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Commentary: House Child Nutrition Bill Would Weaken Programs for Low-Income Children

By Robert Greenstein

Over the last four decades, most child nutrition reauthorization packages have improved the nation's child nutrition programs and been enacted on a bipartisan basis. Republicans and Democrats have worked to improve school breakfast and lunches, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and other federal nutrition programs for low-income children. The work has included improving the healthfulness of the foods offered to children, increasing access to the programs, and improving their efficiency and effectiveness. In keeping with this norm, the Senate Agriculture Committee passed in January a bipartisan child nutrition reauthorization bill, the Improving Child Nutrition Integrity and Access Act of 2016.¹

Unfortunately, the child nutrition reauthorization bill introduced by Rep. Todd Rokita, chair of the House Subcommittee on Early Childhood, Elementary, and Secondary Education, departs from that bipartisan history and would make the programs less effective, rather than more so, at serving low-income children.² A revised version of the bill, which the House Education and the Workforce Committee approved on May 18, contains some useful provisions, but its detrimental provisions significantly outweigh the sound ones. In particular, the bill would reduce access to school meals by poor children attending some schools in low-income areas and would make it harder for state WIC programs to achieve savings through the time-honored approach of competitive bidding. The revised bill also would convert the school lunch and breakfast programs in three states to a block grant that wouldn't respond if poverty increased and under which states could restrict eligibility for free school meals, weaken nutrition standards, and shift some funds to other uses.

Among its most concerning provisions, the bill would:

- Convert the school meals programs in three states to a block grant under which these states would receive a capped amount of funding, instead of federal reimbursement for meals served in the school breakfast and lunch programs. States would have to guarantee only one "affordable" meal a day for students, would be free to set eligibility rules more restrictive than those used today, and could alter the programs' nutrition standards. If the fixed amount of

¹ <http://www.agriculture.senate.gov/imo/media/doc/WEI16005.pdf>

² http://edworkforce.house.gov/uploadedfiles/ans_h.r._5003.pdf

federal money for the year ran out — as could occur if poverty increased in a state due to a recession, plant closings, or other developments — there would be no guarantee that poor children would continue receiving free school meals. Moreover, states could divert resources they now spend on school meals to other purposes as long as state politicians ruled that would meet school-aged children’s nutritional needs. While, as noted, the proposed block grant would operate only in three states, it’s likely intended to be a foot in the door. In 1995, House Republicans passed legislation to convert the school meals programs to block grants in all states.

- Substantially restrict schools’ eligibility for “community eligibility,” an option that allows high-poverty schools to provide school meals at no charge to all students. If this proposal became law, more than 7,000 schools now using community eligibility to simplify their meal programs and improve access for low-income students could have to reinstate paper applications and return to monitoring eligibility in the lunch line.³ These schools serve nearly 3.4 million students. In addition, 11,600 other schools in low-income areas that qualify for community eligibility but haven’t yet adopted it would lose their eligibility. The result would be fewer children served and higher administrative costs for the affected schools.
- Alter the process by which school districts verify eligibility for a sample of children who have been approved for free or reduced-price school meals. Improvements to the verification process are needed, but the proposal in the reauthorization bill the Senate Agriculture Committee approved takes a better approach. The Rokita bill would result in more administrative burden on schools, likely for little gain in improving verification systems. The bill also would put more vulnerable families at risk of losing free or reduced-price school meals for their eligible children.
- Represent a setback to WIC, one of the government’s most cost-effective programs. For decades, WIC has used competitive bidding to substantially reduce the cost of infant formula and some other foods for infants.⁴ Competitive bidding is quintessential good government that harnesses the free market to deliver services at the most economical cost. The Rokita bill, however, would require each state that wishes to use competitive bidding for infant foods other than infant formula to submit reports on the impact that competitive bidding would have on factors such as retail prices and product availability for non-WIC customers. Such analyses appear to be beyond the capacity of many state WIC programs. Producing them would likely require many state WIC programs to undertake or contract for academic-style economic analyses that could be costly. Yet state WIC programs generally have tight administrative budgets.

These requirements appear to have been included in the bill as a result of lobbying by a major baby food company that opposes competitive bidding for baby foods (Gerber), which is a

³ Zoë Neuberger, “House Bill Restricting Free School Meals Option Could Increase Food Insecurity in High-Poverty Neighborhoods,” Center on Budget and Policy Priorities, updated April 21, 2016, <http://www.cbpp.org/research/food-assistance/house-bill-restricting-free-school-meals-option-could-increase-food>.

⁴ Robert Greenstein and Zoë Neuberger, “WIC’s Competitive Bidding Process for Infant Formula Is Highly Cost-Effective,” Center on Budget and Policy Priorities, updated September 14, 2015, <http://www.cbpp.org/research/food-assistance/wics-competitive-bidding-process-for-infant-formula-is-highly-cost>.

subsidiary of a multinational corporation based overseas (Nestlé). In addition to being burdensome for states, the proposed requirements might make some state WIC programs susceptible to litigation by baby food manufacturers on the grounds that the reports the states submitted didn't contain all of the mandated data and analysis (since, as noted, the data and analysis could be beyond the capacity of some state WIC programs to produce). The resulting burdens and risks could have a chilling effect on the use of competitive bidding by state WIC programs to secure the best prices for baby foods (other than infant formula). If so, that could have adverse consequences: if WIC costs were higher as a result of less use of competitive bidding, either WIC would serve somewhat fewer children in need or taxpayers would have to pay somewhat more to serve the same number of children.

Reauthorization provides an opportunity for Congress to review and strengthen the child nutrition programs, but this bill sadly represents a step backward.