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What progress is there to report on the Healthy, Hunger-Free Kids Act?

As you know, the Child Nutrition and WIC programs are up for reauthorization every five years. The last reauthorization, known as the Healthy, Hunger-Free Kids Act, received bi-partisan support in 2010 and paved the way for revolutionary improvements to the school nutrition environment.

Following the passage of that act and the subsequent regulations, more than 50 million of America's school children now have access to a healthier school food environment—in terms of the nutritional value of school breakfast and school lunch, as well as the selection of foods that are available for sale in all venues during the school day.

Although change is never easy, schools and students have effectively implemented the meal standards. Today, over 97 percent of schools are reporting that they are meeting the new meal patterns. For those that have yet to reach this goal, USDA is supporting implementation with its robust Team Up technical assistance program, and providing flexibilities to those schools with specific challenges.

Updated school meals standards were endorsed by over 350 nutrition and health organizations as the right thing to do for children's health. We are seeing hard evidence of success: recent studies

from Harvard and the University of Connecticut are showing positive outcomes from these standards, including evidence from a number of schools that students are eating more fruits and vegetables and that there has been no increase in plate waste.

Participation in school lunch is returning to levels near those from before the change process began.

Over the past few years, we've also seen a sustained surge in School Breakfast

Program participation. We are now serving nearly 15 million students school breakfast in over 90,000 schools each school day.

And, new evidence published in the past few weeks suggests that students who regularly consume breakfast at school--including double breakfast eaters—are more likely to exhibit a healthy weight trajectory.

In addition to the nutrition standards, access to school meals has also been enhanced by the Community Eligibility Provision (CEP)—an option for schools with high concentrations of low-income students to serve both breakfast and lunch meals to all students at no out-of-pocket cost to the students.

CEP reduces the administrative burden on schools associated with collecting and processing household applications, but retains the sharing of cost between the USDA and local and State authorities that is central to the traditional certification and reimbursement approach.

In just its second year of nationwide implementation, CEP is now reaching more than 8.5 million students nationwide in about 17,000 schools and 3,000 school districts.

The Healthy, Hunger-Free Kids Act also provided an opportunity to build on the success of WIC, which uses science-based standards to ensure its benefits contribute effectively to meeting the nutrition needs of low-income mothers-to-be, mothers, infants, and young children.

Several studies have shown that the updated food packages have had positive impacts on early childhood obesity and preschoolers' consumption of fruits, vegetables, whole grains, and low fat milk. We are making great strides in transitioning to electronic benefit transfer, which will improve the shopping experience for both participants and vendors.

What are the Under Secretary's concerns regarding Child Nutrition Reauthorization and what would USDA like to see come out of Congress?

A solid Child Nutrition and WIC reauthorization bill to support WIC and each of the Child Nutrition programs is critical. It is critical for the health and wellness of tens of millions of children in the US, for our ability to rein in rising health costs driven by increased diet-related disease and obesity, and for our national security where child obesity is of serious concern to our military's readiness, to say nothing about the quality of life absent these diseases and health conditions.

Congress has now surpassed their five-year deadline without coming to terms on a reauthorization bill.

Unfortunately, The School Nutrition Association (SNA) national leadership—once a true champion of child nutrition—has been a lone, but consistent voice of dissent.

Several weeks ago, we believed we were close to achieving a bill. The Senate Agriculture Committee had negotiated a road forward—a road with compromises on both sides.

USDA agreed to the proposed language to delay or redefine further school meals requirements with regard to sodium and whole grains in light of larger gains in the bill, overall. The School Nutrition Association agreed, as well.

However, subsequent to those negotiations, SNA requested more. They went to the Hill with a laundry list of additional asks, frustrating Senate negotiators and catching the ear of the House Education and Workforce Committee—which had not yet had the opportunity to sign on to the Senate language.

From what we've heard, the House has now drafted their own bill. We have not seen the language yet, but understand that it could be much more contentious and frankly, regressive—and not keeping children's best interests in mind i.e. CEP cut back proposed, School Snacks rule gutted completely.

We are in a holding pattern, but continue to operate the programs

under the 2010 authorization. We urge Congress to develop a sound, forward-thinking bill focused on children's health. Now is not the time to back-pedal on all of the progress that has been achieved across the US.

Does USDA support Congressional proposals to block grant SNAP?

A block grant structure would significantly erode SNAP's responsiveness to those it serves and ultimately be a step backwards in the national fight against hunger.

Currently, SNAP offers a national nutrition safety net. Its design recognizes that individual nutrition needs do not vary by region and a national standard for benefit adequacy is appropriate.

SNAP responds to changing economic circumstances, expanding when the economy is weak with benefits that flow to communities, states, or regions of the country that face rising unemployment or poverty. A block grant would not be able to respond in this way, or even meet the needs of families affected by natural disasters and other unforeseen circumstances. We hate to imagine what would have happened to the more than 20 million American's who were able to immediately access SNAP during the great recession had they had to wait for Congress to increase a state block grant to serve them. Just look at what did not happen in the TANF Program in spite of the deepest recession in nearly a hundred years!

SNAP allows benefits to be redeemed across State lines. National

standards for retail store approval and monitoring protect integrity. Block grants could lead to differences in retail store and food eligibility that would limit participant access to food, cause confusion among retailers and clients, be costly to food retailers, and negatively impact local economies.

Block grants tied to past spending levels leave no room to address low participation rates among eligible working families or elderly. States could not encourage participation among vulnerable groups without cutting benefits for others to accommodate increased caseload.

Some have argued that block grants are needed to allow States flexibility to tailor SNAP to specific needs. These arguments fail to consider the significant flexibilities that States already have available for this purpose. And interestingly, some of the voices from the Right urging Block Grants, are the same urging Congress to limit state options and waivers now available.

States have a wide array of options under existing SNAP rules to simplify operations and meet special needs. By streamlining reporting requirements, adjusting certification periods, standardizing deductions for certain living expenses, and aligning SNAP with other Federal programs, States can target resources and better serve eligible households.

While flexibility is critical to ensuring that States can meet the needs of their residents facing difficult circumstances, Congress has actually been known to criticize states for how they have used their flexibility, and sought to constrain it in certain areas.

Ultimately, conversion to a block grant would weaken the ability to ensure consistency across states. SNAP is designed to strike the right balance between national standards and state and local flexibility. Its national structure, which is fundamental to its success, should be preserved and strengthened.

What changes/improvements to SNAP would USDA like to see?

A recent White House Council of Economic Advisers report asserts that, while SNAP helps families put food on the table, the benefit level is often not enough to sustain through the end of the month.

Running short on benefits is associated with an end-of-the month reduction in caloric intake, which is in turn associated with an increase in diabetes-related health problems and avoidable hospitalizations among adults, as well as poor academic and behavioral outcomes among school-aged children.

Personally, I would like to vigorously pursue the adequacy of benefits and make adjustments where necessary.

We are proud that SNAP maintains one of the lowest payment error rates in the Federal government. However, we have *zero* tolerance for fraud and will continue to direct efforts toward improving program integrity even further.

USDA has made tremendous strides in rooting out bad actors on the

retail side. In Fiscal Year 2015, we issued 2,693 sanctions against retailers that had committed violations. However, many states are not doing all they can to prevent fraud on the individual level. We continue working with states to promote best practices and use tools such as data analytics and data matching to identify potentially high-risk individuals.

We also continue to encourage healthy eating among SNAP recipients.

- We have made great progress in providing better access to farmers markets and farm stands, with nearly 6,500 of these outlets now capable of redeeming SNAP benefits - that's more than eight times the number of vendors accepting SNAP than when this Administration took office. We are working to expand this reach even further.
- We recently published a proposed rule to implement the 2014 Farm Bill provision that increases the range and depth of healthful foods that SNAP-authorized stores must offer.
- In 2015, USDA awarded \$31 million through the Farm Bill-authorized Food Insecurity Nutrition Initiative (FINI) grants for projects to incentivize fruit and vegetable purchases among SNAP recipients; more grants will be awarded very soon.
- We continue to advance and improve the effectiveness of SNAP's Nutrition Promotion and Obesity Prevention grant program, more commonly known as SNAP-Ed, by working to ensure that funded strategies are based in strong and emerging

evidence, and increasing focus on policy, systems, and environmental approaches as endorsed by public health experts.

As vital as the program is to so many, we can all agree that it would be better if fewer families needed to utilize SNAP because more were working or had higher incomes. As a senior Federal official responsible for this program, and as a former State commissioner, I can tell you without reservation that the best way to reduce the number of low-income people on SNAP is to connect them with better paying jobs and support them with employment and training and to raise the minimum wage.

Our objective is to reduce the need for SNAP by helping adults able to work to secure stable, good-paying employment, while at the same time ensuring that those who do need help are able to get it.

SNAP's Employment and Training (E&T) program helps participants prepare for and secure good paying jobs, serving about 600,000 SNAP participants in FY 2014 and more than 1 million participants in FY 2015.

However, as I often say, "where you live makes a difference." Some states have approached E&T with gusto, recognizing the long-term benefit to their economies. Meanwhile, many other states chose to do the bare minimum in this realm—even regularly turning back 100% federal funds to support a wide range of E&T activities.

In fact, in FY2015, 36 States did *not* use all of their '100 percent'

funding. Some states used most of it—up to 97%. But, some states literally used 0 percent. This is a disservice to the people, and we'd like to see rigorous engagement in E&T from all states.

As you can see, we have had a busy and productive seven years, but we are not slowing down. We have a lot we are still doing, and as the President likes to say, we plan to hit the tape running. Thank you.