

FOOD, NUTRITION, AND CONSUMER SERVICES
Statement of Audrey Rowe, Administrator
Food and Nutrition Service
Before the Subcommittee on Agriculture, Rural Development,
Food and Drug Administration and Related Agencies

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Thank you, Mr. Chairman, and members of the Subcommittee, for the opportunity to testify on the Fiscal Year (FY) 2017 Budget request for the Food and Nutrition Service (FNS). FNS has long been committed to managing the Federal nutrition assistance programs efficiently with available resources to effectively serve Americans in greatest need. The past several years have posed extraordinary economic challenges to tens of millions of Americans. While the current recovery continues, there remain far too many families that still struggle to make ends meet – including having enough food throughout the year for an active, healthy life. Too many Americans have to cut the size of meals, skip meals, or even go whole days without food at some time during the year.

The FNS mission is to work with partners to provide food and nutrition education to people in a way that inspires public confidence and supports American agriculture. We are proud of what we have done to move that mission forward this past year and are confident we will continue to effectively and efficiently serve low-income Americans in the future.

Fight against Poverty

Let me first present the request for our largest program and a cornerstone of U.S. efforts to alleviate hunger in low-income households, the Supplemental Nutrition Assistance Program (SNAP). SNAP currently reaches more than 45 million people, most of them children, elderly, or individuals with disabilities. For those Americans who struggle to afford food, SNAP is a vital program in the dual fight against poverty and food insecurity. Last year, a White House Council of Economic Advisers report showed that, in 2014, the program lifted at least 4.7 million people out of poverty, 2.1 million of those being our most precious resource, our children. This program also has a sizeable impact on food insecurity – participating in SNAP for six months is associated with a decrease in food insecurity by about 5 to 10 percentage points, including households with food insecurity among children. Additionally, a growing body of high-quality research shows that SNAP's benefits extend beyond the immediate goal of alleviating hunger

and include improvements in short-run health and academic performance as well as in long-run health outcomes, educational attainment, and economic self-sufficiency.

Although SNAP is critical to ensure that food is available when times are tough, we know it is not a permanent answer for families – stable, good-paying employment is. A growing body of evidence points to the importance of job skills as a driver of economic security. With two-thirds of jobs created over the next decade expected to require at least some education or training beyond high school, expanding SNAP participants' access to education and training and connecting them with long-term employment opportunities is critical to providing true economic stability. The SNAP Employment and Training (E&T) program can be a powerful tool in this regard. We are working to reinvigorate State efforts in this area, and developing innovative approaches to E&T. The 2014 Farm Bill authorized and funded \$200 million to evaluate new SNAP E&T pilot programs in ten states that test a wide array of approaches including rapid attachment to work, work-based learning, and other job-driven strategies that reflect the diversity of the SNAP program. After a competitive selection, we awarded these grants last year and look forward to scaling up successful pilots to other states, over time. Building up E&T resources in every state, thereby helping SNAP participants find work and gain skills valued by employers, is a priority for us and a key factor in helping participants become self-sufficient and put enough food on the table to feed their families.

In conjunction with SNAP, the Emergency Food Assistance Program (TEFAP) plays a critical role in ensuring that low-income Americans have access to supplemental food. Studies have shown that up to one-third of TEFAP participants using soup kitchens and one-fifth of participants using food pantries do not participate in any other nutrition assistance programs. These households and individuals are more likely than others to have very low food security; some are facing homelessness. TEFAP foods - including fruits, vegetables, grains, meats, poultry and eggs - receive a high score on the Healthy Eating Index (HEI) and represent about 25 percent of all foods available in food banks.

Recognizing the importance of TEFAP, the 2014 Farm Bill provided additional resources for the program through FY 2018. Unfortunately, those additional resources decline each year, resulting in a \$19 million decrease in resources available to purchase TEFAP foods in FY 2017 as compared to FY 2016. To address this, the President's Budget includes a legislative proposal to restore funding to TEFAP, ensuring that the program can continue to provide a consistent

level of nutritious foods to some of our most vulnerable citizens.

Children Getting a Healthy Start

Child nutrition programs can improve the lives of children at risk of food insecurity by meeting their immediate food needs and providing the nutrition they need to grow and learn.. These long term outcomes are critically important to the future of our Nation, because food insecurity can have significant negative effects on health and developmental outcomes among children. Research shows that hunger and poor nutrition are linked to increased risk for iron deficiency anemia and other poor health outcomes. Childhood hunger is also associated with social and emotional development problems such as less advanced mental proficiency, anxiety and depression, and poor self-control. Poor diets may also make it more difficult to succeed at school, with some studies linking food insecurity in kindergarten children to lower test scores in later years.

Because effective access to child nutrition programs is so important, we continue to seek new ways to ensure that these programs are available to the children that need them. One of our big nationwide successes is the Community Eligibility Provision (CEP). CEP offers local education agencies and schools in low-income areas with an alternative approach for operating school meal programs. CEP is an option that allows school districts in high-poverty areas to offer school meals at no direct cost to all students. Because school districts use information from other means tested programs to determine their eligibility for CEP, no household applications are collected, significantly reducing the administrative burden on schools and districts as well as families. After a three year phase in, CEP became available to qualifying schools nationwide for the first time last school year (2014-2015) and it is helping the program reach those students most in need. Roughly 3,000 school districts have elected CEP for one or more schools and these almost 17,000 schools are reaching more than 8 million students. Participating school districts across the country are reporting that more students are eating lunch and breakfast, and because of the improved nutrition standards included in the Healthy, Hunger-Free Kids Act of 2010 (HHFKA), we know the meals they are receiving are healthier and include more fruits and vegetables. An evaluation conducted in early adopting States showed that student participation increased in the National School Lunch Program (NSLP) by 5 percent and in the School Breakfast Program (SBP) by 9 percent. Early reports from some participating districts show even stronger results. Simply put, CEP can help prevent food insecurity and hunger among children in high-poverty areas while reducing administrative burden for school districts.

We are proud to be making a difference for the youngest Americans. About half of infants in the United States benefit from the Special Supplemental Nutrition Program for Women Infants and Children (WIC), which provides both educational and nutritional benefits to pregnant women, mothers and their children up to their fifth birthday. Today, about 8 million pregnant and post-partum women, infants and young children receive WIC benefits each month. These participants have access to healthy, nutritious food to ensure a good start to their children's lives. A 2013 study found that WIC food packages were associated with improvements in measures of early childhood obesity and preschoolers' consumption of fruits, vegetables, whole grains and low-fat milk. WIC also offers nutrition counseling, referral to other health services, and breastfeeding peer counseling. A recent review found that 93 percent of state agencies are operating or overseeing local agencies that had peer counseling programs. Research has shown that there is no better food than breast milk for a baby's first year of life. Breastfeeding provides so many health, nutritional, economic and emotional benefits to mother and baby that the HHFKA established performance bonus payments for breastfeeding promotion within WIC. In FY 2015, awards totaling \$500,000 were made to five large state agencies and three small state agencies that have had successful WIC breastfeeding initiatives. We look forward to continuing this innovation to help infants get the best start possible. In the same vein, let me thank the Committee for the tremendous support provided in the FY 2016 appropriation for the continued transition from paper WIC vouchers to electronic benefits transfer (EBT) cards. The resources provided up front will strongly support implementation of the 2020 mandate in the HHFKA.

Ensuring Access to Healthy Foods

FNS is also working to make sure our beneficiaries have access to healthy, fresh food options, and support local farmers in the process, by expanding the food networks available to our program participants. SNAP's farmers' market presence has grown substantially to almost 6,500 sites where EBT purchases can be made, with FY 2015 redemptions valued at over \$19 million. The WIC's cash value voucher provided women \$10 and children \$8 worth of fruit and vegetable support per month in addition to the core food package benefits. And school children are benefitting from fresh, local produce through the Farm to School program. Preliminary results from our latest Farm to School Census, released in October 2015, show that districts are spending \$598 million on local foods, an increase of \$212 million from the previous Census. We are so excited by this success in schools that we broadened the program in FY 2015 to summer feeding and the Child and Adult Care Food Program (CACFP), and we've developed facts sheets

and guides for providers of these programs on how to incorporate local foods and nutrition education.

Summer Expansion

School meals have long been a consistent source of nutritious food for America's school children, giving them the energy they need to focus on their studies and alleviating the stress of worrying about getting enough to eat during the school day. During the academic year, free and reduced price school meals help ensure nearly 22 million low-income children have consistent access to nutritious food. For many young people, the meal they eat at school is the healthiest meal they get all day. However, only a fraction of those children receive meals during the summer months, leaving a wide gap between the number of children at risk of food insecurity and the number of children who receive meals. As a result, low income children are at higher risk of food insecurity and poor nutrition during the months when school is out of session.

Children need consistent access to nutritious meals to support their physical health, and their social, emotional, and cognitive development. The Summer Food Service Program (SFSP) helps ensure several million children and teens have a safe place to play and eat a meal at no cost. During FY 2015, about 45,600 feeding sites provided over 164 million meals to low income children through SFSP – this is a 26 percent increase in meals served compared to FY 2008 when we served approximately 130 million meals. We saw an increase in all meals with 1.2 million more breakfasts and 1.7 million more lunches served this past summer over 2014. In some schools, the school meals programs operate during the summer months, playing an important role in feeding children even when regular school is out. Together, these programs provided over 190 million meals in the summer of 2015 – a 3 million meal increase from the prior year.

We are reaching more children during the summer through SFSP thanks to coordination at every level, from the Federal government to local government. Local libraries, museums, faith-based organizations, national non-profits and Federal agencies such as the Department of Housing and Urban Development (HUD) have opened up their doors and set a table for summer meals. HUD had 502 feeding sites in 22 states this past summer. We have had Feeding America food banks serve as SFSP sponsors that served 5.7 million meals last summer. The National Baptist Convention offered SFSP as part of their work in vacation bible schools in Alabama. Local boys and girls clubs served almost 16 million meals and snacks at no cost to youth; almost

13 percent more than they offered in summer 2014. The AmeriCorps VISTA Summer Associate program supports nearly 60 AmeriCorps VISTA Summer Associates in rural and tribal areas, with programs such as “Literacy in the Park” – a program to bring fun, education activities to existing summer meals sites.

While SFSP does a wonderful job in the areas with greatest access to the program, there are many low-income children that SFSP does not reach. With funding provided through HHFKA in 2010 and in subsequent appropriations acts, USDA has implemented several demonstration projects to test methods to bridge the summer feeding gap.

A rigorous evaluation of the Summer Electronic Benefits Transfer for Children (SEBTC) showed that providing additional food benefits on debit cards to low-income families with school-aged children during the summer months can significantly reduce food insecurity and improve nutrition. Specifically, the pilots prevented very low food security among children, the most severe form of food insecurity, for approximately one third of children who would have otherwise experienced it. Studies also showed that SEBTC participation enabled families to eat significantly more fruits and vegetables and whole grains – key building blocks to better health.

New Strategies to Reduce the Summer Hunger Gap

The President’s FY 2017 Budget seeks to build on the clear evidence from the SEBTC pilots, by investing \$12.2 billion in a permanent, nation-wide Summer EBT program. Under the President’s proposal, school-aged children eligible for free and reduced price meals through the NSLP would be eligible to receive Summer EBT benefits. Households with eligible children would receive a \$45 monthly benefit per child during the summer months for use at grocery stores. Almost one million low-income children would receive Summer EBT benefits in the summer of 2017, increasing to approximately 20 million children when all States begin offering the program by 2026. Summer EBT would be phased in over ten years with approximately 10 percent of States participating in 2017, a quarter of States participating by 2021, and all States participating by 2026. Summer EBT would supplement continued efforts to expand access to traditional summer meal programs through intensive technical assistance to targeted States.

Nationwide expansion of Summer EBT would result in hundreds of thousands of children being spared from food insecurity over the next decade. It is expected to most benefit low-income children in populations that have difficulty accessing existing summer meal programs and that have historically participated at low rates. This includes children who are particularly at risk of hunger in the summer months due to living in rural and Tribal areas, communities in

which transportation options are limited, and communities that face barriers to access due to parental concern about crime or adverse weather during the summer months. Summer EBT is an evidence-based investment in our future that will support children in reaching their full potential.

In addition, the President's Budget is requesting \$10 million for a non-congregate feeding demonstration. This new demonstration project would target select rural areas and hard-to-serve urban areas, allowing children to pick up meals at SFSP sites for off-site consumption. These demonstration sites may be in areas where challenges such as limited transportation or excessive heat limit children's ability to access the traditional summer program. The requested funding would support summer meals for about 25,000 children along with an evaluation of the effectiveness of the demonstration.

The FY 2017 President's Budget Request

Let me turn now to some other specifics of FNS' FY 2017 request:

Child Nutrition Programs: The Budget requests \$23.2 billion for the Child Nutrition Programs. This level of funding will support expected increases in the number of meals served, increases in reimbursement rates due to food inflation and a continuing trend toward higher percentages of meals served at free and reduced price rates.

The budget request includes \$10 million for grants to States to improve direct certification rates. Effective use of direct certification with data from other means tested programs improves program access and program integrity, while reducing administrative burden. It can also further increase access and enhance administrative streamlining by making the Community Eligibility Provision a more viable option for districts that enhance direct certification rates to more accurately capture the share of children eligible for free and reduced price meals. The 2010 appropriation originally provided \$22 million for this purpose and these funds will be exhausted in FY 2016.

We are also seeking support for States and program operators - including grants and other technical assistance - to help them implement the new child care food meal pattern requirements as well as the new Administrative Review Process for school meals.

Finally, the budget includes a request for an additional \$700,000 and four FTEs in Farm to School funding to allow this popular program to expand their efforts related to local purchasing and agricultural education to sponsors in SFSP and CACFP.

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC): The President's Budget includes \$6.35 billion for WIC, to ensure that all eligible persons seeking to

participate can be served. This year's request will allow local communities to provide food, nutrition education and a link to health care to the 8.1 million women, infants and children expected to participate in the program in an average month. Recognizing the strong science on the benefits of breastfeeding for mother and infant, the budget requests an increase from \$60 million provided in FY2016 for breastfeeding peer counseling to the authorized level of \$80 million. Studies have shown that the use of breastfeeding peer counselors is an effective method of increasing breastfeeding duration. Almost all WIC State agencies are currently operating peer counseling programs with over 3,000 peer counselors providing services to WIC mothers. This increased investment will support women who choose to breastfeed and help infants get the most healthful start in life.

Supplemental Nutrition Assistance Program (SNAP): The Budget requests about \$81.7 billion for SNAP, enough to serve an average of 44.5 million people each month in FY 2017, which is about one million fewer than estimated for FY 2016. The budget also requests some important contingency expansions. During the last government shutdown, we came dangerously close to having to freeze SNAP benefits and only made it through the shutdown because of legal authorities that no longer exist. We are grateful that the Congress extended the availability of SNAP contingency funds in order to better prevent a lapse in benefits if there is a lapse in appropriations. However, we believe more needs to be done. Even if all of the contingency funding is available, it still provides less than one month of program costs. And keep in mind; this is a program where most of the funding is obligated in the first week of the month. That is why the Administration has again requested expanding the contingency fund to \$5 billion, an advance appropriation authority for the first quarter of FY 2018, and "such sums" language for the last quarter of FY 2017. This is the same authority available to other appropriated mandatories, such as SSI or Medicaid. These changes are important safeguards against the significant complexities of shutting down SNAP, to say nothing of the enormous human toll such an action would take on the millions of people who rely on this program.

The Budget requests additional resources to continue to strengthen E&T programs in two areas. The first request is for \$4 million for SNAP E&T to Skills 2.0, which will educate and train State agencies and stakeholders on how to develop, operate and scale up job-driven SNAP E&T programs. The second is for \$3 million for the development of State SNAP E&T Program Data Collection and Reporting Systems. The 2014 Farm Bill requires all States to track and

report outcome data on employment entry, retention, and earnings, and other E&T-related information. Many States do not currently have the ability to collect or conduct robust analyses of this information and this request will provide grants and technical assistance to support them.

The Budget also includes a request for \$3 million for improved SNAP client integrity education. FNS recently conducted an assessment of the effectiveness of States' current efforts to convey key anti-fraud messages to SNAP clients, including their responsibility to prevent and report fraud. We concluded that there is significant opportunity across all States to improve in this area. This request would support technical assistance and activities that ensure clients are provided with timely and clear information about program rules up front - when they apply as well as in an ongoing way while they participate – to help prevent fraud before it occurs.

Funding of \$1.2 million is requested for additional technical assistance for, along with oversight and monitoring of, State SNAP nutrition education efforts. Making effective use of the power of SNAP to promote healthy choices is critically important, and these funds will advance that effort with the development and dissemination of outcome-based, evidence-based approaches to obesity prevention in low-income populations.

The Budget is seeking \$5 million in additional administrative resources for the Food Distribution Program on Indian Reservations (FDPIR), beyond the usual inflationary adjustment. FDPIR has seen more than a 20 percent increase in the number of participants since FY 2013 and the trend is forecast to continue in FY 2017. However, while the program has been serving more participants, administrative funding available for use by the Indian Tribal Organizations (ITOs) has remained relatively flat. As a result, infrastructure and equipment needs have gone unmet at many FDPIR program sites, hampering efforts to effectively administer the program.

The Budget is also requesting \$2 million to support the Traditional Foods Demonstration authorized by the 2014 Farm Bill. Unlike the funding used by FNS to purchase traditional foods such as bison for distribution to all FDPIR participants, these funds would be provided directly to a subset of ITOs, enabling them to purchase foods that accommodate localized traditional foods preferences. Funding this demonstration would allow FNS to work with program operators to explore another avenue for providing healthy alternatives to make the FDPIR food package more appealing to participants and to stimulate local Tribal economies.

Finally, the Budget proposes two legislative changes for SNAP. The first proposal would authorize a new State option to increase access to SNAP for elderly individuals. This would

reduce the administrative and application burden for elderly households with no earned income by simplifying the application process, lengthening the certification period and eliminating any interim reporting requirements for these relatively stable households. The second proposal would allow State agencies to require households to report when they move away from the State in which they entered SNAP. Any State receiving such a report would be required to check for duplicate participation, and if they find it, close the case and send an appropriate notice.

Commodity Assistance Program: We are requesting \$313.1 million to carry out the Commodity Assistance Program, of which there are a number of programs, the most significant being the Commodity Supplemental Food Program (CSFP). CSFP supports the health of low-income elderly persons over 60 by supplementing their diets with USDA Foods. The funding requested will provide 639,000 caseload slots to the 47 existing CSFP states – an increase of 20,000 from 2016. Only 41 percent of the elderly population that is eligible is enrolled in SNAP, and many low-income elderly rely instead on food assistance such as food banks, food pantries and programs such as Meals on Wheels and CSFP.

The Budget also requests an additional \$5 million for TEFAP administration. This funding is used by States to support the storage and distribution of USDA foods throughout the TEFAP network of food banks, food pantries and soup kitchens. We appreciate that Congress provided an additional \$5 million in the FY 2016 appropriation for this important work and are seeking an additional investment to increase the States' capacity to effectively support the emergency feeding network.

Nutrition Programs Administration: Finally, we are seeking \$179.4 million to support the work of FNS, an increase of \$28.6 million from last year. The largest portion of this increase is \$17.7 million for the relocation or renovation of FNCS headquarters. Our current 15-year lease will expire in May 2017 and the space no longer complies with many of the Executive Orders, mandates and regulations enforced by the General Service Administration (GSA). As a result, FNCS must either move to a new location, or our current Alexandria facility will need to undergo major renovations when the current lease expires. This investment will ultimately save approximately \$1.4 million in annual rental payments due to a reduction of about 50,000 square feet.

Mr. Chairman and members of the Subcommittee, I appreciate the opportunity to present this budget request to you. I would be happy to address any questions you may have.