



March/April 2010 Legislative News: The latest in legislative news concerning hunger and nutrition issues

Senate Agriculture Committee Approves Child Nutrition Reauthorization Bill

On March 24, the Senate Agriculture Committee unanimously approved the Healthy, Hunger-Free Kids Act to reauthorize and improve child nutrition programs. The bill provides \$4.5 billion in new child nutrition program funding over the next ten years and focuses on increasing access to child nutrition programs, supporting child health and reducing childhood obesity and improving program management and integrity. From the Food Research and Action Center (FRAC), some highlights of the bill include:

Out-of-School Time Provisions

- **Expands the Afterschool Meal Program (through the Child and Adult Care Food Program) to all states.** The program currently is available in only 13 states (Connecticut, Delaware, Illinois, Maryland, Michigan, Missouri, Nevada, New York, Oregon, Pennsylvania, Vermont, West Virginia, and Wisconsin) and the District of Columbia.
- **Requires school food authorities to coordinate with Summer Food sponsors** on developing and distributing Summer Food outreach materials.
- **Eliminates the requirement that private nonprofit Summer Food sponsors** serve no more than 25 sites with no more than 300 children at any of the sites unless the sponsor receives a waiver.
- **Includes \$10 million dollars for Summer Food Support grants** for sponsors to establish and maintain programs

School Nutrition Program Provisions

- **Supports new paperless options for universal meal service.**
 - Creates a new option that will allow schools in high-poverty areas to offer free meals to all students without collecting paper applications, which will expand access to more children and reduce administrative burdens on schools. The reimbursement levels will be based on the level of direct certification in each school building.
 - Establishes a demonstration project to use census data to determine eligibility rates in school districts with high concentrations of low-income children.

- **Improves direct certification.**
 - Eliminates the “letter method,” which requires families to return a letter to the school to establish eligibility.
 - Establishes a demonstration project to test and implement the use of Medicaid for direct certification.
 - Sets performance benchmarks for direct certification and provides incentive bonuses to states that show improvement.
 - Makes foster children automatically eligible for free meals, eliminating the need to complete paper applications for school meal benefits.

- **Enhances school nutrition quality.**
 - Adds a performance-based increase in the federal reimbursement rate for school lunches (six cents per meal) to help schools meet new meal standards for healthier school meals.
 - Gives the Secretary of Agriculture the authority to establish national nutrition standards for all foods sold on the school campus throughout the school day.
 - Directs the U.S. Department of Agriculture (USDA) to develop model product specifications for USDA commodity foods used in school meals.
 - Provides \$25 million over five years in mandatory funding for farm-to-school programs.
 - Strengthens Local School Wellness Policies by updating the requirements of the policies, and requiring opportunities for public input, transparency, and an implementation plan.
 - Allows only lower-fat milk options to be served, as recommended in the Dietary Guidelines.
 - Ensures that water is available free of charge during the meal service.

- **Strengthens school food financing provisions.**
 - Requires school districts to gradually increase their “paid” meal charges to families until the revenue per meal matches the federal reimbursement levels for the free meal category.
 - Directs the Secretary of Agriculture to provide guidance on allowable charges to school food service accounts to prevent inappropriate school expenses that are not related to the school meal programs from draining school meal resources.

Women, Infants and Children (WIC) Provisions

- **Allows state WIC agencies the option to certify children for up to one year.** (The current requirement is six months.)
- **Promotes breastfeeding** by expanding the collection of WIC breastfeeding data, creating performance bonuses for state agencies with high rates of breastfeeding, and allowing contingency reserve funds to be used to purchase breast pumps.
- **Specifies that the WIC food package should be updated** based on a scientific review at least every 10 years.

- **Mandates WIC electronic benefit transfer (EBT) implementation nationwide by October 1, 2020**, though it grants exemptions in the case of unusual technological barriers or operational costs.
 - Provides new cost sharing provisions for state agencies and retailers and requires standards.
 - Provides \$1 million in annual funding to USDA to develop a national universal product code database.
- **Provides \$14 million for WIC infrastructure and special projects, \$30 million to support WIC management information systems, and \$90 million for breastfeeding counselors, performance bonuses and other special nutrition education.**
- **Changes WIC rebate reporting requirements.**
- **Increases WIC research funding** from \$5 million to \$15 million.
- **Allows state WIC agencies to permit local WIC agencies to share WIC nutrition education materials** with CACFP institutions at no cost if a written materials sharing agreement exists between the relevant agencies.
- **Requires USDA to incorporate a provision in the agreement with state agencies that specifies that federal funds** should be fully utilized by state agencies and that such funds should be excluded from state budget restrictions or limitations, including hiring freezes, work furloughs and travel restrictions.
- Gives the Secretary of Agriculture authority to disallow or include food products in the WIC food package based on an assessment of the efficacy of added ingredients and cost.

Other Child Nutrition Provisions

- **Provides \$40 million to conduct research into causes and consequences of hunger** and to develop demonstration projects to end childhood hunger, including to enhance SNAP/Food Stamp benefits, to enhance or provide innovative delivery models in school meals, afterschool snacks, and CACFP, and to target federal, state, and local assistance (such as housing assistance or family preservation services) to households experiencing hunger or food insecurity.
- **Directs USDA, in consultation with the Health and Human Services, to establish a research, demonstration, and technical assistance program** to promote healthy eating and reduce obesity especially among children, by applying the principles of behavioral economics research in schools, child care programs, and other settings.

Next the bill will come to the floor for a vote by the entire Senate. At the same time, the House Education and Labor Committee will develop their own version that must be passed by the committee and then by the entire House of Representatives. During these negotiations, hunger advocates are urged to contact their Representatives and Senators to ask them to increase the new funding from \$4.5 million over 10 years to the amount recommended by President Obama's budget of \$1 billion per year over 10 years.

Health Care Reform Passes

Last week, President Obama signed sweeping health care reform into law that expands health insurance to 95 percent of U.S. citizens in coming years, provides reform to the insurance market and reduces health care costs. Health care reform was achieved by Congress passing two separate pieces of legislation: the House of Representatives approved the Senate-passed bill of health care reform and both chambers passed a reconciliation bill that contained a set of negotiated modifications to the Senate health care bill. A reconciliation bill is a Senate procedure where debate is time limited and there are no filibusters, so legislation can be adopted with a simple majority vote. According to the Congressional Budget Office, the two bills will bring coverage to 32 million people and reduce the deficit by \$138 billion by 2019. According to the Coalition on Human Needs, some highlights of the bill include:

- Starting in 2014, Medicaid will be expanded, making it available to non-elderly individuals with incomes below 133 percent of the federal poverty line (FPL).
- Enhanced and uniform federal funding will be provided to all states to cover the cost of the newly-eligible pool in the Medicaid program. Between 2014 and 2017 all states will receive an enhanced matching rate of 100 percent for the new participants, which will phase down to 90 percent in 2020 and subsequent years.
- The Children's Health Insurance Program (CHIP), originally set to expire in 2013, will continue through at least 2019 and funding will be assured through September 30, 2015.
- Establishes state-based health insurance exchanges in 2014 where the uninsured can shop for coverage. Subsidies will be provided on a sliding scale to people with incomes above the level needed to qualify for Medicaid but below 400 percent of FPL so that they can purchase health insurance in the exchange.
- Individual and employer mandates, consumer protections and insurance market reforms banning lifetime limits and denials of coverage for preexisting conditions will go in to effect in 2014.
- Seniors who experience a gap in prescription drug coverage (the "donut hole") will receive \$250 rebates beginning in 2010.
- Young adults will be able to remain on their parent's health care plan until their 26th birthday beginning this year.
- Also in 2010, insurance companies will no longer be able to drop coverage for children with pre-existing conditions, nor will they be able to set lifetime limits on coverage.

Overall health care reform has been a controversial issue, but many advocates agree while the bill is not perfect, it does contain important strides in improving our health care

system. For more information on health care reform, please visit the Coalition of Human Needs website at www.chn.org.

Proposed Legislation:

Some bills recently introduced in Congress concerning hunger and nutrition issues include the following:

House Resolution (H.R.) 3705/Senate (S) 1737: The Expand School Meals Act of 2009 raises the threshold for free meals from 130% to 185% of the federal poverty line.

H.R. 4148/S 1343: The Hunger Free Schools Act requires school districts to use Medicaid and child health insurance program (CHIP) data for direct certification, eliminates the letter method for direct certification, and allows schools with high-poverty rates to serve universal free meals and receive reimbursement based on local socio-economic data instead of applications.

H.R. 4638: The Healthy Start Act would provide commodity assistance for the School Breakfast Program, set the reimbursement rate of donated foods for school breakfast at five cents and adjust it annually to reflect changes in the Consumer Price Index to increase program participation and strengthen the nutritional quality of school breakfasts.

H.R. 4734/S 3040: The Improved Program Access Act expands access to Summer Food Programs by lowering the “area eligibility” test from 50 percent to 40 percent in summer food programs and proposes \$10 million for summer food transportation grants.

Healthy Food Financing Initiative

A new initiative proposed by President Obama’s FY 2011 Budget aims to eliminate food deserts in the US within seven years by developing or equipping grocery stores and other healthy food retailers in underserved areas. More than \$400 million would be made available in financial and technical assistance, including federal tax credits, below-market rate loans, loan guarantees, and matching grants to attract investments from the private sector. The program projects to expand healthy food options into as many as 20 percent of food deserts in the U.S. and create thousands of jobs in urban and rural communities within the first year of funding. For more information, you can visit the press release at: <http://www.hhs.gov/news/press/2010pres/02/20100219a.html>

New Unemployment Numbers

According to the Bureau of Labor Statistics, the official unemployment rate remained at 9.7 percent in February 2010. However when factoring people working part-time for economic reasons or too discouraged to look for work are included, the rate of unemployment and underemployment raises to 16.8 percent, above the 16.5 percent in January 2010 but below the 17.4 percent for October 2009. To view the report visit: <http://www.bls.gov/news.release/empsit.t15.htm>

SNAP/Food Stamp News

Record participation continues for the Supplemental Nutrition Assistance Program, (SNAP-formerly Food Stamps), as 38,978,382 people were receiving benefits in December 2010, an increase of 794,714 people from November 2009 and a nearly 7.2 million people increase compared to December 2008. In New York State, 2,673,143 people receive SNAP benefits, a 22.9% increase from the 2,174,325 people receiving benefits in December 2008 according to FRAC.

New Resource Guide Available

“Smart Choices in Hard Times” from FRAC strives to improve the utilization of federal nutrition programs and leverage additional federal nutrition dollars at the state and local level. The report shows how states, localities, and advocates can maximize federal nutrition benefits by implementing options to improve benefits and expand participation. Focusing on the Supplemental Nutrition Assistance Program (SNAP-formerly food stamps), National School Lunch, School Breakfast, summer nutrition, afterschool and the Child and Adult Care Food Program (CACFP), the report demonstrates win-win policies that provides nutritious food to hungry people, reduce paperwork and administrative costs, and bring more federal dollars into local economies with little or no cost to the state government.

To see the report visit: http://frac.org/smart_choices_hard_times.htm

If you have any questions or would like to submit a story for next month, please email bslater@foodbankcny.org

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Beth Slater, MPA
Director of Member Programs
Food Bank of Central New York
315-437-1899 x229
bslater@foodbankcny.org
www.foodbankcny.org

We Work for Food