, 2015.

(...continued)

cholesterol” (less than 20 mg cholesterol per RACC); bear quantitative trans fat labeling; and contain no more than 6.5 grams of total fat per RACC and no more than 0.5 grams of trans fat per RACC.” WIC state agencies devise lists of WIC-eligible cereals based on nutritional content and other considerations.

Appendix A. Acronyms Used in This Report

Table A-1. Acronyms

Government Agencies	
USDA	U.S. Department of Agriculture
USDA-FNS	Food and Nutrition Service
Programs	
CACFP	Child and Adult Care Food Program
FFVP	Fresh Fruit and Vegetable Program
NSLP	National School Lunch Program
SBP	School Breakfast Program
SFSP	Summer Food Service Program
SMP	Special Milk Program
Miscellaneous	
CEP	Community Eligibility Provision
CPI-U	Consumer Price Index for All Urban Consumers
FPL	Federal Poverty Level
HHFKA	Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296)
IOM	Institute of Medicine
LEA	Local Educational Agency
RCCI	Residential Child Care Institution
SFA	School Food Authority

Appendix B. Per-meal or Per-snack Reimbursement Rates for Child Nutrition Programs⁷⁵

This appendix lists the specific reimbursement rates discussed in the earlier sections of the report. Reimbursement rates are adjusted for inflation for each school year according to terms laid out in the programs' authorizing laws. Each year, the new rates are announced in the *Federal Register*.⁷⁶

Table B-1. National School Lunch Program, Meals
Per-meal Reimbursements for 48 States and DC, School Year 2014-2015

Meal Type	Serve Less than 60% of Lunches as Free and Reduced-Price	Serve 60% or More of Lunches as Free or Reduced-Price	Bonus Available for School Districts Certified as Compliant with Nutrition Guidelines
Free	\$2.98	\$3.00	+\$0.06
Reduced-price	\$2.58	\$2.60	+\$0.06
Paid	\$0.28	\$0.30	+\$0.06

Source: USDA-FNS. For NSLP reimbursement rates for other years, Alaska, Hawaii, and/or participating territories, see USDA-FNS website: <http://www.fns.usda.gov/cnd/governance/notices/naps/naps.htm>.

Note: States may choose to distribute funding between schools unevenly and may do so up to a USDA-determined per-meal maximum rate. For school year 2014-2015, that maximum rate for 48 states and DC is \$3.21 for free meal, \$2.81 for reduced price meal, and \$.42 for paid meal.

Table B-2. National School Lunch Program, After-School Snacks
Per-snack Reimbursements for 48 States and DC, School Year 2014-2015

Snack Type	Reimbursement
Free	\$0.82
Reduced-price	\$0.41
Paid	\$0.07

Source: USDA-FNS. For after-school snack NSLP reimbursement rates for other years, Alaska, Hawaii, and/or participating territories, see USDA-FNS website: <http://www.fns.usda.gov/cnd/governance/notices/naps/naps.htm>.

⁷⁵ All reimbursement rates tables in this Appendix display 48-state rates. For Alaska, Hawaii, and territories where applicable, please see the source USDA-FNS *Federal Register* notice.

⁷⁶ For more detail on how inflation adjustment is conducted, see the child nutrition program sections of CRS Report R42000, *Inflation-Indexing Elements in Federal Entitlement Programs*, coordinated by Dawn Nuschler.

Table B-3. School Breakfast Program

Per-meal Reimbursement for 48 States and DC, School Year 2014-2015,

Meal Type	Non-severe Need (less than 40% free or reduced price) ^a	Severe Need (greater than or equal to 40% free or reduced price) ^a
Free	\$1.62	\$1.93
Reduced-price	\$1.32	\$1.63
Paid	\$0.28	\$0.28

Source: USDA-FNS. For NSLP reimbursement rates for other years, Alaska, Hawaii, and/or participating territories, see USDA-FNS website: <http://www.fns.usda.gov/cnd/governance/notices/naps/naps.htm>.

- a. Generally, severe need status is determined based on the percentage of meals served two school years prior to the year the currently reimbursed meal is served. For example, a school district's severe need status in school year 2014-2015 would be calculated based on meals served in school year 2012-2013.

Table B-4. Value of Commodity Food Assistance, NSLP and CACFP (Centers)

Rate Per-meal for School Year 2014-2015

For Each NSLP/CACFP Meal Served	
Commodity Food Reimbursement	\$0.2475

Source: USDA, Food and Nutrition Service, "Food Distribution program: Value of Donated Foods From July 1, 2014 Through June 30, 2015," 79 *Federal Register* 41251, July 15, 2014.

Notes: For past years, see USDA-FNS website: <http://www.fns.usda.gov/fdd/value-donated-foods-notices>. SFSP has a different commodity food assistance rate, see **Table B-7**.

Table B-5. Child and Adult Care Food Program (CACFP), Child Care Centers, At-Risk After-School Programs

Per-meal/snack reimbursement for 48 States and DC, School Year 2014-2015

	Lunch/Supper	Breakfast	Snack
Free	\$2.98	\$1.62	\$0.82
Reduced-price	\$2.58	\$1.32	\$0.41
Paid	\$0.28	\$0.28	\$0.07

Source: For historical program reimbursement rates as well as Alaska's and Hawaii's rates, see <http://www.fns.usda.gov/cacfp/reimbursement-rates>.

Notes: These reimbursement rates are identical to NSLP and SBP rates.

Table B-6. Child and Adult Care Food Program (CACFP), Child Care Homes
Per-meal/snack Reimbursement for 48 States and DC, School Year 2014-2015

	Lunch/Supper	Breakfast	Snack
Tier I	\$2.47	\$1.31	\$0.73
Tier II	\$1.49	\$0.48	\$0.20

Source: For historical program reimbursement rates as well as Alaska’s and Hawaii’s rates, see <http://www.fns.usda.gov/cacfp/reimbursement-rates>.

Note: CACFP also provides administrative reimbursements to sponsoring organizations of day care homes. Based on the number of homes sponsored, funding is provided per home, per month. These rates are not displayed in this table but are included in the documents at <http://www.fns.usda.gov/cnd/care/ProgramBasics/Payments/Rates.htm>.

Table B-7. Summer Food Service Program (SFSP)
Per-meal/snack reimbursement for Calendar Year 2014

	Lunch/Supper		Breakfast		Snack	
	Rural or Self-prep	All Other Sites	Rural or Self-prep	All Other Sites	Rural or Self-prep	All Other Sites
Operating Component	\$3.21	\$3.21	\$1.84	\$1.84	\$0.75	\$0.75
Administrative Component (rounded to the nearest cent)	\$.34	\$.28	\$0.18	\$0.15	\$.09	\$.07
Combined (Total) Rate (rounded to the nearest cent)	\$3.55	\$3.49	\$2.02	\$1.99	\$.84	\$.82

Source: For program reimbursement rates, see http://www.fns.usda.gov/cnd/summer/ReimbursementRates/FR_Notice.pdf.

Note: Per authorizing law, the administrative component is calculated to the nearest quarter-cent. This table rounds to the nearest cent. As the table shows, the administrative component varies slightly (e.g., by about 5 cents for lunches) depending on the location of the site (e.g., rural vs. urban) and whether meals are prepared on-site or by a vendor. For meals prepared on-site, providers receive 1.5 cents per meal in USDA commodity foods.

Table B-8. Special Milk Program
Per Half-Pint Reimbursement, School Year 2014-2015

	All Milk Served	Paid Milk	Free Milk to Low-Income Children
Schools that only sell milk	\$0.23	Not applicable	Not applicable
Schools that sell and provide free milk	Not applicable	\$0.23	Average cost per half-pint of milk
Schools that provide only free milk	\$0.23	Not applicable	Not applicable

Source: For program reimbursement rates, see <http://www.fns.usda.gov/cnd/governance/notices/naps/naps.htm>.

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