



Child Nutrition and WIC Programs: A Brief Overview

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Summary

Federally supported child nutrition programs and initiatives, along with the Special Supplemental Nutrition Program for Women, Infants, and Children (the WIC program) reach more than 40 million children and some 2 million lower-income pregnant/post-partum women. In FY2007, federal spending on these programs totaled over \$19 billion.

The basic goals of federal child nutrition programs are to improve children's nutrition, increase lower-income children's access to nutritious meals and snacks, and help support the agricultural economy. Child nutrition programs are "entitlements." Federal cash funding and commodity support is "guaranteed" to schools and other providers based on the number of meals/snacks served, who is served (e.g., free meals for poor children get higher subsidies), and legislatively established (and inflation-indexed) per-meal subsidy rates. On the other hand, the WIC program is a "discretionary" grant program where specific annual appropriations to pay for benefits and nutrition services and administration are distributed by formula.

In addition to the WIC program (and its ancillary farmers' market program), the child nutrition programs covered in this report include the School Lunch and Breakfast programs (providing federal subsidies for meals served in schools), day-care, summer and other outside-of-school programs assisting sponsors in providing meals/snacks, and payments to states covering administrative oversight costs, expenses for a Fresh Fruit and Vegetable program, the Special Milk program, and various support activities (e.g., various administrative oversight and nutrition education activities).

The underlying laws covering child nutrition and WIC programs were last reauthorized in 2004 in the Child Nutrition and WIC Reauthorization Act (P.L. 108-265). The next reauthorization is scheduled for 2009. The Administration's FY2010 budget calls for increased funding of approximately \$1 billion a year for child nutrition programs (for "program reforms aimed at improving program access, enhancing the nutritional quality of school meals, expanding nutrition research and evaluation, and improving program oversight").

This report will be updated as warranted by significant changes in the programs covered and major legislative initiatives.

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Background

Child nutrition programs and the WIC program provide cash, commodity, and other assistance (including funds for nutrition services and food packages in the WIC program and technical assistance and administrative cost aid in child nutrition programs) under three major federal laws: 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). The Agriculture Department's Food and Nutrition Service (FNS) administers the programs at the federal level; most funding is included in the annual Agriculture Department appropriations laws; and congressional jurisdiction over the underlying three laws is exercised by the Senate Agriculture, Nutrition, and Forestry Committee; the House Education and Labor Committee; and, to a limited extent (relating to commodity assistance and Section 32 issues), the House Agriculture Committee. Congress periodically reviews and reauthorizes expiring authorities under these laws. The most recent reauthorization was in 2004 (P.L. 108-265); the next reauthorization is scheduled for 2009.

Child nutrition and WIC 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. For example, in the WIC program, state health agencies exercise substantial control; in the school meal programs, local educational agencies (LEAs) and local "school food authorities" most often have the major role; in a very few instances, the federal government (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). 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 more than 40 million children and infants, and some 2 million lower-income pregnant and post-partum women, through some 100,000 public and private schools and residential child care institutions, about 200,000 child care centers and family day care homes, approximately 30,000 summer program sites, and (in the case of the WIC program) about 10,000 local health care clinics/sites operated by nearly 2,000 health agencies.

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), and there are no restrictions on eligibility related to citizenship or legal residence status. In addition, WIC-like benefits are available to overseas military personnel, and Defense Department overseas dependents' schools participate in the school meal programs.

In the meal service programs like the School Lunch and Breakfast programs, summer programs, and assistance for child care centers and day care homes, federal aid is in the form of legislatively set subsidies ("reimbursements") paid for each meal/snack served that meets federal nutrition guidelines. Most subsidies are cash payments to schools or other providers, but about 10% of the total value of all aid is in the form of federally donated food commodities. Although all 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 standards of eligibility for free and reduced-price meals/snacks. However federal subsidies do not necessarily cover the full cost of the meals and snacks offered by providers, and states and localities contribute to cover program costs—as do children's families (by paying charges for nonfree or reduced-price

meals/snacks). Required nonfederal cost sharing is relatively minimal – states must expend at least an amount totaling some \$200 million a year nationally in order to receive federal school lunch funds. Federal per-meal/snack child nutrition subsidies may cover local providers' administrative/operating costs, but separate direct federal payments for administrative/operating costs 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. Under the WIC program, federal appropriations pay the cost of specifically tailored food packages and include legislatively set amounts for costs of administrative and nutrition services.

Other relevant CRS reports include CRS Report RL33829, *Domestic Food Assistance: The Farm Bill and Other Legislation in the 110th Congress* and CRS Report RL33299, *Child Nutrition and WIC Legislation in the 108th and 109th Congresses*. In addition, CRS Report RL33307, *Child Nutrition and WIC Programs: Background and Recent Funding* provides historical background. Extensive information about child nutrition and WIC programs also may be found at the Agriculture Department's Food and Nutrition Service website, <http://fns.usda.gov>.

School Lunch and School Breakfast Programs

The School Lunch and School Breakfast programs provide federal cash and commodity support for meals meeting minimum federally set nutrition standards. The meals are served by public and private nonprofit elementary and secondary schools and residential child care institutions (RCCIs) that opt to enroll and guarantee to offer free or reduced price meals to eligible low income children. Both programs are "entitlement" programs, and both subsidize participating schools and RCCIs for **all** meals served that meet federal nutrition standards at specific, inflation-indexed rates for each meal; food items not served as part of a meal meeting nutrition standards (e.g., a la carte offerings) are not eligible for subsidies.

Each program has a three-tiered system for cash per meal federal reimbursements to schools and RCCIs.

1. It allows children to receive free meals if they have family income below 130% of the federal poverty guidelines (\$27,580 for a four-person family in the 2008-2009 school year); these meals receive the highest subsidy rate.
2. Children may receive reduced price meals (no more than 40 cents for a lunch or 30 cents for a breakfast) if their family income is between 130% and 185% of the poverty guidelines (between \$27,580 and \$39,220 for a four-person family in the 2008-2009 school year); these meals receive a subsidy rate either 40 cents (for lunches) or 30 cents (for breakfasts) below the free meal rate.
3. A small per meal subsidy is provided for "full-price" or "paid" meals (the price is set by the school or RCCI) served to children whose families do not apply, or whose family income does not qualify them, for free or reduced price meals.

Children in Temporary Assistance for Needy Families (TANF) programs and the Supplemental Nutrition Assistance Program (the SNAP, formerly the Food Stamp program) may automatically qualify for free school meals. Information across these programs can be shared to facilitate this through "direct certification" and other means.

The School Lunch Program subsidizes lunches (5.1 billion in FY2007) to children in about 6,000 RCCIs and almost all schools (95,000). During FY2007, average daily participation was 30.5 million students (61% of the 50 million children enrolled in participating schools and RCCIs); of these, 49% received free lunches, and 10% ate reduced-price lunches (**Table 1**). The remainder were served full-price (but still subsidized) meals. More than 90% of federal funding is used to subsidize free and reduced-price lunches served to low income children. For the 2008-2009 school year, inflation-indexed per lunch federal subsidies (cash payments, plus a required, and inflation-indexed, 21 cents a meal in “entitlement” commodity support) range from 45 cents for full price lunches to \$2.78 and \$2.38 for free and reduced price lunches, respectively. FY2007 federal school lunch costs (including commodity assistance) totaled some \$8.7 billion (**Table 1**).

Table 1. School Lunch Program Participation and Federal Costs, Selected Fiscal Years 1980-2007

(in millions)

| | Average Daily Participation ^a | | | | Federal costs | |
|------|--|---------------------|-------------------------------|--------------------|------------------------------|------------------------------------|
| | Free meals | Reduced-price meals | Full-price meals ^b | Total ^c | Current Dollars ^d | Constant 2007 Dollars ^e |
| 1980 | 10.0 | 1.9 | 14.7 | 26.6 | \$3,044.9 | \$7,813.2 |
| 1985 | 9.9 | 1.6 | 12.1 | 23.6 | 3,034.4 | 5,841.2 |
| 1990 | 9.8 | 1.7 | 12.6 | 24.1 | 3,677.1 | 5,865.0 |
| 1992 | 11.2 | 1.7 | 11.7 | 24.6 | 4,439.2 | 6,543.4 |
| 1994 | 12.2 | 1.8 | 11.3 | 25.3 | 4,919.9 | 6,858.3 |
| 1996 | 12.6 | 2.0 | 11.3 | 25.9 | 5,308.7 | 7,002.2 |
| 1998 | 13.0 | 2.2 | 11.4 | 26.6 | 5,744.1 | 7,260.5 |
| 2000 | 13.0 | 2.5 | 11.9 | 27.3 | 6,099.5 | 7,331.6 |
| 2001 | 12.9 | 2.6 | 12.0 | 27.5 | 6,414.5 | 7,466.5 |
| 2002 | 13.3 | 2.6 | 12.0 | 28.0 | 6,770.2 | 7,772.2 |
| 2003 | 13.7 | 2.7 | 11.9 | 28.4 | 7,037.5 | 7,889.0 |
| 2004 | 14.1 | 2.8 | 12.0 | 29.0 | 7,425.5 | 8,138.3 |
| 2005 | 14.6 | 2.9 | 12.2 | 29.6 | 7,879.3 | 8,359.9 |
| 2006 | 14.8 | 2.9 | 12.4 | 30.1 | 8,162.1 | 8,349.8 |
| 2007 | 14.9 | 3.0 | 12.6 | 30.5 | 8,726.5 | 8,726.5 |

Source: Compiled by the Congressional Research Service (CRS) based on data from the U.S. Department of Agriculture, Food and Nutrition Service.

- a. In order to reflect participation for the actual school year (September through May), these estimates are based on 9 month averages of October through May, plus September, rather than averages of the 12 months of the fiscal year (October through September).
- b. The federal government provides a small subsidy for these meals.
- c. Details may not sum to total because of rounding.

- d. Includes cash payments and the value of "entitlement" commodities; does not include the value of "bonus" commodities provided at the Agriculture Department's discretion.
- e. Constant dollars were calculated using the fiscal year CPI-U.

The School Breakfast program serves fewer students than does the School Lunch program; about 1.7 billion breakfasts in 80,000 schools (and 6,000 RCCIs) were subsidized in FY2007. Average daily participation was 10.1 million children (23% of the 43 million students enrolled in participating schools and RCCIs). Unlike the School Lunch program, the great majority received free or reduced price meals: 70% received free meals, and 10% purchased reduced price meals. In the 2008-2009 school year, inflation-indexed per breakfast federal subsidies (cash only) range from 25 cents for full price meals to \$1.40 and \$1.10 for free and reduced price breakfasts, respectively. FY2007 federal school breakfast funding totaled about \$2.2 billion (Table 2).

Table 2. School Breakfast Program Participation and Federal Costs, Selected Fiscal Years 1980-2007
(in millions)

| | Average Daily Participation ^a | | | | Federal Costs | |
|------|--|---------------------|-------------------------------|--------------------|------------------------------|------------------------------------|
| | Free meals | Reduced-price meals | Full-price meals ^b | Total ^c | Current dollars ^d | Constant 2007 Dollars ^e |
| 1980 | 2.8 | 0.2 | 0.6 | 3.6 | \$287.8 | \$738.5 |
| 1985 | 2.9 | 0.2 | 0.4 | 3.4 | 379.3 | 730.2 |
| 1990 | 3.3 | 0.2 | 0.5 | 4.0 | 596.2 | 950.9 |
| 1992 | 4.0 | 0.2 | 0.6 | 4.9 | 786.5 | 1,159.3 |
| 1994 | 4.8 | 0.3 | 0.7 | 5.8 | 959.0 | 1,336.8 |
| 1996 | 5.3 | 0.4 | 0.9 | 6.6 | 1,118.7 | 1,475.6 |
| 1998 | 5.6 | 0.5 | 1.0 | 7.1 | 1,272.2 | 1,608.1 |
| 2000 | 5.7 | 0.6 | 1.2 | 7.5 | 1,393.3 | 1,674.7 |
| 2001 | 5.8 | 0.7 | 1.3 | 7.8 | 1,450.1 | 1,689.4 |
| 2002 | 6.0 | 0.7 | 1.4 | 8.1 | 1,566.7 | 1,798.6 |
| 2003 | 6.2 | 0.7 | 1.5 | 8.4 | 1,651.8 | 1,851.7 |
| 2004 | 6.5 | 0.8 | 1.6 | 8.9 | 1,775.7 | 1,946.2 |
| 2005 | 6.8 | 0.9 | 1.7 | 9.4 | 1,927.2 | 2,044.8 |
| 2006 | 7.0 | 0.9 | 1.9 | 9.8 | 2,042.9 | 2,089.9 |
| 2007 | 7.1 | 1.0 | 2.0 | 10.1 | 2,163.8 | 2,163.8 |

Source: Compiled by the Congressional Research Service (CRS) based on data from the U.S. Department of Agriculture, Food and Nutrition Service.

- a. In order to reflect participation for the actual school year (September through May), these estimates are based on 9 month averages of October through May, plus September, rather than averages of the 12 months of the fiscal year (October through September).

- b. The federal government provides a small subsidy for these meals.
- c. Details may not sum to total because of rounding.
- d. Does not include the value of any federally donated commodities.
- e. Note: Constant dollars were calculated using the fiscal year CPI-U.

In addition to federal cash subsidies, participating schools receive donations of federally acquired **food commodities**. Schools are “entitled” to a specific, inflation-indexed value of federally provided commodities for each lunch they serve (20.75 cents a meal for the 2008-2009 school year); they also may receive “bonus” commodities acquired by the Agriculture Department in support of the farm economy. In recent years, the value of federal commodity aid to schools has totaled well over \$1 billion a year, and, by law, commodity assistance must represent at least 12% of the total value (cash + commodities) of aid given under the School Lunch program. Cash and commodity support to participating schools is based on the number and type of meals served (e.g., lunch or breakfast, free or full price). However, once the aid is received by the school, it is used to support the overall school meal service budget, as determined appropriate by the school.

Special Supplemental Nutrition Program for Women, Infants, and Children (The WIC Program)

The WIC Program provides food assistance, nutrition risk screening, and related services (e.g., nutrition education and breastfeeding support, medical care referral) to low-income pregnant and postpartum women and their infants, as well as to children up to age 5 from low-income families. Participants in the program generally must have family income at or below 185% of poverty, and must be judged to be nutritionally at risk. Nutrition risk is defined as detectable abnormal nutritional conditions; documented nutritionally related medical conditions; health impairing dietary deficiencies; or conditions that predispose people to inadequate nutrition or nutritionally related medical problems. Most income-eligible applicants meet the WIC program’s nutrition risk criteria.

Beneficiaries of the WIC Program receive monthly vouchers for the purchase of a “package” of specifically prescribed food items in participating retail stores (or, in some cases, actual monthly food packages of supplemental foods directly provided by state agencies). The range of permissible food items is set by federal regulation, although administering state agencies have some latitude in how federal standards are carried out (e.g., specifying “store” brands, decisions as to what types of infant formula are covered, what food may be provided for those with special dietary needs). Among the items that may be included are milk, cheese, eggs, infant formula, cereals, fruit or vegetable juices, and fresh fruits and vegetables. The program requires that vouchers—or food packages—be tailored (by food type and amount) by category of recipient (e.g., infants, children; pregnant, postpartum and nursing mothers). In addition to food benefits, recipients also must receive nutrition education and breast-feeding support (where called for) and may receive other services like referral to medical care providers.

The federal cost of providing WIC benefits varies widely depending on the recipient and the foods prescribed in recipients’ vouchers, as well as differences in retail prices (vouchers are denominated in food amounts, not dollars) and administrative and nutrition services expenses (like those for nutrition risk screening, breastfeeding support, and nutrition education). Moreover, the program’s food costs are significantly influenced by the degree to which states gain rebates

from infant formula (and, in some cases, juice or other) manufacturers under a requirement to pursue “cost containment” strategies; these rebates recently have totaled to over \$1.8 billion a year nationwide and pay for the cost of serving a significant portion of the WIC population. In FY2007, the national average federal cost of a WIC food package (after rebates) was \$39 a month for each participant. The program also provides states with funding for administrative costs and nutrition services (like nutrition education). In FY2007, the average monthly “nutrition services and administrative” (“NSA”) cost, including regular administrative expenses and nutrition risk assessments and nutrition education, was about \$16 per case.

The WIC Program has categorical, income, and nutrition risk requirements for eligibility. Only pregnant and postpartum women, infants, and children under age 5 may participate. As noted above, WIC applicants must show evidence of health or nutrition risk, medically verified by a health professional, in order to qualify. They also must have family income below 185% of the most recent annually indexed federal poverty guidelines (\$32,560 a year for a three person family for the period July 2008–June 2009; state WIC agencies may (but virtually never) set lower income eligibility cutoff points. Receipt of TANF, SNAP benefits (formerly, food stamps), or Medicaid assistance also can satisfy the WIC Program’s income test, and states may consider pregnant women meeting the income test “presumptively” eligible until a nutritional risk evaluation is made. In 2006, 60% of WIC enrollees had family income below the federal poverty guidelines, 9% of WIC enrollees were cash welfare (TANF) recipients, 22% received food stamps, and 63% were covered by Medicaid.

WIC participants receive benefits for a specified period of time, and in some cases must be recertified during this period to show continuing need (e.g., pregnant women may continue to receive benefits throughout their pregnancy and for up to 6-12 months after childbirth). Although it is federally funded, the WIC program actually is administered by some 2,000 state and local health agencies (and more than 30 Indian tribal organizations participating as separate grantees and treated like states). Over 10,000 local clinics/sites carry out the program. State administrative responsibilities extend to certifying eligibility, distributing benefits, issuing benefits, redeeming vouchers, and approving retail stores for participation.

Unlike most other federal nutrition assistance programs, the WIC program is not an “entitlement” program; it is “discretionary” and participation and benefits are limited by the amount of federal funding appropriated, whatever state supplementary funding is provided, and the extent of manufacturers’ rebates. However, Congress has historically provided funding at levels that meet participation and food cost requirements—so-called “full funding.” In FY2007, federal spending was \$5.4 billion, and the program served a monthly average of 8.3 million women, infants, and children: 25% women, 27% infants, and 51% children. In addition to the regular WIC program (which includes special vouchers for fruits and vegetables), annual Agriculture Department appropriations (in a budget account separate from WIC appropriations) fund a small (\$20 million a year) **WIC farmers’ market nutrition program** under which WIC applicants and recipients receive additional vouchers for the purchase of fresh produce at farmers’ markets. **Table 3** summarizes WIC participation and federal spending. Spending is made up of food costs, just over 70% of the total in recent years, and nutrition services and administrative (NSA) expenses (of which approximately two-thirds are typically for service activities like nutrition education and nutrition risk evaluations and one-third is for traditional administrative activities like eligibility determinations and issuing and redeeming vouchers).

Table 3. Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Participation and Federal Spending for Selected Fiscal Years, 1980-2007

In Millions

| | Average monthly participation | | | | Federal spending | |
|------|-------------------------------|---------|----------|--------------------|------------------------------|------------------------------------|
| | Women | Infants | Children | Total ^a | Current dollars ^b | Constant 2007 dollars ^c |
| 1980 | 0.4 | 0.5 | 1.0 | 1.9 | \$727.7 | \$1,867.3 |
| 1985 | 0.6 | 0.9 | 1.6 | 3.1 | 1,489.3 | 2,866.9 |
| 1990 | 1.0 | 1.4 | 2.1 | 4.5 | 2,122.4 | 3,385.2 |
| 1995 | 1.6 | 1.8 | 3.5 | 6.9 | 3,436.2 | 4,659.5 |
| 1996 | 1.6 | 1.8 | 3.7 | 7.2 | 2,301.1 | 3,035.1 |
| 1997 | 1.7 | 1.9 | 3.8 | 7.4 | 3,843.8 | 4,939.3 |
| 1998 | 1.7 | 1.9 | 3.7 | 7.3 | 3,890.4 | 4,917.5 |
| 1999 | 1.7 | 1.9 | 3.7 | 7.3 | 3,938.1 | 4,883.2 |
| 2000 | 1.8 | 1.9 | 3.5 | 7.2 | 3,982.1 | 4,786.6 |
| 2001 | 1.8 | 1.9 | 3.6 | 7.3 | 4,153.3 | 4,838.6 |
| 2002 | 1.8 | 1.9 | 3.8 | 7.5 | 4,339.8 | 4,982.1 |
| 2003 | 1.9 | 1.9 | 3.8 | 7.6 | 4,524.4 | 5,071.9 |
| 2004 | 1.9 | 2.0 | 4.0 | 7.9 | 4,887.3 | 5,356.5 |
| 2005 | 2.0 | 2.0 | 4.0 | 8.0 | 4,993.1 | 5,297.7 |
| 2006 | 2.0 | 2.1 | 4.0 | 8.1 | 5,075.7 | 5,192.4 |
| 2007 | 2.1 | 2.2 | 4.0 | 8.3 | 5,417.9 | 5,417.9 |

Source: Compiled by the Congressional Research Service (CRS) based on data from the U.S. Department of Agriculture, Food and Nutrition Service.

- a. Details may not sum to totals due to rounding.
- b. Includes funding for food costs, administration, nutrition services, studies, surveys, pilots, and farmers' market programs. Does not include support from manufacturer rebates for infant formula and juices.
- c. Constant dollars were calculated using the fiscal year CPI-U.

Day Care, Summer, and After-School Programs

In addition to the school-day-based lunch and breakfast programs, child nutrition laws include provisions for federal subsidies and commodity support for schools and other institutions/organizations offering meals and snacks to children in outside-of-school program settings. This assistance is provided to (1) schools and other governmental institutions, (2) private for-profit and nonprofit day care centers, (3) family/group day care homes, and (4) nongovernmental institutions/organizations that offer outside-of-school programs for children. In addition, day care

centers for chronically impaired adults and elderly persons are eligible for assistance under the same general terms as centers caring for children.

Federal support for day care, summer, and outside-of-school meal/snack programs totaled some \$2.5 billion in “entitlement” funding (including a small amount of commodities) for FY2007. More than 5 million children (and 100,000 adults) participated.

Child and Adult Care Food Program (CACFP)

The large majority of assistance for meals and snacks served in outside-of-school settings is provided under the CACFP. This program pays subsidies for meals and snacks served in participating nonresidential child care centers (average attendance 40-50 children) and family day care homes (typically caring for 5-10 children). It also supports assistance for meals and snacks in adult day care centers (averaging 40-45 chronically ill or elderly adults), as well as those offered in participating after-school programs (which are discussed later).

The CACFP provides federal payments for breakfasts, lunches, suppers, and snacks served in participating centers or homes. In many cases, sponsors giving administrative support to providers also are paid limited amounts for their costs. Subsidized meals and snacks must meet minimum federal nutrition standards, and providers must fulfill any state or local licensing/approval requirements or minimum alternative federal requirements (or otherwise demonstrate that they comply with government established standards for other child care programs). Federal assistance is made up overwhelmingly of cash subsidies based on the number of meals/snacks served and federally set indexed per-meal/snack subsidy rates; about 3% is in the form of federally donated food commodities. CACFP subsidies are available for meals and snacks served to children age 12 or under, migrant children age 15 or under, handicapped children of any age, and (in the case of adult care centers) chronically impaired and elderly adults; but preschool children form the overwhelming majority of those served by the program. Federal CACFP payments 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 administrative responsibilities) or through “sponsors” who oversee and provide support for a number of local providers (this is the case with some child/adult care centers and all day care homes).

Child care centers in the CACFP can be: (1) public or private nonprofit centers, (2) Head Start centers, (3) for-profit proprietary centers (if they meet minimum 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). In FY2007, some 48,000 child care centers, with average daily attendance of 2.2 million children, participated in the CACFP. Adult care centers totaled 2,500, with an average daily attendance of 105,000 persons.

Participating day care centers may receive daily subsidies for up to two meals and one snack or one meal and two snacks for each child, so long as they meet federal nutrition standards. All meals and snacks served in centers are federally subsidized to at least some degree; different subsidies are provided for breakfasts, lunches/suppers, and snacks, and subsidy rates are set in law and indexed for inflation annually. However, cash subsidies vary according to the family income of each child’s family, and the income demographics of the centers’ recipients is periodically evaluated. Subsidies are annually indexed, and the largest subsidies are paid for meals and snacks served to children with family income below 130% of the federal poverty

income guidelines (the income limit for free school meals): for July 2008-June 2009, these subsidies are 71 cents for each snack, \$1.40 for each breakfast, and \$2.57 for each lunch/supper. Smaller subsidies are available for meals and snacks served at a reduced price (no more than 15 cents for snacks, 30 cents for breakfasts, and 40 cents for lunches/suppers) to children with family income between 130% and 185% of the poverty guidelines (the income range for reduced-price school meals) and for meals and snacks served to children who do not qualify for free or reduced-price meals/snacks. “Independent” centers (those without sponsors handling administrative responsibilities) must pay for administrative costs associated with the CACFP out of non-federal funds or a portion of their meal subsidy payments. In other cases, center sponsors may retain a proportion of the meal subsidy payments they receive on behalf of their centers to cover their costs. Finally, federal commodity assistance is available to centers, valued at some 21 cents a meal for July 2008-June 2009 (the same commodity value provided for school meals).

CACFP subsidized day care homes serve an average of 5-10 children; just under 30% of children in the CACFP (860,000 in FY2007) are served through day care homes, and about one-third of the money spent under the CACFP supports meals and snacks served in homes. In FY2007, 143,000 home sites (with some 900 sponsors) received subsidies.

As with centers, payments to day care homes are provided for no more than 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 (most often) private nonprofit sponsor that typically has 100 or more homes under its supervision; CACFP day care home sponsors receive monthly administrative payments (separate from meal subsidies) based on the number of homes for which they are responsible. Also unlike centers, day care homes receive cash subsidies (but not commodities) that generally do not differ by individual children’s family income. Instead, there are two distinct, annually indexed subsidy rates. “Tier I” homes (those located in low-income areas or operated by low income providers) receive higher subsidies for each meal/snack they serve: for July 2008-June 2009, all lunches and suppers are subsidized at \$2.18 each, all breakfasts at \$1.17, and all snacks at 65 cents. “Tier II” homes (those not located in low-income areas or without low income providers) receive smaller subsidies: for July 2008-June 2009, these are \$1.31 for lunches/suppers, 43 cents for breakfasts, and 18 cents for snacks. 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.

Although federal subsidies for day care centers differ by family income, there is no requirement that meals/snacks specifically identified as “free” or “reduced-price” be served. Centers may adjust their regular fees (tuition) to account for federal payments, but the 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. Federal subsidies for family day care homes differ by the type of home and homes may adjust their tuition to account for federal payments; 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.

In FY2007, the CACFP provided \$2.1 billion in cash subsidies for meal costs and \$77 million worth of commodities. In addition, it paid \$137 million for sponsors’ administrative costs and expenses related to auditing local operators.

Summer Food Service Program

The Summer Food Service 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 subsidies for each meal or snack served; however, federally donated commodities also are offered. Participating service institutions (also called sponsors) 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 of three types of summer programs can be approved: (1) “open” sites operating in lower-income areas where 50% or more of the children have family income that would make them eligible for free or reduced-price school meals, (2) “enrolled” sites where at least half of the children enrolled in the sponsor’s program are eligible for free or reduced-price school meals, and (3) summer camps. Summer meals/snacks are provided free to all children at open or enrolled sites and to lower-income children in camps.

Summer sponsors get operating (food, storage, labor) cost subsidies for all meals/snacks they serve—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. For the summer of 2008, the combined (operating and administrative cost) subsidies under the summer program were approximately \$3 for each lunch/supper, \$1.70 for each breakfast, and 70 cents for each snack. 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.

In FY2007, some 3,600 sponsors (with 30,000 food service sites) participated in the summer program and served an average of 1.9 million children daily. Program costs totaled to about \$300 million, including cash, commodities, administrative cost assistance, and health inspection costs.

After-School Programs

Federal assistance for snacks (and, in some cases, meals) served through after-school programs is provided through two basic alternatives. The CACFP offers subsidies to sponsors (schools or community-based nonprofit sponsoring entities) for snacks served during the school year to “at-risk” children in after-school programs located in lower-income areas where at least half the children are eligible for free or reduced-price school meals. In a few states (eight in FY2009), these CACFP payments also are available for meals (typically suppers) through after-school programs. All snacks/meals generally are served free. A second, less-used, avenue is open only to schools as an extension of the School Lunch program. They may operate after-school snack-only programs during the school year that provide free snacks in lower-income areas (like the CACFP component) or offer free, reduced-price, or fully paid-for snacks (differentiated by family income like the School Lunch program) in non-needy areas.

Although non-school sponsors may receive after-school nutrition assistance, the overwhelming majority of sites (more than 80%) are operated by schools. Federal cash subsidies for snacks (and, where available, meals) generally are the same as those paid for snacks and lunches/suppers in the regular CACFP. In FY2007, average daily participation in after-school snack/supper programs

was approximately 1.2 million children. Spending on this type of assistance is not separately tracked at the federal level, but is included in the figures for the School Lunch program and the CACFP, noted above.

Other Child Nutrition Programs, Initiatives, and Support Activities

Child nutrition laws also support a range of smaller programs, initiatives, and activities.

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 1.5% of child nutrition cash support. 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 the CACFP, commodity distribution, and “coordinated 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. State administrative expense funding in FY2007 totaled to more than \$160 million.

States receive grants for a **Fresh Fruit and Vegetable program**, under which selected schools in each state get money to purchase and distribute fresh fruits and vegetables 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 \$40 million for the 2008-2009 school year, \$65 million for the 2009-2010 school year, \$101 million for the 2010-2011 school year, \$150 million for the 2011-2012 school year, and inflation-indexed for later years.

Schools and institutions like summer camps and child care facilities not otherwise participating in federally subsidized meal service programs, along with schools with split (part-day) sessions for kindergartners or pre-kindergartners where children do not have access to regular school meal programs, can participate in the **Special Milk program**. Under this program, they provide milk to all children at a reduced-price or free. Each half-pint served is federally subsidized at a slightly different rate, depending on whether it is served free or not, but the provision of free milk to needy children is not required. In FY2007, about 90 million half-pints were subsidized at about 15 cents each (7% were served free) to roughly 500,000 children. Federal costs for this program typically run about \$15 million a year.

Under a **coordinated review effort (CRE)**, the FNS, in cooperation with state agencies, conducts periodic school compliance and accountability evaluations to improve management and identify administrative, subsidy claim, and meal quality problems. This \$5 million-a-year effort is the major ongoing initiative related to maintaining the integrity of child nutrition programs. The Agriculture Department’s Economic Research Service (ERS) and the FNS conduct **nutrition research, studies, surveys, and program evaluations** (typically totaling about \$10 million a year). A national **Food Service Management Institute (FSMI)** provides technical assistance, instruction, and materials related to nutrition and food service management; it is funded at \$4

million a year. An **information clearinghouse** provides information to support community-sponsored food assistance initiatives, using funding of about \$250,000 a year. **Special FNS projects**—“Team Nutrition” nutrition education initiatives, a food safety project, technical assistance to program operators, food service training grants, aid with electronic food resource systems, “program integrity” efforts—are aimed at helping schools and other providers with nutrition education materials, assisting them to improve their meal service operations and the quality of meals, and ensuring that federal support is spent correctly; they are typically funded at \$15-\$20 million a year.

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