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**ABSTRACT**

This hearing on the status of the national School Lunch Program opens with statements from Senator Patrick Leahy, the committee chairman, and three other senators. Testimony or prepared statements were received from the chef of the Barre Town (Vermont) Elementary School, representatives of the American School Food Service Association; the head of the child nutrition programs in Vermont; the American Federation of State, County, and Municipal Employees; and the director of a child nutrition and food distribution service in North Dakota. Topics addressed included: (1) funding and other problems of the School Lunch Program and School Breakfast Program; (2) regulation of these programs by the Department of Agriculture; (3) nutritional needs of children; (4) nutritional guidelines for children's diets; and (5) the effect of students' hunger on their learning ability. In her prepared statement, Sue Grieg, the representative of the American School Food Service Association from Manhattan, Kansas, included a profile of the National School Lunch Program and lists of schools that ended their participation in the program between 1989 and 1991. (BC)

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# OVERSIGHT ON THE SCHOOL LUNCH PROGRAM

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## HEARING

BEFORE THE

### COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY UNITED STATES SENATE

ONE HUNDRED SECOND CONGRESS

SECOND SESSION

ON

THE IMPLEMENTATION OF THE NATIONAL SCHOOL LUNCH PROGRAM

MARCH 3, 1992

Printed for the use of the  
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# OVERSIGHT ON THE SCHOOL LUNCH PROGRAM

TUESDAY, MARCH 3, 1992

U.S. SENATE,  
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,  
*Washington, DC.*

The committee met, pursuant to notice, at 9:37 a.m., in room SR-332, Russell Senate Office Building, Hon. Patrick J. Leahy (chairman of the committee) presiding.

Present or submitting a statement: Senators Leahy, Conrad, Lugar, McConnell, and Grassley.

## STATEMENT OF HON. PATRICK J. LEAHY, A U.S. SENATOR FROM VERMONT

The CHAIRMAN. The committee will come to order.

Good morning. I do not know when I have seen the committee room so full. I am delighted to see so many Vermonters here with us this morning. Sometimes I have to go out and almost corral people in the corridors to get them to come to the Agriculture Committee meetings, but I think today there are so many here because we are speaking about something that is really important to this committee.

As Marshall will recall, the day I became chairman of the committee and was presented with that huge gavel up there by a group of Vermonters, they felt that even if I am 6-foot-3 and 200 pounds, I may need a little bit more to carry out the mandate here. But I said at the beginning of that meeting when I became chairman, we were going to put the word "nutrition" back in the Agriculture, Nutrition, and Forestry Committee, and a life-long commitment to hunger issues would be here.

So I want to welcome people from the American School Food Service Association who are also concerned about the hunger issue to the hearing. You help make the School Lunch Program really one of America's greatest assets.

I am proud of the School Lunch Program and the School Breakfast Program in Vermont and proud of these programs across the country. I am actually one of the few chairmen of a committee like this who has actually gone and visited some of those School Lunch and School Breakfast Programs in different parts of the country, from large schools to little tiny schools. We have a few of those in Vermont.

The School Lunch Program is one of the most important Federal nutrition programs. Each day, it supplies millions of young children with the food they need to live, to learn, and to grow. We know that healthy children are the foundation of a healthy nation.

(1)

Unfortunately, when it comes to the School Lunch Program, I do not believe the U.S. Department of Agriculture is doing a good job. In fact, it is doing a poor job of protecting our children. At a time when the country is debating the problems of cholesterol and saturated fats, USDA has no useful nutrition guidance for child nutrition programs.

Currently, USDA has nutrition guidelines for adults. But instead of having separate guidelines for children—guidelines which recognize children's different nutritional needs—USDA suggests the School Lunch Program apply the adult guidelines to children. These guidelines have some points which could apply to children—such as “eat a variety of foods” or “choose a diet with plenty of vegetables, fruits, and grain products.”

But when one reads every one of these guidelines—such as “if you drink alcoholic beverages, do so in moderation”—it becomes clear how inappropriate they are.<sup>1</sup> How appropriate is that to hand to a second-grader and say we have nutritional guidelines for you?

Despite calls from Congress, USDA refused to establish nutritional guidelines that meet the special dietary needs of children. For that reason, Congress passed legislation 2 years ago requiring USDA to develop them.

Now, you work with children all the time. My wife and I are blessed with three wonderful children. It is hard to think of them as children now, when one of them towers over me. But I know when they were growing up, their dietary needs were different than mine. Any parent knows that. Any one of us, as an adult, knows that the needs of a child are different than the needs of an adult, and should we not reflect that? If we are going to have the School Lunch and School Breakfast Programs, why not have these kind of guidelines to direct us?

Time is running out and the Department of Agriculture still does not have final regulations in hand. It is almost as though they ignore the fact that we have a School Lunch Program and a School Breakfast Program. Instead of taking leadership and acting immediately on a national priority, the administration has failed to publish the final nutritional standards that the law requires.

Feeding our children is a team effort. The people in this room representing the School Lunch Program nationwide are willing to do their share—and do more than their share each and every day. But we need the administration to meet its responsibilities and issue the long overdue guidelines for our children.

As Congress works toward reauthorization of the School Lunch Program in 1994, the American School Food Service Association will play an essential role in helping us tackle the problems identified by the Department's upcoming report.

So I welcome your input and I am glad I could be here through the first part of the hearing. Senator Conrad will come and chair the hearing while I go to two other committee meetings. Unfortunately, I have three important committees all meeting at the same time. I am chairman of two of them and a senior member of another one. I wish I could clone myself.

<sup>1</sup> “Dietary Guidelines for Americans” published by USDA and HHS

I can frankly say, not just because of the subject, but partly because of the subject of the other two hearings, I would rather stay here. [Laughter.]

I will also include in the record a statement by the ranking member of this committee, Senator Lugar of Indiana, who has been very helpful and supportive on these issues. Also at this point in the hearing record we will include the statements of Senators McConnell and Grassley.

[The prepared statements of Senators Lugar, McConnell, and Grassley follow:]

PREPARED STATEMENT OF HON. RICHARD G. LUGAR, A U.S. SENATOR FROM INDIANA

Mr. Chairman, thank you for calling this hearing today to review the School Lunch and Breakfast Programs.

I want to extend a special welcome to the members of the Indiana Food Service Association who are present today. We have had the opportunity to work together in the past on these important child nutrition programs and I value their comments on the operation of the School Lunch and Breakfast Programs.

I also want to thank the American School Food Service Association for your support for S. 499.<sup>2</sup> This is legislation I introduced last year to delete the requirement under current law that whole milk must be offered for school lunch. My bill will reduce Federal interference and help to reduce fat in the diets of our students. I firmly believe that local school food service professionals are more qualified than Congress to decide what type or types of milk to serve children. As you know, this bill was included as an amendment to the Mickey Leland bill reported by this committee last year.

I recognize that there are many challenges now facing school food service professionals. I have heard your concerns about the lack of "bonus" commodities, an increase in administrative requirements, and pressure from local school system budgets. However, in spite of this you do a fine job in preparing and serving nutritious food for our Nation's children and should be commended for that role.

I expect that we will hear a great deal this morning about the proposal for a universal type program for school lunch and breakfast. While I understand that there are several factors driving this proposal, it is important to point out that a proposal with cost implications of this magnitude will be extremely difficult to enact in the current budget climate.

Finally, let me add a few words about the Coordinated Review Effort (CRE). I know this is a big concern, especially for smaller school districts in rural areas. I am hopeful that USDA and your representatives will continue to work together to address the remaining concerns so that a workable and fair system will result.

Again, I am pleased to take part in this hearing today and look forward to hearing the testimony. Thank you, Mr. Chairman.

PREPARED STATEMENT OF HON. MITCH MCCONNELL, A U.S. SENATOR FROM KENTUCKY

Thank you, Mr. Chairman. I want to extend a warm welcome to the American School Food Service Association and everyone who came to Washington for the Annual Legislative Action Conference. I particularly want to welcome Paul McElwain, Director of the Division of School Food Services in Kentucky, and the members of the Kentucky delegation.

I believe that everyone here will agree it is of utmost importance to ensure that our Nation's children receive proper, nutritious meals. As the father of three children, I know firsthand how important it is to provide the best for our children and I believe that most parents would want no less for their own children.

I have been a strong supporter of child nutrition programs throughout my career. We in public service have no greater responsibility than to ensure the health and well-being of our Nation's children.

<sup>2</sup> S. 499. To amend the National School Lunch Act to remove the requirement that schools participating in the School Lunch Program offer students specific types of fluid milk, and for other purposes, introduced on February 26, 1991, by Senator Lugar. On November 21, 1991, included in S. 757, Mickey Leland Childhood Hunger Relief Act. Reported November 26, 1991, by Senator Leahy with an amendment in the nature of a substitute. S. Rept. 102-252.



Studies confirm and teachers readily agree, that there is a clear link between sound nutrition, learning ability, and the behavior of children. The best education programs we can devise will have little effect if children are simply too hungry to concentrate.

Bolstered by nutritious breakfasts, lunches, and healthy snacks, children are ready to learn. For many of the Nation's children, the meals they receive through the various nutrition programs, especially the School Lunch and School Breakfast Programs, are the only nutritious foods they eat all day.

In today's world, we have many households in which both the mother and father work. Our society has been transformed and the children have been profoundly affected. We are no longer living in a society of Cleaver families where June fixes three square meals every day for Ward, Wally and Beaver.

In 1989, I introduced a bill to provide start-up funds for the School Breakfast Program. I am pleased that the administration has paid particular attention to this program in the 1993 budget proposal. The School Breakfast Program is an important component in improving our children's nutritional well-being and educational development. In Kentucky, 72 percent of the schools that offer the School Lunch Program also offer the School Breakfast Program. Kentucky is in the top 5 percent of States that serve low-income students nutritious breakfasts every day, and Kentucky ranks in the top 10 percent for serving all kids breakfast.

The School Lunch Program is a vital ingredient in the recipe to provide nutritious meals for America's children. Nationwide, over 24 million children participate in the School Lunch Program, and in Kentucky, a solid 80 percent of elementary school children eat the school lunches. Nevertheless, the program is not immune from deficiencies. School food service officials have to hire more people to administer the program than they hire to handle the nutritional content of the food served to our children. As we assess the budget proposal and other issues facing nutrition programs, we must not lose sight of the intent of these programs: to improve the nutrition and health of our Nation's children.

School lunches and breakfasts are not just programs to help children of low-income families, these meals provide nutritional benefits to all children, regardless of family income. Investment in our kids now is certainly an investment in our Nation's future, any way you look at it.

The School Lunch Act and other valuable child nutrition programs improve our kids' performance in school, keep them healthy, and ultimately give them the chance they deserve to succeed in life.

PREPARED STATEMENT OF HON. CHARLES E. GRASSLEY, A U.S. SENATOR FROM IOWA

Mr. Chairman, I am encouraged that we are having a hearing today regarding the importance of the School Lunch Program. Even today, I am scheduled to meet with members of the Iowa School Lunch Program who are advocating the importance of school feeding programs.

Research has shown for years that children who are hungry do not learn as well as children who are well fed. Part of the challenge is simply educating children regarding what good nutrition actually means. The other part is providing adequate funds so that children who are most nutritionally at risk can be part of the School Lunch Program.

In my own State of Iowa, the National School Lunch Program is very important. In the 1990-1991 school year, over 61,000 meals were served to children. Of this total, over 17,000 were free or reduced lunches. The total Federal support that Iowa received during this same period was approximately \$60,000 for all of Iowa food and nutrition programs. As you can see, this Federal commitment is very important to the health and well-being of Iowa children.

I look forward to working with the chairman and members of this committee as we consider the crucial nature of this program in the coming months. I regret that I must attend a Finance Committee markup and am unable to stay to hear the witnesses. However, I will consider their testimony as I evaluate how to improve this program.

The CHAIRMAN. Why don't we bring the witnesses forward. I believe Ms. Greig and Ms. Busha we have name tags for you. It is good to see you. I am glad to have all of you here.

I would say for some of you, you may notice that we do have a couple of folks from Vermont. I try to be totally impartial when we



set up the witness lists around here, and I say we will just take people by various States. We will go alphabetically, starting with Vermont. [Laughter.]

I would note that Dale Conoscenti is here. He is a chef with the Barre Town Elementary School in Barre, Vermont.

I have asked Dale, not just out of parochial interest, but because he represents many other good people around the country who take on the job of serving food to young people, not just as a job, but as a vocation. I could probably say of everybody here, I have never met many people in your business who think of it as just a job. I am sure each of you feel it is far more important than that.

Dale, why don't we start with you.

### STATEMENT OF DALE CONOSCENTI, CHEF, BARRE TOWN ELEMENTARY SCHOOL, BARRE, VT

Mr. CONOSCENTI. It is a pleasure to be here.

I greatly appreciate this opportunity to testify. The national School Lunch Program is at a crossroads. It is important that the program not make the wrong turn.

I am very concerned about recent trends. I believe that the best school lunch is the lunch that is freshly prepared at the school, and that it is healthy. This means lunches low in saturated fats, cholesterol, sugar and sodium. I know it takes extra work to strain the grease out of the USDA hamburger that is delivered to the schools.

For example my school gets ground pork and ground beef laden with fat from USDA. I get it in 9-pound blocks. When I saute 40 to 50 pounds of it, I end up with 3 gallons of fat. I bake the 3-ounce beef patties I get from the USDA on screens, so that they are not sitting in fat. I get 2 gallons of fat out of 450 patties.

USDA experimented with lean beef and lean patties 2 years ago. I really liked having less saturated meats. Unfortunately, I have not seen any of these lean meats in 2 years. I used to get a lot of ground turkey from USDA. It was lean, high in protein, easy to work with and the kids really enjoyed it. Also, USDA has not sent us that in 2 years.

Lunch programs should set the right example. School lunch programs should set better and clearer standards for feeding children. Foods should be high in fiber, minerals, and protein. There should be less fast foods—no donuts, no deep-fat frying, and less processed foods.

I have been buying my own brown rice, barley, couscous, and unprocessed pastas. I wish USDA could supply those products which are whole and unprocessed. These foods are not grown or processed with chemical fertilizers. Nor are they vitamin enriched.

I worry that the trend is away from healthy lunches, freshly made, toward bland and boring junk food.

I am worried about the trend toward a la carte foods. For those who do not know, a la carte foods are not foods that USDA subsidizes.

However, schools serve these a la carte foods next to the school lunch. The a la carte foods compete with the School Lunch Program meals. The problem is that the a la carte foods are things

like cheeseburgers, pizzas, deep-fried french fries and chicken nuggets—all fat-laden foods.

The kids often buy these foods, instead of the lunch program meals. Even worse than that, the system encourages the use of fast foods. A cheeseburger with a glass of milk will qualify for USDA reimbursement.

Schools are having outside food service companies supply the lunch programs more and more. Too many schools are looking for the quick fix. They are hiring food service companies to take over their hot lunch programs. These companies are looking at how to make money, not ways to serve the most nutritious meal. To make healthy foods for kids costs more money and takes more time.

For example, our school charges \$1.40 for our hot lunch. Out of that, 80 cents covers labor costs, around 14 cents is for milk, and that leaves 46 cents for an entree, a starch, vegetables, and a desert or soup. Think about that, just 46 cents for everything on the plate.

I am worried that the hot lunch program that I favor is becoming obsolete. I am not referring to the corporate hot lunch program brought to you by the big food service corporations. I favor the local supported lunch program, using the freshest ingredients possible.

I admit that the lunch programs are in a financial squeeze. One of the problems is the large reductions in commodities donated by the USDA. Another is the increasing labor and food costs.

This lack of sufficient funding at the Federal, State, and local levels is becoming more and more serious. We are holding on to our hot lunch program by a string, and I am afraid it is going to break. We, at Barre Town, get tremendous support from the community, the teachers, the school board, the principal and the superintendent to put out a quality meal. They are firmly committed to these ideas, and that has made my job a lot easier.

The educating of school lunch providers has to become a top priority. The method of food preparation is often as important as what is prepared in terms of how healthy it is to eat. USDA has to set an example, by setting good nutrition guidelines that mean something. The current guidelines are not specific in terms of what children should be fed.

I do not want to leave out the School Breakfast Program. For many children, the School Breakfast Program is the only breakfast they will be offered.

It is all too easy to complain. Let me give you some examples of how programs can be immediately improved. First, get the parents involved. I invite the parents to eat lunch with the children once every other month. We have a family day. Parents can come in, grandparents. I also have grandparents' day, when the grandparents come in and eat lunch with their grandchildren.

The CHAIRMAN. And do they come?

Mr. CONOSCENTI. They come. We have 350, usually, on a day like that, extra, that come for lunch.

These programs have worked extremely well. Parents should insist that they eat at the schools. The PTA could support this program.

Classroom education is an integral part of the success of the School Lunch Program. Kitchen tours for younger kids make them less worried about trying new foods—the more they know about how foods are prepared, the less frightened they are about trying new items.

I go into classrooms and explain how I design nutritious menus. They learn about food groups and why I do not serve certain kinds of foods. The children are curious about trying innovative and creative foods, and it gives them a broader experience.

In conclusion, I am convinced that the USDA should provide more commodities that are less processed, such as whole grains. USDA should provide leaner meats, and they should develop more specific nutrition guidelines that benefit children.

The lunch programs need to think about preventive feeding. Healthier choices mean healthier children and healthier adults.

The CHAIRMAN. Thank you, Dale.

We were just commenting back here what a good idea it is for parents and grandparents day. I am too old to still be a parent and I am too young, so far, to be a grandparent; but there are a couple members of my staff who have children who are about to start school who say that is not a bad idea. Actually, it would be a good idea to have children whose parents are interested in things they actually do at school.

We have a number of witnesses. Marshall, do you want to note for the record who is here? Marshall Matz, who is counsel for the American Food Service Association, for the purpose of the record, will introduce the other witnesses.

Go ahead, please.

**STATEMENT OF MARSHALL MATZ, COUNSEL, AMERICAN SCHOOL FOOD SERVICE ASSOCIATION, WASHINGTON, DC; ACCOMPANIED BY SUE GREIG, PRESIDENT, AMERICAN SCHOOL FOOD SERVICE ASSOCIATION, MANHATTAN, KS; JO BUSH, CHIEF, CHILD NUTRITION PROGRAMS, VERMONT DEPARTMENT OF EDUCATION, MONTPELIER, VT; ELIZABETH McPHERSON, PRESIDENT-ELECT, AMERICAN SCHOOL FOOD SERVICE ASSOCIATION, YANCEYVILLE, NC; AND ANNETTE BOMAR, CHAIR, PUBLIC POLICY AND LEGISLATIVE COMMITTEE, AMERICAN SCHOOL LUNCH SERVICE ASSOCIATION, ATLANTA, GA**

Mr. MATZ. Mr. Chairman, thank you. We certainly appreciate this opportunity and very much appreciate your coordinating this hearing with our Legislative Action Conference (LAC).

With resources being so scarce, it is hard to keep flying into Washington, and your willingness to coordinate with the LAC is deeply appreciated.

Our panel this morning includes Sue Greig, from Manhattan, Kansas, who is the president of our association, our 65,000 members. Sitting next to her is a woman you know, Jo Bush, who is the director of child nutrition in the State of Vermont, I believe it is. [Laughter.]

The CHAIRMAN. One heck of a coincidence, two on the same panel. [Laughter.]

Mr. MATZ. Next to me is Annette Bomar, the director of child nutrition in the State of Georgia, and the chairperson of our Legislative Committee; Elizabeth McPherson, from Yanceyville, North Carolina, is our president-elect; and joining us today is Mr. Charles Hughes, president of Local 372 in New York, representing the International AFSCME union here today.

Mr. Chairman, in deference to your schedule, our president Sue Greig is going to turn first to Jo Busha from Vermont, and then we will go to Sue Greig, if that is OK with you.

The CHAIRMAN. That is perfectly OK.

Ms. Greig, I am delighted to have you here. You head up a wonderful association. I know during your presidency, you will find yourself on the road a great deal and will be doing a lot concerning this issue. But you can be very proud of your members all over the country in all States.

Ms. GREIG. Thank you.

The CHAIRMAN. Ms. Busha.

#### STATEMENT OF JO BUSHA, CHIEF, CHILD NUTRITION PROGRAMS, VERMONT DEPARTMENT OF EDUCATION, MONTPELIER, VT

Ms. BUSHA. Thank you for this opportunity to discuss these issues with you today.

Some of the things that Dale mentioned certainly are questions and concerns we all share.

As State Director of Vermont's Child Nutrition Programs, I am very concerned about what is happening to the national School Lunch Program. In the past 6 months, our State has reflected the myriad of challenges that the program faces around the country.

More Vermont school boards than ever before are contemplating dropping out of the School Lunch Program, because of its high administrative costs. Programs in most districts are being asked to operate not as an integral part of the educational program, but as a self-supporting enterprise.

The price of school meals in Vermont has increased 30 percent, from the average of 90 cents 2 years ago to an average price of \$1.17 today. At the same time, the number of meals served to paying students has decreased from a daily average of about 30,000 to about 28,000 a day.

As the economy continues to slump, the number of children in our State receiving free and reduced-price meals has increased 15 percent between October of 1990 and October of 1991. Yet, each month, more than 6,000 children in Vermont are being sustained by emergency food-shelf groceries. At the same time, parents are increasingly demanding that school lunches provide high-quality, nutritious meals that contribute to their children's health.

Faced with these conflicting demands and needs, many programs are at a crossroads. No doubt, when Senator George Aiken sponsored the National School Lunch Act in 1946, he was taking the lead in an innovative program, in order to safeguard the health and well-being of America's children. His visionary foundation has served us well.

However, in recent years, the program has been heading in the wrong direction, becoming an administrative nightmare and devel-

oping the image of a welfare program, to the detriment of the program itself and the children it is supposed to serve.

Currently, economic pressures in most school districts where the program is expected to be self-funding make it difficult, at best, to also achieve the high-quality nutrition and nutrition education that the school lunch program ought to provide for our students.

Studies and reports abound that document the nutritional shortcomings of many school lunch programs and the diets of American children, in general. We need to turn the situation around. We need to develop innovative solutions for our own times.

The time has come to return the national School Lunch Program to the vision of its creators, a vital and integral part of the educational environment of schools, and a way to safeguard the health and well-being of all of our Nation's children.

ASFSA's proposal for a universal lunch program is such a solution. Mr. Chairman, what is wrong with the national School Lunch Program can no longer be addressed with a nickel here and few more commodities there. We need a fundamental change in how the program is perceived, how it is funded and how it is administered at the State, the local and the Federal level.

I would hope that, more than a funding issue, this allows us to address broader problems. administrative concepts, like focusing on outcomes, rather than procedures, and nutrition and education goals. I hope that it will be possible to allow the universal concept to ripen, and not make a quick decision about its appropriateness or viability.

In the months to come, we will be working with Congress and with other organizations interested in the welfare of children, and with the entire educational community, to develop this proposal further and to explore ways to make our dream a reality.

We know that we can continue to count on your support for child nutrition programs and your considered response to this proposal, and we look forward to working with you in the future.

Thank you.

The CHAIRMAN. Thank you very much. Thank you for coming down.

Ms. Greig.

**STATEMENT OF SUE GREIG, PRESIDENT, AMERICAN SCHOOL  
FOOD SERVICE ASSOCIATION, MANHATTAN, KS**

Ms. GREIG. Mr. Chairman, we do appreciate your having taken time out of your very busy schedule to join us today, and I did want to say that I will make my statement brief, because I know that you are due in some other place right now.

I just wanted to say that the national School Lunch Program has been one of America's success stories, as you alluded to earlier.

Enacted immediately after the close of the Second World War, the national School Lunch Program now serves almost 25 million children in approximately 90,000 schools. In addition, we serve breakfast to approximately 4 million children a day. Regrettably, however, we are here this morning to express our deep concern over the future direction of the School Lunch Program.



In the last decade, Federal subsidies have been reduced. USDA bonus commodities have all but vanished. The administrative complexity and associated costs have increased dramatically. Indirect expenses are draining the financial resources of the program, and there is less and less local support available.

As a result of these trends, schools are dropping out of the national School Lunch Program. It is our belief that if the Federal policy is not changed, these school dropouts will be but the first wave of a national trend, a trend we would like to prevent.

In our opinion, we must alter our thinking about the School Lunch Program. We must treat the program as an education initiative, not as an income security, welfare-type program. We believe that the current approach is a barrier to poor and non-poor children alike.

According to a study done by USDA, there are 4.2 million children eligible for free and reduced-price meals who are not participating in the program. In addition, we are serving only 60 percent of the children eligible for the School Lunch Program. The School Breakfast Program is serving only one-third of the children who are now participating in the free and reduced-price lunches.

For all these reasons, we are asking the Congress to enact a universal-type, not necessarily universal-free, school lunch and breakfast program. In a universal system, all schoolchildren would be entitled to breakfast and lunch without charge at the point of service.

Given the fact that the Federal Government already collects income data through the IRS and States collect income data at the departments of welfare, we do not understand why schools must duplicate this effort and also collect income data on every child in school. This process turns off our students and turns off our administrators and the school boards, because they do not like operating a welfare program in the context of a school environment.

Our universal proposal essentially comes down to two points: No. 1, school lunch and breakfast would be provided to all students without charge at the point of service; and, No. 2, the Federal Government could then "collect" the price of the school meals on an annual basis through the tax collection process.

The Congress has the option of structuring the program so that there is no cost to our initiative, and 100 percent of the cost of the program will be recouped through the tax collection process. Or the Congress could provide a degree of economic relief to parents in income categories Congress sought to assist.

For example, if the Congress wanted to assist the middle class, but yet have the higher-income parents pay for the school meals served to their children, it would be a simple matter to amend the Tax Code to draw the appropriate line on the income scale and vary the deduction for minor dependents.

Our basic point, Mr. Chairman, is that hungry children do not learn. It is a time to reset our priorities and to help shape a healthy future for our Nation's children. With a universal approach to school feeding, we will integrate school nutrition into the total education process. School meals should be treated in the same way we treat textbooks or bus rides. They should be provided with-



out regard to income of the child. Only then will we achieve our universal vision—healthy children ready to learn.

I just wanted to make one comment on your opening statements. I am very pleased to hear that you say we need nutrition guidelines for children between the ages of 2 and 18.

Thank you very much.

[The prepared statement and attachments A and B of Ms. Greig follow:]

PREPARED STATEMENT OF SUE GREIG, PRESIDENT, AMERICAN SCHOOL FOOD SERVICE ASSOCIATION, MANHATTAN, KS

Mr. Chairman, Senator Lugar, members of the committee, we very much appreciate the opportunity to appear before you this morning and the special courtesy you have extended to us by scheduling this hearing to coincide with our Legislative Action Conference. I am Sue Greig, president of the American School Food Service Association (ASFSA). With me is Annette Bomar, director, Division of School and Community Nutrition for the State of Georgia and the chair of our Public Policy and Legislative Committee.

There are a number of specific issues of interest to the American School Food Service Association: the administration's 1993 budget; increased funding for the Nutrition Education Training Program; adequate funding for the School Food Service Management Institute; the whole milk amendment reported by this committee in 1991; funding for the school lunch study authorized by the 1990 farm bill; expanding the State Administrative Expense formula to include the value of entitlement commodities; and, of course, the current controversy over the Department of Agriculture's Coordinated Review Effort (CRE) regulations.

We would like to put all of these issues aside for the moment and concentrate on only one issue, our long-held dream of a universal approach to the national School Lunch and Breakfast Programs.

President Bush, in his *National Education Goals*, emphasizes the need to prepare children for the classroom. When the House Education and Labor Committee looked at the relationship between nutrition and learning, it concluded that "[c]hildren who receive food supplements are better able to handle complex tasks, are more attentive in school, participate more in class, and are more likely to ask questions."

Yet, we must report to you that the National School Lunch Program is in jeopardy. In the last decade Federal subsidies have been reduced; USDA "bonus" commodities have vanished; the administrative complexity (and associated costs) have increased dramatically; indirect expenses are draining the financial resources of the program; and there is less State and local support available to the program.

As a result of these trends, schools (mostly high schools) are dropping out of the National School Lunch Program. In the 1989-90 school year approximately 90 schools terminated their participation in the program. Additional schools have dropped out of the program in the 1990-91 school year. (See attachments.) If Federal policy is not changed, these school drop-outs will be but the first wave of a national trend.

Since the Omnibus Reconciliation Act of 1981, school nutrition programs have been treated, more and more, as a welfare program. There is an increased emphasis on the documentation and verification of income, meal counts, and no tolerance for errors. It is time consuming, costly, and a barrier to acceptance of the program by students and school administrators. *According to a study conducted for USDA, there are 4.2 million eligible poor students who are not applying for free and reduced-price school meals.* If we are to educate our children and compete effectively in a world market, we must, as a nation, approach school nutrition programs in a different manner.

For all of these reasons, we are asking Congress to consider enacting a universal school lunch and breakfast program. In a universal system all schoolchildren would be entitled to a breakfast and lunch without charge *at the point of service*, provided the school participates in the program. (Neither the National School Lunch Program nor the School Breakfast Program have a Federal mandate.) It would be possible to tax back the benefit as I will discuss in a moment, but the defining characteristic of a universal system is that all children would be treated the same at the school level.

## PROGRAM PROFILE

The National School Lunch Act, dedicated to the health and well-being of all children, was enacted as a grant-in-aid program in 1946. Its enactment was one of the first actions taken by Congress after World War II because of the large number of military recruits who failed physicals due to nutrition related problems.

The 1969 White House Conference on Food, Nutrition and Health led to expansion of the child nutrition programs and enactment of the free and reduced-price school lunch program for low-income students. In 1975 Congress permanently authorized the School Breakfast Program.

Today, the National School Lunch Program serves almost 25 million students a day; the School Breakfast Program serves 4 million children a day. Approximately one-half of all school lunches are served free or at reduced-price; approximately 90 percent of all school breakfasts are served free or at reduced-price.

Participation reached an all-time high in 1979 when 27.1 million school lunches were served a day. After the budget cuts enacted in 1981, lunch prices increased and participation dropped by 3 million children. One million of these children were needy children who had received a free or reduced-price meal. The National School Lunch Program and School Breakfast Program have never fully recovered from these cuts and the trend since then has been in the wrong direction. It is time to change direction if we are to prepare children for school.

## BENEFITS

A universal school lunch and breakfast program would benefit the child, the school and the Nation. Such a program would:

- Prepare children for learning.
- Fight childhood hunger.
- Reallocate resources from paperwork to implementing the *Dietary Guidelines for Americans*.
- Provide an incentive for children to go and stay in school.
- Eliminate the identification of low-income students as well as the welfare stigma of the program.
- Promote program quality and increase student participation.
- Enhance the long-term health of Americans.
- Enhance service to children with special dietary needs.
- Permit use of the school nutrition program as a laboratory for nutrition education.
- Promote financial stability in local school nutrition budgets.
- Increase the consumption of domestic agricultural products.
- Serve as a vehicle to provide economic relief to parents (if desired).

## COST AND FINANCING

The cost of a universal Federal program for elementary schoolchildren would depend on several variables, including: nutritional requirements, administrative complexity, economy of scale, level of Federal reimbursement, and student and school acceptance of the new program. Our best estimate is that it would cost \$1.5-\$2 billion for elementary schools (over current services per year).

There are at least several different approaches for Congress to consider in order to finance a universal program:

(A) Amend section 32 of Public Law 74-320 to increase the percentage of import duties that go to section 32 for child nutrition. Currently, only 30 percent of the duties collected on imported products go into section 32. (In 1992 \$4.7 billion of the child nutrition budget came from section 32.)

(B) Have the cost absorbed by the general funds of the Treasury. President Bush, in his State of the Union address, proposed that we ease the burden of raising children by increasing the personal exemption \$500 per child. We believe that implementing a universal school lunch and breakfast program would provide American families and the Nation with much greater dividends at a lower cost. School meals would be a part of the education program; schools would not have to document family income; and poor children would not feel identified. School meals, like textbooks and transportation (where necessary) could be provided to all children equally, so that they are prepared to learn.

(C) Alternatively, the Congress could recoup as much of the cost of a universal program as it deems appropriate, or all of the cost, by lowering the personal exemption for children. Parents would "pay" for school meals as part of the collection of taxes and not have to send in money to school each day or week. Schools would not document income and children would not be identified by income. Further, this ap-

proach could be modified to have only "high income" parents pay for school meals, thereby providing economic relief to middle income parents. (The children of low income parents would continue to receive free and reduced-price meals in any case.)

We defer to the Congress on which approach is preferable. Our point is that a universal program can be structured to pay as you go; or it can be structured as a "free" program that provides economic relief to all parents, consistent with President Bush's idea; or it can be modified to provide assistance to low and middle income parents. If there is a will there is a way.

#### THE FRAME

A universal program could be enacted as part of the 1994 child nutrition reauthorization bill to be phased in by the year 2000. This time period would recognize budget constraints and allow schools enough time for a smooth transition.

#### CONCLUSION

Japan serves 98.2 percent of its elementary schoolchildren a school lunch; in the United States we serve 60 percent of our students. We are moving in the wrong direction treating school lunch and breakfast as "income security" (function 600) welfare programs. If we are to compete effectively in the world, we must change our thinking about school nutrition programs.

Hungry children don't learn. It is time to reset our priorities to help shape a healthy future for our Nation's children. With a universal program, we will integrate school nutrition into the total education process. Only then will we achieve our universal vision—healthy children, ready to learn.

#### COORDINATED REVIEW EFFORT (CRE)

Before taking your questions, Mr. Chairman, I would like to comment on just one of the issues mentioned at the outset: the Coordinated Review Effort regulations. The Child Nutrition and WIC Reauthorization Act of 1989 (Public Law 101-147) instructed the Department of Agriculture to establish a unified system for accountability in the School Lunch Program. When USDA published its proposed regulations to implement this section of law, it received over 4,000 comments suggesting changes in the proposals. While some changes were made in the final rule to accommodate the comments, the final regulations are, in our opinion, an overreaction. The regulations are the proverbial cannon trying to kill a flea.

The regulations have been published in final form and are scheduled to become effective this July 1. While we have labored long and hard to establish a reasonable system in coordination with USDA, we believe that the Department is moving in the wrong direction by trying to make only modest changes in their approach. The regulations are premised on incorrect and faulty assumptions. We are asking the Congress to delay implementation of the Coordinated Review Effort system so that we might have the time necessary to work out a fair and appropriate system of accountability for the School Lunch Program.

Mr. Chairman, I would be happy to answer any questions you may have. We very much appreciate the opportunity to testify.

ATTACHMENT "A"  
SCHOOLS THAT HAVE DROPPED THE NATIONAL SCHOOL LUNCH PROGRAM\* 1989-90

<u>Name of School(s)</u>	<u>Town</u>	<u>Enrollment</u>	<u>Estimated Number of Students Qualifying for Free and Reduced-Price Meals</u>
<u>Colorado</u>			
Cheyenne Mtn. High School		587	41
Brighton High School		1,131	182
Thornton High School		1,135	75
Manitou High School		355	60
Fairview High School		1,369	54
<u>Connecticut</u>			
3 schools	New Hartford	544	14
4 schools	Wilton	1,874	14
2 schools	Windsor	1,877	42
5 schools	East Lyme	2,418	79
1 high school	Region 1	475	12
Litchfield High School	Litchfield	275	8
<u>Georgia</u>			
Berean Elem. School	Atlanta	350	65
<u>Indiana</u>			
Mishawaka High School	Mishawaka	1,522	150
<u>Louisiana</u>			
Cabrini High School		416	31
De La Salle High School		773	16
<u>Maine</u>			
St. Mary's	Bangor	109	17
St. John's	Brunswick	225	16
Falmouth High School	Falmouth	274	2
Marshwood High School	Eliot	591	36
Brunswick High School	Brunswick	927	76
Traip Academy	Kittery	336	32
M.S.A.D. 15 High School	Gray	527	44
Gorham High School	Gorham	516	39

\*Not a complete list. None of the listed schools closed or merged with other schools.

<u>Name of School(s)</u>	<u>Town</u>	<u>Enrollment</u>	<u>Estimated Number of Students Qualifying for Free and Reduced-Price Meals</u>
<u>Missouri</u>			
Sacred Heart School	Florissant	500	5
St. Peter's School	St. Louis	335	3
Assumption School	St. Louis	450	6
<u>Nevada</u>			
Douglas High School	Minden	1,138	273
Baker School		30	
Whittell High	Zephyr Cove	250	50
<u>New Jersey</u>			
Levingston High School	Essex Co.	1,283	3
Heritage Middle School	Essex Co.	502	10
Mt. Pleasant Middle School	Essex Co.	344	5
Burnet Hill	Essex Co.	243	0
Collins Elementary	Essex Co.	244	5
Harrison Elementary	Essex Co.	360	5
Hillside Elementary	Essex Co.	314	8
Mt. Pleasant Elementary	Essex Co.	331	1
Riker Hill Elementary	Essex Co.	265	5
<u>New Mexico</u>			
Los Alamos High School	Los Alamos	1,077	10
<u>Texas</u>			
Richardson ISD	Dallas	7,268	150
Hurst-Euless-Bedford ISD	Fort Worth	3,751	60
Pflugerville ISD	Austin	1,451	64
Victoria ISD	Victoria	155	15
Round Rock ISD	Austin	1,875	75
<u>Vermont</u>			
Vershire Elementary	Vershire	57	25
<u>Wisconsin</u>			
New Hope Christian	Crandon	23	23
Skeets Millard Valley	Boscobel	27	22
Bethlehem Lutheran	Milwaukee	98	57
Hillel Academy	Milwaukee	167	65
Luth. H.S. Greater Sheboygan	Sheboygan	130	3
<u>Wyoming</u>			
Jackson Hole High School	Jackson Hole	459	16

ATTACHMENT "B"  
SCHOOLS THAT HAVE DROPPED THE NATIONAL SCHOOL LUNCH PROGRAM\* 1990-91

<u>Name of School(s)</u>	<u>Town</u>	<u>Enrollment</u>	<u>Estimated Number of Students Qualifying for Free and Reduced-Price Meals</u>
<u>ALASKA</u>			
Homer High School	Homer	382	42
Soldotna High School	Soldotna	484	50
Skyview High School	Kenai	399	64
Kenai High School	Kenai	394	46
<u>ARIZONA</u>			
Cactus High School	Peoria	1,690	65
Centennial High School	Peoria	327	22
Ironwood High School	Peoria	1,700	65
Peoria High School	Peoria	1,583	261
<u>COLORADO</u>			
Cherry Creek High School	Englewood	2,926	80
<u>LOUISIANA</u>			
Trafton Academy	Baton Rouge	125	10
<u>MAINE</u>			
Lisbon High School	Lisbon	443	54
Presque Isle High	Presque Isle	759	92
Encore	Houlton	6	3
<u>MASSACHUSETTS</u>			
Mt. Carmel Elementary	Methuen	230	7
St. Bernard's Elementary	Fitchburg	224	9
<u>MINNESOTA</u>			
Edina High School	Edina	1,168	33
Valley View Jr. High	Edina	701	11
Southview Jr. High	Edina	602	12
<u>NEW JERSEY</u>			
Northern Highlands Reg. HS	Allendale	715	--
Bordentown Reg. H.S.	Bordentown	431	41
J.Mitchell/Spruce Run	Annandale	411	10
Patrick McGaheran	Annandale	400	9
Round Valley	Annandale	451	3
Central	E. Hanover	301	10
Frank J. Smith	E. Hanover	265	3
East Hanover Middle School	E. Hanover	370	8
Deane Porter	Rumson	306	5
Forrestdale	Rumson	375	11

\* Not a complete list. Information was unavailable from California, Illinois, Oregon and Pennsylvania. None of the listed schools closed or merged with other schools.



## SCHOOLS THAT HAVE DROPPED THE NATIONAL SCHOOL LUNCH PROGRAM\* 1990-91 (continued)

<u>Name of School(s)</u>	<u>Town</u>	<u>Enrollment</u>	<u>Estimated Number of Students Qualifying for Free and Reduced-Price Meals</u>
<u>NEW JERSEY (continued)</u>			
Wenonah	Woodbury	200	6
Ramsey High School	Ramsey	743	4
Scotch Plains/Fanwood	Scotch Plains	1,115	16
<u>NEW YORK</u>			
Port Jefferson CSD	Port Jefferson	1,420	55
Bay Point/Blue Point CSD	Bayport	2,050	166
SUNY Campus West	Buffalo	750	350
St. Anthony Padua	Endicott	101	5
Wyantskill UFSD	Wyantskill	437	35
Yeshiva Samuel Hirsch	Brooklyn	481	57
Bnos Israel	Brooklyn	469	61
<u>OHIO</u>			
Notre Dame	Toledo	736	12
Adrian Elementary	South Euclid	278	23
Ridgebury	Lyndhurst	195	9
Rowland	South Euclid	337	30
Southlyn	South Euclid	248	19
Sun View	Lyndhurst	180	5
<u>UTAH</u>			
Park City High School	Park City	536	13
Dixie High School	St. George	903	83
Hurricane High School	Hurricane	450	88
Pine View School	Pine View	1,128	94
<u>VIRGINIA</u>			
Lafayette High School	Williamsburg	1,597	134
Albemarle High School	Albemarle Cty.	1,590	38
Culpeper High School	Culpeper Cty.	975	61
<u>WASHINGTON</u>			
Puyallup Valley Christian	Tacoma	234	16
People's Christian	Tacoma	367	40
<u>WISCONSIN</u>			
Lamb of God Christian	Madison	100	7
St. Paul Lutheran	Luxemburg	60	4
St. Edwards	Appleton	60	1
Blessed Sacrament	LaCrosse	234	--
St. John Lutheran	Wausau	65	4
St. John Grade School	Little Chute	456	14
Arcadia Catholic Upper	Acardia	381	55

The CHAIRMAN. I am about to turn the gavel over to Senator Conrad.

You know, this pin, "You can't teach a hungry child," in a way you almost think we should not have to state that. I am glad you do, because it seems it is one of the basic things that people should remember.

I have been in Vermont and other parts of the country where you see children come in to school who are hungry, and one of the difficulties is you see teachers who have these young people and who want to help guide them, want to use these developing minds, and the frustration of knowing they have a hungry child who just cannot concentrate. It is not the child's fault and it is not the teacher's fault.

What a tragedy that is in this country. I have said it so many times in this room, we are the most wealthy, powerful nation on Earth, and if we cannot even feed our children and make sure they are able to learn, then we fail as a nation. It is not political. It is not economic. It is a moral issue in this Nation.

I thank you for being here.

Senator Conrad is going to take over the Chair. I wonder if you could allow me just the prerogative of the Chair to invite the Vermonters who are here to just come on over here, so we can get a picture together in this committee room.

Senator CONRAD [presiding]. Welcome. Glad to have you all here.

Mr. MATZ. Senator, may I introduce the group to you?

Senator CONRAD. Yes, Marshall.

Mr. MATZ. The American School Food Service Association is a national association of approximately 65,000 public employees who administer the School Lunch Program at the State and local level.

There are people I think in this room from almost every State, including the State of North Dakota. There are a couple of people to your right from North Dakota.

Senator CONRAD. Put up your hands. I thought I saw two people with especially bright eyes. [Laughter.]

Mr. MATZ. Our president, Sue Greig, summarized a few of the major points of her testimony earlier today, and Mr. Hughes has not yet testified. I was wondering, for your benefit, whether it would be useful to have President Greig reiterate just a couple of the points that she made earlier, since I believe we are the entire panel for this morning. Would that be acceptable?

Senator CONRAD. Yes.

Mr. MATZ. And then we can go to Mr. Hughes.

Senator CONRAD. That would be great.

Mr. MATZ. Sue, do you want to give him a sense as to where we are going?

Senator CONRAD. Please go ahead.

Ms. GREIG. Thank you.

Every one of us in this room are child nutritionists and we do appreciate the opportunity to be here today, so thank you so much for being able to be here on a particular day when we do have our conference, as well.

I think the main points we want to make again for your benefit are that the national School Lunch Program has been one of America's success stories, particularly where the Government is in-

volved. Enactment immediately after the close of the Second World War of the national School Lunch Program, that now serves almost 25 million children a day in approximately 90,000 schools across the Nation. In addition, we serve breakfast to approximately 4 million children a day.

But regrettably, we find now that our concern is in the future direction of our total program. You know, in the last decade, we have lost Federal subsidies, USDA bonus commodities, and the administrative complexity and associated costs have increased dramatically for our program. The indirect expenses at the local level are draining the program resources, and there is less and less local support for the program.

As a result of these trends, schools are dropping out of the national School Lunch Program, and if the policies are not changed, we feel that this is going to be a trend and there will be more drop-outs as time goes by.

In our opinion, we must alter the thinking about the national School Lunch Program, and we must treat it as an education program initiative, and not just a welfare-type security program. We believe that the current approach is a barrier to both poor and non-poor students.

According to a study recently done by USDA, there are 4.2 million children eligible for free and reduced-price lunches who are not participating in the program. In addition, we are serving only 60 percent of the children eligible for the School Lunch Program, and the School Breakfast Program is serving only about one-third of the children who are participating in the free and reduced-price lunch program.

For all of these reasons, we are asking Congress to enact a universal-type, not necessarily universal-free, school lunch and breakfast program. In a universal system, all schoolchildren would be entitled to breakfast and lunch, without charge at the point of service.

And given the fact that the Federal Government collects income tax data from IRS and the States collect the same information from the departments of welfare, we do not understand why every school in America must duplicate this effort and collect income data from every child in school. This process turns off the students, the administrators and the school boards, who do not like operating a welfare program in the context of a school environment.

Our proposal essentially has two points: One, school lunches and breakfast would be provided to all students with no charge at the point of service; and, No. 2, the Federal Government would then collect the price of school meals on an annual basis through a tax collection process. The Congress has the option of structuring a program so that there is no cost to our initiative, and 100 percent of the cost of the program will be recouped through the tax collection process.

Or the Congress could provide a degree of economic relief to parents, and those income categories that the Congress sought to assist. For example, if Congress wanted to assist the middle class, but yet have higher-income parents pay for the school meals served to their children, it would be a simple matter to amend the Tax

Code to draw an appropriate line on the income scale and vary the deduction for minor dependents.

Our point is that hungry children do not learn, and it is time to reset our priorities to help shape a healthy future for the Nation's children.

With a universal approach to school feeding, we would integrated school nutrition into the total education program. School meals would be treated in the same way that textbooks and busing. They should be provided without regard to income of the child. Only then will we reach our universal vision, which is healthy children ready to learn.

Thank you.

Senator CONRAD. Thank you very much.

Maybe we should go to Mr. Hughes, and then have a chance for questions of the whole panel.

**STATEMENT OF CHARLES HUGHES, PRESIDENT, LOCAL 372, BOARD OF EDUCATION, DISTRICT COUNCIL 37, AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL-CIO, NEW YORK, NY**

Mr. HUGHES. Thank you, Senator.

Senator CONRAD. Welcome. It is good to have you here and please proceed, and then we will have a chance to ask some questions.

Mr. HUGHES. Thank you so very much. It is an honor for me to appear once again before this distinguished committee, and certainly you and Senator Leahy, the chairman, have sort of been like the Disciples of Jesus, if I can use the Lord's name in this honorable quarters.—

Senator CONRAD. It is risky around here. [Laughter.]

Mr. HUGHES [continuing]. In terms of the needs of our obligations to our children.

I think to exemplify that—and I read the King James version of the Bible—in the New Testament, it says that there was a man who stood on the banks of the Sea of Galilee and he took a child's lunch and he fed a multitude. And he did not ask for any kind of income level. He did not ask what color you were, and he did not ask you where you came from.

Yet, when they finished feeding those children, I understand they had the right to collect a lot of scraps and continue to feed people.

Because of the position of this committee, I think that you are carrying out that magnificent humanitarian tradition, because I do believe that when the Creator created human kind, he took clay from all four corners of the Earth and made a human being.

I think parallel to that is to feed our children.

I am the president of Local 372 of the New York City Board of Education Employees of District Council 37, and our member staff feed the largest school food service in this country, of approximately 700,000 breakfast and lunches every day to the hungry children of that great city and that great State called New York.

It is a privilege for me to testify once again before this committee, because during the many years that I have advocated improved child nutrition programs, I have been moved by the committee's

sensitivity and commitment to our Nation's children and, more particularly, by your steadfast support of children nutrition and National School Lunch and Breakfast Programs. Recently, these programs have taken on added importance. While parents and educators have always known that hungry children do not learn, the interrelationship between good nutrition and a child's ability to achieve in the educational setting has been well documented only recently.

This has occurred at the same time that the number of children living in poverty has increased. Between 1979 and 1990, child poverty in the United States grew by 26 percent. In 1990, 13.4 million children live in poverty, with 840,000 of those children falling in poverty in a single year, in 1989 to 1990. Today, in the midst of the longest recession in 60 years, the number of children living in poverty is certainly higher.

Although much has been done to rebuild the national School Lunch and Breakfast Programs after the Reagan administration's draconian cuts—and that is why I love you, because you stood and you fought them and you made sure that our children had the wherewithal to look to a nutritious meal.

In this country—and maybe I should just throw my prepared statement away for a little bit, because you will get all of the specifics in my prepared statement, because I have been here a lot—in terms of the needs of our children, I think the direct certification would eliminate all of the paper that we have to get involved with and the time of an employee to do that.

I think there is duplication, and the duplication is that we already have a certified unit of the Government saying that you are eligible, and then we have to duplicate the same process, and at the same time it makes John and Jane or Paul and Sally depend upon where they come from, to see if one is better than the other, and we do not need to do that any more.

It will increase the number of people who will work in the program, and, fundamentally, most of them are women who have a chance to put a little bread on the table, to assist at maybe sending a child to school or buying clothes, and what they bring to the school system is more unique than any other group of people, because they come from the community and they know whether John or Jane or Sally or Sue did not have any food the night before or did not have the wherewithal for a breakfast. That is the key.

We realize that if the participation is done of universal feeding—and I hope you all will do that by 1994—so that no matter what child it is can walk into that school and eat a lunch and be motivated to be together and go back to the tradition of the first created human being, the mosaic person, to be proud of that.

I think the school systems and the boards of education throughout this country has done more than their share to offset the cuts and the lack of support by not only this administration, but the one before. If it was not for you standing there saying that you are not going to do it to the kids, they would have done it to the kids.

Finally, while I am in New York, and I am very proud to be a New Yorker, but I am a Georgian and I am a big-foot country boy from Georgia, and I am proud of that. Because when the School Lunch Program started in 1946, I was born in 1941 and I ate school

lunch meals, and at 51, looking at me as an example of the sound meaning of a program to feed children, if I am anything, I am part of that School Lunch Program. As Jesse Jackson would say, indeed I am somebody.

Thank you so very much.

I hope that you will consider and work very hard to implement and pass the universal feeding program for the children who we all love and support, because we believe that they are indeed the new leaders of tomorrow, they are going to be the ones who are going to be concerned, they are going to be the ones who are going to protect each of us.

I think what is happening to society today is that the children do not believe we care any more. I am the author of the Energy Factor Feeding Program that started in John Dewey High School. The participation went up, plate waste was eliminated, and children are motivated to participate to help plan the meals. Because no matter what we say and what we recommend, if the children do not want it, they are not going to eat it. No matter what the ingredients are, if they do not like it, and everybody in this room who has participated in these kinds of programs will tell you, no matter what we do, if the children do not like it, it goes into the garbage can.

I think the experts that are in this room, we started out with 12 and I think 1,200 later on, and we have from this group, from every State, the representative of that moral care of our children.

I thank you so very much for allowing me to make my presentation on behalf of our union. And certainly my working with Marshall and all of his colleagues of the American School Food Service Association, it is an honor for me to be here and it is a privilege for me to make my presentation.

Thank you so very much.

[The prepared statement of Mr. Hughes follows:]





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## STATEMENT OF

**CHARLES HUGHES, PRESIDENT**

**LOCAL 372, BOARD OF EDUCATION  
DISTRICT COUNCIL 37  
NEW YORK, NEW YORK**

BEFORE THE

**COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY  
UNITED STATES SENATE**

ON

**THE SCHOOL LUNCH AND BREAKFAST PROGRAMS**

MARCH 3, 1992

**in the public service**

Good morning Mr. Chairman and distinguished members of the Committee. My name is Charles Hughes. I am the Chairperson of the American Federation of State, County and Municipal Employees School Advisory Committee, which represents 150,000 members.

I am also President of Local 372, Board of Education Employees, District Council 37, in New York City. Our members staff the nation's largest school feeding programs in terms of both student participation and employees. On an average day, our members serve about 700,000 breakfasts and lunches.

It is a privilege for me to testify once again before this Committee. During the many years that I have advocated improved child nutrition programs, I have been moved by the Committee's sensitivity and commitment to our nation's children, and more particularly, by your steadfast support of child nutrition and the National School Lunch and Breakfast Programs. Recently these programs have taken on added importance. While parents and educators have always known that hungry children do not learn, the interrelationship between good nutrition and a child's ability to achieve in the educational setting has been well documented only recently.

This has occurred at the same time as the number of children living in poverty has increased. Between 1979 and 1990 child poverty in the United States grew by 26 percent. In 1990, 13.4 million children lived in poverty, with 840,000 of those children falling into poverty in a single year, 1989-1990. And, today, in the midst of the longest recession in 60 years, the number of children living in poverty is certainly higher.

Although much has been done to rebuild the National School Lunch and Breakfast programs after the Reagan Administration's draconian cuts, the participation rates are far lower than at their peak in 1979. Two million more children and 2,700 more schools participated in the school lunch program in 1980 than in 1990. And, while 200,000 more students are enrolled in the School Breakfast Program today than in 1981, only one-sixth of the children who eat a school lunch also eat a school breakfast and less than half the schools that offer the lunch program also offer the breakfast program.

In just four years, we will celebrate the 50th anniversary of the National School Lunch Act. However, I am here to tell you, Mr. Chairman, that we are continuing to lose ground in our efforts to safeguard the health and well-being of the nation's children. Recently, the Department of Agriculture (USDA) reported that there are 4.2 million eligible poor students who are not applying for free or reduced-price meals.

The programs that we have worked to build for 46 years are threatened. Federal subsidies have declined while costs, including indirect expenses, have increased. USDA "bonus" commodities have disappeared. Participation by both schools and students in the feeding programs is on the decline. Approximately 90 schools dropped out of the program in the 1989-90 school year and more did so this past year.

These withdrawals come at a time when local and state governments, facing the worst fiscal crisis since the Great Depression, have also been forced to reduce their support. In the last Fiscal Year (FY), 1991-1992, state and local governments, confronted with a combined deficit of over \$50 billion, eliminated programs, froze payrolls or laid off workers and raised taxes, fees, and tuition at public educational institutions.

Now 18 months into the deepest recession since 1932 and midpoint in the fiscal year, 30 states are reporting revenue shortfalls, 25 are experiencing higher-than-expected spending and 20 are both long on spending and short on revenue. For example, New York's budget gap for FY 1992-1993 is expected to be \$5 billion; Maryland's, \$1 billion; California's, \$4 billion; Connecticut's, \$1 billion; Michigan's \$750 million; Washington state's, \$950 million and Georgia's, \$50 million. In 1980, the last time that data was collected, federal contributions to the school lunch program covered approximately 50 percent of the program's total cost. The remaining 50 percent was shared equally by state and local contributions (about 25 percent) and children's meal payments.

Mr. Chairman, because of the budgetary crisis at the state and local level, unless the federal government takes bold action, there is a risk that the national school lunch and breakfast programs will ultimately be available only in schools with a very high proportion of low income students, probably less than 15 percent of all the schools that now participate. This would deny access to many low and moderate income children who are enrolled in the other 85 percent of all schools.

In order to insure that the school feeding program remains a broad-based nutritional support program available to all school children, I would like to propose that the Congress consider enacting a universal school lunch and breakfast program when it considers the reauthorization bill in 1994.

A universal program has obvious benefits. It would remove the welfare stigma which is now associated with the program for students who receive free or reduced-price meals. It would help state and local governments who are laboring to comply with the many federal mandates which were passed in the 1980s without accompanying federal dollars. It would guarantee that all hungry children are provided with the nutritional tools for learning. It would relieve school personnel from focusing on income verification and accountability. In sum, it would remove the administrative and funding barriers which now impede both students and schools from participating in the program.

Mr. Chairman, I know that this Committee will carefully review the results of the universal free school lunch pilot project approved by Congress in 1989. My union, Local 372 of District Council 37, and the New York City Board of Education agreed to begin a pilot universal schools meals program in one school district in Manhattan in 1990. The pilot is now in its second year. The most impressive result to date is the

rise in the participation level in the breakfast program in the elementary schools in the district. I will be happy to share with this Committee the full results of our pilot program when they become available.

Mr. Chairman, my union and its dedicated school workers stand ready to work with you to develop a universal school feeding program. Serious problems challenge the continued success of the school lunch and breakfast programs as they are now constituted. However, by working together, I am confident that when we celebrate the 50th birthday of the National School Lunch Act in 1996, we will truly be proud that American school children are getting the nutritious meals that they need in order to enhance their learning ability.

I want to thank the Committee for inviting me to testify. I would be happy to answer any questions that the Committee may have.

Thank you.

Senator CONRAD. Thank you very much. We appreciate that very moving and powerful testimony. I would bet you are not one of those who thought catsup should be a vegetable.

Mr. HUGHES. That is right. [Laughter.]

Senator CONRAD. I thought that was pretty preposterous myself.

We have a significant challenge, as we look across the country. I want to bring home to you some of the very, very difficult choices that we face.

First of all, let me say that what you are advocating here makes a great deal of sense. I can remember so well when I was in school in Bismarck, North Dakota, I went to Roosevelt grade school, and we had milk that was made available and every child would bring some money for milk.

I remember there were a couple of children in my class whose families did not have the money for milk, and I can remember when the teacher would go down the row of who had their milk money in and who did not.

Every week, there were two children who did not have their milk money, and I can still remember the looks on their faces. They were embarrassed. They were humiliated. But somehow our teacher found a way to get them milk, but still they went through this process of not having milk money, and that singled them out. It singled them out in a way that was not good for their self-esteem and was not good in terms of how they reacted with the other children.

I suppose we now face a situation in which the School Lunch Program has a similar problem associated with it, because we are separating people. We are dividing people. There are some people who can pay and do pay, and some people who can pay a lesser amount and do pay, and then some people who cannot pay at all.

Obviously, that is a very real concern, because if you start children out saying you are separate, you are different, they get that message. Nobody has to say very much for people to understand what is really happening, so that has to be addressed.

Then let me speak to you as a member of the Budget Committee. We face a problem that is of staggering proportion. The deficit this year is going to be \$399 billion. In addition, we are going to be taking from the trust funds \$100 billion. So on a real operating basis, we are going to run a deficit in this country of almost \$500 billion, on a total budget of \$1.5 trillion.

So we are spending over and above what we take in—\$500 billion on a \$1.5 trillion budget. We are deficit spending about one-third of our total budget.

The President has just presented us with a 5-year plan that adds another \$2 trillion to the national debt, nearly \$2 trillion, and the national debt at the end of this year will be \$4 trillion, up from less than \$1 trillion in 1980.

I think you start to see the picture. We have a problem here of enormous proportion. We have needs that are unmet right here at home. We can go into any school, we can go into any town or any city and it will not take long for you to see that there are needs that are crying out.

People are living on the street. I do not know how many of you saw the story in the newspaper this morning about a young woman

and her two children who lived on the streets of Washington for 3 months, before finding a place to live. You think about going back even 15 years, and if somebody told you there would come a time when, by the thousands, people were living on the street, including women with young children, would you have believed it, in this country?

Something is radically wrong here. Unfortunately, the hole has been dug pretty deep. So you come to us today with what is a real need. It is an obvious need and it is one that needs to be addressed.

I listened and I am moved by what you say, and I know it is true from my own experience. It is nothing something I have to wonder about, because I can remember very well being in Roosevelt School. I can remember when the milk was handed out, and I can remember those school lunches.

Do they still serve "mystery mound"? [Laughter.]

Wearing my other hat, as a member of the Budget Committee, I know the very, very serious fiscal condition of our country. We are stacking debt upon debt here in a way that threatens the basic foundations of this country, and so we have to come up with answers.

I would ask you, if we go to a program like this one, a universal lunch program, obviously, there is cost associated with it. I would like to have you explain once again how you would fund that cost that is associated with this program, and then ask you some other questions.

Ms. BOMAR. Senator, if I might respond, I think the important concept here behind a universal program is that we reach all children. That is the most important concept. If we could do that in a manner in which families did not pay, that would be grand.

However, our proposal includes multiple funding options, and one which would be at no cost to the Federal Government. A different mechanism for collecting the moneys other than having to collect the funds on a day-by-day basis at every school throughout the Nation would be used.

So although we would love to see a universal free program, so that we can reach all children, we feel like we have a tremendous potential for reaching more children, if the mechanism that we use for collecting dollars from families were changed. We know that would be a massive change in the way that we think about school lunch, and we realize that we might involve amending the income tax statutes. We are talking about something very different than what we have talked about in recent years. We recognize that.

But our big vision is to reach all children. There are currently too many barriers.

We heard the president of the Chief State School Officers yesterday say we have such a bizarre mechanism for funding this particular program, and he certainly agreed with your comments, in that what schools do not need is another class distinction where we separate children out. Yet we do that every day in our school nutrition program.

To my knowledge, we are the education program that does discriminate based on income.



Senator CONRAD. Tell me, how does it work now? If you can describe for me, a child comes to school on Monday and they want to have school lunch for that week, what happens?

Ms. BOMAR. Well, every school district has to file every year a collection procedure, a procedure that is very complicated and often, in many cases, requires a great deal of automation and a great deal of administrative handling.

The school has to have a procedure for issuing tickets or tokens or some mechanism that, when a child comes to the serving line—and this is where we talk about point of service, when the child actually takes their meal—we have to have every day a way of knowing when the child receives their tray whether that child is income-eligible, is free, reduced price, or whether that child is going to have to pay. Every day, every meal has to be counted according to one of those three categories.

Senator CONRAD. What happens to the child? When that child comes the first day of school and wants a school lunch for the week, how do you determine income eligibility? Please give me a typical example.

Ms. BOMAR. In many cases, we do not determine income eligibility, because there are a lot of children whose parents do not follow the process that has been prescribed for us, and we have studies that show that nationally.

A child, when they enter a school building, will get a free and a reduced-price meal application, which is an application that elicits income information from the household. An approving official, perhaps the school principal or the school nutrition manager, has to take that information, has to compare it to eligibility scales which have to convert income from weekly or biweekly or monthly to the scale, has to check the person off and determine their eligibility.

Senator CONRAD. We are dealing with the first-grader now, for example.

Ms. BOMAR. Right.

Senator CONRAD. The first-grader is probably unaware of his parents' income level.

Ms. BOMAR. That is right, and so what you—

Senator CONRAD. Is that person supposed to take it home to his or her parents?

Ms. BOMAR. You try to get the little child to take the income eligibility application home and bring it back to school and give it to the appropriate person, and that is the reason 4.27 million eligible children are not participating. That is over and above—

Senator CONRAD. It probably never gets home.

Ms. BOMAR. Probably 4 million of the 4.2 million never get home.

Senator CONRAD. I remember certain forms that I was given that never made it home. [Laughter.]

Mr. HUGHES. Senator, may I make a suggestion in terms of the cost factor? Our studies show that if a direct certification takes place, there would be a generation of thousands of jobs, which will be tax-paying jobs, certainly to the State, city and local economy.

In terms of the homeless situation, while I know that this is not part of the nutrition piece, but it would seem to me, as I have said at the congressional hearings, that the school lunch national feeding program ought to be part of the military budget, and the

reason I say that is because these kids are the defense of America 20, 30, 40 years down the road.

I know that there is about \$50 billion or \$5 billion that is coming out of this down-sizing of the military budget that is going to go into the discretionary budget, and none of it is earmarked for the School Lunch and Breakfast Programs. The reason I say that the children ought to be part of the military budget, we have all of this high-tech equipment.

When they went to Desert Storm, you did not have any problem about the soldiers there being malnourished, because the real reason that the School Lunch Program took place, other than the children, was that when World War I—last night, when I introduced Senator Dole, he said in World War I, and God knows, sometimes we cannot determine the difference, but the reason World War II is because they found the soldiers were malnourished, and so they implemented this program.

Now, for the homeless, I do not think anybody ought to have to live on the streets. I think the ships that they have in mothballs right now ought to be brought out and put in the ports of every major city in this country and put the people on it.

Why? You have the beds, you have the cooking facilities, you have the conference room for training and you have the medical facilities, and it would seem to me that the military folks, the personnel who are going to be laid off, and God knows whether they are going to get a job, could be continuously used to maintain and train people, because you have engineers, military engineers who could go into these ports and immediately renovate them, and you could have children and families who have been displaced live there until such time that they can go and get into a school.

In New York, for example you have the hotel children. All right, we have people assigned to take care of them. But when the person who moves every 4 or 5 days from one area to another will not have the continuity of the lesson plan, and we have all these crazy records that makes them eligible, they get hurt, so many of those kids lose.

I think direct certification would eliminate that, and I think if somebody would look at that homeless piece with the ships, I think that is the best war in the world in terms of trying to eradicate homeless and hunger in this country, because we could feed those kids on those ships.

Ms. GREIG. Senator, I would like to put the administration burden in perspective. When the school auditors did a review of programs, they found that 44 percent of all the paperwork in school was attributed to school food service, and that is for the whole school system.

I would like also put a caveat on what he is saying. Direct certification is a good idea. That means taking information from other agencies. That is a good idea for schools where you have a great number of free and reduced. But there are a number of the 90,000 schools who do not have an 80 or a 50 or even a 20 percent free and reduced, so direct certification would not accommodate those schools. It is a method, but it does not cover all schools.

Senator CONRAD. All right.

Senator Grassley and Senator McConnell have joined us. Senator Grassley, if you would have a statement or questions, please feel free.

Senator GRASSLEY. I will put my statement in the record.

Senator CONRAD. Without objection, Senator Grassley's statement will be made a part of the record.<sup>3</sup>

Senator McConnell, welcome.

Senator MCCONNELL. Thank you, Senator Conrad.

I, too, am just going to put my statement in the record.<sup>4</sup>

Senator CONRAD. Without objection.

Senator MCCONNELL. I would mention that the Breakfast Program is a program that I have had a lot of interest in. Legislation of mine passed in 1989 to provide start-up funds for that, and I just want to commend you for the great work that you do, and I will just ask that my statement appear in the record.

Senator CONRAD. Maybe we could go to some other questions, as well. I think I understand the thrust of the program with respect to offsetting the cost through other mechanisms, whether it is through the income tax system or other means of paying for the system.

Have you done any analysis on why only 60 percent of those who are eligible are taking advantage of the lunch program now, are utilizing the lunch program? Have surveys been done to determine why that is the case? Are they put off, because they have not done the paperwork? Is it because they do not want to go through that humiliation? Is it because of some other reason?

Ms. BOMAR. We know some things from USDA's 1990 verification study.

That particular study had two key points in it. It did indicate that, nationally, at least 4.27 million needy children who would have been eligible for free or reduced-price meals were not applying for those benefits at all.

Second, as a part of the verification process that our local people have to participate in every year, you talk about the pieces of paper that do not get back and forth between children and their homes. There are a number of children whose benefits are terminated midyear, who may no longer get a free or reduced-price benefit, not because the parent has given us the wrong information, but because the parent does not send the paperwork back to confirm what they said on the original application. Over 50 percent of the children whose income eligibility and benefits for meals was terminated, because of nonresponding to the paperwork were, in fact, eligible to have their benefits continued.

I think that we have a big challenge to serve healthy meals that are, in fact, meals that children will consume, in an environment that is conducive to a child's social development, and fits within the context of an education system. I think if you were to look at every State across this country, they have different challenges regarding student participation.

What we would like to see is a system like the universal system that we have described. We could redirect our resources from the

<sup>3</sup> See p. 4 for the prepared statement of Senator Grassley.

<sup>4</sup> See pp. 3-4 for the prepared statement of Senator McConnell.

bureaucracy, the paperwork and the bean-counting that we are experiencing now in our program to some of the qualitative issues that Dale mentioned earlier.

I think that we see nationally a variety of systems to deliver meals to children, and each of those unique systems has its own challenges related to reaching more children. But definitely, the bizarre mechanism that we have right now for funding our program does two things: It keeps needy children out of the program and it keeps non-needy children out of the program.

The president of the Chief State School Officers said yesterday his daughter ate school meals through elementary school. When she got to high school, she started carrying her lunch, and he said why? She said those meals are for needy children.

We are not reaching needy children, because of the bizarre paperwork, getting the papers back, and we are not reaching other children, because of the stigma that is associated with the problem. In my opinion, those are the two primary reasons, and then you can go on from there, depending upon the locale and the various challenges that individual schools have.

Senator CONRAD. What is the administrative burden of the program with respect to the eligibility requirements? Has anybody done an analysis of that? What is the administrative overhead cost?

Ms. BOMAR. USDA is always analyzing something about our program. We are in the middle of a 3-year longitudinal study about the program. However, some of those things they do not want to see, I do not believe have been clearly defined. They do look at the verification effort, which is the middle-of-the-year effort, but that only addresses 3 percent of the applications that we process. That is a very small, but it is a very burdensome process.

USDA has looked at verification twice, as a matter of fact. They looked at it in the early 1980's and they looked at it again in 1990. Each of the two studies shows that it is not cost-effective to do what we are doing to the children. It is not cost-effective to the Federal Government to go through this process, but we are doing it, because we are afraid some child may get a meal.

Mr. MATZ. Mr. Chairman, you mentioned the 60 percent figure, which is an accurate figure. I would just like to point out, by way of comparison, that in Japan they feed 98.2 percent of the kids. It is not universal free. We are not here today advocating universal free, in deference to the comments you made.

Our point is they have figured it. Now, that is certainly not the whole reason for the differences in productivity and education levels between the United States and Japan, but I would venture to say it is one of the reasons.

Senator CONRAD. How do they fund it?

Mr. MATZ. Well, they are doing it similar to—we have borrowed a few of their ideas. Our understanding is that, basically, there is a collection process for those people who can afford to pay, but it is not handled the way we handle it.

Senator CONRAD. It is not at the point of service?

Mr. MATZ. Correct.

Senator CONRAD. Point of service is what clearly does not work?

Ms. BOMAR. Clearly.

Mr. MATZ. It is the point of service and it is the school being in the middle of it. We are talking about the IRS collecting the money from the same people who would pay every day or every week. Our goal is just do it annually and get the schools out from under that burden.

When I was counsel of this committee in the 1970's, the whole idea of a universal was synonymous with universal free. That is not the case today. We are trying to figure out a way that is sensitive to the budget constraints.

It would require a bill that was referred from this committee to Finance, and there are complications involved in that, but we believe if there is a will there is a way, and that the current system is just not working.

Ms. BOMAR. One point, because Mr. Hughes talked about direct certification, where schools can go into the data bases of their State's AFDC and the food stamp operations to pull off lists of children who are eligible for free and reduced-price meals.

There are a number of school districts who have implemented that process. It was authorized in 1989 for us to use. I get reports back home of 10, 15, 20 percent increases in even needy eligible, just because they have eliminated the application. One simple step and immediately we were able to reach that many more children.

Senator CONRAD. Let me ask you this, because it seems to me there would probably be pretty broad consensus that this would be a good thing to be able to do, if we figure out a funding mechanism that makes some sense, and I have tried to lay the groundwork for the necessity of doing that.

Let me try to understand the funding mechanism that you are advocating. As I understand it, through the income tax system, you would seek to have those who could pay for their own lunches, which in some way I think we are going to have to do to make this come out in terms of the financial problems facing this country.

How would those who have children enrolled in the School Lunch Program pay with the income tax system? It is not clear to me how we would do that.

Mr. MATZ. There are various options in terms of how specific you would want to be, and it depends upon the tradeoffs you wanted to make. On the income tax application, you submit your income and you also submit the names and ages of your dependent children.

Our thought would be to vary or modify the deduction you get for dependent children to recoup the value of the lunch. You could draw the income line wherever you desired. In other words, if you wanted to keep the income guideline exactly as it is now, 185 percent of poverty, you could. If you wanted to provide some relief to middle-class parents, as the President suggested with his \$500 tax exemption, you could do that. That would be a separate decision that Congress would have to make.

Now, the greater degree of detail you wanted, the greater the degree of complexity. For example, if a child was absent—we could look at national averages and not try to figure out attendance for every single day. We would just know that if that child was of school age, since the School Lunch Program applies to public schools and private schools alike, it really does not seem to be a very difficult matter.



Would there be some refinement needed? I think so, but I do not think the barriers are insurmountable. The people in this room basically have their degrees in nutrition, and they are being asked to figure out income documentation at the local level. That is not what we are good at. What we are good at is trying to get what Dale is suggesting, which is to look at the dietary guidelines and improve meal quality and make it a better program. That is what these folks want to do. That is not what they are being asked to do.

In fact, the current program structure has not only become a barrier for the students, it has become a barrier between school lunch administrators and school boards. The school boards resent the way the program is, and that is why in our prepared testimony you will see two typed pages of schools that have dropped this program in the last 2 years.<sup>5</sup> They have just had it and are throwing in the towel.

Senator CONRAD. The administrative burden is just too much and they just—

Mr. MATZ. It is a cost benefit analysis. The local School Lunch Program is a nonprofit business and they are making judgments just like business people do. School lunch is a nonprofit business. As the Federal subsidy decreases, i.e., revenue at the local level decreases, and as the administrative complexity increases, i.e., the cost of administration increases, it reaches a point where the schools cannot make it. That is particularly true if the school at the local level is having additional problems with education funding, so they are not able to supplement lunch revenues. Further, school food authorities are being forced to break even or, in fact, serve as a profit center on occasion. It is more and more of a problem.

Senator CONRAD. Let me ask this question: Do we know what other countries do? What does Japan do? What does Germany do? What does France do? How do they handle the School Lunch Program? Do we know that?

Mr. MATZ. We are not aware of a survey that has been done, a definitive survey of nations worldwide. We do know about the Japan experience. It has been brought to our attention, but it is an anecdotal piece of information.

Mr. HUGHES. I dealt, as the school employees' chairperson of AFSCME, which has about 150,000 school employees throughout the United States. I have been in contact with Ireland and their feeding program. You know, with a name like Hughes, I am really a Welch. My great-grandfather is Irish, and he came from Clarke County, Georgia, as well, and I found that out with a roots search.

I will try to get you the information, because we have it in our files at the union office, because we have been communicating with them, because it was this private sector versus public sector serving the food. Of course, we shared with them our experience on being able to prepare a fresh food lunch. We showed them the different methods of going about getting the meat companies to develop meat that is high-grade, but less fat and all of the other things

<sup>5</sup> See pp. 14-17 for Attachment A—Schools That Have Dropped the National School Lunch Program 1989-90 and Attachment B—Schools That Have Dropped the National School Lunch Program 1990-91.



that will prevent high cholesterol and other chemicals that might be hyperactive to the body and its mechanism.

But there are great countries who have somehow or another emulated some parts of our program, and the part that you are interested in, Senator, I will certainly get to you through our international representatives, so they can enlighten you in terms of what that is all about.

I know that the cost factor and the methods of approach are different, but I think we all want to do the same thing, Senator, is to make sure that the paperwork—in New York, for example, an hour or two is devoted to collecting and dispensing that money.

When the boards of education budgets get cut, such as loss of revenue sharing and all of those other things that kept cities whole, unless everyone is very sympathetic to the School Lunch and Breakfast Programs and make that as a priority, therefore, all of the time that cannot be charged off to the Federal funds have to come from the local budget, which impacts on some other viable program within the system.

So that is why the universal approach and the other approaches that have been discussed here, we believe would generate—that not only the program would be self-sustaining in times of these changes, but also make sure that the additional work being provided for local community people, Senator. And the reason I say that is because when we look at the unemployment rates, we look at the retraining that we have to do for those people who are middle-class blue-collar who are out of work, this is a natural area for people to come into and then be able—

Senator CONRAD. How many jobs do you estimate?

Mr. HUGHES. In our case, it is about 700 in a couple of districts in New York, and I understand that New York, because of the density of population and economic level, that will probably be the best approach. But there are other approaches, the income and Internal Revenue approach and the food stamp approach.

My mother still lives in Midland, Georgia, and I know that while I pay for all of her medicine, which is about \$147 a month, we did make her eligible for food stamps, because I just could not afford to pay all of that. Many times, even people in the middle class do not want to admit that they are taking food stamps. Some people in certain small towns like mine will take the food stamps in one town and then go to another town and buy the food, because they are embarrassed.

Ms. MCPHERSON. Senator Conrad, I would like to speak to another issue that President Greig has referred to in her comments, and that is the impact that indirect cost assessments made by local school boards have on our program. That is a major problem for many of us. Most of us are finding that there has been a real change in the perception of child nutrition programs away from an education program as we concentrate on income certification.

When I first began to work in child nutrition programs 27 years ago, each year in our school system, in accordance with Federal regulations, we maintained a record of what we had provided locally as in-kind for the local matching for the Federal funds that came into the school system.

At the point at which we shifted from the partnership approach to providing for child nutrition programs, we began to be perceived as a welfare program from the Federal level. Since then we have had rapidly increasing financial problems, as we have been perceived as a source of revenue for other programs and the operation of the school districts.

We are the only federally funded education program that operates with nonrestricted indirect costs. In my school system, that means that I pay almost seven times as much indirect cost as the chapter 1 program and the other programs that are federally funded.

Senator CONRAD. Maybe we should just spell out what indirect costs are for the record, because people reading this some day will probably wonder what we are talking about, whether it be heat, electricity and janitorial services.

Ms. MCPHERSON. The athletic department is assessed no indirect cost. It is accepted as an integral part of the school program. It is a revenue producing program for the school, but all of that revenue is allowed to stay in the athletic department.

It is a major problem and the loss of commodities has been another major problem. Indirect cost has been equal and of greater significance. We are dealing with an environment at this point in which national school business associations are listing us as a way to increase revenue for other programs.

It really is a major area. Solving that would enable us to have additional funds to feed additional children. It would not provide for all of the universal, but it would be one of the steps that could be taken.

Senator CONRAD. All right.

Ms. BOMAR. You had asked about the number of jobs that might be involved. We serve 80 percent of our children in the School Lunch Program in Georgia. We try real hard. We feel like Senator Richard B. Russell when he introduced the School Lunch Act, did not think it was a program just for needy kids. So we work very hard to reach all the kids in Georgia.

Serving 80 percent of our children, we have about 10,000 employees. We could add 20 percent or 2,000 jobs, if we could reach 2,000 more kids in our State. If we could reach 100 percent of our kids, instead of 80 percent, we could add 2,000 jobs, just as an example.

If you look at it nationally, there is a 60 percent participation factor. There is much room for growth in the other States and other locations, and so I think you could draw a comparison there, because our goal again, like we said, is to reach all the kids.

Senator CONRAD. All right.

Ms. MCPHERSON. I do not have a calculator, but I would like to suggest something, just based on the 4.2 million who are eligible for benefits right now who are not participating, that if you calculated that on the basis of 15 meals per labor hour, and converted that to 40-hour weeks, just as a rule of thumb, you could get your answer real quickly.

Senator CONRAD. You could figure it out very quickly.

Ms. MCPHERSON. I am sorry I do not have my calculator in my pocket, or I would tell you.

Senator CONRAD. Senator McConnell.

Senator McCONNELL. Thank you, Senator Conrad.

I want to say how much I appreciate what you all do. I think it is an extremely important program. I hope I am not reploting some ground that was covered before I got here, but could somebody sum up for me once again some of the barriers that exist under the current system for low-income students? I gather you have a problem with low-income students participating, as well.

Ms. BOMAR. The application itself does set up a class distinction in the school system. It is really the only class distinction within the school district. We have kids mainstreamed into various programs. School Lunch is the only program operating within the education environment that distinguishes children. By distinguishing children, we are talking about a piece of paper that a child takes home and has to fill out in order to receive the higher level of benefits at a free or reduced-price level.

We know, for example, that about 25 percent of our meals should go to children who fall in the reduced-price category. They are the ones whose income falls between 130 and 185 percent of poverty, but nationally we are only serving about 7 percent of those children.

A lot of those children just in that particular population are from households that are not accustomed to applying for Federal benefits. They are not those people who are going to be applying for Medicaid or food stamps or AFDC. There is a large population on its own that we are not reaching, because they are just working parents, a lot of young working parents that cannot see themselves applying for welfare, so they refuse to deal with the process themselves.

They may send a meal from home with the child. They may try to use the first money they have access to, when they get their paycheck each week to pay for those meals. That is one example. Even the President in his budget says we ought to try to do more for those in the reduced price category, but in our State we have done more for that population and we further reduced the sale price to those people, but they still cannot get beyond the application, because that is the barrier. They are not people who apply for welfare. That particular population is one example.

The larger group is the free population, those whose incomes are below 130 percent of poverty. Even then, we do not have a direct correlation with Medicaid. We have a lot of kids who would be on Medicaid at 133 percent of poverty, but they do not qualify for us, because we are at 130 percent of poverty, so we cannot even do a direct certification with those children.

But the application process itself is a barrier, and that has been demonstrated clearly through the school districts that are using direct certification for the last 2 years. The stories, one after another, just say that we are reaching more children, because we have eliminated that application itself.

Then when you get over to the children whose incomes are above 185 percent of poverty, they in many situations do not want to participate in the program. They think it is designed for needy kids.

Senator McCONNELL. Let me make sure I understand what you are advocating, then. As you know, we have a number of entitle-

ment programs in the Federal Government, that is, you are entitled to it if you fit a certain category, regardless of income.

There are those, and I have no position yet on your bill, so I do not want you to consider this an antagonistic question. But there are those who think that one of the reasons the Federal Government has the deficit it does is because we have created so many entitlement programs, and I wonder how you respond to somebody who might be against your proposal, suggesting that by creating, in effect, an entitlement program in which income is not relevant and raising taxes on higher-income people to pay for it, there are some who think we have done that so frequently that that is sort of what has gotten us into the box that we are in now.

I am just curious as to what your—again, this comes from somebody who is truly undecided on your proposal—I wonder how you respond to that kind of argument, which I gather you may have heard at least from some.

Mr. MATZ. Perhaps I can help: We are not suggesting that you simply make an entitlement and raise taxes on all rich people, in general. What we are suggesting is that we try to collect the cost of the lunch from the people who are, in fact, paying for it today, the exact same people, but just collect it differently.

In other words, we are not trying to shift the burden from parents with kids to all rich people in general. We would like to collect the cost of the school lunch outside of the school, not daily not weekly—

Senator McCONNELL. Tell me again how you would do that.

Mr. MATZ. We would do it through the IRS, but by—

Senator McCONNELL. By adjusting taxes?

Mr. MATZ. By adjusting not the tax rates; by adjusting the level of deduction for parents with—

Senator McCONNELL. You would adjust the taxes in a progressive manner and earmark that money and bring it back to fund this program and provide lunches for all students, and then not be collecting at school?

Mr. MATZ. Among taxpayers with children of dependent age.

Senator McCONNELL. In other words, you would not have to do any collecting in the schools, you would simply administer the program—

Mr. MATZ. That is exactly right.

Senator McCONNELL [continuing]. And it would be funded by a sliding scale reduction of deduction or however you want to define—

Mr. MATZ. However you want to do it.

Senator McCONNELL [continuing]. Getting the revenue on a sliding scale—

Mr. MATZ. Yes.

Senator McCONNELL [continuing]. Which would, in effect, create an entitlement program for all students, right? If you were a student, you would be entitled to a lunch.

Mr. MATZ. It is an entitlement today, in the sense that—

Senator McCONNELL. Except that an effort is made to collect the cost from some people.

Mr. BOMAR. Yes.

Mr. HUGHES. Senator, I think it is more than just the dollars. It is the stigma. I know that in this country we are talking about the rich versus the middle class and the poor. That might be great for some issues, but it ought not be the one for the fundamental issue for the children, because I think the indoctrination or the education of children, and because their minds are so bright, that we have to start early and show that, hey, everybody is equal in this program for your fundamental ingredients of a qualitative education.

In that way, with the elimination of certain paperwork, that cost will be folded back into the program in terms of internal expenditure. I do not think there is enough money anywhere, when we talk about children. I know that there is competition among other legitimate groups for other legitimate programs.

But if I could use two examples: One, I believe it was on 20/20 or one of these morning shows that the Asian mother who had her baby here in America, because of her ability to receive proper nutrition, her baby was stronger and bigger, which means 20 years or 30 years down the road we will not have the immediate health problems of that child, which is an astronomical cost these days in this country, as you would if that child was not given that opportunity.

The Reeboks—and maybe that is a bad sneaker to use, and I am not advocating anybody's sneakers, but the fact of the matter is, if you can just take that simple approach, one kid comes into school with one kind of sneakers and another comes with another, and everybody starts getting on him or her. Well, just take that and make it five times over in terms of the inner-feeling of what rips your guts out in terms of the human being with dignity.

One child will stand there with the wherewithal to be able to pay and the other cannot, and that brings a division among the youngsters right away, because one is going to say I am better than the other. Perhaps economically they are, but fundamentally, in the environment in which we all are being educated, I thought the process of education was to introduce people in areas that they have never been introduced before, so there can be a blending and a more enlightenment of the civilization.

In the 1920's—and I think the paper this morning said that—when they opened the Census papers, 106 million people in the 1920's. Well, you look at the population growth now and it is tremendous, and we did prevent the deterioration of the health of our children by this very program.

What we are simply saying to you now, because of the expertise that we have gathered in this program, that we have discovered all of the bad things that we should eliminate in order to enhance the program, and not to embarrass you by giving you a proposal that does not make sense, because you certainly are going to be the ones who are fighting the fight for us and, most important, the children.

I think you have already used some of the suggested methods such as Marshall and others have used, that I think we can come up with a program that will, one, render productivity, accountability, and fuller participation by all of the students, without the stigma.



Senator McCONNELL. Well, I can certainly understand how this would simplify the administration and eliminate the stigma. The only thing that troubles some people—and I am not sure yet whether it troubles me, I just raise the issue—the only thing that bothers a lot of people is that, by providing Federal Government benefits to a lot of relatively affluent people, the argument is frequently made that we are spending money on people who, in terms of income, do not need it, and that argument is made a lot of times when people stand back and sort of look at the Federal Government and its deficit and its problems.

One of the issues that first raises a red flag is why are all of these relatively affluent people, whether they are farmers or veterans or whoever, getting all of these benefits from the Federal Government. That is the reason I raise the issue. I gather your response to that is you think administrative simplicity and the elimination of the stigmatization is important and, second, you, in effect, adjust the rates in one way or another, either by reducing—you increase the tax bite to some extent on a progressive scale, and then follow that money back in to pay for the program. That is essentially what you are suggesting.

Ms. GREIG. That is essentially what we are saying. We want to approach it from a different, totally different aspect or a totally different vision. We are in an educational system, an educational surrounding, and we want to be a part of that education, because we are talking about the total learning ability of children. We all said that a hungry child cannot learn; we are a part of the support system for that child's education.

If we have free textbooks, if we have free busing, if we have free teaching, all the process that goes into the education of children except the child's nutrition is already for everybody, whether you are rich, middle class or poor.

I wanted to make one other point, and that is, when we talk about rich kids, we are talking about a family of four whose income is \$24,790. You know, if that is rich, then the who we are talking about, it is that category we are talking about.

I would like to bring it back into the context of education, because I feel that we are a contributor to the child's education. I think we need to look at it from that angle and then work out the details of how we would fund this or how we would do it on a level that would give equal opportunity to all children, as we give equal opportunity with the other educational aspects.

Ms. BOMAR. I would like to make one comment, if I can, as I know your time is very valuable. Sue talked about nutrition for all children, and I know that there is a lot of focus in this country right now on a universal health care system.

We are a preventive universal health care system in our School Lunch Program, but we need the resources. If you are looking at health care as an issue of this Nation, we can prevent many of the chronic disease problems that Americans are suffering from today, if we can reach more children with nutritious meals.

Dale mentioned earlier, we need to be doing a better job with nutrition and with nutrition education. If we can teach people how to eat better, then a lot of the chronic disease problems that we are



paying for or would have to pay for through a health care system would, in fact, be eliminated.

In Georgia I have been hiring registered dieticians to work with our local people in our State. I have masters degreed registered dieticians who are available to work with our local program operators to enhance the aesthetic and nutritional quality of meals.

I am going to probably—I have eight positions that are vacant at home right now. I am looking at the prospect of not hiring registered dieticians, but hiring administrative clerks to go out and count free- and reduced-meal applications. They will do the monitoring that we are being held under right now, especially under this coordinated review effort.

I do not need registered dieticians to do what we are being asked to do for our Nation's kids, and I think it is important at this point in time that Congress take a position on this and get us headed in the right direction. The first thing you guys can do for us in the Senate is to look at the H.R. 4338,<sup>6</sup> that was introduced on Thursday, to delay the implementation of this punitive, burdensome, excessive monitoring system that is taking our program in the wrong direction, and we would love to have—

Senator McCONNELL. It is a strong message to follow. [Laughter.]

Ms. BOMAR. We would love to have a Senate bill. [Applause.]

Senator CONRAD. It sounds like some of the audience agrees with that. [Laughter.]

Ms. BOMAR. I think so. I hope so.

Senator McCONNELL. Thank you, Senator Conrad.

Senator CONRAD. Thank you, Senator McConnell.

Let me ask a final question to all of the witnesses and everyone who is here. If there is something you have heard here this morning that you think needs to be responded to or something that has not been asked that you think should have been asked, that should be answered for the record, if you would have a final comment that you would want to make along those lines, please feel welcome. Is there anybody with a final comment that we ought to have in mind, as we consider this initiative?

Ms. GREIG. Of course, we would like to see you help us in working out a mechanism whereby we can have meals served to all children equally, without counting at the point of service. I hope you are able to do that, given what is in the budget, what is not in the budget, what is possible with IRS and all of those different areas that we are not that familiar with.

So I would like to ask you to look into the possibility of a universal program and how we can accomplish this in the next few years.

Senator CONRAD. Don't you think it would be wise to start a pilot program and see how it works, to work the bugs out and start in a northern State, for example? [Laughter.]

Ms. GREIG. Senator, we have one. We have some pilot programs on universal, and one of them is in Pennsylvania, by the way.

Senator McCONNELL. He was thinking of a small northern State in the Midwest. [Laughter.]

<sup>6</sup> H.R. 4338 a bill to suspend certain compliance and accountability measures under the National School Lunch Act. This bill was introduced on February 27, 1992, by Mr. Kildee and was referred to the Committee on Education and Labor.

Senator CONRAD. Yes, Mr. Conoscenti, do you have a comment that you wanted to make?

Mr. CONOSCENTI. I probably put myself on the line by saying this, but I have a hard time supporting this universal program, because I work directly with all these pieces in a school of 1,200 kids in Vermont, in Barre, Vermont, and we have an incredible cross-section, just like anywhere else in the country where there are kids that are poor, there are kids that are middle class and there are kids that are upper middle class.

I know in our town, the taxpayers would not support this. I believe in a program that is simple. This hot lunch program was put together as a simple, simple program which we continue as adults to make very complicated, and we come into these rooms and we have conversations that are talking about things that to me are like from another planet.

I mean, what my job is about is about feeding kids healthy food, and what my job is about is to increase participation by teaching kids about food, and not only by teaching them about food, but offering healthier food to kids, which we have gotten away from.

To spend all my time or a lot of my time thinking about universal lunch or other issues is to take away from what really needs to happen, is to feed kids.

I do not have the kind of problems that I hear people talking about around stigmas with kids. I do not know why, except that I have a lot of interaction with kids, I have interaction with parents, I have interaction with teachers. Everybody works together as a group. That is what it is all about, working together.

If there are kids who are not eating, then I either am aware of it because I see it happening in the cafeteria, teachers know about it because they know what is going on in the classroom, or a parent comes in response to something or somebody else responds, so then you address the problem.

In some ways, I feel like we create more problems here. I mean, we are talking about feeding kids healthy food. It is very, very simple. As we create systems and more systems about it—we send out applications for free and reduced three, four or five times a year, and we get more—sure, we get more participation, depending upon where the economy goes and how far it goes up and goes down. We have more kids eating in the 5 years I have been there now free and reduced than we ever had.

Senator CONRAD. What percentage of the kids who are eligible in your program are being served? Do you have any idea?

Mr. CONOSCENTI. We have 920-some kids who can eat lunch in our school. We feed about 550 of those kids lunch. About 130 of those kids get free lunch. About 52 of those kids get reduced lunch.

Mr. HUGHES. Senator, we serve 700,000 meals a day, almost 1 million kids a day. You have Russian-Jews, you have Caribbeans, you have Latinos, you have all kinds of children participating in the program.

You have people who make a lot of money and people who do not make a lot of money. My concern is that we ought not to teach our children, irrespective of what State they are in, that they are different in their ability to participate in a public program such as this. That is what bothers me so very, very much.

Perhaps we ought to share with you some of the statistics that we have in terms of the attitudes and the way children behave because of that. It might change your mind in terms of the other areas of application.

The other aspect of it, you have to show the kids that you really are concerned about their welfare and how they review the program, as well as keeping the program funded. There is a lot of longevity and expertise, most importantly, in this room, and we view the lot of methods to try to make up the differences in terms of budget cuts and all of the other stuff that has been placed on our backs, the commodity program which the USDA just wiped out, I mean just wiped out.

In your testimony earlier, you talked about the lean meat that used to come. Well, it does not any more. And the tragedy of that, Senator, is that when you eliminate the commodity program, you not only hurt the children, because everybody keeps coming back to the budget piece, you have to keep the eye on the budget. Everybody says, yes, we will do this, but we do not have the money.

I am simply saying that we can do a lot of things within the existing budget, we could put people back to work. And the reason your participation went up is because somebody up there is out of a job, and once they are out of a job, whether that is the second day after you fill out the form saying you are making \$50,000, and then the next day you do not have a job, then you become eligible for the free lunch, is why your participation went up.

Mr. CONOSCENTI. That is not why.

Mr. HUGHES. Well, Vermont has some unemployment problems up there, I think.

Senator CONRAD. Let me just ask, Mr. Conoscenti, if I could, as I hear you saying it, you do not feel that taxpayers would support a universal program. For what reason?

Mr. CONOSCENTI. Because there are many people who can afford to pay for lunch. They can afford to pay \$1.40 for lunch, and that is not just in Vermont. I grew up on the northwest side of Chicago and I know what that is about. I grew up in a lower, lower middle-class family and we did not have much, so I understand that.

But there are people who can afford to pay for it. Even if it is 700,000 people or it is 900 people, it is the same situation that we are talking about.

Senator CONRAD. What he is saying resonates, because there are a lot of people who feel that way, without question, and they feel that way because they look at our overall situation and they say, wait a minute, how does this get paid for, and people who can pay should pay.

As I hear the description of this program, they are trying to get at perhaps in a somewhat indirect way having the people who can pay do pay, but to eliminate having at the point of sale the money being collected, and kind of taking the schools out of being in the collection business.

I do not know how you feel about those two points. Do you think it would be better if the schools were out of the collection business and that it would be better to be out of point of sale?

Mr. CONOSCENTI. For me, I speak about my experience. For me, I enjoy that part of my job—I have lots of contact with my kids, and

for me the more contact I have with kids, the better I can serve kids. So if it means collecting money and that is a part of the piece, then, of course, let us simplify it somehow. I agree in simplifying it, but I like the contact with the kids.

So as far as collecting the money, sometimes it is just a pain in the neck. We all know it is a pain in the neck to collect money. It is, but at the same time, it gives me more interaction with kids, I know more where kids are at, what is going on, and that is how I can better serve kids.

Ms. BUSH. Senator, if I could comment on that, as well?

Senator CONRAD. Yes.

Ms. BUSH. As administrator in Vermont seeing the overall program across the State, I think that many people would agree with what Dale is saying, that what we need to do is simplify the program. The best way so far that we have come up with to simplify that program is to remove the counting and collecting at the point of service.

In Vermont, there are a great many children who receive WIC benefits. I have had several meetings with the State WIC director, trying to understand how it is that children who receive WIC, drop off when we get to the School Lunch Program. What happened to those children who were eligible and no longer are showing up on the eligibility rolls?

For every positive interaction with children in collecting money, there is also a lot of very painful interactions, as well. Many food service directors have told me about the difficulty of talking to parents who are in tears, because they cannot pay the bill. There have been directors who have told me about taking money out of their own pockets to pay for a meal for a child who did not have money that day.

So there are a lot of things about the point of service collection of money that is painful for people and that removes the positive aspect that the nutrition program ought to have. I think the point was made about whether or not the collection system identifies children overtly, which it is not supposed to do.

The child him or herself knows I am different, I am not the same as everybody else, and there is nothing that we can do to take that away, so long as the system is constructed the way it is now.

Senator CONRAD. Let me just say to you, I think it is a very important point: I think it would be very difficult to pass a program in this budget environment and give benefits to children of people who are well to do or even near well to do or even middle class, because the harsh reality is the reality I outlined when we started this.

We have a deep hole, a very deep hole, and we have to get serious about what we do as a society to address it. On the other hand, here is a situation. This is almost a textbook case of the conflict between a legitimate need, feeding children, doing it in a way that does not separate, does not make children feel that they are not as good as some other child, providing nutrition that is badly needed, and, yet, at the same time meeting the concerns that the gentleman from Vermont has outlined, because it is a very real and legitimate concern, and I am not certain that the funding mecha-

nism that has been identified so far is fully formed or is the answer.

Mr. MATZ. We are not sure either. The testimony outlines several ideas. We are here to testify, but to listen, as well. We have toyed with the idea of seeking to increase section 32. Instead of 30 percent of the tariffs going into section 32 perhaps it should be raised. Section 32 pays for the majority of school meals now, by the way. The vast majority of the school lunch budget does not come out of personal income taxes. It is a transfer from section 32. About 80 percent of our funding comes from section 32, about \$4 billion. Ed Barron, deputy chief counsel of the Senate Agriculture Committee, is shaking his head, so it must be right.

We have toyed with the idea of just saying, OK, raise that percent of money that goes into section 32, from 30 percent to 50 percent. We have thought of other ideas. We are struggling with the same question you are, how to meet the goals that have been so long held and heartfelt, and yet still deal with budget realities.

But I will tell you, Senator, if I may just add just my own personal perspective. We look at the President's proposal to give an additional tax deduction to every parent of \$500, without regard to income. If you are a parent, you get another \$500 per kid. That costs \$5 billion. Now, I realize it has fallen off his high-priority list, but it was proposed and he mentioned it in the State of the Union.

The universal proposal costs less than that and could be targeted to middle-income kids. In addition, it has the benefit of being linked to another public policy objective, helping American agriculture and preparing kids to learn.

So there are other ways of doing it, and we just hope that you will explore that with us and allow us the opportunity to think it through with you, until we figure out how exactly to do it and not just make a quick decision.

Senator CONRAD. Let me just follow up on your point by saying, as a society, this is my own strong belief, we have gone off into an area of irresponsibility that is really profound. I do not know how else one can say it.

When you spend \$500 billion more in a year than you take in, and everybody comes in and wants to spend money and everybody comes in and wants a tax cut, and nobody wants to pay the bill, you know, somehow we have to sober up.

I just had a conversation with a Congressman who called me this morning. I was in a meeting earlier this morning and they were talking about an overall budget. Nobody talked about the deficit, nobody.

It is like we have given up. It is like we have just thrown in the towel. The President sends us a plan. I mean it is really quite startling. It has gotten no press attention, because the press, of course, is not terribly interested in things like budgets, because that is not sex appeal, that is not somebody's sex life, that is not somebody's scandal, so God knows we would not want to have any attention drawn to that.

But it is a scandal of its own and we are going to wreck the country, if we do not sober up. It really disturbs me greatly that, as a society, we are just kind of taking a walk. The President comes in and we are going to have a \$4 trillion debt at the end of this year—



\$4 trillion. It was less than \$1 trillion in 1980, and \$4 trillion at the end of this year, and he comes in with a plan that says add another \$2 trillion, because nobody wants to face up to the truth.

The truth is we are spending much more than we take in, nobody wants to pay more taxes and everybody wants to spend more. It is not going to work. This is not going to work.

This program to me has great merit, but it has to be paid for, and we working together have to find a mechanism that makes some sense. It seems to me you make a good case that the funding mechanism we have now has a lot of problems. There must be a better way than to do it this way. Perhaps you do not agree with that observation, but I sense that there has to be a better way.

Ms. MCPHERSON. Senator Conrad, we are saying to you today that we do not have the solutions, but we know a lot of the problems. We really need a partnership between all of us and you all on this committee and other committees in Congress who are addressing this issue.

We are hearing a lot of things about paradigm shifts these days and altering our thinking, and this is certainly one of them. As long as we have—

Senator CONRAD. I have never understood what that means, but it has as certain ring to it. [Laughter.]

Ms. BOMAR. It is kind of like a mutation.

Senator CONRAD. Paradigm shift.

Ms. BOMAR. It means breaking the rules, I think. [Laughter.]

Ms. MCPHERSON. My son tells me that changing your paradigm is making sure that when you go from Chicago to New York, that you use a New York street map to get around New York.

Another way that you might interpret that is to remember that when Thomas Edison wanted to improve light, he did not use the parts of a candle to make a lightbulb, if that helps any. [Laughter.]

Senator CONRAD. Thanks a lot. Now I understand it. [Laughter.]

Ms. MCPHERSON. What we want to do is to return to the roots of child nutrition. Child nutrition has its roots in the need for nutrition education and it is a part of education.

It did not begin as a welfare program. And as long as we have the collection system that we have, there will be no way that we can combat the perception that we are a welfare program, especially for those of us who are in areas that have as much as 50 percent free and reduced-price meals.

I am from an area like that. I have worked through child nutrition programs through the years to see my program change in my community from education to welfare, because of the predominance of the application process at the beginning of the school year, and the disproportionate amount of time that goes into that. We need to work together. We do not have the solutions, but we need to be perceived as an education program, because that is what we are.

Ms. GREIG. Senator, I know it is hard to do a cost-benefit 200 or even 40 years down the road, but certainly there is going to be a return, a cost-benefit return on feeding children, because of health care costs and so many other things that we are facing, that the quality of life will be better, the perception of how to deal with the real world will be better, because we are not discriminating or doing whatever we are doing with children at a young age.



So I think we need to really take—you are talking about the budget right now, but the cost-benefit eventually is going to be a payback that is going to be tremendous in jobs and off-the-job—

Senator CONRAD. I understand that, believe it and agree with it. The hard reality is that the bills have to be paid today and we are not paying our bills today. And there is a tremendous problem that creates, because, as we add debt on top of debt in this society, at some point the creditors are going to say enough of this.

Unfortunately, half of our creditors now are not in this country. Half of our creditors are over in other countries, and if some day they call over and they say, you know, we are not coming to the bond auction, we are not going to take any more of your debt, because you guys cannot get your act straightened out, and if that day ever comes, interest rates in this country will go through the roof.

So we have an obligation here. It is not popular to talk about it. There seems to be no consistency for dealing with the debt of this country, but we have an obligation and a responsibility to do that, because there will be enormous harm to our society if we do not, so, in some way, working together, we have to find the appropriate way to do this.

I very much appreciate the testimony of this group. I think this has been a very healthy hearing. I very much appreciate this chance to hear your views.

We will leave the hearing record open until the close of business today for any additional statements that people might want to enter into the record.

Thank you all very much.

Ms. BOMAR. Thank you.

Ms. GREIG. Thank you.

Mr. MATZ. We thank you, Senator.

Senator CONRAD. The committee is adjourned.

[Whereupon, at 11:40 a.m., the committee was adjourned, subject to the call of the Chair.]

[Material submitted for inclusion in the record follows:]

## A P P E N D I X

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### THE STATE OF NORTH DAKOTA—DEPARTMENT OF PUBLIC INSTRUCTION

#### PREPARED STATEMENT OF KATHRYN GRAFSGAARD, DIRECTOR, CHILD NUTRITION AND FOOD DISTRIBUTION, BISMARCK, ND

I appreciate the opportunity to provide testimony regarding issues that are of interest to child nutrition programs in North Dakota. As a State official responsible for the administration of USDA programs, I have some concerns. Foremost is my concern that the efforts of school food service people are focused in the wrong direction. This is not their fault. These people are faced with overly burdensome administrative duties associated with feeding children. Most of these duties are associated with the processes of determining eligibility for free and reduced price meal benefits and establishing counting procedures. The American School Food Service Association is bringing to the forefront a universal concept for school lunch and breakfast programs. I am supportive of this concept.

The National School Lunch Program, originally established as a nutrition program for all children, is going rapidly in the direction of a welfare program requiring extensive paperwork and time at the school level. Food service directors have indicated to me that they are considering dropping out of the program to be free of the administrative burden. We all know that schools were set up to serve and educate children and not administer welfare programs.

Since we know that there is a relationship between nutrition and health, it is imperative that these programs be available for all children. The expertise is available at the school level. We need only the time to concentrate on issues that are critical to healthy children such as making continual improvements to program operations and providing nutrition education.

Our children are the link to a strong nation in the decades to come. We need a program that is universally accessible to all children.

Thank you for the opportunity to provide these comments.

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