

EXAMINING THE COSTS OF FEDERAL OVERREACH INTO SCHOOL MEALS

HEARING

BEFORE THE

SUBCOMMITTEE ON EARLY CHILDHOOD,
ELEMENTARY AND SECONDARY EDUCATION

COMMITTEE ON EDUCATION
AND THE WORKFORCE

U.S. HOUSE OF REPRESENTATIVES

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EXAMINING THE COSTS OF FEDERAL OVERREACH INTO SCHOOL MEALS

Friday, May 13, 2011

**U.S. House of Representatives
Subcommittee on Early Childhood,
Elementary and Secondary Education
Committee on Education and the Workforce
Washington, DC**

The subcommittee met, pursuant to call, at 11:30 a.m., in room 2175, Rayburn House Office Building, Hon. Duncan Hunter [chairman of the subcommittee] presiding.

Present: Representatives Hunter, Kline, Foxx, Kildee, Davis, Hirono, and Woolsey.

Also present: Representative Miller.

Staff present: Katherine Bathgate, Press Assistant/New Media Coordinator; James Bergeron, Director of Education and Human Services Policy; Casey Buboltz, Coalitions and Member Services Coordinator; Heather Couri, Deputy Director of Education Policy; Daniela Garcia, Professional Staff Member; Jimmy Hopper, Legislative Assistant; Barrett Karr, Staff Director; Krisann Pearce, General Counsel; Mandy Schaumberg, Education and Human Services Oversight Counsel; Alex Sollberger, Communications Director; Alissa Strawcutter, Deputy Clerk; Tylease Alli, Minority Hearing Clerk; Daniel Brown, Minority Junior Legislative Assistant; Ruth Friedman, Minority Director of Education Policy; Kara Marchione, Minority Senior Education Policy Advisor; and Helen Pajcic, Minority Education Policy Advisor.

Chairman HUNTER. Good morning. A quorum being present, the subcommittee will come to order. Good morning and welcome to our guests. I would like to thank our witnesses for joining us. We look forward to your testimony.

Today we will examine the costs associated with the recent reauthorization of federal child nutrition programs. We typically think of costs in terms of dollars and cents; however, as is often the case with federal laws and regulations, there is an additional cost that can't be measured by any agency, bureaucrat or budget office.

When it comes to the nation's schools, that additional cost comes in the form of already scarce resources directed away from the classroom and energy spent complying with federal mandates instead of providing children with the quality education they need to succeed in life.

Here in our nation's capital, we sometimes forget good intentions can lead to bad consequences. As members of the subcommittee charged with overseeing federal education policies, we must consider very carefully any regulation, law or policy that leverages additional burdens on schools, potentially undermining the ability to educate children. That is why the action taken during the final days of the 111th Congress was so troubling and demands review.

Despite concerns raised by school administrators, taxpayers, a bipartisan coalition of state governors and leaders of the nation's school boards, the previous Democrat majority pursued a massive and costly expansion of the federal government's role in child nutrition.

The resulting laws put the Department of Agriculture in the business of determining the amount of calories, fat and sodium students should consume in a given school day. I would like to just repeat—the Department of Agriculture.

The agriculture secretary is now telling schools the type of milk, vegetables and grain that cannot be served in cafeterias. The law places greater federal control over wellness policies best left in the hands of state and local leaders.

As if this massive federal overreach wasn't enough, the law also forces schools to charge families, who do not qualify for free or reduced price meals, more money for their children's school meals. Let us call this what it is, a tax like on middle-class families.

Two years after implementation, the cost of a school breakfast may increase by more than 25 cents. The cost of a school lunch will have increased by more than 7 cents, an increase that exceeds any additional assistance the law provides schools. It might sound small, but the total compliance costs will reach \$6.8 billion by 2016. These are costs that will fall heavily on the states and schools.

These aren't numbers cooked up by conservative think tanks. The estimates come from the Department of Agriculture's own analysis of the law and the regulations associated with it. The American Association of School Administrators has stated that these extra costs represent a direct, unfunded mandate imposed on state and local education agencies.

The recent child nutrition law is one more in a series of burdens placed on states and schools already strained by a tough economy. According to the left-leaning Center on Budget and Policy Priorities, 44 states and the District of Columbia are struggling with combined budget deficits of roughly \$144 billion.

These difficult fiscal challenges have already forced most states to make tough choices, and this expansion of federal child nutrition policies will exacerbate the challenges that they face.

Let me be clear. We all want to combat child hunger and improve the health and well-being of low-income families. However, we should reject the false choice between our support of child nutrition and the critical need to rein in the size and cost of the federal government.

It is now our responsibility to examine the challenges and consequences this new law will bring to states and schools. We have a strong panel of witnesses that will help us do just that.

I would now like to recognize the ranking member, Mr. Dale Kildee, for his opening remarks.

Good morning, Dale.
 [The statement of Chairman Hunter follows:]

**Prepared Statement of Hon. Duncan Hunter, Chairman, Subcommittee on
 Early Childhood, Elementary, and Secondary Education**

A quorum being present, the subcommittee will come to order.

Good morning and welcome to our guests. I would like to thank our witnesses for joining us; we look forward to your testimony.

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Despite concerns raised by school administrators, taxpayers, a bipartisan coalition of state governors, and leaders of the nation's school boards, the previous Democrat Majority pursued a massive and costly expansion of the federal government's role in child nutrition.

The resulting law has put the Department of Agriculture in the business of determining the amount of calories, fat, and sodium students should consume in a given school day. The Agriculture Secretary is now telling schools the type of milk, vegetables, and grains that can and cannot be served in cafeterias. The law places greater federal control over wellness policies best left in the hands of state and local leaders.

As if this massive federal overreach wasn't enough, the law also forces schools to charge families who do not qualify for free or reduced-price meals more money for their children's school meals. Let's call this what it is: a tax hike on middle-class families.

Two years after implementation, the cost of a school breakfast may increase by more than 25 cents. The cost of a school lunch will have increased by more than 7 cents, an increase that exceeds any additional assistance the law provides schools. The total compliance costs will reach \$6.8 billion by 2016, costs that will fall heavily on states and schools.

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Let me be clear: We all want to combat child hunger and improve the health and well-being of low-income families. However, we should reject the false choice between our support of child nutrition and the critical need to rein in the size and cost of the federal government.

It is now our responsibility to examine the challenges and consequences this new law will bring to states and schools. We have a strong panel of witnesses that will help us to do just that.

I would now like to recognize the Ranking Member, Mr. Dale Kildee, for his opening remarks.

Mr. KILDEE. Good morning, Mr. Chairman. Thank you very, very much.

We are here today to examine implementation of the landmark child nutrition law that Congress passed last year.

As all of you know, but I will still say it, this program began originally under President Harry Truman, because we found out during World War II that many of the people who were disqualified medically, not passing their physicals and going into the military, was because they had had poor nutrition when they were very young growing up, and that poor health plagued them the rest of their lives, as they could not serve in the military. So Harry Truman started that program so we would have a healthy nation to serve our nation in various ways.

I have been involved in this program here in Congress for 35 years. But then I taught school for 10 years before that and was involved in various aspects of the school lunch program. I tell people I think I started the first breakfast program for one person back in about 1955 at Central High School.

Some of you have heard me tell this story before, but I found out that in my homeroom someone's lunch was being stolen every day. And I was raised in a family where we had to memorize the 10 Commandments, and "thou shalt not steal" was very, very important.

And I thought to steal someone's lunch was the lowest of the low to steal someone's food, so I set a little trap and caught the young man who was stealing the lunch. And stealing under our principal was very strict. It was a 2-week suspension from school.

I caught him, but found out that he came from a home where his mother never was able for various reasons to get up in the morning and get him anything to eat, so his job when he got to school every morning was to get something to eat. So he would steal someone's lunch.

But then he said, "Mr. Kildee, I never steal the same lunch from the same person in the same week." And I figured this kid has morality. That is pretty good, you know. I had a little theology in my background, too. I thought that is pretty good. He was spreading out the cost there.

But we have people, you know, who especially are hungry. Then we have a problem now also of obesity. You know, it is not just how much food you have. It is the nutritional value of that food and how it will help you develop. And that development is really both mental and physical development. So this is an extremely important program. To get good nutrition, particularly in those early years, is very, very important.

So I will submit my entire opening statement for the record, because we want to hear from you.

I thank you again, Mr. Chairman, for having this hearing.

[The statement of Mr. Kildee follows:]

Prepared Statement of Hon. Dale E. Kildee, Ranking Minority Member, Subcommittee on Early Childhood, Elementary, and Secondary Education

Good morning. We are here today to examine implementation of the landmark child nutrition law Congress passed last year, including the proposed new nutrition standards. As some of you may know, the first federal school meal programs began under President Harry Truman, who recognized in the aftermath of World War II that thousands of young men could not pass the physical for military service due to malnutrition. In response, Congress passed the Richard B. Russell National School Lunch Act in 1946, which created the National School Lunch Program to help put American children on a lifelong path to proper health and nutrition. Back

then, we were worried about kids not getting enough calories, but today, we are also worried about them getting too many.

Childhood obesity is a devastating epidemic that threatens our nation's health care system and national security.

Senior military leaders estimate that more than 27 percent of Americans age 17 to 24 (over nine million men and women) are too heavy to join the military. Being overweight or obese is the top reason why applicants fail to qualify for military service.

Obesity causes heart disease, cancer and diabetes. This epidemic adds nearly \$150 billion per year to national health care costs, about half of which are paid by taxpayers through Medicare and Medicaid. As we did more than 60 years ago, Congress again must address this crucial issue. With one-third of children classified as overweight or obese, the status quo is unacceptable. All children deserve healthy and nutritious meals.

In my own experience as a high school teacher, I saw children come to school hungry because they hadn't eaten a healthy breakfast. As a result, they had difficulties paying attention in school and suffered academically.

At that time, there was no school breakfast program in place to address these inequalities, and I felt compelled to personally help these needy children.

Last year, Congress passed S. 3307, the Healthy, Hunger-Free Kids Act, with bipartisan support. The bill passed the Senate with unanimous consent, and then the House through support on both sides of the aisle. In fact, more than 1,300 anti-hunger, public health, anti-poverty, education and faith groups supported our work.

The bill improves the nutritional quality of school meals to make the best use of taxpayer dollars. It supports districts that comply with new federal nutrition standards, which haven't been updated in 15 years and have fallen behind current dietary recommendations. The bill also expands access to afterschool and summer meal programs, as well as introducing children to local agriculture through Farm to School programs.

Over the past few decades, school nutrition has improved. But sadly, many meals are still too high in saturated fat and sodium, and children aren't getting enough fruits, vegetables and whole grains. While there are many forward-thinking leaders in school nutrition programs, they cannot make the necessary changes alone.

As the USDA implements the law through a science-based process, we should draw from the many success stories and continue to examine how best to make school meal programs work effectively and efficiently. This will be a deliberative process that will consist of proposed regulations, public comments, rulemaking and oversight. But one thing is certain: we cannot move backwards. Our country and our children cannot afford that.

Chairman HUNTER. I thank the gentleman for his wisdom and his stories. We all appreciate them. I mean, you have two different spectrums here. I am 34, so I didn't do anything in 1955, I don't think. But here we are.

Pursuant to committee rule 7C, all subcommittee members will be permitted to submit written statements to be included in the permanent hearing record. And without objection, the hearing record will remain open for 14 days to allow statements, questions for the record and other extraneous material referenced during the hearing to be submitted in the official hearing record.

Now for introduction of the witnesses, it is now my pleasure to introduce our distinguished panel of witnesses.

Ms. Sally Spero—and please correct me if I mispronounce your name, is the food planning supervisor for the San Diego Unified School District.

And thank you for coming all the way out here. Are you flying back tonight? Well, good, okay. So am I. Maybe we will be on the same flight.

She has more than 25 years of experience in the child nutrition field.

San Diego Food Services has received many accolades and awards from groups such as the USDA Western Regional Office,

the California School Boards Association, the Whole Grains Council, and the Physicians Committee for Responsible Medicine.

She is the recipient of the 2009 famed Silver Spirit Award recognizing a person in a management position who has made a significant contribution to the child nutrition field.

Next is Ms. Karen Castaneda—good, oh, I see, is the director of nutritional services for the Pennridge School District located in Bucks County, Pennsylvania. She is a registered licensed dietitian with an MBA in marketing and has more than 23 years experience in managing the delivery of nutrition and clinical services to clients and customers in corporate health care and school environments.

She also serves as the chair of the Food Service Committee for the Pennsylvania Association of School Business Officials and is actively involved with the School Nutrition Association of Pennsylvania.

Next is Mr. Kenneth Hecht. He is a public-interest attorney with more than 15 years of experience in the field. He is a co-founder of California's Food Policy Advocates, a statewide public policy and advocacy organization dedicated to improving the health and well-being of low-income Californians by increasing their access to nutritious and affordable food.

Partnering closely with the academic researchers, California Food Policy Advocates have developed innovative, science-based strategies that are operating now to improve the nutritional quality, modernize operation, and expand participation in each of the major federal food programs.

Mr. Barry Sackin—good? Okay—is a nationally recognized expert with more than 30 years experience in child nutrition and the school food service industry. He was a director of child nutrition programs for the Grossmont High School districts and schools in Anaheim, California—now, that is not Grossmont Union in San Diego, too; well, that is my school district; the food was good when I was there, so thank you—from 1997 to 2005. Mr. Sackin was vice president for public policy for the School Nutrition Association. He started a consulting firm for school districts, state agencies and a number of corporations with a strong presence in school food service. He was an external reviewer of reports for both phases of the Institute of Medicine recommendations for the proposed menu planning rule.

Before I recognize each of you to provide your testimony, let me briefly explain our lighting system. You will each have 5 minutes to present your testimony. When you begin, the light in front of you will turn green. When 1 minute is left, the light will turn yellow. And when your time is expired, the light will turn red. At that point I would ask each of you to wrap up your remarks as best as you are able.

After everyone has testified, members will each have 5 minutes to ask questions of the panel.

With all of that being said, welcome. And I would now like to recognize Ms. Spero for 5 minutes.

**STATEMENT OF SALLY SPERO, FOOD PLANNING SUPERVISOR,
SAN DIEGO UNIFIED SCHOOL DISTRICT**

Ms. SPERO. Good morning, Chairman Hunter, Congressman Kildee and members of the subcommittee. I am Sally Spero, food services planning supervisor for the San Diego Unified School District.

I have worked in the school nutrition field for over 25 years and have served in my present capacity for 14 years. Thank you for the opportunity to testify on the impact of the proposed school meal requirements and the recent child nutrition reauthorization.

The San Diego Unified School District is the seventh largest school district in the nation, serving over 132,000 students, 60 percent of which are eligible for free and reduced price meals. Guided by our leader, Gary Petill, we serve over 24 million meals and snacks yearly.

We have much to be proud of in our district. Our award-winning Kid's Choice Cafe established a salad bar program in each elementary school and shows students that it is cool to eat at school.

We were among the pioneers of the Breakfast in the Classroom Program, dramatically increasing breakfast participation for needy children. Our summer lunch program, the Summer Fun Cafe, has grown from serving 11,000 meals in the summer of 2004 to serving over 250,000 meals during summer 2010.

In fall 2009 the SanDi Coast Cafe brought a new approach to serving food to high school students. Seamed mobile carts go to campus locations, where students gather at lunch, dishing up the student tested and approved menu. Students have responded by eating substantially more reimbursable meals than ever before.

New in fall 2010 is the Farm to School Program, which connects students and local farms with the objective of serving healthy meals in school cafeterias while supporting local and regional farmers.

My testimony today will underscore our significant concerns with the costs and other implications of a number of the provisions of the recent reauthorization and the proposed new nutrition standards in meal patterns issued by the Department of Agriculture.

These concerns are not unique to San Diego and are generally shared by other school food service directors in California school districts and by all the major associations representing school districts, the Council of Great City Schools, the school boards administrators, and the school boards of the nation.

It is important to understand the context in which my school meals program operates. The school board and Superintendent Kowba have cut \$300 million from school operations over just the past 3 years in response to the greatest financial crisis in California in recent history. For the upcoming school year, the San Diego Unified School District is facing up to \$203 million in additional cuts.

The Department of Agriculture's proposed regulation for school meals estimates \$6.8 billion over 5 years in additional costs resulting from the proposed rules, with less than \$1.6 billion in additional school reimbursements, leaving over a \$5 billion shortfall for state and local food services officials to attempt to cover.

Moreover, some of the new untried and untested federal regulations will decrease participation in the national school meals pro-

gram, leaving some children hungry and driving others to less healthy alternatives.

Currently, our menus are planned by a registered dietitian and then computer analyzed, using nutrient standard menu planning, which allows great flexibility in selecting food and portion sizes. It also ensures that meals meet nutritional standards before they are ever served to the students.

USDA proposes replacing nutrient standard menus with less accurate food-based menu planning programs for all districts.

In order to evaluate the new proposal, I worked with our dietitian to prepare selected menus based on the new standards. Thanks to our existing nutrient standard menu program, I was proud to find that our current menus for breakfast and lunch are already in compliance. What was disturbing, however, was the greatly increased food costs that our district would have to absorb.

Breakfast programs are especially jeopardized under these new proposals. In our district it generally consists of fruit, low-fat milk and a simple entree, and it already meets the established new standards. Even so, the proposal would double the fruit serving, so the child would receive two servings of fruit, an additional meat serving, and increase the number of breakfast servings over the course of the week.

Based on many years of experience serving breakfast to children, I and my colleagues in the school food service field are certain that breakfast will be too large for more students to consume.

San Diego School District has a long and strong standing commitment to providing a wide variety of fruits and vegetables. All of our elementary schools and the majority of our secondary schools feature salad bars.

Ironically, the proposed regulations eliminate many of the most popular and well accepted vegetables by restricting potato, corn and peas to only one cup a week total. It is hard to make the case that the bright green peas on our salad bar, our baked potatoes stuffed with local broccoli and topped with low-fat cheese sauce, and our Mexican corn with rice is in any way detrimental to the health of our students.

Another problem is the definition of serving size. Currently, fruits and vegetables can be combined together into one serving, which allows the meal to be considered a reimbursable meal. The proposal separates the two and does not allow anything less than a full serving to be counted.

Not only are schools with salad bars affected by this proposal, programs of all serving configurations must comply with the more costly serving size requirement. If students refuse to take fruits or vegetables they don't want, the meal may not qualify as reimbursable.

Serving lines must move very quickly when we have to serve hundreds of students per hour, and there is no time to discuss the finer points of apple size and number of carrot sticks to try to convince the student he or she should take more food than they want.

We support controlling sodium in school meals and are confident we can meet the proposed target one and two levels. We have already reduced sodium in our meals substantially over the years.

However, the final proposed sodium content is lower than those used for cardiac patients in a hospital.

There is no evidence that lowering sodium intake of healthy children has any impact on their health as adults—only speculation. Clinical studies have shown that when sodium levels are reduced to this level, people cannot tolerate the food.

In order to meet the diverse needs of San Diego's children, the schools in our district have a variety of race configurations. In addition to kindergarten students, many of our schools have programs for pre-kindergarten children as young as 4 years old. There are also a significant number of K-8 schools.

Chairman HUNTER. Ms. Spero? Ms. Spero?

Ms. SPERO. Yes?

Chairman HUNTER. Ms. Spero, we have your testimony for the record, and we are going to have to, in the interest of time and flights out and stuff, have to move on to Ms. Castaneda, if that is okay.

Ms. SPERO. Okay. Thank you.

Chairman HUNTER. So thank you for your testimony.

Ms. SPERO. I talked as fast as I could.

[The statement of Ms. Spero follows:]

**Prepared Statement of Sally Spero, SNS, Food Services Planning
Supervisor, San Diego Unified School District**

Good morning, Chairman Hunter, Congressman Kildee, and members of the Subcommittee. I am Sally Spero, Food Services Planning Supervisor of the San Diego Unified School District (SDUSD). I have worked in the school nutrition field for over twenty-five years and have served in my present capacity for fourteen years. Thank you for the opportunity to testify on the impact of the proposed school meals requirements and the recent Child Nutrition reauthorization.

The San Diego Unified School District is the 7th largest school district in the nation serving over 132,000 students, 60% of which are eligible for free and reduced price school meals. Guided by our leader Gary Petill, we serve over 24 million meals and snacks yearly.

We have much to be proud of in our district. Our award-winning Kid's Choice Cafe established a salad bar program in each elementary school and shows students that "It's Cool to Eat at School". We were among the pioneers of the Breakfast in the Classroom program, dramatically increasing breakfast participation for needy children. Our summer lunch program, the Summer Fun Cafe, has grown from serving 11,000 lunches in Summer 2004 to serving over 250,000 lunches during Summer 2010. In Fall 2009, the SanDi Coast Cafe brought a new approach to serving food to high school students. Themed, mobile carts go to campus locations where students gather at lunch, dishing up the student-tested-and-approved menu. Students have responded by eating substantially more reimbursable meals than ever before. New in Fall 2010 is a Farm to School Program which connects students and local farms with the objectives of serving healthy meals in school cafeterias while supporting local and regional farmers.

My testimony today will underscore our significant concerns with the cost and other implications of a number of the provisions of the recent reauthorization and the proposed new nutrition standards and meal patterns issued by the Department of Agriculture. These concerns are not unique to San Diego, and are generally shared by other food services directors in California school districts, and by all the major national organizations representing school districts—the Council of Great City Schools, the School Administrators, and the School Boards of the nation.

It is important to understand the context in which my school meals program operates. The School Board and Superintendent Kowba have cut \$300 million from school operations over the past 3 years in response to the greatest financial crisis in California in recent memory. For the upcoming school year, San Diego Unified School District is facing up to \$203 million in additional cuts. The Department of Agriculture's proposed regulation for school meals estimates \$6.8 billion over five years in additional cost resulting from the proposed rules with less than \$1.6 billion in additional school lunch reimbursements—leaving over a \$5 billion shortfall for

state and local food services officials to attempt to cover. Moreover, some of the new untried and untested federal requirements could decrease participation in the national school meals programs, leaving some children hungry and driving others to less-healthy alternatives.

Currently, our menus are planned by a registered dietitian and then computer-analyzed using nutrient-standard menu-planning which allows great flexibility in selecting food and portion sizes. It also ensures that all meals meet nutrition standards before they are ever served to students. USDA proposes to replace nutrient-standard menu with less-accurate food-based menu-planning for all districts. A computer analysis would only be required every three years during the audit process. In addition, a number of important nutrients will no longer be monitored at all including iron, calcium and Vitamins A and C.

In order to evaluate the new proposals I worked with our dietitian to prepare selected menus based on the new standards. We used our current menus as a starting point and made adjustments as required by the new rules.

Thanks to our existing nutrient-standard menu-based program I was proud to find that our current menus for breakfast and lunch are already in compliance with all the new proposed nutrition standards with the exception of sodium at lunch. All the meals fell within the calorie targets, all the meals met the low-fat standards and all the meals complied with the whole-grain and fruit and vegetable goals.

What was disturbing, however, were the greatly increased food costs our district would have to absorb by going to a less-accurate food-based system. Breakfast food costs increased by 20%, elementary lunch costs increased by 28% and secondary lunch costs increased by 16%. Using nutrient-standard menu-planning we are able to focus in very precisely on each food served on the menu and we can adjust the items and the serving sizes to exactly meet the students' nutritional needs. For example, when we want to make a rice bowl using nutrient-standard menu-planning we are able to juggle the different amounts of meat, vegetables and rice to get the best nutritional profile for the dish at the optimal cost. Under food-based, we do not have this flexibility and the arbitrary standards increase the food cost without improving the overall nutritional quality for the students.

Breakfast programs are especially jeopardized under these proposals. In our district it generally consists of fruit, most of which is a fresh, low-fat milk and a simple entree such as a breakfast quesadilla or cereal with graham crackers. As noted above, these meals already meet all the new standards for fat, saturated fat, calories and sodium.

Even so, the proposal will double the fruit serving so that the child would receive two servings of fruit, would add a required meat serving daily, and would increase the number of bread servings over the course of a week.

Based on many years of experience serving breakfast to children I and my colleagues in the school food service field are certain that the breakfast will be too large for most students to consume, increasing food waste without improving nutrition for the children. Nothing is achieved when money is spent on food that children won't even be able to consume and nothing is more disheartening to a school food service professional than to see perfectly good and perfectly untouched food thrown into the trash.

It costs more money to buy more fruit, meat and bread. In its proposal USDA estimates the new meal will cost \$.50 more for each meal. This proposal would cost my district over \$4 million dollars yearly, money the Food Services department does not have.

San Diego Unified School District has a strong and long-standing commitment to providing a wide variety of fruits and vegetables to students. All of our elementary schools and the majority of our secondary schools feature salad bars where over twenty different fruits and vegetables are offered weekly. This school year we have added a Farm to School program so that more of our fruits and vegetables come from local and regional sources and help support our small farmers and businesses. In addition, we incorporate vegetables into many of our entrees in popular choices such as Asian bowls with meats and vegetables and chef salads.

Ironically, the proposed regulations eliminate many of the most popular well-accepted vegetables by restricting potatoes, corn and peas to one cup a week total. It is hard to make the case that the bright green peas on our salad bar, our baked potato stuffed with local broccoli and topped with low-fat cheese sauce and our Mexican corn with rice are in any way detrimental to the health of the students.

Another problem is the definition of a serving size. Currently, fruits and vegetables can be combined into one serving which allows the meal to be considered a reimbursable meal. The proposal separates the two and does not allow anything less than a full serving of each to be considered. So a student at one of our salad bars taking 3 orange wedges when a full fruit serving would be 4 orange wedges and a

full cup of fresh spring mix when a full serving would be 1½ cups would have a substantial amount of healthy, fresh food but still would not have what is required under the proposal. When students are forced to take food they don't want and don't plan to eat to meet an arbitrary standard we send a mixed message to the students. Food waste is also increased. The difficulty and extra cost of administering salad bars under these proposals is quite troubling.

Not only schools with salad bars are impacted by this proposal. Programs of all serving configurations must comply with these more costly serving size requirements. If the students refuse to take fruits and vegetables they don't want, the meal may not qualify as a reimbursable meal. Serving lines must move very quickly when we have to serve hundreds of students per hour and there is no time to discuss the finer points of apple size and number of carrot sticks to try to convince the student he or she should take more food than they had to last year or more food than they want to eat.

We support controlling excess sodium in school meals and are confident that we can meet the proposed Target 1 and Target 2 levels. We have already reduced sodium in our own meals substantially over the years by moving to fewer processed foods and more fresh offerings. However, the final proposed sodium content requirements are lower than those used for cardiac patients in a hospital setting. There is no evidence that lowering sodium intake of healthy children has any impact on their health as adults, only speculation. Clinical studies have shown that when sodium levels are reduced to this level people cannot tolerate the food offered.

Sodium does not just add a salty taste to foods. It has a functional aspect in a number of foods too. For example, baking soda is used in quick breads and muffins to make them rise. The final targets go to such a point that instead of merely pushing schools to use lower-sodium products planning a normal, attractive meal would be almost impossible.

Let's go back to breakfast where the final target is 430 milligrams of sodium. Under the proposal we have to serve a carton of milk, two servings of grains or breads, one serving of meat or meat alternate and two servings of fruits or vegetables. One cup of milk and one cup of unsweetened corn flakes is 367 milligrams of sodium. No one would think this is a terribly salty meal. But at this point I only have the milk and one serving of grain and have already reached 85% of the sodium that it allowed. I can't serve a bigger helping of cereal because I will surely go over. I can't add a slice of toast with 150 milligrams or an ounce of cheese with 170 milligrams. I wouldn't dare add half a cup of low-fat cottage cheese, which is 450 milligrams. You can see that these requirements are not entirely practical.

In order to meet diverse needs of San Diego's children, schools in our district have a variety of grade configurations. In addition to kindergarten students, many of our schools have programs for pre-kindergarten children as young as 4 years old. There are also a significant number of K-8 schools.

Adding a third grade grouping is truly impractical in a school district setting and it is virtually impossible for meals to be planned according to the proposed standards because what is acceptable for the 4th-grade child is not acceptable for 6th grade child and so on. At breakfast, it is very common for siblings of different ages to come at the same time and eat together. Students are not scheduled for lunch according to their ages but according to other needs of the academic day. It is more common than not to find the second-graders followed by the sixth-graders followed by the first graders and so on. Requiring the cashier to determine what constitutes a reimbursable meal for each particular student in a busy cafeteria full of excited children is really asking for what cannot be performed.

Consuming generous amounts of whole-grain products is an important goal for our children. In San Diego all our breads and buns are made with albino whole-wheat flour that gives the students the benefits of whole-grains without the dark color that many students find off-putting. But there are other products that really don't lend themselves to that definition—saltine crackers, for example. Products such as whole-wheat tortillas and whole-wheat pasta are more expensive and not even available in all areas of the country. Product reformulation, recipe testing and changes in labeling all take time and cost money. USDA and the FDA do not even have a common standard for "whole-grain rich" which does not allow us to know which products will meet the new definitions.

Another concern is that changing from the current 5-year Coordinated Review Effort cycle to a 3-year review cycle as well as reviewing two weeks of data instead of one which will result in additional costs for states and for districts. The Nutrition Services Division of the California Department of Education has always been a wonderful resource for me. I have called their knowledgeable staff for assistance and guidance any number of times and they have always been there for me. They have celebrated our successes and they haven't waited until review time to contact us if

they have received a complaint or have heard of something about our programs that concerns them.

But in any district, CRE preparation is considerable. I conducted the first of many training and orientation sessions for our staff last week and our next CRE is not even until next March. I distributed a time-line and task list document that was 6 single-spaced pages long. The costs of gathering materials and well as devoting limited administrative time to these reviews is very significant. I would like to point out that reviews are not the only way districts improve their programs. A strong support program, technical assistance, classes and webinars are other paths. These could be imperiled if state agencies must now spend much more of their time only doing CREs.

Finally, the proposed regulations were issued without a clear statement of how their impact would be evaluated. This is especially troublesome because they are purely theoretical at this point and have never piloted or used in any school setting anywhere. Real issues about the practicality of these regulations have been raised by numerous groups throughout the country. Risks from unintended consequences such as schools eliminating breakfast programs, student meal unacceptability and the true impacts of costs are greatly concerning. These changes should be evaluated in a systematic way. Careful and prudent changes that strengthen our programs and benefit our children can be and should be made based on actual, not theoretical, information.

Again, thank you for the opportunity you have given me today.

Chairman HUNTER. I understand. You get really quick around here at speaking.

I would like to now recognize Ms. Castaneda for 5 minutes.

STATEMENT OF KAREN CASTANEDA, DIRECTOR OF FOOD SERVICE, PENNRIDGE SCHOOL DISTRICT

Ms. CASTANEDA. Good morning, Chairman Hunter and members of the subcommittee. I am Karen Castaneda, the director of nutritional services from Pennridge School District. It is an honor to speak with you today on the most important subject to date for school nutrition directors nationwide.

I applaud the efforts and the focus of the Healthy Hunger-Free Kids Act of 2010. The health and well-being of our nation's children is to all a number one priority. School nutrition professionals serve healthy meals to 32 million children daily, and for many it may be the most nutritious meal of the day.

When considering the impact of the changes contained in the revised meal standards, it is vital to understand that children's food preferences do not change instantaneously. In order for children to successfully change their eating habits, commitment is required from parents, the community, the restaurant industry, and the food manufacturing industry.

When change occurs simultaneously at all levels, success can be forthcoming. However, under the proposed rules school meals would become so restrictive that that they would be unpalatable to many students. This fact alone will make it very difficult. Balancing the need for healthier food choices and students' preferred eating habits is indeed a challenge.

There are specific concerns with the increase in fruit and vegetable servings of the requirement for meal credit. Currently, in the traditional meal pattern following the offer versus serve method, five meal components are offered, and three must be selected to complete a meal. The five components include meat/meat alternative, milk, grains/bread and two servings of fruit and/or vegetables.

In the proposed rule in order for a meal to be complete, the student must take a serving of a fruit and a vegetable. The serving size of the fruit and vegetable combined will increase from three-quarters of a cup to one-and-a-quarter cups at the elementary level and from one to two cups at the secondary level.

Schools will probably sell fewer meals and need to take away the choice of offer versus serve, because not all students will select fruits and vegetables. Moreover, increasing the fruit and vegetable serving size will result in more waste, as students will not be able to consume the full portion.

The proposed rule is looking to increase the consumption of fruits and vegetables. However, by limiting the students' favorite vegetable choices, corn and potatoes, to one cup combined surveying per week, there is a mixed message.

There are major concerns with sodium restrictions. While the sodium levels of 1,230 milligrams to 1,420 milligrams are achievable, target two and three are much more restrictive. The implementation of those targets will depend on products that manufacturers can offer or that districts can make from scratch.

We are looking at levels of sodium that have truly never been tested for acceptability, and the only arena where these restrictive levels have been prescribed before is in the diet plan of patients with particular diseases. Sodium is a naturally occurring nutrient, and therefore, these restrictive levels will be very difficult to adhere to.

There are great concerns when considering the breakfast meal under the proposed rule. The serving size of a fruit and/or vegetable doubles, and the serving of an entree will increase up to two bread/grain and two meat/meat alternative at the high school level.

The new pattern results in students being offered substantially more food for breakfast. In many cases the student will not be able to finish what is offered, and food will be wasted.

The increased costs associated with the new meal pattern will affect breakfast programs, as school food authorities may determine it is too expensive to provide a breakfast meal. Therefore, all efforts over the last few years to expand the breakfast programs nationwide will have been futile, as the proposed rule would lead to the contraction of the school breakfast meal.

There is a picture in your packet I just want to point out. You can see breakfast today and then breakfast under the proposed rule. It shows the increase in portions.

When considering the food cost in general of the proposed rule and the impact of my own operation, in looking at the number of breakfast meals served annually at 70,000 and the number of lunch meals served annually at 544,530 meals, the estimated increase in the cost of the breakfast food is 50 cents per meal, and the estimated increase in the lunch meal is 14 cents per meal.

Looking at that increase, it would bring 35,000 increase in food cost for breakfast and a 76,234 increase in food cost for lunch. Taking into account the federal reimbursement of 6 cents for the lunch meal, that adds \$32,460 of revenue. Altogether, that takes \$78,774 of increased food cost to my department.

The increase in food cost will leave my efficient department with a lower level of profit. I would need to cut costs in other areas to

make up for the loss. The cost data above is from USDA and is very conservative in nature. This simple formula does not even begin to uncover the lost revenue that will occur as paying customers decide they no longer want to participate in the program.

Sorry. In addition to the proposed rule, the type of food that would be served is considerably more expensive and requires more labor to prepare. Grilled chicken breast, fish, whole-grain pastas and breads, fresh fruits and vegetables are higher in cost than hamburger, breaded chicken, traditional pastas and breads, and canned or frozen fruits and vegetables. And that is why today many of our nation's school food authorities already offer this variety and balance of healthy food selections listed above.

In conclusion, it is imperative to address childhood obesity and support schools as they move in the direction of serving healthier foods. The proposed rule is essentially an unfounded mandate, which will harm my program.

I do understand that the creation of the Healthy Hunger-Free Kids Act was based on improving the health of our children. Unfortunately, every school food authority, regardless of the economic status and whether a self-operated or contracted operation, will experience financial loss.

Now is the time to work toward a resolution which will address the health of our children and allow our school nutrition departments financial viability. Thank you for your time and consideration of the impact of the Healthy Hunger-Free Kids Act of 2010.

[The statement of Ms. Castaneda follows:]

**Prepared Statement of Karen Castaneda, Director of Food Service,
Pennridge School District**

It is an honor to speak with you today on the most important subject to date for School Nutrition Directors nationwide. I applaud the efforts and the focus of the Healthy, Hunger-Free Kids Act of 2010. The health and well-being of our nation's children is to all a number one priority. School Nutrition Professionals serve healthy meals to 32 million children daily and for many it may be the most nutritious meal of the day.

When considering the impact of the changes contained in the revised meal standards, it is vital to understand that children's food preferences do not change instantaneously. In order for children to successfully change their eating habits commitment is required from parents, the community, the restaurant industry and the food manufacturing industry. When change occurs simultaneously at all levels success can be forthcoming. However under the proposed rule, school meals would become so restrictive they would be unpalatable to many students. This fact alone will make it very difficult. Balancing the need for healthier food choices with students' preferred eating habits is indeed a challenge.

There are specific concerns with the increase in fruit and vegetable servings and the requirement for meal credit. Currently in the traditional meal pattern following the "offer versus serve" method, five meal components are offered and three must be selected to complete a meal. The five components include: Meat/Meat Alternative, Milk, Grains/Breads, and two servings of Fruits and/ or Vegetables. In the proposed rule, in order for a meal to be complete the student must take a serving of a fruit or vegetable. The serving size of the fruit and vegetable combined will increase from $\frac{3}{4}$ cup to $1\frac{1}{4}$ cup at the elementary level and from 1 cup to 2 cups at the secondary level. Schools will probably sell fewer meals or need to take away the choice of "offer versus serve" because not all students will select fruits and vegetables. Moreover, increasing the fruit and vegetable serving size will result in more waste as students would not be able to consume the full portion. The proposed rule is looking to increase the consumption of fruits and vegetables; however, by limiting students' favorite vegetable choices, corn and potatoes to a 1 cup combined serving per week, there is a mixed message.

There are major concerns with the sodium restrictions. While the sodium levels of 1230mg—1420mg are achievable, Target 2 and 3 are much more restrictive. The

implementation of those targets will depend on the products that manufacturers can offer or that districts can make from scratch. We are looking at levels of sodium that have truly never been tested for acceptability and the only arena where these restrictive levels have been prescribed before is in the diet plan for patients with particular diseases. Sodium is a naturally occurring nutrient and therefore these restrictive levels will be more difficult to adhere to.

There are great concerns when considering the breakfast meal under the proposed rule. The serving size of fruit and/or vegetable doubles and the serving of the entree will increase to include up to 2 bread/grain and 2 meat/meat alternative at the high school level. The new pattern results in the students being offered substantially more food for breakfast. In many cases the student will not be able to finish what is offered, and food will be wasted. The increased costs associated with the new meal pattern will affect breakfast programs, as school food authorities may determine it is too expensive to provide the breakfast meal. Therefore all of the efforts over the last few years to expand breakfast programs nationwide will have been futile as the proposed rule will lead to contraction of the school breakfast meal.

When considering the food cost in general with the proposed rule, the impact of my own operation would be as follows:

Annual Breakfast Meals Served—70,000
 Annual Lunch Meals Served—544,530
 Estimated increase in cost of food per Breakfast Meal—\$0.50
 Estimated increase in cost of food per Lunch Meal—\$0.14
 $70,000 @ \$0.50 = \$35,000$ increase in food costs.
 $544,530 @ \$0.14 = \$76,234$ increase in food costs
 Federal Reimbursement for Lunch—\$0.06 per meal = \$32,460
 $\$111,234 - \$32,460 = \$78,774$ adjusted increase in food costs

This increase in costs will now leave my efficient department with a lower level of profit. I would need to cut costs in other areas to make up for this loss. The cost data above is from the USDA and is very conservative in nature. This simple formula does not even begin to uncover the lost revenue that will occur as paying customers decide they no longer want to participate in the program. In the proposed rule, the type of food that would be served is considerably more expensive and requires additional labor to prepare. Grilled chicken breasts, fish, whole grain pastas and breads, fresh fruits and vegetables are higher in cost than hamburger, breaded chicken, traditional pastas and breads and canned or frozen fruits and vegetables. That is why today many of our nations' school food authorities already offer this variety and balance of healthy food selections.

Although school self-operated food service programs are non-profit in nature, it is expected that they at least break-even. In many cases food service operations are paying more expenses than before as state budgets have tightened and there is less money in the school budgets. With escalating retirement costs, the additional social security costs and the slashing of state education budgets, there is no excess funding at the school level. Therefore revenue-generating programs must at least break even or they will become unsustainable in today's economic environment. The impact of the proposed rule will at a minimum be \$78,774 for my department which in terms of education budgets is equal to a teacher's salary in the surrounding area.

Additionally in schools across the country, ala carte sales can contribute significant revenue to school nutrition departments. Nationwide this revenue is over 2 billion annually. In my operation it comprises 23 percent of revenue. With the implementation of the new nutrition standards for all foods sold in schools, throughout the school day, if similar to the proposed rule for meal patterns, this revenue will be greatly reduced. Today school food authorities not only service their own district, many provide meal service to private and charter schools in order to better serve the community and maintain financial stability within their program.

As sales decrease and financial losses accrue in school nutrition programs, consideration may be given to contracting services or dropping out of the national school lunch and breakfast program. There are many options to consider in analyzing the right course of action. There are schools today that have elected to withdraw their high school from the program due to the issue of loss of revenue. The proposed rule will push schools in this direction to find financial sustainability.

In addition to the concern of the increase in costs, the "Equity in School Lunch Pricing" creates quite a predicament for the School Nutrition Director.

Federal Reimbursement Free Lunch—\$2.72
 Federal Reimbursement Paid Lunch—\$0.26
 Price to Compare for Average Lunch Meal—\$2.46

According to guidance from the Pennsylvania Department of Education the formula applies the indicated inflation factor of 3.14% to average meal prices and rounds down to the nearest 5 cents, which provides confusing results. A meal price

of \$2.25 would need to increase 5 cents and a meal price of \$1.50 would not require an increase. I believe the issue becomes further complicated when presented to the school board. School boards are used to having control over meal pricing and in some cases they are not allowing the increases due to the difficult economic times. This year, it is understood that the state reimbursement of 10—17 cents per meal can be considered to offset the difference. However you look at this issue, the School Nutrition Director is caught in the middle of the government regulation and the direction of the school board. Determining equity in meal pricing just in the state of Pennsylvania alone is cumbersome with price ranges from \$1.00 to \$3.75 for the basic lunch. Looking at this issue nationally becomes more complicated with the variance of economics across each state.

In conclusion it is imperative to address childhood obesity and support schools as they move in the direction of serving healthier foods. The proposed rule is essentially an unfunded mandate, which will harm my program. I do understand that the creation of the Healthy, Hunger—Free Kids Act was based on improving the health of our children. Unfortunately every school food authority regardless of the economic status, whether a self-operated or contracted operation will experience financial loss. Now is the time to work toward a resolution which will address the health of our children and allow our school nutrition department's financial viability. Thank you for your time and consideration of the impact of the Healthy, Hunger-Free Kids Act of 2010.

Chairman HUNTER. Thank you for your testimony.
I would now like to recognize Mr. Hecht for 5 minutes.
Mr. HECHT. Good morning.
Chairman HUNTER. Good morning.

**STATEMENT OF KENNETH HECHT, EXECUTIVE DIRECTOR,
CALIFORNIA FOOD POLICY ADVOCATES**

Mr. HECHT. Chairman Hunter, Mr. Kildee, Members—of the Committee thank you for this opportunity. My name is Ken Hecht from California Food Policy Advocates.

Because we focus on nutrition policy for low-income Californians, the school meal programs are a special focus for us. I would like to pose three questions and then propose the answer to them.

On whom are we focused? First, on whom are we focused? What are we trying to protect or promote? Second, what is the problem we are trying to solve? And third, are we taking the right steps to get there?

First, who is our focus or what is the lens with which to look at the issues that we bring to this committee today? I think if we are talking about the National School Lunch Program, we are talking about children. The focus has always been on children for 65 years.

They are the key beneficiaries of this program, along with other interests, to be sure, agriculture for one. But the real beneficiaries have been our children. For that reason and the success of the program, the program has had bipartisan support, strong bipartisan support, throughout its history.

The school lunch program was established to prevent hunger and food insecurity particularly in the school day, where that condition could be so deleterious. The program has done a good job with that, but the world has changed.

So we come to the second question. What is the current problem? While hunger and food insecurity persist, and kids continue to come to school hungry, Mr. Kildee, the more prevalent problem today is obesity and overweight, with one-third of our children suffering from that condition. The Surgeon General some years ago thought the situation dire enough to call it an epidemic of obesity.

Obesity and overweight have many causes, and there are many parts to the solution. The school meal program isn't the cause. It isn't going to be the solution all by itself.

But in a world in which children are seeing mainly fast food, where they have mainly working parents, where they are often sedentary because it is unsafe to go outside, where there is a lack of healthy food for them to access, school is a very natural place to start to push back. If we don't, the consequences are really immense.

We know that the public cost of diet-related disease is now 147 billion per year, and we know on a personal level the terrible future that children who become overweight and obese, where there is very little likelihood that they are going to reverse that condition, carry it for the rest of their lives with all of the medical consequences.

Question number three, what steps have we taken, and are they the right way to achieve a solution to this problem of obesity? In 2004 this committee, and then the Congress, directed USDA to align school meals with the dietary guidelines. It hadn't been done for 15 years. USDA in turn commissioned the Institute of Medicine to study the problem and to make recommendations.

October 2009, recommendations came out of the IOM by consensus. January 2011, a proposed rule emerged, to which there are 130,000 comments, all of which USDA is committed to read and consider carefully. And I have talked to people in the highest levels of USDA, and I know they are very serious about that obligation.

The proposed rule is based on science, and it is based on experience, experience in countless states and districts that have entered this field, because the federal government was slow doing so. And they have success in virtually every aspect of the Healthy Hunger-Free Kids Act.

We have experience on record with a program that USDA started some years ago called the Healthier U.S. Challenge, where there are very rigorous criteria for nutrition and for physical activity. Over a thousand schools across the country have made it on the challenge, and many more have met the standards for nutrition, but not been able to yet on physical activity.

These changes can be done, the changes in the Healthy Hunger-Free Kids Act. They have been done. The bill offers lots of resources to districts and to states, and the districts retain their autonomy in the process. We urge no delay. Our children deserve this. Thank you.

[The statement of Mr. Hecht follows:]

Prepared Statement of Kenneth Hecht, California Food Policy Advocates

Mr. Chairman and Members, thank you for this opportunity to appear before the subcommittee. My name is Ken Hecht and I am the executive director of California Food Policy Advocates. CFPA is a statewide food policy and advocacy organization devoted to improving the health and well-being of low-income Californians by increasing their access to nutritious, affordable food. We focus our work on strengthening the federal food programs—given their size and scope, they have proved to be strong resources in preventing hunger and food insecurity, as well as obesity and overweight, among our low-income families and communities. We give high priority to the role the school meal programs play in enabling our children to live healthy, productive lives. We do this work in proud partnership with the California Department of Education and with many school districts throughout California.

National School Lunch Program

The National School Lunch Program (NSLP) is one of our country's public policy treasures. Since its establishment in 1946 it has earned and enjoyed bipartisan support of its mission: ensuring that our children are well nourished and ready to learn. We know that the program works—decades of studies show that NSLP improves our students' nutrition and health, enabling them to concentrate during instruction, as well as contributing to higher academic performance and better career opportunities. NSLP not only strengthens our workforce, but it also saves billions a year in health care costs associated with a long list of chronic, diet-related diseases including diabetes, heart disease and cardio-vascular illness, among others.

Today the school lunch and breakfast programs, with a federal investment of about \$12 billion annually, serve in excess of 31 million students daily. Many of these participants are from low-income families, and for them the programs may provide most of their intake for the day—and virtually all of their healthy food and beverages. The continuing importance of the school meal programs to families struggling to put food on their table was borne out once again by the sharp uptake of participation over the past several years as the nation experienced the recent great recession. But it is not only low-income people who benefit from the school meal programs. Families where every adult is working, perhaps working two jobs, often lack the time to serve breakfast or to pack a lunch. For these families, too, the school meal programs reassure parents that their children are in good hands nutritionally when they are away from home. School lunch eaters retain very positive memories of their years in the cafeteria: poll after poll attests to the country's loyalty to the school meal programs.

NSLP originally was developed to strengthen the nutrition and therefore the academic performance of children who were unable to get enough to eat and came to school hungry and unable to learn. While some schools provided meals prior to 1946, the federal funding and structure for the program materialized with the discovery by World War II selective service boards that a significant number of draftees were unfit for military service because of nutritional deficiencies, so that establishment of NSLP was seen as a "matter of national security."

While NSLP has achieved an impressive record of achievement in stanching what we now call food insecurity, the country—and the school meal programs—has been overtaken by a more recently recognized threat to our children's health—the childhood obesity epidemic. Today, after decades of escalating obesity rates, nearly one-third of our school-aged children are obese or overweight. This statistic takes on additional gravity as studies tell us that childhood obesity is rarely reversed as adulthood is attained. The price of this affliction is immense for individuals in terms of their health and academic, social and career opportunities, and the price is immense for all our communities that are called on to pay for these chronic diet-related conditions. Recent estimates put the annual cost of diet-related health care and lost economic productivity at \$147 billion.

Unfortunately, food insecurity persists, with the most recent government estimate showing 17 million American children in jeopardy of food shortages, and S. 3307, the Healthy, Hunger-Free Kids Act of 2010, improves the school meal programs in ways specifically relevant to them. However, the far greater problem today is overweight and obesity, and it is mainly this urgent problem that Congress has addressed in S. 3307, which was passed on unanimous consent in the Senate, as had several previous renewals of the child nutrition programs. And, to close the circle, fitness for military service has been raised again in support of improving the school meal programs, this time because of our children's obesity and overweight. Former generals, through organization called Mission Readiness, joined the extraordinary coalition of industry, health and education partners that supported passage of S. 3307 in December, 2010.

Updated Meal Patterns and Nutritional Standards

There is an important concurrent development that bears directly on today's hearing. In 2004, at this committee's behest, Congress directed USDA to align school meal patterns and nutrition standards with the Dietary Guidelines for Americans, our country's most definitive statement on what we should be eating and drinking. Prior to this legislation, the meal patterns and nutrition standards had not been updated since the early 1990s, a long time in terms of new nutritional knowledge and in terms of the emergence of the obesity epidemic. USDA's School Nutrition Dietary Assessment Study-III (2007) confirmed that despite many improvements in nutritional quality, most meals served failed to satisfy even the obsolescent standards for school meals, much less the recommendations contained in the 2005 Dietary Guidelines for Americans, and that the deficiencies were obesity related—too much saturated fat, added sugars, too little fruit, vegetables and whole grains.

In 2008, USDA commissioned the Institute of Medicine to undertake an appropriate investigation of the best information available to provide science-based recommendations. This is not the first time that USDA has followed this protocol: the WIC Program was revised in a similar manner, with IOM assistance helping to align its food package and education programs with the Dietary Guidelines for Americans; a transformation initiated by legislation sponsored by this committee in 2004. The WIC changes are completed now and by all accounts they can be deemed a great success. Recent evidence in California indicates significant and positive behavior changes were noted among participants since the WIC food package was updated. In a way, the revisions to meal patterns and nutritional standards for K-12 students can be seen as an effort to continue on with the healthy food preferences and practices with which the updated WIC program gives children a start.

The IOM's school nutrition panel was composed of eminent academics, researchers and school food services administrators. In hearings and in written documents, the panel heard the advice of countless stakeholders—primarily school food directors and food industry representatives, in addition to scholars and scientists whose careers have been focused on the elements and consequences of good nutrition. One striking theme that emerged in testimony before the IOM panel was the many remarkable improvements in school nutrition that states and school districts already have undertaken. Healthier school food has been brought into districts across the country by school food directors, parents and children unwilling to wait for federal leadership. A few examples of innovation underway in California schools:

- Los Angeles Unified School District won the Whole Grains Challenge, bestowed by the Whole Grains Council in 2008 for the district's menus that incorporate whole wheat breads, cereals and serving brown rice. LAUSD also increased its produce purchases from \$3 million in 2006 to \$14 million in 2009.
- Ventura Unified School District offers salad bars with fresh vegetables and fruit—much of it locally sourced, when in season—daily at all schools.
- San Diego Unified offers California's most extensive breakfast in the classroom program and provides students an extraordinary variety of produce and vegetarian items on its menus daily.
- Compton Unified School District eliminated flavored milk from its breakfast program; participation increased.
- Newark Unified (just outside Oakland) offers free, chilled filtered water in paper cups to all its NSLP participants.
- Escondido Union High School District (just north of San Diego) prepares fresh-cooked breakfasts daily, with eggs, fresh fruit and posts carbohydrate counts to educate students about consuming fewer added sugars.
- Long Beach Unified School District has reduced sodium to 1100mg per lunch meal, as averaged over the week. This already meets USDA's proposed guideline for the first phase of sodium reduction.

Improvements can be made and can be sustained financially.

The IOM panel's recommendations were delivered to USDA in October 2009. USDA then studied the recommendations, aided by advice from a variety of stakeholders, for 15 months before issuing a proposed rule to update menu patterns and nutrition standards in January 2011. Well over 130,000 comments on the proposed updates have been submitted (including our own, which are posted at www.cfpa.net). USDA will be combing through these suggestions in order to develop an interim rule and, eventually, a final rule. To understate the obvious, the development of these updated meal patterns and nutrition standards has been an exceedingly slow, painstaking and comprehensive process, and we can expect that same deliberative process to continue going forward. Development of the standards has taken years to date, and will not be complete until USDA carefully considers the feedback submitted by key stakeholders.

It is worth noting that USDA Foods (formerly commodities) will contribute heavily to schools' ability to meet higher nutritional standards. USDA contributes over \$1 billion per year of commodity foods that are estimated to represent one-fifth the cost of the food school districts acquire. Over the years USDA has steadily improved the nutrition profile of these items—leaner meats, low-fat cheese, no shortening or trans fats, more whole grain products, more fresh fruit and canned fruit without added sugar. Because USDA Foods are critical to school districts' bottom line, they provide a natural path to support better menus and recipes in the schools.

S. 3307 The Healthy, Hunger-Free Kids Act

S. 3307 contains a broad range of improvements to the school meal programs. Some aim to improve participation in the programs, particularly by the neediest children. For example, borrowing from good business practice, the new law simplifies what districts must do to qualify low-income children for free and reduced-

price meals. By relying more upon pre-existing data, schools are relieved from processing redundant paper forms and can be confident of the previously verified data upon which they rely, and students' nutrition will not depend upon the vagaries of an exceedingly cumbersome procedure.

Updated Meal Patterns and Nutritional Standards. S. 3307 affects the USDA process initiated here in 2004 only by imposing a schedule upon the meal patterns and nutritional standards' consideration and implementation and by revising two technical provisions with milk and meal components. As pointed out above, USDA's school meal nutritional standards have not been updated for 15 years. During this period, the science of nutrition has changed, and school children have changed—they have been afflicted by the childhood obesity epidemic. Revised standards are long overdue. As also has been mentioned above, virtually all the improvements have been implemented and found to be financially feasible in many schools and appealing for students. In the large majority of schools in which healthier menus have been adopted, participation either has stayed even or increased.

Similarly, industry has shown a remarkable capacity to embrace and incorporate healthier nutrition in a myriad of products designed for students and available to school food services. For example, Alliance for a Healthier Generation has supported the development of healthier school food products, reaching an agreement with 13 major school food manufacturers and suppliers. Further, to incentivize adoption of healthier food items and a healthier food environment generally, USDA organized HealthierUS School Challenge in 2004, a program that requires schools to meet a wide range of nutrition and physical activity goals. The HealthierUS nutrition goals are virtually identical to those in the proposed rule. Over 1,000 schools throughout the country are meeting those standards and have been awarded prestigious medals. (And, thousands of other schools already have met the nutrition standards but do not yet qualify for awards because of deficiencies in physical education or fund-raising practices). There is untold skill and commitment among the key players—school food directors, industry, parents and students—to make the schools a laboratory in which our children can start the right nutritional practices to last a lifetime.

While the HealthierUS award schools, as well as many others, have met the proposed standards within their customary reimbursement, the new law contains a 6-cent increase in the lunch reimbursement rate, the first such increase in over thirty years, which will help to pay for these improvements. The reimbursement increase, plus other financial changes in S. 3307, should enable the remaining districts to meet the higher nutritional requirements our children deserve. The most recent national study of the cost of preparing federally reimbursed breakfast and lunch meals, released in 2007, indicated that the median meal is prepared for between \$0.15 and \$0.35 below the free reimbursement rate.

Competitive Foods

S. 3307 directs the Secretary of Agriculture to establish nutrition standards for all the food and beverages sold on school campus in competition with the USDA reimbursable meal. Improved nutrition standards may make competitive foods less appealing, but this is good policy. For one thing, the snack foods and sweetened drinks are less nutritious than the meals served in the cafeteria. For another, as many schools have witnessed, diminished competitive food sales have caused reimbursable meal sales to climb, increasing revenue for the cafeteria department and improving students' diets. And as reimbursable meals become the norm, the danger that only low-income students will patronize the USDA meal, and thus be identifiable, diminishes. Since California enacted state standards for foods and beverages sold outside the cafeteria in 2005, participation in NSLP has risen an average of 6% annually.

The ease with which tighter standards for competitive foods have been established and implemented in over twenty states demonstrates the feasibility of improving the nutritional quality on school campuses. In addition, the consistency of national standards should simplify business for the food manufacturers and encourage them to formulate healthier foods for a national market. Finally, many food service directors will be pleased that, once national competitive food and beverage standards are implemented, these sales poses less of a threat to the higher reimbursement they can achieve with increased sales of reimbursable meals.

How can the nutritional improvements be paid for? A theme of this statement has been the story of remarkable achievements in school districts across the country in improving the nutritional quality of their meals, making their cafeterias exemplars of healthy eating from which students and their families can learn—and having it be financially sustainable. These districts will not need more funding to get started: they are there. For them the additional reimbursement will facilitate further purchases of healthier foods. The proposed updates to the meal patterns and nutrition standards bring up the districts that have not yet started. For them the 6-cent in-

crease in meal reimbursement will be the first increase (beyond USDA's annual cost of living adjustment) in thirty years. In addition, S.3307 appropriates \$50 million for technical assistance so that USDA and the state can help and support the improvements the new standards call for.

But for many local school districts, the most valuable monetary assistance Congress provided two policy changes to protect school food finances, and in particular, to ensure free and reduced rate reimbursements are available for schools to invest in the NSLP and SBP meals that students and their parents deserve.

- Assurance that cash-strapped school districts do not overcharge the cafeteria fund for indirect costs.

- Assurance that a la carte entrees and competitive foods provided by school food services are adequately priced to ensure they don't draw from the free and reduced price program to pay for labor and indirect costs.

How does S.3307 support local leadership?

The Healthy, Hunger-Free Kids Act of 2010 strengthens local administration and management of the child nutrition programs by providing numerous state options for local communities to draw down new grants to test out new and innovative strategies for enrolling students. The legislation affirms and strengthens the local school wellness policy provision enacted by Congress in 2004, through which local teams at school sites design locally appropriate strategies for fundraisers, parent engagement and integrate physical education into the school's health and wellness efforts.

And, the bill leaves entirely intact the long tradition of locally developed menus that ought to be designed as close to the customers as possible. Local interest in purchasing local produce, i.e., Farm-to-School, is supported in S.3307, but not mandated. Numerous other local school board decisions are left unchanged, such as whether to offer breakfast at school, when to schedule meals, how much of the food services budget is to be spent on food vs. labor vs. equipment, etc. S.3307 provides an important mix of new resources, expectations and opportunities for child nutrition programs, while respecting the program's greatest asset: the 55,000 food services professionals that prepare and serve 31 million students daily.

Chairman HUNTER. Thank you for your testimony.

Now I would like to recognize Mr. Sackin for 5 minutes. And once again, thank you for feeding me when I was in high school. I appreciate it.

**STATEMENT OF BARRY SACKIN, OWNER,
B. SACKIN AND ASSOCIATES**

Mr. SACKIN. Actually, I think I was in the district before you were born. [Laughter.]

Chairman Hunter, Representative Kildee and members of the committee, thank you for this opportunity to appear before you and share some thoughts regarding proposed menu planning regulations for school meals. I ask the committee to accept a written copy of this testimony, as well as a more comprehensive review and analysis of the proposed rule.

As the committee well knows, school meal programs have enjoyed strong bipartisan support since their inception more than 65 years ago. The many partners who work together on administering and supporting the program share a common interest in their success.

Unfortunately, there is a perception that if we fix school meals, we can fix childhood obesity. But the reality is that school meals are already the healthiest meals that many children eat.

Schools are a key partner in combating obesity by providing healthy meals, setting an example by offering a healthy environment, and teaching children to make healthy choices. And for this to remain true, the school meal programs must be available and remain viable for schools to offer.

There is great concern that the proposed rule will sacrifice what is very good in pursuit of the perfect. While in an ideal world, many of the recommendations contained in the proposed rule are very desirable, the reality is that some of them may undermine student access and participation, in part, by increasing costs at all points along the supply chain to a point where the program is no longer sustainable.

The proposed regulation would reduce sodium in school breakfast by 25 percent over current levels in phases over a 10-year period. For school lunch the reduction is 54 percent.

To achieve this, and I quote from the rule, "Findings showed that school meal planners can reduce sodium by approximately 10 percent through many modifications. Industry can reduce sodium in school food products by approximately 20 to 30 percent using current technology. The remaining deduction requires innovation." However, the sodium targets have been set without speculating when or how the innovation will occur. And innovation is not without cost.

The proposed rule's gradual reduction will require several iterations of new products. For manufacturers, in addition to the considerable cost of development, each new product brings risks.

First and most obviously is the risk that customers will find the product unacceptable. Then there is the risk of offering or not offering both the current version of the product and the reformulated one.

There is cost to both the processor and the distributor of its products in carrying, inventorying and offering more items, and ultimately, all of these costs must be reflected in the price charged.

One of eight points where the proposed regulation makes a major change that was not included in the IOM recommendations is the crediting of tomato products. Under current guidelines tomato paste and purees are credited in a school meal on an "as if full strength" standard.

The proposed rule would require crediting on the basis of the volume of the product used. I have attached a graphic that clearly shows what the proposed change means. A tablespoon of tomato paste, which is a condensed form of tomatoes, is equal to three whole tomatoes and is contained within a quarter cup serving of spaghetti sauce. This currently is credited one-fourth of a cup of vegetable in a school meal.

Under the proposed rule the requirement would increase to three tablespoons of tomato paste, equal to nine tomatoes, and would triple the serving size to three-quarters of a cup of spaghetti sauce. This represents an enormous increase in direct costs from 9 cents per serving to \$.27 per serving, an increase of \$.18 per portion that students may find overwhelming.

Similarly, the proposed rule goes beyond the IOM recommendations by limiting so-called starchy vegetables, including potatoes, corn, peas and lima beans. The purported reason for this addition is to increase the variety of vegetables offered in the school meal program. This doesn't necessarily equate to an increased consumption of these more varied vegetables.

I have provided a chart that shows that potatoes, even baked french fries, are more nutrient dense and fit within the schools budget better than many “healthier” foods.

The proposed—and “healthier” in quotation marks—the proposed rule also makes major changes in the bread grain component for school meals, moving to a requirement that half of all items credited in the school meal program be whole grain or whole grain rich on implementation and that all items meet this standard after 2 years.

Among other challenges, the definition of whole grain and whole grain rich has not been clearly provided. FDA and USDA have different guidance on this, so manufacturers are uncertain as to what changes they need to make in reformulating products to meet the proposed regulation. As previously discussed, there is enormous cost to manufacturers to make these changes, and uncertainty adds to the cost.

For meat and meat alternate, which is generally the center of the plate item in school meals, the proposed rule requires a wide range of portion sizes. Even if the only difference is size, manufacturers must respond to the different requests for more than 14,000 school districts in this country and must either offer items in multiple portion sizes or not have products that some customers request.

Each change in portion size adds cost in development, production, packaging, labeling, marketing, inventory and distribution. These costs inevitably end up in the price charged.

In summary, school meals are healthier now than ever and serving millions of America’s children. They are better than many of the alternative options available to children.

No one disagrees with the goals of further improvements to the program, as schools and manufacturers continually demonstrate. Our concern is that the proposed regulation may result in having the opposite effect to that which it desires, driving up costs and driving children and businesses out of the program, to the detriment of all. Thank you.

[The statement of Mr. Sackin follows:]

**Prepared Statement of Barry Sackin, SNS, Owner,
B. Sackin and Associates**

Chairman Hunter, Representative Kildee and members of the Committee, thank you for this opportunity to appear before you and share some thoughts regarding the proposed menu planning regulations for school meals. I am Barry Sackin, a consultant in the field of child nutrition and school meals with more than thirty years experience in our industry. While I testify today as an individual, from extensive conversations with a broad range of my colleagues who support and serve school meals, I believe there is consensus about many of the concerns I share with you today. I ask the committee to accept a written copy of this testimony, as well as a more comprehensive review and analysis of the rule proposed by USDA in January on nutrition standards for school meals.

As the Committee well knows, school meal programs have enjoyed strong bipartisan support since their inception more than sixty-five years ago. The many partners who work together on administering and supporting the programs share a common interest in their success.

Unfortunately, there is a perception that if we “fix school meals” we can fix childhood obesity. But the reality is that school meals are already the healthiest meals that many children eat. The fact that too many children start school already overweight certainly suggests that schools aren’t the cause. A study by Ohio State University found that children in kindergarten were more likely to experience unhealthy weight changes when school is out. Schools are a key partner in com-

bating obesity by providing healthy meals, setting an example by offering a healthy environment, and teaching children to make healthy choices. And for this to remain true, the school meal programs must be available and remain viable for schools to offer.

To be very direct, there is great concern that the proposed rule will sacrifice the very good in pursuit of the perfect. While in an ideal world, many of the recommendations contained in the proposed rule are very desirable, the reality is that some of them may undermine student access and participation, in part by increasing costs at all points along the supply chain to a point where the program is no longer sustainable.

I would like to spend the next few minutes explaining what this means. The analysis submitted to the Committee as part of this testimony goes into more detail and covers more issues, but I've selected just a few examples to discuss.

One of the more challenging provisions in the proposal relates to sodium. Salt is an essential nutrient for humans for a number of reasons. However, a recent report of the Institute of Medicine and the current edition of the Dietary Guidelines for Americans both recommend that we significantly reduce our sodium intake to the same therapeutic levels prescribed for cardiac patients. On the other hand, a study published May 4 of this year in the Journal of the American Medical Association followed more than 3,600 middle-aged Europeans, who did not have high blood pressure at the beginning of the study, for almost eight years. The study found an increase in fatal heart disease among those with low sodium consumption, and a much lower incidence among the highest consumers. In response, the CDC commented that the study provides insufficient data to draw a conclusion about the impact of sodium on cardiac risks. That is exactly the point. There is uncertainty in the science of sodium, and there is no study that I am aware of on the impact of a low sodium diet on children. In the absence of certainty, the proposed regulations seem excessive.

That said, industry is not challenging the Dietary Guidelines direction on sodium, but we also recognize that it will take time to achieve the level of reduction called for in both the Proposed Rule and the DGA 2010. The changes must happen on several levels: how salt is used in preparing food, the amount of salt and salty foods people consume, and the development of alternatives that can replace the many functions that sodium serves including food safety and preservation, leavening, binding, and flavor enhancement.

The proposed regulation would reduce sodium in school breakfasts by 25% over current levels in phases over a ten year period. For school lunch the reduction is 54%. To achieve this, and I quote from the rule, "Findings showed that school menu planners can reduce sodium by approximately 10 percent through menu modification. Industry can reduce sodium in school food products by approximately 20 to 30 percent using current technology. The remaining reduction requires innovation." However, the sodium targets have been set without speculating when or how the "innovation" will occur.

Innovation is not without cost. One manufacturer calculates that switching to a low sodium vegetable base in their products costs 30% more than the standard vegetable base. Every time a processor reformulates a product, there is cost in money and time. For one example, companies that produce bread items are evaluating chemical leavening agents to replace salt. However, these items may cost thirty times more than salt, and the final result may be both less acceptable and less healthy than the salt it is replacing.

The proposed rule's gradual reduction within current technology will require several iterations of new products. For manufacturers, in addition to the considerable cost of development, each new product brings risks. First and most obviously is the risk that customers will find the products unacceptable. Then there is the risk of offering, or not offering both the current version of a product and the reformulated one. There is cost to both the processor and the distributor of its products in carrying, inventorying, and offering more items. And, ultimately, all of these costs must be reflected in the price charged.

Moving on from sodium, one of eight points where the proposed regulation makes a major change that was not included in the IOM recommendations is the crediting of tomato products. Under current guidelines, tomato pastes and purees are credited in a school meal on an "as if full strength" standard. The proposed rule would require crediting on the basis of the volume of the product used. I have attached a graphic that clearly shows what the proposed change means. For example, a tablespoon of tomato paste, which is a condensed form of tomatoes, is equal to three whole tomatoes and is contained within a ¼ cup serving of spaghetti sauce; this is currently credited as one-fourth cup of vegetable in a school meal. Under the proposed rule, the requirement would increase to 3 tablespoons of tomato paste, equal

to nine tomatoes, and would triple the serving size to $\frac{3}{4}$ cup of spaghetti sauce. This represents an enormous increase in direct cost, from 9 cents per serving to 27 cents per serving—an increase of 18 cents per serving. In addition this serving size is far more than what is considered a reasonable, acceptable portion by children and will potentially end up in the trash. It is also likely that many other popular items that include tomato paste may no longer be either affordable or acceptable. One tomato processor estimates that this proposal will put at risk more than 200 million pounds of tomato paste used in the school meal program.

Similarly, the proposed rule goes beyond the IOM recommendations by limiting so called “starchy vegetables” including potatoes, corn, peas and lima beans. The purported reason for this addition is to increase the variety of vegetables offered in the school meal program. This doesn’t necessarily equate to an increased consumption of these more varied vegetables.

What makes the restriction on starchy vegetables odd, is that, when you look at the nutrient profile of potatoes, they are much more nutrient dense than many of the fruits and vegetables that are being encouraged. And the cost of replacing potato items on school menus is significant. I have provided a chart that shows the relative nutrient value and cost of apples and potatoes, both fresh and oven baked French fries. The most expensive and least nutritious is the apple. That is not to denigrate the apple, but underscores the challenge of the proposed rule.

In addition to the uncertain rationale, both nutritionally and in terms of cost, of limiting starchy vegetables is the impact such a rule will have on agricultural markets. If schools are no longer able to menu these vegetables as often as children would like, what will happen to support for these markets? A similar problem exists in the dairy market, where the menu incidence of cheese is likely to significantly decline due to the sodium requirements.

The proposed rule also makes major changes in the bread/grain requirements for school meals, moving to a requirement that half of all items credited in the meal program be whole grain or whole grain-rich on implementation, and that all items meet this standard after two years. Among other challenges, the definition of whole grain and whole grain-rich has not been clearly provided. FDA and USDA have different guidance on this. So, manufacturers are uncertain as to what changes they need to make in reformulating products to meet the proposed regulation. As previously discussed, there is enormous cost to manufacturers to make these changes, and uncertainty about what the demand will be. The timeline for formulation of new or modified products varies from six months to two years, and attributable costs match this. All of this uncertainty just adds costs.

Given sufficient time and certainty, the whole grain/whole grain-rich goal is manageable, though not inexpensive. But the proposed rule has unattainable targets and the associated costs related to making them have been severely underestimated if not stated at all. For example, the USDA file price for whole wheat flour is 20% higher than the price of regular flour.

For meat/meat alternate, what is generally the center-of-the-plate item in school meals, the proposed rule requires a wide range of portion sizes, even if the only difference is size. To achieve the range of calorie requirements for three different age groups, and there are a range of permitted proportions within an age group. Manufacturers must respond to the different requests from more than 14,000 school districts in this country, and must either offer items in multiple portion sizes, or not have products that some customers request. Each change in portion size adds cost in development, production, packaging, labeling, marketing, inventory and distribution. These costs inevitably end up in the price charged.

Finally I would like to talk briefly about some indirect impacts as they relate to schools, although the other witnesses present much more data about the impacts. I give great credit to USDA for making a much more honest and realistic set of assumptions and conclusions than the IOM report, for which I was an External Reviewer. However, those estimates suggest a great threat to the programs.

Specifically, USDA projects that the cost of producing a school breakfast will increase by 50 cents, with no additional resources to defray these costs. Lunch is less at 14 cents with an incentive increase of 6 cents for schools that meet the new targets. For some school districts, an increase of 50 cents for breakfast will result in terminating their breakfast programs, a travesty after twenty years of increasing participation, as it may leave millions of low income children without access to this beneficial program.

It is important to note that USDA’s cost projections were completed using data that is almost 10 years old and does not take into account current economic conditions, rising fuel prices, and increased food costs. This means the true “added costs” may be far more severe than IOM or USDA ever anticipated. That notwithstanding, based on USDA calculations, costs for the programs will increase by \$6.8 billion over

the first five years, and approximately \$1 billion per year after that. For ten years, this comes to almost \$12 billion.

There is also concern that participation in the lunch program will decline when meals offered to children no longer meet their preferences and tastes, or are no longer affordable because of price increases made to offset the increased costs. This may mean that rather than participating in a program that provides a nutritious meal, they turn to any of a variety of alternatives that are far less healthy.

But the other impact of these changes is a decline in the sale of food items by American agriculture and businesses to the school meal program. This decline affects the production economies that make it affordable to serve this market.

I would like to take just a moment to comment on one other change that came out of the Healthy, Hunger-free Kids Act. Section 205 of the act would mandate that school districts raise the price paid by non-needy students to a level comparable to the Federal reimbursement rate for free meals. There is much to be said about this provision, but I would simply suggest that local school boards are in a much better position to determine what families in their community can afford than a one size fits all approach.

In summary, school meals are healthier now than ever, and serving millions of America's children. They are better than many of the alternative options available to children. No one disagrees with the goals of further improvements to the programs, as schools and manufacturers continually demonstrate. Our concern is that the proposed regulation may result in having the opposite effect to that which it desires, driving up costs, and driving children and businesses out of the program, to the detriment of all.

1/2 cup serving	Apple	Fresh Potato	French Fries
calories	32.5	64	115
carbohydrates (g)	8.7	14.6	19.0
sugars (g)	6.5	0.8	0.2
Fat (g)	0.1	0.1	3.5
saturated fat (g)	-	-	0.7
Omega-3 (g)	5.6	9.0	12.4
Omega 6 (g)	26.9	29.7	195.0
protein (g)	0.2	1.8	1.7
sodium (mg)	0.7	6.9	270.0
Vitamin A (IU)	33.4	6.9	2.8
Vitamin C (mg)	2.9	6.6	8.1
Vitamin E (mg)	0.1	-	0.1
Vitamin K (mcg)	1.4	0.1	1.6
Thiamin (mg)	0.0	0.1	0.1
Riboflavin (mg)	0.0	0.1	0.0
Niacin (mg)	0.1	1.0	1.5
Vitamin B6 (mg)	0.1	0.2	0.1
Folate (mcg)	1.9	19.3	15.2
Vitamin B12	-	-	-
Calcium (mg)	3.8	10.4	9.0
Iron (mg)	0.1	0.8	0.5
Magnesium (mg)	3.2	19.3	19.3
Phosphorus (mg)	6.9	43.3	66.9
Potassium (mg)	67.0	369.0	325.0
cost	\$ 0.18	\$ 0.09	\$ 0.08

Reimbursable Breakfast Now:



- Milk
- Fruit, 1/2 cup
- 1 Bread & 1 Protein
OR 2 Breads daily

Proposed Reimbursable Breakfast:



- Milk
- Fruit, 1 cup
- 1 Protein
- 1.4 to 2 Breads daily

CURRENT 1/4 CUP CREDITING EXAMPLE

3 PROCESSING TOMATOES = TBS TOMATO PASTE = 1/4 CUP OF SPAGHETTI SAUCE =

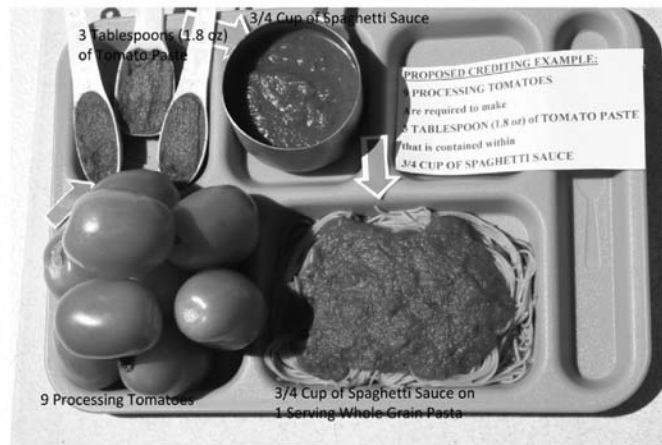
Cost: \$.09



PROPOSED 1/4 CUP CREDITING EXAMPLE

9 PROCESSING TOMATOES = 3 TBS TOMATO PASTE = 3/4 CUP OF SPAGHETTI SAUCE

Cost: .27/serving



Chairman HUNTER. Thank you for your testimony.
I would like to not recognize somebody we are honored to have here, the chairman of the full committee, Mr. Kline.
Mr. KLINE. Thank you, Mr. Chairman.
And thanks to all the panelists for traveling here from San Diego and around the country. It is nice to have you here. I appreciate your testimony.

Mr. Sackin, let me start with you, if I could. You have already touched on this, but I want to explore the idea of increasing costs that will occur at all points on the supply chain with the implementation of the Department of Agriculture's new nutrition standards.

Can you flesh that out a little bit and give us some details, things that we might not be expecting to see?

Mr. SACKIN. I have talked to a number of companies. For one thing, every new product that the company brings to market costs on the low side, if it is a minor modification, 35,000 on new costs for development. On the high side, companies are telling me it could go between \$200,000 and \$300,000.

That includes changes in labeling, marketing, packaging, and to an uncertain market, because they don't know if the product that they are preparing is one that students are going to accept or that schools are going to be ordering, which creates a problem.

For growers, there is uncertainty. The limitation on starchy vegetables will significantly impact the amount of these products that are purchased by schools.

This last year the USDA purchased a significant amount of bonus potatoes to support the agriculture segment, to support potato growers. And if schools stop ordering it, what are we going to do to support our agriculture community?

The same thing with sodium. USDA has proposed a new low sodium processed cheese product, which they are estimating will be about 180 milligrams of sodium per one-ounce portion, which puts it at 50 percent over the amount of sodium that is available for the center of the plate in a school lunch. You know, what happens to the production, what happens to our dairy farmers, if schools stop ordering cheese?

Distributors will experience additional costs, as will the processors, in what is called slotting. There is a limited amount of space in a warehouse, and each manufacturer has the opportunity to have only so many items available. To add items, to add warehouse space is going to increase costs for the distributor. And all of those costs inevitably make it to the prices charged to the schools.

Mr. KLINE. Thank you.

Ms. Castaneda, you touched on something that was much debated and much discussed here when the legislation was passed. And that is the importance of the local school boards having control of their own meal pricing.

Ms. CASTANEDA. Yes.

Mr. KLINE. Can you expand a little bit on what the impact of this law will be on the loss of that control?

Ms. CASTANEDA. Well, generally, and that was when I was discussing the equity in meal pricing, and with the new proposed rule, there is a formulary in there to come to that pricing that is used nationwide. And generally, that control is at the school board level.

So now if you would put your numbers together and you determine your average price of a meal by looking at the federal reimbursement of a paid lunch and the federal reimbursement of the free lunch, and for myself, that comes to a price of \$2.46. So that is my average price to compare.

So if I were school district that needed to raise my price, I would take that average, I would multiply it by there is an inflation factor, and I would determine whether or not I need to increase it.

And a lot of the increases you are seeing are only about five cents. They don't really want you to go up beyond \$.10, but you would take that information and say I needed to raise my meal price a nickel. I would take it to the school board.

The school board would vote on whether or not they are going to permit that increase. The school board has that authority. They can agree to that, and then you are good to go, or they could tell you, "No, we are not going to agree with that. We don't want to raise prices."

And a lot of schools are kind of fighting that dilemma. They don't want to raise their taxes, and they don't want to raise the prices because of the economic state today. So you are kind of left in the middle. What do I do? You know, I am stuck between the government regulation and my school board. What kind of a decision do I make? You are stuck in the middle.

There is leeway today for next year, where the state will allow you to use nonfederal money to cover that gap, if you don't increase your price. So our state reimbursement would be about \$.10 a meal. We could use that to cover, if I needed to increase my price. The following year is unknown.

Mr. HECHT. Congressman Kline, I wonder if I might contribute to the answer.

Mr. KLINE. Yes, certainly.

Mr. HECHT. Thank you.

First of all, the evidence shows that there are many districts that won't be affected by this at all. Secondly, as Ms. Castaneda said, many districts will be able to rely on the state contribution. It is true in Pennsylvania. It is true in California and a large number of other states.

The school board retains the discretion to set prices for meals. All that S. 3307 says is that you can't take the money away from low-income children, to whom the Congress intended that it go. Other sources of money would be fine. It is just that they don't want to dilute the money that is there to build nutrition. They want to add to it.

Mr. KLINE. Thank you.

I know Mr. Sackin wanted to weigh on that, but I see that the light has turned red. Perhaps someone else give him an opportunity. I thank the chairman.

Chairman HUNTER. Thank you, Mr. Chairman, for being here today.

I would like to now recognize the ranking member from Michigan, Mr. Kildee.

Mr. KILDEE. Thank you very much, Mr. Chairman.

In the 35 years I have been in Congress, we have always discussed in various areas on both of my committees how federal dollars relate to federal standards. And there has always been a debate on that and a question whether these are reasonable standards. We do it for automobiles. For example, we require seat belts and airbags, standards for tires.

Ms. Castaneda, do you feel that that principle should be maintained in school lunch that there at least be minimal federal standards for the school lunch program, which is paid for through the federal dollars?

Ms. CASTANEDA. You are asking if I believe that there should be minimum federal standards—

Mr. KILDEE. Yes.

Ms. CASTANEDA [continuing]. As there are today?

Mr. KILDEE. Yes.

Ms. CASTANEDA. I think we always need to have federal standards for a program that is funded with federal and state dollars. I think the question is where are we going with those standards. But we definitely need to have standards in place. We want to make sure we are following their program as it is set to be, that we are feeding children and, you know, we are feeding them healthy meals. So most of us, you know, intend that we are doing that.

Mr. KILDEE. Do you feel that we have come close to having reasonable standards?

Ms. CASTANEDA. In the proposed rule?

Mr. KILDEE. Yes.

Ms. CASTANEDA. I would have to say that I think those standards in the proposed rule, many of them are too restrictive. I think with the standards that are in place today for the national school lunch and breakfast that we are following today, and then comparing them in the proposed rule, I think some of those new standards in the proposed rules are too restrictive. And I think that there is a middle ground in there that we could come to.

Mr. KILDEE. Are they too restrictive because of cost or because of just reasonableness, or because they don't fit perhaps with certain groups' idea of what is best nutrition?

Ms. CASTANEDA. I would say there is definitely cost, as we looked at when I was discussing. And I was using USDA's number of 50 percent increase in the breakfast cost per meal and 14 percent in the increase in the lunch cost per meal.

And those are antiquated. They are, I believe, 10 years old, but that is the only data that is written out there. So there is definitely an increase in food costs. That is one increase.

And acceptability, that would be on the level of child, meaning as we come to put in meals that have less sodium, how is the taste acceptability for the child? Would they eat that? Do you know what I mean? Or would they throw it in the garbage?

So there are costs. There is acceptability and, you know, what is reasonable when we are talking about children. And even when we are talking about portion sizes, vegetables, and we are talking about going from one cup today to two cups, how much of that can they actually eat? And what is the reasonable portion size?

Mr. KILDEE. Is there increased cost now under the proposed rule? If you feel there will be increased costs aside from the extra vegetables being required, are there other increased costs, sort of these proposed—

Ms. CASTANEDA. Yes, I believe that there is additional increased cost other than the food costs, because if you are looking at preparing more meals from scratch, you are looking at an increase in

labor cost. If you are looking at participation labors, and we are believing that with the new proposed rule that participation will drop off, you can say there is a cost associated with lost revenue.

And in general, yes, there will definitely be some increase in costs—food costs, labor costs, and loss of revenue.

Mr. KILDEE. But the proposed standards certainly weren't something that was pulled out of the air. They had some objective criteria, which they evaluated. Do you think they misread the objective criteria or they had a bias that led them to some of the rules and regulations that you feel are not appropriate?

Ms. CASTANEDA. Congressman Kildee, I think that there is so much passion behind the proposed rule, and there is so much desire to improve the health of our nation's children, that I think in the proposed rule we just went a little too far—not by anyone's fault, because I believe, you know, the passion was there to do the best for our children. But I think we just went a step too far with some of the restrictive ideas and changes of that proposed rule.

Mr. KILDEE. Yet so this is a matter of opinion, judgment, facts that are available to people on these decisions. But this group that finally put together the proposed regulations, they certainly did have a degree of expertise and availability of expertise to come up with these, did they not?

Ms. CASTANEDA. I would believe that you are correct in saying that they did, but some of the research that is out there, such as if you look at the sodium levels, there is no research on that level of low sodium foods and children consuming those foods to see the outcome of that.

So I know that there are studies, and they are looking at statistics and things and disease states and things like that in making those decisions, but in actuality we haven't put the standards in place.

Mr. KILDEE. Just to summarize, I mean, we both want to do what is best and right for these kids. We may disagree what is best and right and reasonable.

Ms. CASTANEDA. I think we would all say we want to do what is best for the kids, and we want to have it viable for everybody who is involved to make it happen.

Mr. KILDEE. Thank you very much, Ms. Castaneda.

Ms. CASTANEDA. Thank you.

Chairman HUNTER. Thank the ranking member.

I would like to recognize myself for 5 minutes.

One, it sounds like with the last question—it sounds like we had a saying in the Marine Corps, "Good initiative, bad judgment." And just looking at the serving size for the kids for breakfast, if you have kids, I mean, good luck trying to get your kids to eat this in the morning.

And I can see what happens if you think that it might get thrown away? What if it gets turned back in? Is there a way to turn it back in? Do they get credits or anything? Or does it have to get thrown away, and you move on to the next serving?

Ms. CASTANEDA. That would depend on the item. Most items we would have to discard. Some things we might be able to reuse. Some things there would be a food safety problem, if the child has already had it. If it is, you know, like a package of crackers, we

might be able to reuse it, but if it is, you know, half of a sandwich, you really can't.

Chairman HUNTER. Thank you.

And playing off Mr. Kildee's last question, Mr. Sackin, your testimony states that USDA's cost projections that they used for this data, it is about 10 years old. So if you bring that up to current—whatever the inflation difference is and what costs are now with gas and everything else, how do you think it is going to affect? Do you think—let us just make it easy. What is going to happen to those costs that were used, that the projections were made, using 10-year-old data?

Mr. SACKIN. I would estimate, and I am sure the Ag economists can give a much better projection on advancing the costs that were used in making the estimates, but I think the costs were probably very conservative, which we are in a position where we need to balance. And as I said at the beginning of my testimony, we are sacrificing the very good for the perfect.

And the increased costs, we have to balance the nutritional goals of the program with the ability of schools to actually sustain them, the additional costs.

And a tremendous concern to me and a lot of my colleagues is that the increased cost for breakfast is going to undermine, you know, 20 years of progress in expanding breakfast programs, because I have heard from directors all over the country they are going to drop the breakfast program. So I think these costs and the cost estimates are low.

I would also, if I may, following up to Mr. Kildee's question, and it is back to my point that school meals may be the healthiest option for most children. Children ages two to five, when they get to school, there is an 11 percent rate of overweight and obesity in 2- to 5-year-olds. They are overweight before they get to schools.

So to drive kids out of the program by making them unaffordable and unsustainable, when that may be the healthiest option and where they go to will actually exacerbate the obesity problem, seems against the purpose of what the regulation hopes to achieve.

You know, between the preschool obesity rate and the obesity rate when they are in elementary school, that only grows by 4 percent. So schools—and when kids aren't in school, they have healthier weight management—or when they are in school than when they are not.

So I think that, again, we have to try and balance the costs and the benefits against losing some of the great gains we have made through these programs.

Chairman HUNTER. And diminishing returns, it sounds like, too.

Ms. Spero, in your testimony you said that USDA's proposal to switch from nutrient-based menu planning to food-based planning will be less accurate and less effective in improving overall nutrition. Can you please describe for us the current nutrition-based practice and the effects that switching to a food-based menu is going to have?

Ms. SPERO. With the nutrient standard menu planning, we can get very precise estimations of exactly what the meal that child is going to have, and then we make adjustments to the meal before

it is ever served to a child. With food-based, the standards are much more arbitrary, and they are less flexible.

So, for example, if we wanted to serve lunch that had a chef's salad, and we found out that our meal had too much fat in it, under nutrient standard we might go back and take some of the cheese off a chef salad, whereas with food-based we would not be able to do that, because it would have to have a minimum amount of cheese on it. That would be one example.

Chairman HUNTER. Yes. I would just like to say in my last 30 seconds seems again like there is an earnestness and, you know, the Department of Agriculture is trying to do what is right. But they can't reach down and be in San Diego and know what is needed in San Diego.

They can't make laws. There is, as we are learning for all of education, no one size fits all, no matter how earnest they want to be and how healthy they want to make kids.

What also strikes me with the sodium debate, you could probably pull up different studies right now showing what sodium does to kids and what the long-term implications of taking too much sodium or too little sodium does. It is kind of like when Sweet'N Low used to be bad, and now it is good, or margarine or butter or all these different things. We found out that, you know, we should never eat them. Now all of a sudden they are actually prolonging lives.

But thank you for your testimony.

Now I would like to recognize Mrs. Davis, my colleague from San Diego.

Mrs. DAVIS. Thank you, Mr. Chairman.

And I want to welcome all of you.

And certainly, Ms. Spero, thank you so much for your 14 years of service at San Diego Unified. As you know, most of your customers, I guess, are my constituents, and I really do appreciate that and enjoyed as a school board member working very closely with food services many years ago.

I think the questions—I know that my colleague, Mr. Kildee, asked about the Institute of Medicine and setting those standards. And that sounds good to me that they would do that, because, frankly, it is not our job, really, to do that per se.

But I am just wondering, you know, how you feel, how all of you, I guess, feel about the process that we are using right now to get your input. Are you comfortable with that? Do you think that that has been helpful?

Mr. Hecht, it looks like you are ready to answer that question.

Mr. HECHT. Congressman Davis, thank you for the question. I am entirely happy with the process as it is going. What is important to say is we haven't gotten to the end of the road yet. We are about midway. This process started in 2008, 2009. It is not going to end to about 2013, going at this steady pace that it is going at.

For an advocate it seems like a lifetime to get caught up to what were the standards in, you know, in 2005. By the time these emerge they will be 8 years old, so it is hardly rocket science that we are talking about.

The other important thing to point out is that most, if not all, that the statute and the meal patterns call for has been done in

district after district. If we were only talking about San Diego, maybe you wouldn't need the federal government, because San Diego does a marvelous job. But the United States is not all San Diego, and there are lots of states and lots of school districts where children are suffering because of their address.

Mrs. DAVIS. Yes, thank you. I know that. I know that everybody wants to get to the same thing here. And it is whether or not we can insulate the process in a way also that makes certain that everybody feels as if their input has been heard and it has gone through that kind of, I think, rigorous debate, even, that may be required.

I think what you are saying is that there are a lot of things that already are very good and that we are doing, and we don't want to disrupt any of that. And I would agree.

One of the issues, if I could just shift for a moment, the military children, they need to be certain that they, as they move from school district to school district, receive certification. In San Diego you know that state military families know the process, that paperwork that they need to fill out.

I tried to have an amendment that would essentially make sure that they were certified automatically, once they put in their papers that they are military families and at certain economic levels, or I think it is everything below E6s, depending upon the number of children in their family.

Is it something that would be helpful to have in districts? And how do you think we can get there, if that is desirable?

Ms. SPERO. That certainly has been an issue in San Diego. We see applications come in and have to be denied, because the income is just slightly over the level. And a vast majority of those are for military families, which is very disturbing to us in the department, who know that these families have a lot of extra stress to begin with. And we would like to be able to help them, but we are limited in our ability to do so.

Mr. HECHT. One of the great steps forward in Senate Bill 3307 is to expand on the process that is called direct certification so that children whose families are enrolled in certain public assistance programs are automatically qualified for free or reduced price school meals.

It takes all the questions out of it. It takes all the obstacles out of it. It provides much greater integrity to the system than we have with paper applications. And it is showing families that by applying and going through the rigor of qualifying for some programs, they can qualify for the other related programs.

Mrs. DAVIS. And for military families, that was not in the Senate bill, so it didn't actually become part of law.

Mr. HECHT. It would be a great advancement.

Mrs. DAVIS. Okay. That is helpful to hear.

I know, Ms. Spero, one of the things that I love about San Diego Unified was the introduction of the salad bars some time ago. So I have some concern and some reservations when you say that that would be problematic because of the way that the food groups are counted and how much kids eat.

So I certainly would hope that we can continue to look at that issue and work with all of you and make sure that everything is

as sensible as humanly possible in this so that we can work with it and move forward.

But I also do agree that what we want, I think, is for young children to not have perhaps the need for sodium levels that we have in our diet today. That is important that they develop that interest.

The other thing just to throw out is the education piece within school districts that is needed to accompany any of the changes, or even exactly what you do today, so that families are aware of what you are doing and why and the benefits.

Thanks so much.

Chairman HUNTER. I thank the gentlelady.

I now recognize Ms. Woolsey for 5 minutes.

Ms. WOOLSEY. Thank you, Mr. Chairman.

I am in a little bit of a conundrum up here. It is so clear to all of us that obesity is—with our schoolchildren and with the school population—is one of our nation's number one problems with now and in the future, because as these kids grow up, their obesity is going to cause problems that are going to cost them and our country dearly.

And when our witnesses are here totally responsible for feeding our schoolchildren and wanting nutritious meals, meals that are supported by taxpayers, who then need to make sure that these kids that are obese aren't on the taxpayer rolls forevermore with their illnesses, I mean, it is like a circle going round and round.

And so then I am hearing from our witnesses concerns about too many fruits and vegetables, too much protein, and these questions about do we even know about sodium levels. Well, excuse me, this is the 21st century. We know that fruits and vegetables are important.

Now, if we have got standards that say, you know, we are going to give that kid two apples and they are going to throw one away, that is silly. But there can't be such a thing as is too many of the good foods instead of giving them foods that are full of carbs and fats that they shouldn't be having.

So my question is are you more worried about the cost of this, because, yes, fresh fruits and vegetables cost more than canned fruits and vegetables, and the transportation and the storage and the waste and not having a choice? Or is this really about, if we do this right, we are going to have to invest in our kids, I mean, which you would?

I mean, are you worried that we are not going to invest in them, so it is going to all fall on you to have to carry the burden of doing the right thing? And I am not suggesting this is perfect, what we have laid out, but, I mean, sodium, for example. Are we going to wait until we know—

By the way, Mr. Chairman, Sweet'N Low is not acceptable. There are better alternatives that still aren't very good, but we have learned this over the years. This is the 21st century.

That is what I want to know. Is that the biggest concern is that we are going to dump it on you and say, "Look, now, you make this all work, and we are not going to help pay for it."

Ms. SPERO. My biggest concern would be that there are unintended consequences to these regulations and that there hasn't been sufficient time to research them or pilot them or test them to

know the real outcomes of what happens when they serve them in real schools.

Ms. WOOLSEY. Well, real outcomes in that the kids are going to get more obese, that they are going to hate the meals worse than the ones they already won't eat, or they are going to throw their food away, or that it is going to cost you too much money? What are the—I mean, I don't—I mean, if we paid for this whole thing, would we have time to be working out these consequences?

Mr. SACKIN. I think there are a couple of answers to that. And additional money, of course, would be helpful, but there are other issues within the regulation—in the proposal that I think would cause problems, even if there were more money available.

I had the privilege of working with you in the 1998 reauthorization on Meals for Achievement, and the goal then was to expand access, because the school meals are healthier and are the best way to help children learn and enrich their diet.

One of my biggest concerns, and it is related to costs, if schools, because they cannot afford it, drop the breakfast program, all those gains and all that you were trying to achieve, that we were trying to achieve in 1998, are we going to lose those? You know, school meals currently are healthier than the other things that kids have access to.

Ms. WOOLSEY. Well, Barry, I hear that, but I also hear that we would rather give them bad foods than—you are not saying that, but the risk is that they will get no food versus mediocre, okay? Let us put it that way. I wanted them to have good food, and I know you do, too. How are we going to get there?

Mr. SACKIN. Well, I think the argument, you know, the assumption that school meals—that we are not serving good food, I think, is an erroneous assumption. I think school meals are healthy. They are getting healthier all the time. Industry is working on reformulations and changes, as technology and innovation takes place, to make them even better.

Ms. WOOLSEY. Well how—

Mr. Chairman, can I have a second more?

Chairman HUNTER. I have given everybody about 30 seconds, actually, so about 10 seconds more.

Ms. WOOLSEY. Okay, Ken, you get 10 seconds to tell us how we can make that better without giving up on improving.

Mr. SACKIN. I think some of the proposals—

Ms. WOOLSEY. No, no, no. Oh, I wanted Ken Hecht. I am sorry, Barry.

Mr. HECHT. How can you make the food better?

Ms. WOOLSEY. Yes, I mean—

Mr. HECHT. We are making the food better.

Ms. WOOLSEY. Right.

Mr. HECHT. In many districts that is happening. In some districts it is not happening. That is the need for these rules, regulations, and for the law in the first place.

I just want to bring one thing to your attention. There was a report issued this week by the California Endowment looking at 10 areas in California where the schools have been working very hard to improve their food so that it is much healthier food. The costs have gone up, but the revenues have gone up astronomically. They

are receiving 57 percent more revenue in these 10 districts averaged out than they were before they switched to healthier food. If you serve healthier food, the children will come.

Ms. WOOLSEY. Okay. Thank you.

Chairman HUNTER. Thank you, all of you, for your testimony.

And I would like to recognize Mr. Kildee for any closing remarks he may have.

Mr. KILDEE. Well, I want to thank the witnesses. I think all of us are interested in what is good for children. And we might have some variation in how we achieve that. We tried to find out objectively what is the best thing to do, and this is part of that process of finding that out, as is what is taking place in the present study that is going on. So we appreciate that.

And I appreciate, Mr. Chairman, you having this hearing. It has been very, very helpful.

Chairman HUNTER. Thank the gentleman.

And I want to say again thank you for coming out, especially those of you who came from San Diego.

And the drive down from Pennsylvania might take a little less time, but thank you for coming down as well.

I would like to just reiterate it seems this is a case of good initiative, bad judgment. And, you know, what is interesting, we didn't get into anything—if anybody has kids or you know people, you know, people have different body types, too. Kids do.

My 10-year-old, my son eats clean. He is a clean living kid, but he stays on the heavy side. That is just the way it is. My 8-year-old daughter has abs, and she eats whatever she wants to. She eats all the frosting off the cake, and she is okay with that. That is just how people are.

So my point is at the local level, truly, if it was left up to you, but subsidized by us, which is what this is, you could make those distinctions. But if this is passed down from on high, from out here in D.C. and with some bureaucrats in a big building that nobody gets to see, nobody ever talks to, it is going to make your job difficult, if not impossible, to be able to give individual kids what they need to—that really fits them.

So good initiative, bad judgment. I have been accused of that a few times, too, but thank you very much for your testimony. Thank you for coming out.

There being no further business, this subcommittee stands adjourned.

[Questions submitted by Mr. Hanna for the record and their responses follow:]

Responses From Ms. Castaneda to Questions Submitted for the Record

1. *It is my understanding that a potato contains more potassium than a banana, and one serving of potatoes has more fiber than one serving of broccoli. But despite potatoes having valuable nutritional attributes, they have been identified as "nutrients of concern." Do you consider potatoes an important component when creating healthy meals for your students?*

Potatoes are incorporated into many of our menu selections. We include baked potatoes, roasted potatoes, and mashed potatoes, cream of potato soup, hash brown potatoes and baked French fries in our menus. Potatoes are an important source of nutrition and have a high acceptance with children. I believe the concern regarding potatoes revolves around French fries. The majority of schools serving French fries are baking them instead of frying. Limiting starchy vegetables to one cup per week

does restrict the menu selection and reduces the availability of children's favorite vegetables.

2. *When implementing these school meal guidelines, what changes do you expect to occur in the program? Particularly what impacts do you see directly affecting your students?*

Students will be required to take extra portions of fruits/vegetables at breakfast and lunch. If they should decline to take the required serving of fruits/vegetables they would not be able to purchase their meal at the standard price. The student would be charged under ala carte pricing and pay more. Moreover if the procedure of "Offer versus Serve" is eliminated by districts, students will have to take the extra portions of fruits and vegetables and they may not be able to consume the full portion which will end up in the garbage. Secondly, the meals would become so restrictive they would be unpalatable to many students. The selection of foods available under the proposed rule for meal guidelines will depend on the products that manufacturers can offer or that districts can make from scratch. Students may decide that they no longer want to participate in the meal programs if they find the food unappealing. In addition, districts may need to raise prices to balance the expense of the increased food costs.

3. *What are other unintended consequences affecting children as a result of the new USDA regulations?*

The increased costs associated with the new meal pattern will affect breakfast programs, as school food authorities may determine it is too expensive to provide the breakfast meal. Therefore all of the efforts over the last few years to expand breakfast programs nationwide will have been futile as the proposed rule will lead to contraction of the school breakfast meal. When considering the food cost in general with the proposed rule, the impact of my own operation would be an additional \$78,774 after adjusting for the increase in the Federal Reimbursement. Obviously, I may need to cut costs in other areas to make up for this loss. In today's economy school food service operations are expected to at least break-even or they will become unsustainable. With escalating retirement costs, the additional social security costs and the slashing of state budgets, there is no excess funding at the school level. Schools may be forced to withdraw from the National School Lunch and Breakfast program as it may become too expensive to operate under the proposed rule for meal guidelines. This will leave our programs serving fewer children than we do today which is the exact opposite of what we want.

Responses From Ms. Spero to Questions Submitted for the Record

June 15, 2011.

Hon. DUNCAN HUNTER, *Chairman,*
Subcommittee on Early Childhood, Elementary and Secondary Education, 2181 Rayburn House Office Building, Washington, DC 20515.

DEAR REPRESENTATIVE HUNTER: I am responding to the request for a response to additional questions raised by Representative Richard Hanna subsequent to the May 13, 2011 hearing entitled "Examining the Costs of Federal Overreach into School Meals."

My response is attached. Please let me know if I may of additional service to you.
Sincerely yours,

SALLY SPERO, SNS.

June 15, 2011.

Hon. RICHARD HANNA,
U.S. House of Representatives, 2181 Rayburn House Office Building, Washington, DC 20515.

DEAR REPRESENTATIVE HANNA: I am responding to the request for a response to additional questions raised subsequent to the May 13, 2011 hearing entitled "Examining the Costs of Federal Overreach into School Meals."

My response is attached. Please let me know if I may of additional service to you.

SINCERELY YOURS,
Sally Spero, SNS.

1. *It is my understanding that a potato contains more potassium than a banana, and one serving of potatoes has more fiber than one serving of broccoli. But despite potatoes having valuable nutritional attributes, they have been identified as "nutri-*

ents of concern.” Do you consider potatoes an important component when creating healthy meals for your students?

Everyone understands deep-fried foods, including potatoes, are not appropriate for school meals. But the overly strict proposed regulation on all potatoes is not the best way to offer healthy, attractive meals to the students we serve.

In the San Diego Schools, we offer choices such as a baked potato stuffed with local, organic broccoli and topped with low-fat cheese sauce, oven-roasted potatoes as a side dish, and turkey and gravy with mashed potatoes. These fit into our menu plans, which I am proud to say already meet the proposed standards of less than 30% of calories from fat and less than 10% of calories from saturated fat. So you can see that it is perfectly possible to include potatoes and still serve healthy meals.

Although potatoes have been getting a lot of publicity I want to mention that they are not the only vegetables being restricted under the proposal. Corn, peas and lima beans are also included. It is ironic that as we strive to have children eat more fruits and vegetables, the proposal reduces popular choices that they enjoy eating.

2. When implementing these school meal guidelines, what changes do you expect to occur in the program? Particularly, what impacts do you see directly affecting your students?

As previously mentioned, students will certainly observe that many of their popular vegetable choices such as potatoes, corn and peas are no longer widely available. And some of them will consume fewer vegetables than they currently do.

In a school food service setting, where we teach students to select the foods they want and to only take those foods they plan to actually consume, the proposal works against these goals. The breakfast proposal requires a meal so large that I and my colleagues believe the children cannot reasonably eat it. Other requirements for lunches that students must take more food than they plan to eat in order to have reimbursable meals are troubling. This sends the oddest possible message to students about what healthy eating consists of and greatly adds to food waste.

Disallowing nutrient-standard menu-planning in place of less-accurate food-based menu planning is especially difficult when planning menus for vegetarian students. A number of popular choices such as pasta marinara and Asian vegetable and rice bowls would have to be eliminated from school menus because food-based menus have less flexibility. We have worked hard to include all students in our programs.

If the final sodium rules are implemented as proposed, many foods will be so unpalatable that students will not eat them. The first two goals are achievable but the final proposal is less sodium than is allowed for a cardiac patient in a hospital setting. For example, a minimal breakfast of one cup of milk, one cup of unsweetened corn flakes and one slice of plain toast contains more sodium than is allowed and no one would think this is a particularly salty meal.

3. What are other unintended consequences affecting children as a result of the new USDA regulations?

The unfunded breakfast meal requirements may put districts in the position of having to discontinue breakfast programs because they cannot afford them. Even though the size of the meal nearly doubles, no funding is provided for the extra cost. This negates decades of work to build up these programs and could cause millions of children to lose access to school breakfast entirely.

My colleagues and I strive to have the cafeteria be a welcoming place where attractive and healthy meals are served. While well-intentioned, the proposed regulations would benefit from a thorough review to address the legitimate concerns raised by a number of groups. Overall, I am concerned that fewer students will participate and that the program will stigmatize the free and reduced-price eligible students as they will be almost be the only ones using it.

[Whereupon, at 12:38 p.m., the subcommittee was adjourned.]

