

**Food and Nutrition Service**

**Statement of Julia Paradis, Administrator  
Food and Nutrition Service  
Before the Subcommittee on Agriculture, Rural Development,  
Food and Drug Administration and Related Agencies**

Thank you, Madam Chairwoman, and members of the Subcommittee for allowing me this opportunity to present testimony in support of the President's fiscal year 2011 budget request for the Food and Nutrition Service (FNS).

FNS is the agency charged with administering the fifteen nutrition assistance programs that serve as the Nation's nutrition safety net, and with providing Federal leadership in America's ongoing effort to reduce food insecurity and poor nutrition. Our mission is to increase the Nation's food security and reduce hunger in partnership with cooperating organizations by providing children and low-income people access to food and nutrition education in a manner that supports American agriculture and inspires public confidence.

The President's fiscal year 2011 budget request contains almost \$96 billion in budget authority to fund the nutrition assistance programs. This represents more than a threefold increase in funding since the beginning of the decade and reflects both the robust ability of the nutrition assistance programs to respond to changing economic and social conditions as well as

the depth and breadth of need that currently exists within the Nation. The nutrition assistance programs now touch the lives of more than 1 in 4 Americans over the course of a year.

I would like to review some of the components of our request under each of the major program areas.

### **Child Nutrition Programs**

We look forward this year to the reauthorization of the Child Nutrition Programs. This legislative action presents us with an historic opportunity to combat child hunger and improve the health and nutrition of children across the Nation. The President's budget request reflects an investment of \$10 billion in additional funding over ten years to improve our Child Nutrition Programs. As Secretary Vilsack stated in his recent speech at the National Press Club, investments proposed through reauthorization will significantly reduce the barriers that keep children from participating in school nutrition programs, improve the quality of school meals and the health of the school environment, and enhance program performance. A robust reauthorization is essential to achieving the aggressive goal of eliminating childhood hunger in America by 2015, and to meeting the ambitious target set by First Lady Michelle Obama in the *Let's Move!* campaign to solve the problem of childhood obesity in a generation. The impacts of our work will extend beyond nutrition and be felt in health promotion, educational opportunity, and economic development.

We also understand the underlying responsibility we have to make sure the food our children eat is both nutritious and safe. That is why we have begun a complete review of our programs and protocols to enhance the safety of all food that is served to our children, and why

we recently announced a series of reforms designed to ensure that the foods we procure are safe and of the highest quality. Parents expect as much and children deserve no less.

The budget requests \$19.2 billion for the Child Nutrition Programs, which provide millions of nutritious meals to children in schools and in childcare settings every day. This level of funding will provide 5.7 billion meals and support an increase in daily National School Lunch Program participation from the current 32.1 million children to approximately 32.6 million children. This request includes \$1 billion to support the enactment of a groundbreaking Child Nutrition reauthorization that will improve program access, establish high standards for the nutritional quality of food available in schools, explore new strategies for reducing hunger and improving children's food choices as well as improving program management.

The request includes \$8 million for program research to assess the effect of policies the Department is implementing to address erroneous payments in the National School Lunch and School Breakfast Programs. Our current error rate is too high and we are working hard with the Administration to reduce the error rate while satisfying the requirements of the Improper Payments Information Act of 2002 and supporting the goals of the President's recent Executive Order on Improper Payments.

Also included in the fiscal year 2011 request is \$8 million to provide current estimates of the cost of providing reimbursable school meals. This effort will not only update previous research on the cost of meal production, but will also expand upon that work to look at the relationship between meal cost and meal quality.

For the support of the USDA Farm to School Team, \$2 million is requested. The mission of the Team is to support local and regional food systems by facilitating linkages between schools and their local food producers. Comprising both FNS and Agricultural Marketing Services staff members, the Team will work with local and State authorities, school districts, farmers, and community partners to develop mechanisms to assist schools in accessing local markets; enable food producers to effectively service their local schools; and facilitate communication between interested stakeholders.

## **WIC**

The President's budget includes \$7.6 billion for the Special Supplemental Nutrition Program for Women, Infants and Children, the WIC Program. The request will support food, nutrition education, and a link to health care for a monthly average of 10.1 million low-income women, infants and children during fiscal year 2011 – an increase of approximately 600,000 persons from anticipated fiscal year 2010 program levels.

Building on funding provided in the fiscal year 2010 Agriculture Appropriations Act, this request continues and expands investments in the quality of services participants receive through our State partners. The Institute of Medicine's (IOM) recommended levels for WIC fruit and vegetable vouchers are fully funded for both women and children. Support for breastfeeding is expanded with \$83 million for Breastfeeding Peer Counseling and a doubling of the Breastfeeding Performance Bonus program, initiated in 2010, to \$10 million. Among all the other benefits, the Surgeon General has stated that the practice of breastfeeding helps prevent

childhood obesity, so this program component is extremely important. Modernizing the State information technology infrastructure which supports the program is essential to improving service, enhancing program integrity and preparing the way for WIC electronic benefit transfer. The President's request provides \$60 million to continue this work. Also requested is \$5 million to support work with our State and Federal partners that will streamline application processes and improve cross-coordination with other State and Federal programs serving the WIC population.

The budget also requests an additional \$125 million for the WIC contingency reserve. In conjunction with existing resources, this will bring the total reserve to \$250 million. Increasing the reserve at this time reflects the Administration's commitment to ensuring the program can meet the needs of all who are eligible and wish to participate and acknowledges the inherent difficulty in anticipating key drivers of program costs – especially food inflation.

### **Supplemental Nutrition Assistance Program (SNAP)**

Over the past year, SNAP participation has increased by more than 7 million persons. This program is responding, as designed, to increased need resulting from the economic downturn. For fiscal year 2010, program participation is projected to average 40.5 million persons per month, more than double the level of participation at the start of this decade. SNAP not only provides a safety net to protect children and low-income people from food insecurity and hunger, it also helps to support the food economy as a whole. Every time a family uses SNAP benefits to put healthy food on the table, it benefits the store and the employees where the purchase was made, the truck driver who delivered the food, the warehouses that stored it, the

plant that processed it, and the farmer who produced the food in the first place. Through these kinds of mechanisms, every new \$5 increase in SNAP benefits can yield up to \$9.20 in total economic activity.

The President's budget anticipates that this participation trend will continue into fiscal year 2011 with the program serving an average 43.3 million persons per month. To support this strong continuing demand for program benefits, the budget request includes \$68.7 billion for SNAP.

If we are to truly meet the challenges placed before us by the President, simply maintaining our existing programs is not sufficient. We must seek to expand eligibility to those households who needs are very real, but their circumstances lie just outside current program rules. The budget request includes sufficient funds to support the impact on SNAP of government-wide proposals addressing asset limits and the consistent treatment of refundable tax credits across all means-tested programs. Increasing the SNAP asset limit to \$10,000 for all households, will allow access to program benefits for an additional 230,000 participants. At the same time, the exclusion of refundable tax credits from determining SNAP eligibility and benefit levels will impact 7,000 participants. An extension of Recovery Act provisions eliminating participation time limits on Able-Bodied Adults without Dependents (ABAWDs) will protect the benefits of approximately 14,000 participants who will otherwise lose program eligibility at the close of fiscal year 2010.

The budget request includes \$31.9 million in additional funding to support a variety of new or expanded program activities. This amount includes \$9.4 million is included to enhance

benefit and retailer redemption and monitoring systems. The increase will enable the transition of the critical Account Management Agent, which supports the transaction of all SNAP benefits, from an antiquated mainframe environment to a modern infrastructure. This transition will improve the reliability and security of the system. Funds will also support the modernization of the ALERT fraud detection system. To expand access for SNAP participants to healthy, locally grown fruits and vegetables, \$4 million is requested to provide point of sale terminals to farmers' markets. The President's request includes \$6 million to expand the Healthy Incentives Pilot to test the effectiveness of financial incentives at point of sale for the purchase of healthy food by SNAP clients. Similarly, \$12.5 million is requested for community networks to encourage healthy eating through a community-wide approach incorporating multiple means of communication and influence.

As I have noted, SNAP participation levels have grown dramatically over the past decade. In recognition of this, the President's budget recommends modifications to the benefit reserve. An expansion of the annual reserve appropriation from \$3 billion to \$5 billion would restore the annual amount to its traditional level of approximately one month's issuance. Alternatively, the budget request offers the option of indefinite funding authority. Indefinite funding authority would apply only to the mandatory entitlement component of the program and would truly ensure the availability of benefits for eligible households should participation or food costs exceed current estimates.

### **Commodity Supplemental Food Program (CSFP)**

The President's request proposes a \$5.4 million increase in funding for the CSFP. Bringing total CSFP funding to \$176.8 million, this increase will permit the program to maintain 2010 caseload assignments into the 2011 caseload year. While caseload is not projected to increase in fiscal year 2011, we anticipate that program participation will grow by 19,100 over 2010. In 2010, allocated program caseload saw an increase of approximately 132,000 slots, including those allocated to the seven new States joining the program under the provisions of the fiscal year 2010 Agriculture Appropriations Act.

### **Nutrition Programs Administration (NPA)**

We are requesting \$172.1 million in this account to sustain the program management and support activities of our employees nationwide. The NPA account supports both FNS' administration of the nutrition assistance programs and the Center for Nutrition Policy and Promotion's nutrition policy development and promotion activities targeted at the general population. Specific requests in this account include:

- \$9.0 million to support CNPP's work to promote the *2010 Dietary Guidelines for Americans* and continuing to develop and promote cutting edge, evidence-based dietary guidance tools and messages.

- \$5.2 million to increase FNS staffing with a focus on improving access to nutrition assistance, advancing public trust and enhancing the nutritional quality of the nutrition assistance programs.
- \$3.5 million to begin the modernization of agency financial management systems in concert with the government-wide Financial Management Modernization Initiative.
- \$2.0 million to continue agency efforts to modernize its information technology infrastructure in response to evolving cyber-threats and to technological advances that present opportunities to better serve our partners and program participants.
- \$3.0 million to fund the Hunger Fellows Programs.

I believe full funding of this NPA request is essential for our continuing efforts to expand program access, address food safety concerns, and improve overall program integrity and management. While FNS has recently received small, targeted staffing increases, long-term budgetary trends have forced the agency to significantly reduce its Federal staffing over time. At the same time, program funding, scope, and complexity have grown dramatically. Agency staffing levels are now at a critical point. We must have the ability to acquire new staff if we are to successfully achieve the Administration's goals, undertake important new initiatives, and maintain the high levels of program integrity and fiscal stewardship essential to preserving public confidence in and support for the nutrition assistance programs. I firmly believe this investment – less than one-quarter of one percent of program funding – is critical in order to

maintain accountability for our \$96 billion as we effectively manage the programs and provide access to all eligible people.

Thank you for the opportunity to present this testimony and we look forward to working with the Subcommittee as partners in satisfying the needs of this great Nation.