

For Release

Chairman Robert Aderholt
Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and
Related Agencies
House Committee on Appropriations
USDA Food, Nutrition and Consumer Services
Hearing on the FY2015 Budget Request
March 25, 2014
Opening Statement as Prepared

Good Morning. I want to welcome all of you to today's hearing. This morning we will examine USDA's Food, Nutrition, and Consumer Services Mission Area. Our witness is Under Secretary Kevin Concannon who is joined by Ms. Audrey Rowe, Administrator of the Food and Nutrition Service, and Mr. Michael Young, Budget Officer at USDA. Mr. Concannon, we are glad you could join us this year, as last year the Administration made a decision to keep you from testifying at our FNCS oversight hearing. One of my goals for this Subcommittee is to conduct robust oversight of USDA's programs, and I am sure we will cover a great deal of oversight issues today.

It is critical that we review USDA's nutrition programs since this mission area accounts for 78 percent of total resources in the Agriculture Appropriations Bill. Your request for fiscal year 2015 is approximately \$112 billion, a nearly \$3.5 billion increase above fiscal year 2014.

The Supplemental Nutrition Assistance Program (SNAP) is USDA's largest program serving an average of 47 million people per month with a program level of \$82 billion. I know the Administration likes to tout the low error rates in this program, but I think it is important to put the error rate percentage into dollars. With a 3.4 percent error rate, this totals \$2.6 billion in improper payments. For comparison, I would note that the crop insurance program has an improper payment rate of 5.2 percent for a total of \$566 million. Errors are errors in any program. Whether it is SNAP or crop insurance, this Subcommittee will be vigilant in ensuring that USDA reduces improper payments so as to protect hard earned tax dollars.

The recently enacted farm bill made changes to SNAP and reduces spending in the program for the first time in nearly 20 years. The farm bill sought to close the loophole between the Low Income Home Energy Assistance Program (LIHEAP) and SNAP. Some states have been gaming the system by providing some households as little as \$1 or 10 cents in LIHEAP assistance in order to increase SNAP benefits. The farm bill included a provision to address this abuse. However, at least seven states have announced their intent to continue providing some households with token LIHEAP payments in order to keep SNAP benefits at artificially high levels. We all know this is not the intent of Congress – a bipartisan majority in both the House and the Senate voted to close this loophole. Mr. Concannon, I call upon you and your counterparts at the Department of Health and Human Services to ensure Congressional intent is followed. One federal program should not be manipulated in order to get more federal dollars from another.

For Child Nutrition Programs the President's budget projects that total funding needs will approach \$20.5 billion in fiscal year 2015. USDA has issued new school meal regulations as directed by the Healthy, Hunger-Free Kids Act of 2010, and more proposed rules are underway. My second goal for the year is to ensure the appropriate level of regulation, and I fear many of the school meals regulations are overly burdensome.

I continually hear from my schools in Alabama and nationwide that the new regulations have increased program costs, increased food waste, and decreased lunch participation which leads to lower revenue for local schools. I know USDA claims that over 90 percent of schools are in compliance with the new nutrition standards for the National School Lunch Program, but that does not mean this is easy for schools or that all schools are operating in the black. Schools may be in compliance, but they are still struggling. With the 2014-15 school year around the corner, schools will have to comply with the new standards for school breakfast and all snack foods.

As you know, I included language in the fiscal year 2014 omnibus directing USDA to establish a waiver process to serve as a way to delay and give more time for schools that are finding the implementation of the school breakfast and competitive foods regulations too costly and cumbersome. When Secretary Vilsack testified on March 14th, he said he was unable to implement the directive. As I told the Secretary, if the Administration wanted to be helpful and delay implementing these rules, I know he could find a way. The logistical and financial challenges facing school cafeterias are not going away. In honor of national nutrition month I will continue listening to my schools to see how I can be helpful. I hope USDA will also listen to the growing number of schools seeking flexibility and regulatory relief.

The Special Supplemental Nutrition Program for Women, Infants, and Children, or WIC, accounts for the single largest discretionary program in the bill. The fiscal year 2015 request at \$6.8 billion is approximately \$107 million more than what was provided in the fiscal year 2014 omnibus. I am pleased that the Administration used realistic participation rates in submitting the request. WIC has maintained a fairly high level of bipartisan support, and my third goal is to ensure sufficient funding is targeted to vital programs. As WIC continues to consume a larger share of the smaller discretionary budget, we need to ensure sufficient oversight at the Federal level as eligibility for the program has expanded, States need to be monitored more carefully in their efforts to manage the program, and instances of fraud must be prevented.

I would note that today is National Agriculture Day which goes hand-in-hand with nutrition. Without America's farmers and ranchers, none of us would enjoy the nutritious bounty we are blessed with in this country.

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