

# 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 FY2016, federal spending on these programs totaled over \$22 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 2010 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. Participating schools are currently subject to 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.

The 114<sup>th</sup> Congress began but did not complete a 2016 child nutrition reauthorization (see CRS Report R44373, *Tracking the Next Child Nutrition Reauthorization: An Overview*). As of the date of this report, there has been no significant reauthorization activity in the 115<sup>th</sup> Congress.

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## 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.<sup>1</sup> 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**):<sup>2</sup>

- **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."<sup>3</sup>

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<sup>1</sup> 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.

<sup>2</sup> 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").

<sup>3</sup> This CRS report uses the August 2017 report, which contains data through May 2017. 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.<sup>4</sup> 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.<sup>5</sup> The School Breakfast Program was piloted in 1966, regularly extended, and eventually made permanent in 1975.<sup>6</sup> 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.<sup>7</sup> These are now the Child and Adult Care Food Program<sup>8</sup> and Summer Food Service Program. The Fresh Fruit and Vegetable Program began as a pilot in 2002.<sup>9</sup>

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).<sup>10</sup> 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); some of the authorities created or extended in that law expired on September 30, 2015.<sup>11</sup> *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.*<sup>12</sup>

The 114<sup>th</sup> Congress began but did not complete a 2016 child nutrition reauthorization (see CRS Report R44373, *Tracking the Next Child Nutrition Reauthorization: An Overview*). As of the date

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<sup>4</sup> 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.

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

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

<sup>7</sup> 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>.

<sup>8</sup> Adult day care was added in 1987.

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

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

<sup>11</sup> 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.

<sup>12</sup> See CRS Report R44115, *A Primer on WIC: The Special Supplemental Nutrition Program for Women, Infants, and Children*.

of this report, the committees of jurisdiction have not conducted reauthorization hearings or markups in the 115<sup>th</sup> Congress.

## **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).<sup>13</sup> 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 FY2016), through some 100,000 public and private schools and residential child care institutions, nearly 200,000 child care centers and family day care homes, and nearly 50,000 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).<sup>14</sup>

## **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 mandatory spending, is not controlled through the annual appropriations process, but instead is derived from the benefit and eligibility criteria specified in the authorizing laws. The appropriated mandatory 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.<sup>15</sup> Congress considers the Administration's forecast for

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<sup>13</sup> As of FY2016, FNS operates certain child nutrition programs for certain types of institutions in lieu of state agencies in two states (Virginia and Colorado). Beginning July 1, 2016, FNS will no longer operate child nutrition programs in lieu of state agencies in Virginia. For more information see USDA, Food and Nutrition Service, "Agency Information Collection Activities: Proposed Collection; Comment Request-Regional Office Administered Program (ROAP) Child Nutrition Payment Center (for the National School Lunch, School Breakfast, and Special Milk Programs)," 81 *Federal Register* 61 - 62, January 4, 2016.

<sup>14</sup> For more information on child nutrition programs in the Northern Marianas and American Samoa, see U.S. Department of the Interior, Office of Insular Affairs, Region IX Federal Regional Council, Outer Pacific Committee, *FY 2016 Report on Federal Financial Assistance to the U.S. Pacific and Caribbean Islands*, May 1, 2017, p. 10, <https://www.doi.gov/sites/doi.gov/files/uploads/fy16-report-on-federal-financial-assistance-to-the-insular-areas.pdf>.

<sup>15</sup> GAO Budget Glossary, p. 13: <http://www.gao.gov/products/GAO-05-734SP>.



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 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.<sup>16</sup> 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 a smaller portion of 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).<sup>19</sup>

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.<sup>17</sup>

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.<sup>18</sup>

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.

<sup>16</sup> 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.

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

<sup>18</sup> 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. Recent updates of school meals and CACFP nutrition standards are discussed in "Selected Current Issues in the USDA Child Nutrition Programs."

<sup>19</sup> 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.<sup>20</sup>

## 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	FY2016 Expenditures (in millions)	FY2016 Average Daily Participation	Maximum Daily Snack/Meals <sup>a</sup>
<b>National School Lunch Program</b>	Richard B. Russell National School Lunch Act (1946)	<ul style="list-style-type: none"> <li>Lunches at school</li> <li>Typically served in schools, to pre-K-12 students, during the school day and year</li> <li>Possible to provide summer food and afterschool snacks.</li> </ul>	\$13,569	30.4 million	One meal and snack per child

<sup>20</sup> The School Nutrition Association, a trade association representing school meal operators and industry, tracks state policies and funding on the organization website at <https://schoolnutrition.org/LegislationPolicy/StateLegislationPolicyReports/>.

<b>School Breakfast Program</b>	Child Nutrition Act (1966)	<ul style="list-style-type: none"> <li>• Breakfasts at school (also for pre-K-12)</li> <li>• Typically served in schools, to pre-K-12 students, during the school day and year</li> </ul>	\$4,213	14.6 million	Generally one breakfast per child, with some flexibility
<b>Child and Adult Care Food Program (child care center, day care homes, adult day care centers)</b>	Richard B. Russell National School Lunch Act (1968)	<ul style="list-style-type: none"> <li>• Meals and snacks in early childhood and adult day care settings</li> <li>• Rules and funding differ based on type of institution</li> </ul>	\$3,519 (includes at-risk after-school spending, described below)	4.3 million children; 131,000 adults	Two meals and one snack, or one meal and two snacks per participant
<b>Child and Adult Care Food Program (At-Risk After-School snacks and meals)<sup>b</sup></b>	Richard B. Russell National School Lunch Act (1994)	<ul style="list-style-type: none"> <li>• Supper and snacks for school-age children after-school</li> <li>• Eligibility based on area eligibility</li> </ul>	(Not available; included in CACFP total above)	1.5 million children (included in CACFP children above)	One meal and one snack per child
<b>Summer Food Service Program</b>	Richard B. Russell National School Lunch Act (1968)	<ul style="list-style-type: none"> <li>• Meals and snacks provided during summer months</li> <li>• Sites vary and include schools, community centers, camps, parks, and others</li> <li>• Eligibility rules vary for “open” and “closed” sites</li> </ul>	\$478	2.8 million <sup>c</sup>	Lunch and breakfast or lunch and one snack per child  Exception: maximum of three meals for camps or programs that serve primarily migrant children
<b>Special Milk Program</b>	Child Nutrition Act (1954)	<ul style="list-style-type: none"> <li>• Subsidizes milk, not meals or snacks</li> <li>• Institutions eligible must not participate in NSLP or SBP.</li> </ul>	\$9	207,000 half-pints served <sup>d</sup>	Not specified
<b>Fresh Fruit and Vegetable Program</b>	Richard B. Russell National School Lunch Act (2002)	<ul style="list-style-type: none"> <li>• Provides free fresh fruit and vegetable snacks to elementary school students</li> </ul>	\$167 <sup>e</sup>	Not available	Not applicable

**Source:** Except where noted, participation and funding data from USDA-FNS Keydata December 2015 report, which contains data through October 2015.

- 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.
- 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.
- Based only on July 2015 participation data.
- Data from p. 32-64 of FY2018 USDA-FNS Congressional Budget Justification.
- Obligations data displayed on p. 32-15 of FY2018 USDA-FNS Congressional Budget Justification.

## Related Resources on Child Nutrition Programs and Policies

Other relevant CRS reports in this area include<sup>21</sup>

- CRS In Focus IF10266, *An Introduction to Child Nutrition Reauthorization*;
- CRS Report R42353, *Domestic Food Assistance: Summary of Programs*;
- CRS Report R41354, *Child Nutrition and WIC Reauthorization: P.L. 111-296*;
- CRS Report R44373, *Tracking the Next Child Nutrition Reauthorization: An Overview*;
- CRS Report R44588, *Agriculture and Related Agencies: FY2017 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 committee's 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)<sup>22</sup> that opt to enroll and guarantee to offer free or reduced-price meals to eligible low-

<sup>21</sup> 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*.

<sup>22</sup> 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.<sup>23</sup>

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.<sup>24</sup> 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 2013-2014, an estimated 91% of public schools and 16% of private schools participated in NSLP, while 84% of public schools and 8% of private schools participated in SBP.<sup>25</sup>

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.<sup>26</sup> There also are states that choose to supplement federal reimbursements with their own state reimbursements.<sup>27</sup>

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(...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."

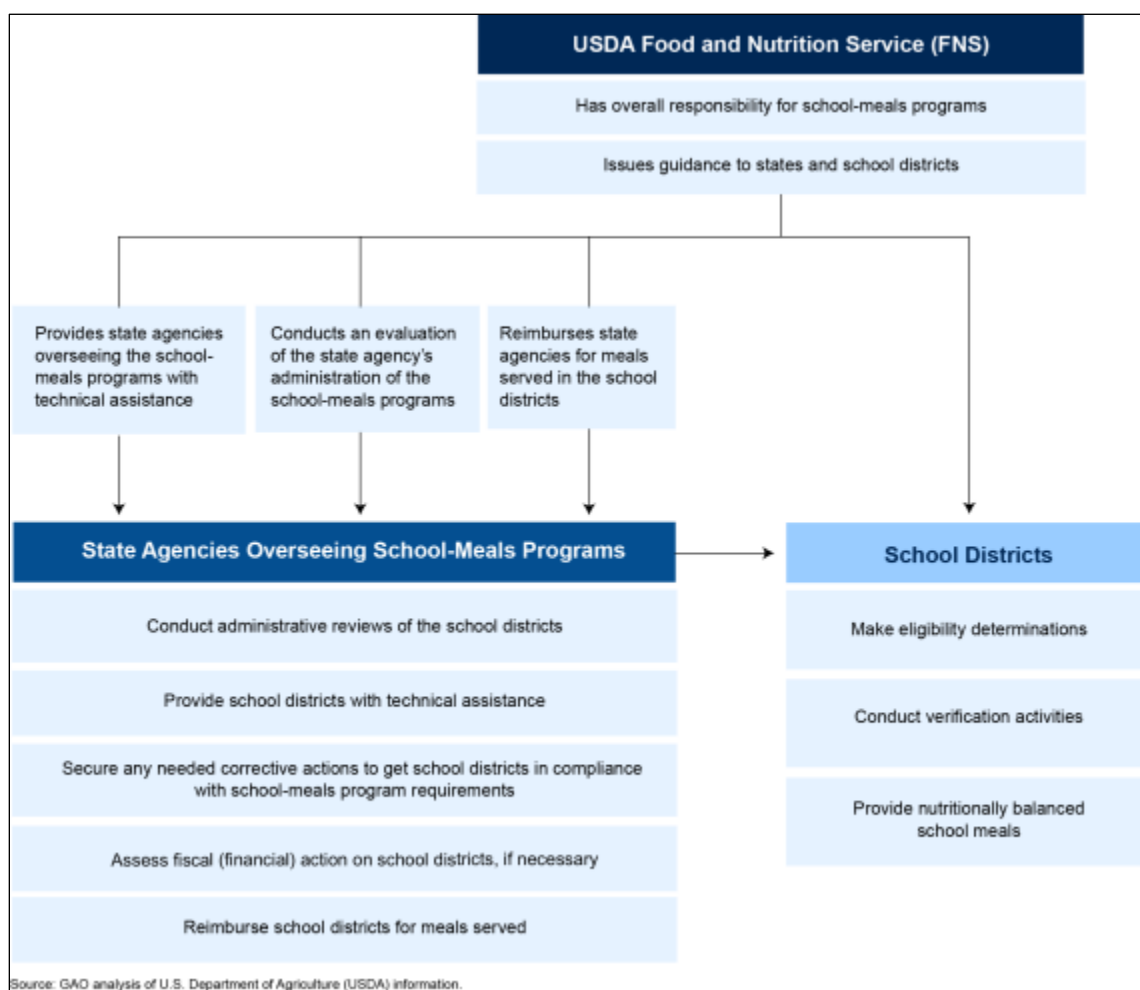
<sup>23</sup> See School Nutrition Association, *State School Meal Mandates and Reimbursements: School Year 2016-2017*, June 15, 2017, [https://schoolnutrition.org/uploadedFiles/Legislation\\_and\\_Policy/State\\_and\\_Local\\_Legislation\\_and\\_Regulations/2016-17State-School-Meal-Mandates-and-Reimbursements.pdf](https://schoolnutrition.org/uploadedFiles/Legislation_and_Policy/State_and_Local_Legislation_and_Regulations/2016-17State-School-Meal-Mandates-and-Reimbursements.pdf).

<sup>24</sup> Ibid.

<sup>25</sup> 2013-2014 is the most recent year that total schools data are available for both private and public schools from National Center for Education Statistics ([https://nces.ed.gov/programs/digest/d16/tables/dt16\\_214.10.asp?current=yes](https://nces.ed.gov/programs/digest/d16/tables/dt16_214.10.asp?current=yes)). 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.

<sup>26</sup> 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).

<sup>27</sup> See School Nutrition Association, *State School Meal Mandates and Reimbursements: School Year 2016-2017*, June 15, 2017.

**Figure 1. 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:

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.<sup>28</sup>

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 \$3.25 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 over \$2.80 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.<sup>29</sup> The paid meal price is set by the school but must comply with federal regulations.<sup>30</sup> (Reimbursements are over 30 cents per lunch served.)

The annual income thresholds for meal assistance for school year 2017-2018 are listed below in **Table 2**. The above reimbursement rates are approximate; exact current-year federal reimbursement rates for NSLP and SBP are listed in **Table B-1** and **Table B-3**, respectively.

**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 2017-2018

Meal Type	Income Eligibility Threshold (% of the Federal Poverty Level)	Annual Income for a Family of Four <sup>a</sup>
Free	<130%	<\$31,980
Reduced-Price	130-185%	\$31,980 - \$45,510

<sup>28</sup> 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.

<sup>29</sup> 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/sites/default/files/cn/NAPS15-16nslp.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.

<sup>30</sup> 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/sites/default/files/2011-06-17.pdf>.

**Source:** USDA, Food and Nutrition Service, “Child Nutrition Programs—Income Eligibility Guidelines,” 82 *Federal Register* 17184, April 10, 2017.

**Note:** This school year is defined as July 1, 2017, through June 30, 2018.

- 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 also affect 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”:<sup>31</sup>

- 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;
- a runaway; or
- homeless.<sup>32</sup>

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 2017-2018 rates.)

<sup>31</sup> See Section 9(b)(12)(A) of the National School Lunch Act, codified at 42 U.S.C. 1758(b)(12)(A), for the more specific definitions of these categories.

<sup>32</sup> Note: SNAP, FDPIR, 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 specific demonstration authority in HHFKA as well as under FNS’s standing pilot authority, some states are currently directly certifying children based on Medicaid data. According to USDA-FNS, 19 states are operating direct certification with Medicaid in SY2017-2018. Four of the states (Illinois, Kentucky, New York, Pennsylvania) use Medicaid to directly certify for free meals only. Fifteen states (California, Connecticut, Florida, Indiana, Iowa, Massachusetts, Michigan, Nebraska, Nevada, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin), operating under an expanded direct certification demonstration project to test direct certification with Medicaid for reduced-price meals (up to 185% of poverty), are using this process for free and reduced-price meals. Both options are discussed in USDA-FNS, Request for Applications to Participate in Demonstration Projects to Evaluate Direct Certification with Medicaid, January 27, 2016, <http://www.fns.usda.gov/sites/default/files/cn/SP23-2016a.pdf>.



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 FDPIR 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 FDPIR 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.<sup>33</sup> 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.<sup>34</sup> A USDA-FNS study of school year 2014-2015 estimates that 11.1 million students receiving free meals were directly certified; this is 68% of all categorically eligible students receiving free meals.<sup>35</sup>

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.<sup>36</sup>

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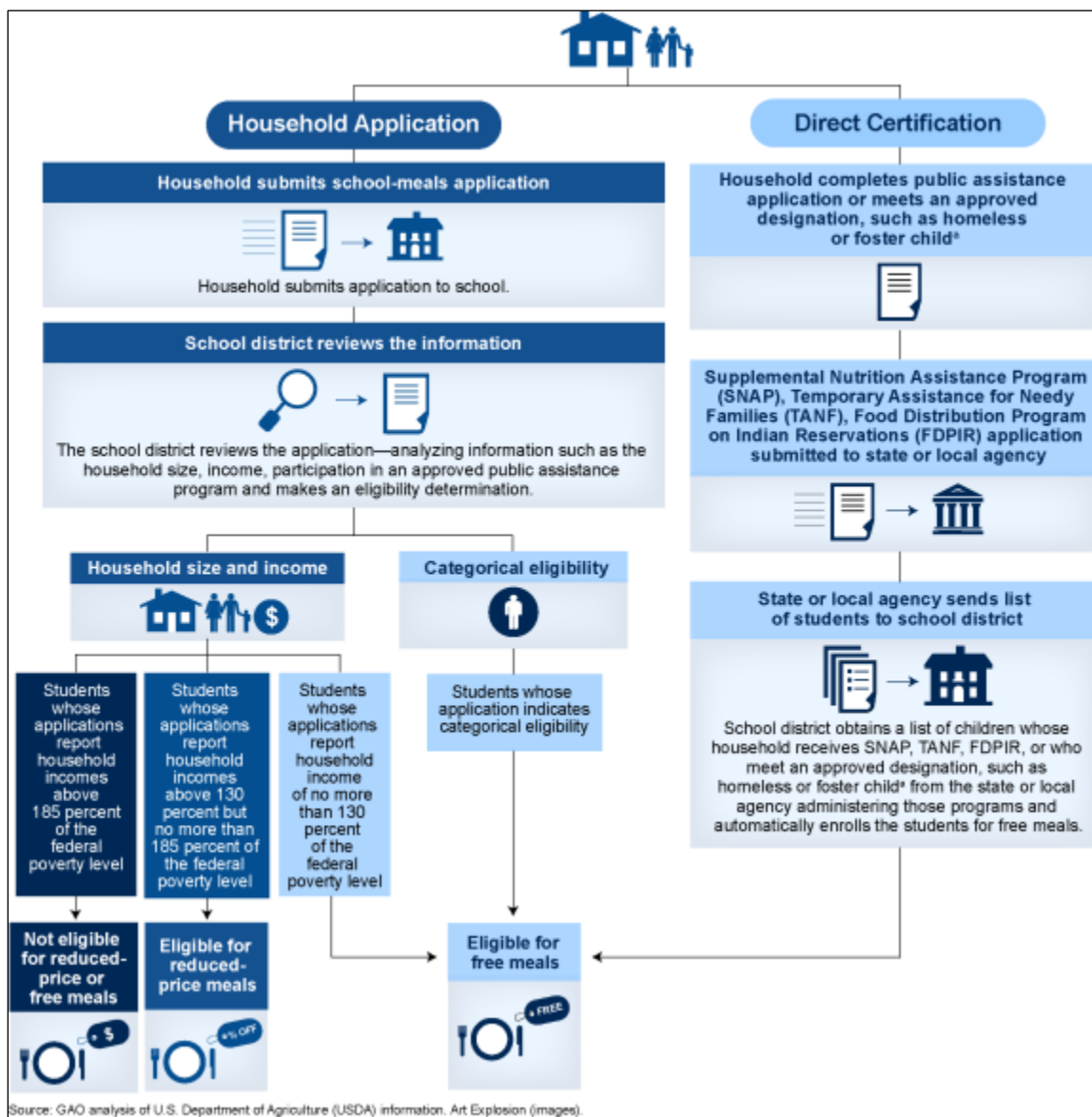
<sup>33</sup> See, for example, U.S. Government Accountability Office, *School-Meals Programs: USDA Has Enhanced Controls, but Additional Verification Could Help Ensure Legitimate Program Access*, GAO-14-262, May 2014, pp. 16-19, <http://www.gao.gov/products/GAO-14-262>.

<sup>34</sup> 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>.

<sup>35</sup> Quinn Moore, Kevin Conway, and Brandon Kyler, et al., *Direct Certification in the National School Lunch Program: State Implementation Progress, School Year 2014-2015, Report to Congress* Mathematica Policy Research for USDA-FNS, CN-15-DC, October 2016, p. 24, <https://www.fns.usda.gov/direct-certification-national-school-lunch-program-report-congress-state-implementation-progress-0>. Using USDA-FNS administrative data from October 2014, this is approximately 56% of the over 20 million average free lunch participation.

<sup>36</sup> See CRS Report R41354, *Child Nutrition and WIC Reauthorization: P.L. 111-296* 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.

<sup>a</sup> 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 Students***<sup>37</sup>

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.<sup>38</sup>

Based on the statutory parameters, USDA-FNS phased in this option, and it has been available nationwide since school year 2014-2015. LEAs had until August 31, 2014, to notify USDA-FNS if they will participate in CEP. According to a database maintained by the Food Research and Action Center, 20,721 schools in 3,538 school districts (Local Education Agencies (LEAs)) participated in CEP for 2016-2017.<sup>39</sup>

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

- 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.<sup>40</sup> 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 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.

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<sup>37</sup> 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.

<sup>38</sup> 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>.

<sup>39</sup> Food Research & Action Center (FRAC), *Community Eligibility Continues to Grow in the 2016-2017 School Year*, March 2017, [http://www.frac.org/wp-content/uploads/CEP-Report\\_Final\\_Links\\_032317.pdf](http://www.frac.org/wp-content/uploads/CEP-Report_Final_Links_032317.pdf).

<sup>40</sup> 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”).

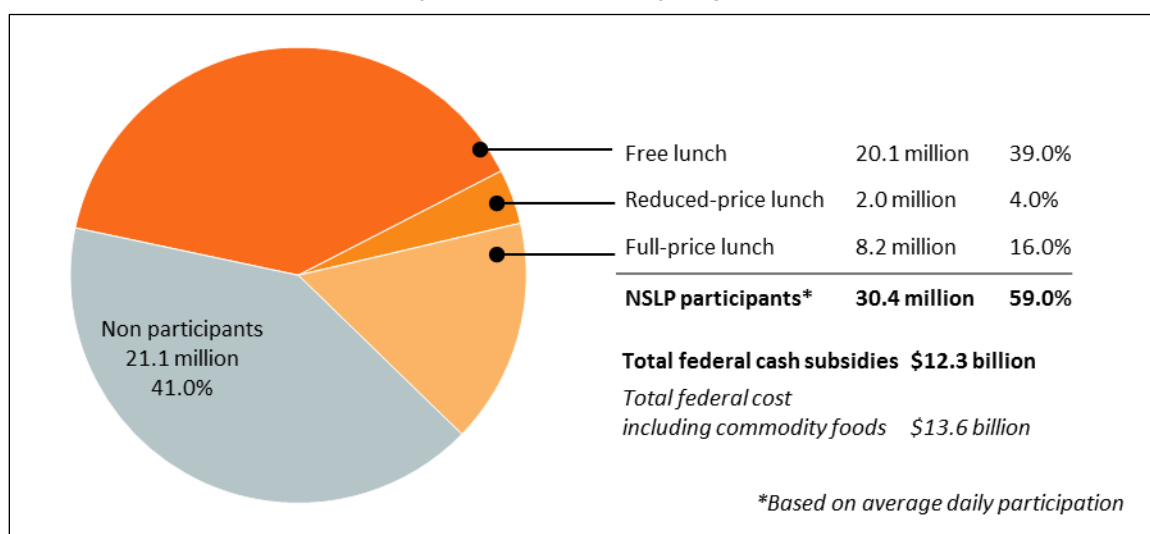
## National School Lunch Program (NSLP): Program-Specific Data and Policies

**Figure 3** shows FY2016 participation and spending data. In that year, NSLP subsidized over 5.0 billion lunches to children in nearly 96,000 schools and over 3,500 RCCIs. Average daily participation was 30.4 million students (59.0% of the 51.5 million children enrolled in participating schools and RCCIs). Of the participating students, 66.1% (20.1 million) received free lunches and 6.7% (2.0 million) received reduced-price lunches. The remainder were served full-price meals, though schools still receive a reimbursement for these meals.

FY2016 federal school lunch costs totaled approximately \$13.6 billion (see **Table 3** for the various components of this total). The vast majority of this funding is for per-meal reimbursements for free and reduced-price lunches.

**Figure 3. National School Lunch Program, FY2016 Participation and Spending**

Participation at NSLP-Participating Schools



**Source:** Figure created by CRS based on FY2016 data from the USDA-FNS.

**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.<sup>41</sup> This bonus is not provided for 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

<sup>41</sup> 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.

acquired by USDA in support of the farm economy.<sup>42</sup> In FY2016, the value of federal commodity food aid to schools totaled over \$1.3 billion. 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 Meals: Provided through Several Authorities” 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 FY2016 SBP participation and spending data. In that year, SBP subsidized over 2.4 billion breakfasts in over 87,000 schools and nearly 3,600 RCCIs. Average daily participation was 14.6 million children (30% 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, 79% (11.5 million) received free meals and nearly 6% (860,000) purchased reduced price meals in FY2016.

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

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.

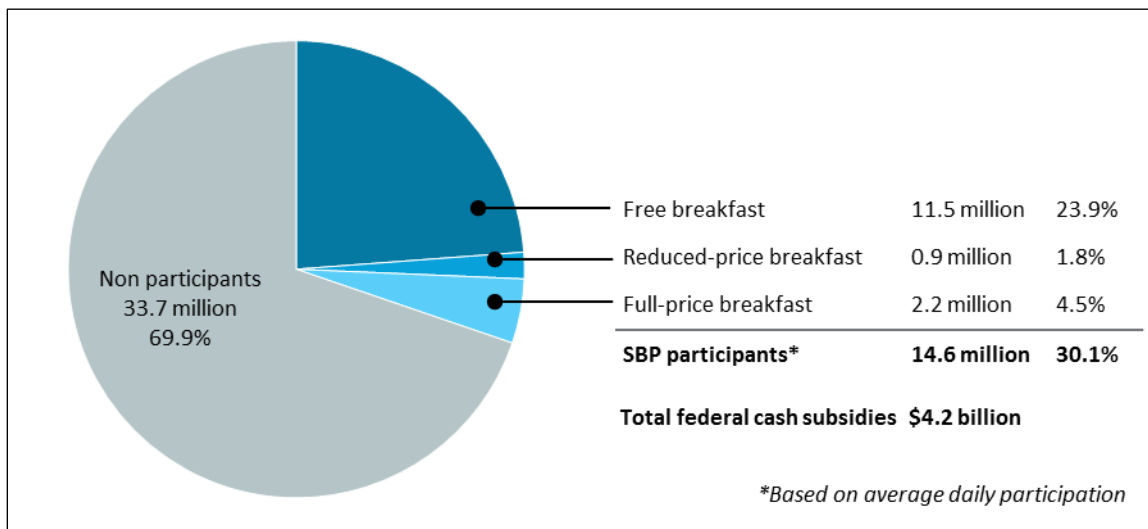
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<sup>42</sup> USDA commodity foods are foods purchased by the USDA for distribution to USDA nutrition programs. These programs distribute “entitlement commodities” (an amount of USDA foods to which grantees are entitled by law) as well as “bonus commodities” (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*.

<sup>43</sup> See Food Research and Action Center (FRAC), “School Breakfast Expansion Strategies,” <http://www.frac.org/programs/school-breakfast-program/school-breakfast-expansion-strategies> (Accessed August 16, 2017).

**Figure 4. School Breakfast Program, FY2016 Participation and Spending**

Participation at SBP-Participating Schools



**Source:** Figure created by CRS based on FY2016 data from USDA-FNS.

**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.

### 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 depend, 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 FY2016 CACFP data, child care centers have an average daily attendance of about 54 children per center, day care homes have an average daily attendance of approximately 7 children per home, and adult day care centers typically care for an average of 46 chronically ill or elderly adults per center.<sup>44</sup>

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 a far smaller share of federal aid (4.4% in FY2016) is in the form of federal USDA commodity *foods* (or cash in lieu of 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).<sup>45</sup>

In FY2016, total CACFP spending was over \$3.5 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.<sup>46</sup>

## **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).<sup>47</sup> In FY2016, over 65,000 child care centers with an average daily attendance of over 3.5 million children participated in CACFP. Over 2,800 adult care centers, serving 131,000 adults, were served through CACFP.

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

<sup>45</sup> 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.

<sup>46</sup> See <http://www.fns.usda.gov/cacfp/emergency-shelters> for further information.

<sup>47</sup> 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/cacfp/facts-about-adult-component-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.<sup>48</sup> 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.

### ***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 CACFP-supported *centers* serve per center. Roughly 18% of children in CACFP (approximately 757,000 in FY2016 average daily attendance) are served through day care homes. In FY2016, approximately 108,000 homes (with nearly 800 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

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<sup>48</sup> See also summary of CACFP eligibility rules at USDA-FNS website, <http://www.fns.usda.gov/cacfp/why-cacfp-important>.

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.<sup>49</sup>

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, HHFKA 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.<sup>50</sup>

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 Meals: Provided through Several Authorities**

Current law SFSP and the NSLP/SBP Seamless Summer Option (discussed in text box) provide meals in congregate settings nationwide; the related Summer Electronic Benefits Transfer (SEBTC or Summer EBT) demonstration project is an alternative to congregate settings. The demonstration is discussed below; proposals to expand the demonstration are discussed in "Selected Current Issues in the USDA Child Nutrition Programs."

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<sup>49</sup> 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>.

<sup>50</sup> 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, 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>.

## 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.

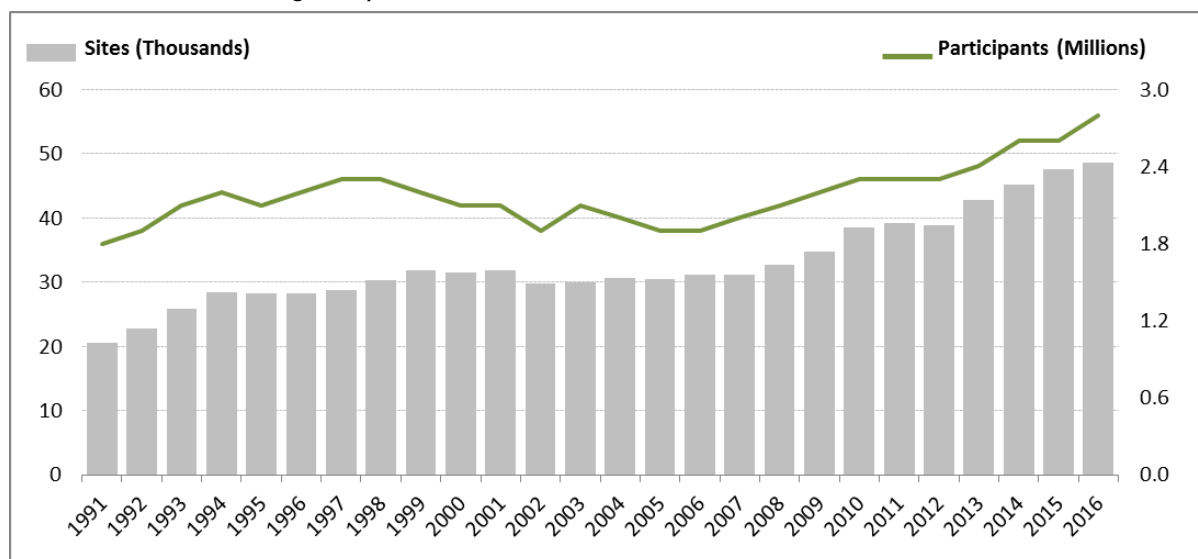
### Participation

In FY2016, over 5,500 sponsors with over 48,000 food service sites participated in the SFSP and served an average of approximately 2.8 million children daily (according to July data).

Participation of sites and children reached its height in FY2014 (see **Figure 5**). Program costs for FY2016 totaled over \$478 million, including cash assistance, commodity foods, administrative cost assistance, and health inspection costs.

**Figure 5. SFSP Participants and Meal Sites FY1991-FY2016**

Average Daily Attendance and Number of Food Distribution Sites



**Source:** CRS, based upon 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](http://www.ers.usda.gov/topics/food-nutrition-assistance/child-nutrition-programs/charts/summer-programs.aspx#.VCLh_7EtGac)), updated by CRS with FY2015 and FY2016 USDA-FNS data. 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.

### **School Meals' Seamless Summer Option<sup>51</sup>**

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 food 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.

### **Summer EBT for Children (SEBTC or "Summer EBT"): An Alternative to SFSP or Seamless Summer Option Sites**

Beginning in the summer of 2011 and (as of the date of this report) each summer since, USDA-FNS has operated Summer EBT demonstration projects in a limited number of states and Indian Tribal Organizations (ITOs). These Summer EBT projects provide electronic food benefits over summer months to households with children eligible for free or reduced-price school meals. Depending on the site and year, either \$30 or \$60 per month is provided, through a WIC or SNAP EBT card model. In the demonstration projects, these benefits were provided as a supplement to the Summer Food Service Program meals available in congregate settings.

Summer EBT and other alternatives to congregate meals through SFSP were first authorized and funded by the FY2010 appropriations law (P.L. 111-80). Although a number of alternatives were tested and evaluated, findings from Summer EBT were among the most promising, and Congress

<sup>51</sup> For further discussion, see the USDA-FNS website: <http://www.fns.usda.gov/school-meals/opportunity-schools>.

provided subsequent funding.<sup>52</sup> Summer EBT evaluations showed significant impacts on reducing child food insecurity and improving nutritional intake.<sup>53</sup> Summer EBT in the summers from 2011 to 2014 was funded by P.L. 111-80. In limited areas, projects have been operated and funded subsequently in FY2015-FY2017, most recently with \$23 million in the FY2017 appropriations law (P.L. 115-31). For FY2018, the President’s budget and House- and Senate-reported bills would continue Summer EBT funding. According to USDA-FNS, in summer 2016, Summer EBT continued to operate in six states and two tribal nations, but expanded to serve over 250,000 children.<sup>54</sup>

## 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 FY2016, over 45 million half-pints were subsidized, 9.5% of which were served free. Federal expenditures for this program were approximately \$9.1 million in FY2016.

## 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).

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<sup>52</sup> This CRS report discusses Summer EBT, not the other tested programs (“Enhanced Summer Food Service Program (eSFSP). For information on eSFSP, please see “Report on the Summer Food for Children Demonstration Projects for Fiscal Year 2013” and related resources, available at <http://www.fns.usda.gov/report-summer-food-children-demonstration-projects-fiscal-year-2013>.

<sup>53</sup> See, for example, evaluations listed on the USDA-FNS website: <http://www.fns.usda.gov/ops/summer-electronic-benefit-transfer-children-sebtc>.

<sup>54</sup> *FY2018 USDA Budget Explanatory Notes for Committee on Appropriations* for USDA-FNS, <http://www.obpa.usda.gov/32fnsexnotes2018.pdf>, p. 32-45.

Funding is set by law at \$150 million for school year 2011-2012 and inflation-indexed for later years. Funding allocated for school year 2015-2016 was approximately \$177 million.<sup>55</sup>

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).<sup>56</sup> 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. Since then, other proposals have been introduced to expand fruits and vegetables offered in FFVP.<sup>57</sup>

## 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.<sup>58</sup>

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 FY2015 (a daily average of nearly 1.4 million). This is a fraction (under 5%) of the over 5 billion *lunches* served (a daily average of 28.3 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 Afterschool 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 HRFKA. 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 CACFP state agencies to offer such meals.<sup>59</sup> In FY2015, the At-Risk Afterschool program served a total of approximately 56 million free snacks, 131.7 million free suppers, and 1.5 million other meals to a daily average of nearly 829,000 children.

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<sup>55</sup> FY2017 USDA Budget Explanatory Notes for Committee on Appropriations for USDA-FNS, <http://www.obpa.usda.gov/32fns2017notes.pdf>, p. 32-55.

<sup>56</sup> Permanent funding is made possible through the Section 32 account. See CRS Report RL34081, *Farm and Food Support Under USDA's Section 32 Program*, coordinated by (name redacted)

<sup>57</sup> See CRS Report R44373, *Tracking the Next Child Nutrition Reauthorization: An Overview*, by (name redacted) d). In the 115<sup>th</sup> Congress, see, for example, H.R. 3402.

<sup>58</sup> 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#.VCHkzEtGac>.

<sup>59</sup> S.Rept. 111-178, p. 7.



**Table 3. FY2015 and FY2016 Federal Expenditures for Child Nutrition Programs**

In millions of dollars

Program or Program Component	FY2015	FY2016	Change from FY2015 to FY2016	
<b>National School Lunch Program</b>	<b>\$13,010</b>	<b>\$13,569</b>	<b>+\$559</b>	<b>+4%</b>
<i>free meal reimbursements</i>	\$9,082	\$9,593	+\$511	+6%
<i>reduced-price meal reimbursements</i>	\$837	\$808	-\$29	-3%
<i>paid meal reimbursements</i>	\$1,414	\$1,478	+\$64	+5%
<i>additional funding to schools with more than 60% free or reduced-price participation</i>	\$74	\$76	+\$2	+3%
<i>performance-based meal reimbursements</i>	\$295	\$302	+\$7	+2%
<i>commodity food assistance<sup>a</sup></i>	\$1,307	\$1,311	+\$4	+0%
<b>School Breakfast Program</b>	<b>\$3,888</b>	<b>\$4,213</b>	<b>+\$325</b>	<b>+8%</b>
<i>free meal reimbursements</i>	\$3,553	\$3,868	+\$315	+9%
<i>reduced-price meal reimbursements</i>	\$238	\$239	+\$1	+0%
<i>paid meal reimbursements</i>	\$98	\$106	+\$8	+8%
<b>Child and Adult Care Food Program (CACFP)</b>	<b>\$3,293</b>	<b>\$3,519</b>	<b>+\$226</b>	<b>+7%</b>
<i>meal reimbursements at child care centers</i>	\$2,090	\$2,307	+\$217	+10%
<i>meal reimbursements at child care homes</i>	\$779	\$763	-\$16	-2%
<i>meal reimbursements at adult day care centers</i>	\$137	\$149	+\$12	+9%
<i>commodity food assistance<sup>a</sup></i>	\$141	\$155	+\$14	+10%
<i>administrative costs for child care sponsors</i>	\$146	\$146	\$0	0%
<b>Summer Food Service Program</b>	<b>\$487</b>	<b>\$478</b>	<b>-\$9</b>	<b>-2%</b>
<i>meal reimbursements</i>	\$428	\$419	-\$9	-2%
<i>commodity food assistance<sup>a</sup></i>	\$2	\$2	\$0	0%
<i>sponsor and inspection costs</i>	\$58	\$58	\$0	0%
<b>Special Milk Program</b>	<b>\$11</b>	<b>\$9</b>	<b>-\$2</b>	<b>-18%</b>
<b>Fresh Fruit and Vegetable Program<sup>b</sup></b>	<b>\$174</b>	<b>\$167</b>	<b>-\$7</b>	<b>-4%</b>
<b>State Administrative Expenses</b>	<b>\$224</b>	<b>\$260</b>	<b>+\$36</b>	<b>+16%</b>
<b>Mandatory Other Program Costs<sup>c</sup></b>	<b>\$38</b>	<b>\$59</b>	<b>+\$21</b>	<b>+55%</b>
<b>Discretionary Activities<sup>d</sup></b>	<b>\$55</b>	<b>\$69</b>	<b>+\$14</b>	<b>+25%</b>
<b>TOTAL OF FUNDS DISPLAYED<sup>e</sup></b>	<b>\$21,180</b>	<b>\$22,343</b>	<b>+\$1,163</b>	<b>+5%</b>

**Source:** Program expenditures data from USDA-FNS Keydata Reports (dated January 2015 and May 2017), 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 FY2018 USDA-FNS Congressional Budget Justification.
- c. Obligations data displayed on p. 32-13 of FY2018 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 Farm to School Team.
- d. Obligations data displayed on p. 32-13 of FY2018 USDA-FNS Congressional Budget Justification. FY2013 obligations include Team Nutrition and School Breakfast Expansion Grants. FY2012 obligations include Team Nutrition only.
- e. This table summarizes the vast majority of child nutrition programs' federal spending, but does not capture all federal costs.

## Related Programs, Initiatives, and Support Activities<sup>60</sup>

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 FY2016 totaled to approximately \$260 million.<sup>61</sup>

**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.<sup>62</sup>

Farm-to-school programs broadly refer to “efforts that bring regionally and locally produced foods into school cafeterias,” with a focus on enhancing child nutrition.<sup>63</sup> The goals of these

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<sup>60</sup> 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/32fns2017notes.pdf>, pp. “32-11” through “32-73.”

<sup>61</sup> 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).

<sup>62</sup> See USDA-FNS website, <http://www.fns.usda.gov/huscc/healthierus-school-challenge-smarter-lunchrooms>.

<sup>63</sup> USDA, *The Farm to School Program—2012-2015: Four Years in Review*, p. 3. <https://www.fns.usda.gov/sites/default/files/f2s/Farm-to-School-at-USDA—4-Years-in-Review.pdf>.

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.<sup>64</sup> Grants may be used for training, supporting operations, planning, purchasing equipment, developing school gardens, developing partnerships, and implementing farm-to-school programs. USDA's Office of Community Food Systems provides additional resources on farm-to-school issues.<sup>65</sup>

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.<sup>66</sup> 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.<sup>67</sup> Federal Administrative Review obligations were approximately \$9.3 million in FY2015.

USDA-FNS and state agencies conduct many other child nutrition program support activities for which dedicated funding is provided. Among other examples, there is the Institute of Child Nutrition (ICN), 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. ICN 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

This section provides further information on current issues in the child nutrition programs. In particular, it provides background on (1) USDA regulations updating various nutrition standards in the child nutrition programs and (2) current and proposed alternatives to the "congregate feeding requirement" in the Summer Food Service Program.

### Regulations Updating Nutrition Standards

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

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<sup>64</sup> 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."

<sup>65</sup> See USDA-FNS's Office of Community Food Systems: <http://www.fns.usda.gov/farmtoschool/farm-school>.

<sup>66</sup> Text in this paragraph is adapted from the USDA-FNS, *National School Lunch Program: Coordinated Review Effort (CRE)*, FNS-640 Data Report, January 2014.

<sup>67</sup> HHFKA increased the frequency of administrative reviews from once every five years to once every three years. See final rule at USDA Food and Nutrition Service, "Administrative Reviews in the School Nutrition Programs," 81 *Federal Register* 50170, July 29, 2016.

update to the nutrition standards for NSLP and SBP meals, (2) giving USDA the authority to regulate other foods sold in schools (e.g., vending machines, a cafeteria's a la carte line) and requiring the agency to issue related nutrition standards, and (3) requiring an update to the nutrition standards in CACFP. Improving school food quality and reducing childhood obesity were priorities of the Obama Administration; the new nutrition standards were part of the First Lady's "Let's Move" initiative.<sup>68</sup>

### **Updated Nutrition Standards for Lunch and Breakfast (Final Rule, January 26, 2012)<sup>69</sup>**

Section 201 of HHFKA (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).<sup>70</sup> Schools meeting the new requirements are now 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,<sup>71</sup> 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.<sup>72</sup>

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.<sup>73</sup> 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).

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<sup>68</sup> See, for example, Nia-Malika Henderson, "President Obama signs child nutrition bill, a priority for first lady," *Washington Post*, December 13, 2010, pp. <http://www.washingtonpost.com/wp-dyn/content/article/2010/12/13/AR2010121302407.html>; archived White House website, "Let's Move, Healthy Schools," <https://letsmove.obamawhitehouse.archives.gov/healthy-schools>.

<sup>69</sup> For the final rule and related resources, see USDA-FNS website at <http://www.fns.usda.gov/school-meals/nutrition-standards-school-meals>.

<sup>70</sup> 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.

<sup>71</sup> See Section 743 of P.L. 112-55. Also discussed in CRS Report R41964, *Agriculture and Related Agencies: FY2012 Appropriations*, coordinated by (name redacted)

<sup>72</sup> 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.

<sup>73</sup> See USDA-FNS Implementation Timeline, [http://www.fns.usda.gov/sites/default/files/implementation\\_timeline.pdf](http://www.fns.usda.gov/sites/default/files/implementation_timeline.pdf), based on regulations.

As some schools have had difficulty implementing the new guidelines, Congress and the USDA have implemented some changes or waivers regarding whole grain, sodium, and milk requirements in the 2012 final rule. FY2015, FY2016, and FY2017 appropriations laws (P.L. 113-235, P.L. 114-113, P.L. 115-31, respectively) included policies that affect the implementation of the guidelines. The FY2017 law's related policies would also be extended under the House and Senate appropriations committee-reported FY2018 Agriculture and Related Agencies appropriations bills.

FY2015 and FY2016 appropriations laws (1) required USDA to allow states to exempt school food authorities that meet hardship requirements from the 100% whole grain requirements,<sup>74</sup> and (2) prevented USDA from implementing a reduction in sodium scheduled to take effect in school year 2017-2018 until "the latest scientific research establishes the reduction is beneficial for children."

The enacted FY2017 appropriation (§747 of P.L. 115-31) contained related policy provisions. It extended the prior laws' policy provisions and added a new policy. It extended the whole grain exemptions through SY2017-2018 and (using different language from past years) limited enforcement of sodium limits to Target 1 levels. A new appropriations provision was added in the FY2017 law that required USDA to allow states to grant special exemptions to serve flavored, *low-fat* milk (instead of only fat-free, flavored).

During 114<sup>th</sup> Congress deliberations to reauthorize the child nutrition programs, legislative proposals included policies to change the standards on a more permanent basis.<sup>75</sup> As discussed earlier, reauthorization was not completed in the 114<sup>th</sup> Congress, and authorizing committees have not reintroduced or considered these bills in the 115<sup>th</sup> Congress.

In May 2017, shortly before the enactment of P.L. 115-31, Secretary of Agriculture Sonny Perdue announced plans to amend the whole grain, sodium, and dairy aspects of the nutrition standards regulations in ways that are similar to the FY2017 appropriations provision. See CRS Insight IN10700, *USDA Announces Plans to Modify School Meal Nutrition Standards: Background and Context*. As of the date of this report, rulemaking documents to amend the final rule have not been published.

### **Nutrition Standards for All Foods Sold in Schools (Final Rule, July 29, 2016)<sup>76</sup>**

In another major policy change, Section 208 of HHSFKA 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,<sup>77</sup> USDA-FNS promulgated a proposed rule and then the interim final rule, which went into effect for school year 2014-2015. A June

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<sup>74</sup> Exempted schools are to maintain a 50% whole grain minimum, the requirement before school year 2014-2015.

<sup>75</sup> See CRS Report R44373, *Tracking the Next Child Nutrition Reauthorization: An Overview*.

<sup>76</sup> USDA, Food and Nutrition Service, "National School Lunch Program and School Breakfast Program: Nutrition Standards for All Foods Sold in School as Required by the Healthy, Hunger-Free Kids Act of 2010; Final Rule," 81 *Federal Register* 50131, July 29, 2016. Final rule and related resources available at USDA-FNS website at <https://www.fns.usda.gov/school-meals/tools-schools-focusing-smart-snacks>.

<sup>77</sup> 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>.

2013 interim final rule imposed nutrition guidelines for all non-meal foods and beverages that are sold *during the school day* (defined as midnight until 30 minutes after dismissal). The final rule maintained the interim final rules with minor modifications. Under the final standards, these 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. HHFKA and 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.

### **Updated Nutrition Standards for CACFP (Final Rule, April 25, 2016)<sup>78</sup>**

Section 221 of HHFKA also required USDA to update the meal pattern for CACFP. In a proposed rule published January 15, 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.<sup>79</sup> FNS reviewed comments and incorporated feedback in the April 2016 final rule.<sup>80</sup> Child care providers are to implement the updated meal pattern beginning October 1, 2017.

Below are some examples of changes included in the final rule:<sup>81</sup>

- For **infant meals**, changes include condensing the previously three infant age groups into two age groups, introducing solid foods at six months of age (unless otherwise requested by a parent or guardian), fruits and vegetables for older infants, and eliminating juice. The updated guidelines make policy changes to support breastfeeding, including providing program reimbursements when mothers come to child care centers or homes to breastfeed their infants.
- In **child and adult meals**, changes include separate fruit and vegetable serving requirements, as opposed to fruits and vegetables as one group. The proposed rule would also require that at least one daily serving of grains be whole-grain rich and limit the sugar in breakfast cereals served. The updated standards also disallow frying as an onsite preparation method.

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<sup>78</sup> USDA-FNS, "Child and Adult Care Food Program: Meal Pattern Revisions Related to the Healthy, Hunger-Free Kids Act of 2010; Final Rule" 81 *Federal Register* 24348 et seq., April 25, 2016, <https://www.federalregister.gov/documents/2016/04/25/2016-09412/child-and-adult-care-food-program-meal-pattern-revisions-related-to-the-healthy-hunger-free-kids-act>.

<sup>79</sup> 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.

<sup>80</sup> USDA-FNS also notes that they thoroughly reviewed the 2015-2020 Dietary Guidelines, and determined that the final rule, based on the 2010 guidelines, is consistent with the updated guidelines.

<sup>81</sup> For the final rule, summaries of updated meal patterns, and related resources, see USDA-FNS website at <http://www.fns.usda.gov/cacfp/meals-and-snacks>.



- **“Best practices”** for the different age groups were 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 provides mothers with a quiet, private area to breastfeed. In the final rule, USDA-FNS stated that these best practices are to be issued through policy guidance, not in rulemaking.

## **Alternatives to “Congregate Feeding” in the Summer Food Service Program**

In recent years, but particularly during the 114<sup>th</sup> Congress, both Congress and the Obama Administration looked at the Summer Food Service Program, weighing policy options to reach more children in the summer months using alternatives to congregate meal service.

### **Current Law and Policy**

Under current law, most food offered in summer months is provided in congregate settings through the SFSP or the NSLP’s Seamless Summer Option (SSO, an option only for schools).<sup>82</sup> (“Congregate” settings refer to specific sites where children come to eat and are supervised.) Also, for the most part, non-school organizations that provide summer and afterschool food need to participate in two separate programs (SFSP and CACFP At-risk Afterschool).

As discussed earlier, on a pilot basis in a limited geographic area each summer since 2011, FNS has provided SNAP or WIC benefits over EBT to households with children eligible for free or reduced-price school meals. The Summer EBT pilots were funded and evaluated with authority and funding provided in FY2010 appropriations. Most recently, FY2016 appropriations (P.L. 114-113) provided \$23 million. Evaluations of Summer EBT were conducted over a three-year period from FY2011 to FY2013.<sup>83</sup> Evaluations of this Summer EBT showed a significant decline in Very Low Food Security in children (VLFS-C);<sup>84</sup> the 2012 evaluation found that the prevalence of VLFS-C was reduced from 9.% in the control group to 6.4% in the Summer EBT treatment group.<sup>85</sup> Evaluations also found improvements in children’s consumption of fruits, vegetables,

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<sup>82</sup> For further background, see “Summer Food Service Program (SFSP)” in CRS Report R43783, *School Meals Programs and Other USDA Child Nutrition Programs: A Primer*, by (name redacted).

<sup>83</sup> The first year, the proof-of-concept (POC) year, was evaluated to test the feasibility of the EBT delivery system and prepare for full-implementation in demonstration sites for the following year. The second year, the full implementation year, evaluated the impact of SEBTC on improving children’s food security and nutritional status in the summer time. Finally, the third year compared the impact of two benefit levels, \$60 and \$30, to determine the effect of different benefit levels on improving food security and nutritional status. Final reports and status reports to Congress are available on the USDA-FNS website, <http://www.fns.usda.gov/ops/summer-electronic-benefit-transfer-children-sebtc>.

<sup>84</sup> Very Low Food Security is the lowest of four levels of food security; USDA defines it as “At times during the year, eating patterns of one or more household members were disrupted and food intake reduced because the household lacked money and other resources for food.” USDA-ERS website, <http://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-us/measurement.aspx>. See also CRS Report R42353, *Domestic Food Assistance: Summary of Programs*.

<sup>85</sup> Collins et al., *Summer Electronic Benefits Transfer for Children (SEBTC) Demonstration: Evaluation Findings for the Full Implementation Year*. Prepared by Abt Associates, Mathematica Policy Research, and Maximus. Alexandria, VA: USDA, Food and Nutrition Service, 2013, p. 105. This improvement is based on the entire evaluation population. Improvements in VLFS-C did vary significantly between Summer EBT sites.

and whole grains. Both WIC and SNAP models showed increased consumption, but increases were greater at sites operating the WIC model.<sup>86</sup>

In the summers from 2015 to 2017, USDA-FNS also offered non-congregate feeding options at outdoor summer meal sites experiencing excessive heat.<sup>87</sup>

## **Congressional Proposals**

During the 114<sup>th</sup> Congress, committees of jurisdiction marked up child nutrition reauthorization bills. Both committees of jurisdiction—the Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Education and the Workforce—reported reauthorization legislation: S. 3136 and H.R. 5003, respectively. Following related testimony in multiple 114<sup>th</sup> Congress committee hearings, as well as the introduction of a number of freestanding proposals, the both proposals would have piloted or expanded a number of alternatives for feeding low-income children during the summer months.<sup>88</sup> Still, there were significant differences between the reauthorization proposals' SFSP provisions.<sup>89</sup>

The committees' reauthorization bills included the following policies:

- **Streamlining afterschool and summer programs.** Both committees' proposals would have authorized eligible institutions, in selected states, to operate SFSP and CACFP At-risk Afterschool sites under one application. The bills differed in the number of states that would have been eligible and the reimbursement rates used.
- **Summer Electronic Benefit Transfer (EBT).** Both proposals addressed the provision of benefits via EBT to children who are eligible for free and reduced-price school meals over the summer months. The Senate committee would have expanded this alternative with mandatory funding. The House committee would keep the existing pilot funded with discretionary funding. The Senate committee would require states to provide WIC EBT, while the House committee would allow participating states to provide SNAP or WIC.
- **Off-Site Consumption Options.** Both proposals included ways for some institutions (e.g., those located in rural areas) to provide SFSP meals to be consumed off-site. The bills also included temporary flexibilities for congregate feeding sites to episodically provide meals to be consumed off-site under certain conditions.
- **Other SFSP Policies.** The Senate committee's bill would have authorized discretionary funding for some states to pilot the provision of three meals per day, or two meals and one snack. The House committee's proposal would have

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<sup>86</sup> Ibid., p. 124.

<sup>87</sup> See USDA-FNS, "Demonstration Project for Non-Congregate Feeding for Outdoor Summer Meal Sites Experiencing Excessive Heat with Q&As," January 3, 2017, <https://www.fns.usda.gov/demonstration-project-non-congregate-feeding-outdoor-summer-meal-sites-experiencing-excessive-heat-0>.

<sup>88</sup> During 114<sup>th</sup> Congress hearings, witnesses testified about SFSP and summer alternatives before the House Committee on Education and the Workforce (April 15, 2015; June 16, 2015; June 24, 2015) and the Senate Committee on Agriculture, Nutrition, and Forestry (May 7, 2015). The 114<sup>th</sup> Congress introduced bills on summer meals, including (companion bills paired, when applicable): S. 613/H.R. 1728; S. 1539/H.R. 2715; S. 1966.

<sup>89</sup> See CRS Report R44373, *Tracking the Next Child Nutrition Reauthorization: An Overview* for further legislative background and a more detailed summary of summer meals and other program provisions.



authorized USDA to award competitive grants, to improve SFSP service delivery through business partnerships.

These reauthorization bills have not been reintroduced in the 115<sup>th</sup> Congress. As of the date of this report, one related freestanding bill that would amend the SFSP has been re-introduced (H.R. 203).

## **President Obama's FY2017 Budget Proposals**

President Obama's FY2017 budget included a number of requests for the SFSP. One would require legislation: changing the authorizing law of the SFSP to permanently include Summer EBT. The other proposals were discretionary appropriations requests where the Administration has said that the funding could be provided based on current law.

- **Permanent, Nationwide EBT.** The Administration proposed to expand Summer EBT nationwide, by gradually phasing in the expansion over 10 years.<sup>90</sup>
- **Discretionary Funding Requests for Summer Meals.** At the same time, the FY2017 President's budget also requested discretionary funding for Summer EBT to continue and expanding the existing demonstration projects without a legislative change. The budget requested \$26 million for Summer EBT in FY2017 (an increase of \$3 million from FY2016).
- **Summer Food Service Non-Congregate Demonstration Project.** The Obama Administration also requested \$10 million for a new Summer Food Service Non-Congregate Demonstration Project.<sup>91</sup> FNS would test the provision of off-site summer meals, particularly in rural areas and ITOs. USDA-FNS would collect data to compare meals served in the non-congregate vs. congregate sites.

## **FY2018 President's Budget**

The Trump Administration's FY2018 budget did not include SFSP legislative proposals and did not include a new demonstration project. The budget did request approximately \$23 million for Summer EBT, which would maintain the funding level appropriated in FY2018.

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<sup>90</sup> On January 28, 2016, prior to its FY2017 budget release, the Administration announced that a SEBTC expansion would be included in the FY2017 budget; see fact sheet, <http://www.fns.usda.gov/sites/default/files/ops/FY17SEBTCBudgetFactSheet.pdf>. Additional details about the Administration's Nationwide Summer EBT proposal are available in the FY2017 budget USDA-FNS Explanatory Notes on p. "32-34," <http://www.obpa.usda.gov/32fns2017notes.pdf>.

<sup>91</sup> Ibid., p. "32-28."

## Appendix A. Acronyms Used in This Report

**Table A-1. Acronyms**

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

## Appendix B. Per-meal or Per-snack Reimbursement Rates for Child Nutrition Programs<sup>92</sup>

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*.<sup>93</sup>

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

Per-meal reimbursements for 48 states and DC, school year 2017-2018

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	\$3.23	\$3.29	+\$0.06
Reduced-price	\$2.83	\$2.89	+\$0.06
Paid	\$0.31	\$0.37	+\$0.06

**Source:** USDA-FNS. For NSLP reimbursement rates for other years, Alaska, Hawaii, and/or participating territories, see USDA-FNS website: <https://www.fns.usda.gov/school-meals/rates-reimbursement>.

**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 2017-2018, that maximum rate for 48 states and DC is \$3.40 for free meal, \$3.00 for reduced price meal, and \$0.39 for paid meal (and an additional \$0.06 for nutrition guidelines).

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

Per-snack reimbursements for 48 states and DC, school year 2015-2016

Snack Type	Reimbursement
Free	\$0.88
Reduced-price	\$0.44
Paid	\$0.08

**Source:** USDA-FNS. For after-school snack NSLP reimbursement rates for other years, Alaska, Hawaii, and/or participating territories, see USDA-FNS website: <https://www.fns.usda.gov/school-meals/rates-reimbursement>.

<sup>92</sup> All reimbursement rate tables in this Appendix display rates for the 48 continental U.S. states. For Alaska, Hawaii, and territories where applicable, please see the source USDA-FNS *Federal Register* notice.

<sup>93</sup> 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 (name redacted)

**Table B-3. School Breakfast Program**

Per-meal reimbursement for 48 states and DC, school year 2017-2018

Meal Type	Non-severe Need (less than 40% free or reduced price) <sup>a</sup>	Severe Need (greater than or equal to 40% free or reduced price) <sup>a</sup>
Free	\$1.75	\$2.09
Reduced-price	\$1.45	\$1.79
Paid	\$0.30	\$0.30

**Source:** USDA-FNS. For NSLP reimbursement rates for other years, Alaska, Hawaii, and/or participating territories, see USDA-FNS website: <https://www.fns.usda.gov/school-meals/rates-reimbursement>.

- 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 2015-2016 would be calculated based on meals served in school year 2013-2014.

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

Rate per-meal for school year 2017-2018

For Each NSLP/CACFP Meal Served	
Commodity Food Reimbursement	\$0.2325

**Source:** USDA, Food and Nutrition Service, "Food Distribution Program: Value of Donated Foods From July 1, 2017 Through June 30, 2018," 82 *Federal Register* 35180, July 28, 2017.

**Notes:** For past years, see USDA-FNS website: <http://www.fns.usda.gov/fdd/value-donated-foods-notice>. 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 2017-2018

	Lunch/Supper	Breakfast	Snack
Free	\$3.23	\$1.75	\$0.88
Reduced-price	\$2.83	\$1.45	\$0.44
Paid	\$0.31	\$0.30	\$0.08

**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 2017-2018

	Lunch/Supper	Breakfast	Snack
Tier I	\$2.46	\$1.31	\$0.73
Tier II	\$1.48	\$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 USDA, Food and Nutrition Service, "Child and Adult Care Food Program: National Average Payment Rates, Day Care Home Food Service Payment Rates, and Administrative Reimbursement Rates for Sponsoring Organizations of Day Care Homes for the Period, July 1, 2017 Through June 30, 2018," 82 *Federal Register* 35173, July 28, 2017.

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

Per-meal/snack reimbursement for 48 states and DC (rounded to nearest cent), calendar year 2017

	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	\$3.47	\$3.47	\$1.99	\$1.99	\$0.81	\$0.81
Administrative Component	\$0.36	\$0.30	\$0.20	\$0.16	\$0.10	\$0.08
<b>Combined (Total) Rate</b>	<b>\$3.83</b>	<b>\$3.77</b>	<b>\$2.19</b>	<b>\$2.15</b>	<b>\$0.91</b>	<b>\$0.89</b>

**Source:** For program reimbursement rates as well as Alaska's and Hawaii's rates, see USDA, Food and Nutrition Service, "Summer Food Service Program; 2017 Reimbursement Rates," 82 *Federal Register* 12533, March 6, 2017.

**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 for 48 States and DC (rounded to nearest cent), school year 2017-2018

	All Milk Served	Paid Milk	Free Milk to Low-Income Children
<b>Schools that only sell milk</b>	\$0.21	Not applicable	Not applicable
<b>Schools that sell and provide free milk</b>	Not applicable	\$0.21	Average cost per half-pint of milk
<b>Schools that provide only free milk</b>	\$0.21	Not applicable	Not applicable

**Source:** For program reimbursement rates, see <https://www.fns.usda.gov/school-meals/rates-reimbursement>.

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