

Healthy, Hunger-Free Kids Act of 2010



WHAT'S IT MEAN FOR YOU?

AzSNA Industry Conference
June 6, 2011
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But First a Word from Our
Sponsor



**PROPOSED CN MENU
PLANNING REGULATION**

Proposed CN Menu Planning Regulation



- Published January 13, 2011
- Comment period closed April 13, 2011
- >130,000 comments received
- Estimated publication of “final rule” Winter 2011/Spring 2012
- Tentative implementation SY 2012-13

Proposed CN Menu Planning Regulation, con't.



- Letter from Chairman Kline
- Joint letter from Congress
 - 42 signatures
 - ✦ 33 Republicans
 - ✦ 9 Democrats
 - ✦ 0 Arizonans
- May 13 Hearing
 - Explaining the Costs of Federal Overreach into School Meals

Proposed CN Menu Planning Regulation, con't.



- **House Ag Appropriations language (5/24/2011)**

“New Nutrition Requirements for the School Lunch and School Breakfast Programs the Committee notes that FNS has responded to the actions required by the Healthy, Hunger-Free Kids Act of 2010, P.L. 111-296. The Committee urges restraint and practical timelines for implementing new national nutrition standards in the school breakfast and lunch programs. As many of the representatives in states and local school districts have cautioned, an overly aggressive implementation schedule and unrealistic demands on changes in nutrient content can lead to burdensome costs, estimated to be about \$7 billion over 5 years. Therefore, the Committee directs FNS to issue a new proposed rule that would not require an increase in the cost of providing school meals.”

Proposed CN Menu Planning Regulation, con't.



- Grassroots effort still needed
- Be careful what you say, what you ask for
- CSSMP

Now, Back to the Show



The New Law



- **Improving Nutrition for America's Children Act (HR 5504)**
 - Never made it to the floor of the House
- **Healthy Hunger-free Kids Act of 2010 (S. 3307)**
 - Passed Senate by Unanimous Consent August 5, 2010
 - Adopted in House December 2, 2010 (264-157)
 - Signed into law December 13, 2010 (P.L. 111-296)

Section 101 - Improving Direct Certification



- Incentive to states to improve direct cert
- Eliminates letter method for SNAP households
 - Effective retroactively to 10/1/2010

Sec. 102 - Categorical eligibility of foster child



- Includes direct certification of foster children
- Policy Memo 17-2011 (3/16/2011)
- Foster children may be included on households apps – increases household size. Foster child’s “personal income” must be included
- Implementation immediate, but no later than SY 2011-2012

Sec. 103 - Direct certification for children receiving Medicaid benefits



- Demonstration project for using Medicaid data for direct certification
- RFAs due this Spring
- LEAs selected Fall 2011 for 2012 demo

Sec. 104 - Eliminating individual applications through community eligibility



- “Provision 4”
 - 1.6 X # of Direct Certs up to 100% of adjusted enrollment
 - Policy Memo 23-2011 (3/15/2011)
 - Arizona is not eligible during this pilot phase
 - ✦ Alaska, Michigan, DC, Mississippi ,Illinois, Oklahoma, Kentucky, South Carolina, Louisiana, Tennessee
 - Proposed rule Spring 2012
- Census Study
 - Fall 2011

Sec. 143 - Review of local policies on meal charges and provision of alternate meals



- Analyze data from Year 1 of School Nutrition Operations Study Fall 2011
- Convene workgroup Winter 2012

Sec. 201 - Performance based reimbursement rate increases for new meal patterns



- 6¢ per lunch for certified districts
 - Proposed rule Spring 2012
 - Guidance must be in place when money becomes available
- Available **no earlier** than 10/2012
- Dependent on interim or final menu planning regs
- Proposed rule/guidance will determine how states certify compliance
- Uncertainty about failure to comply

Sec. 201 con't Ifs, Ands, and Buts



- IF an SFA is certified, receives the 6¢
- BUT SFAs are required by statute to meet the regulations regarding menu planning
- AND Section 303 requires establishing “fines” for “gross mismanagement”, which could be defined as willfully NOT meeting menu planning regulations or not making an effort to do so.

Sec. 202 - Fluid milk



- Policy Memo 29-2011 (4/14/2011)
- Implements milk requirements of the proposed menu planning reg immediately, but no later than SY 2011-12 .
 - To offer milk variety consistent with this recommendation, school food authorities must offer at least two choices from the following: fat-free milk, low-fat (1%) milk, fat-free or low-fat lactose reduced milk, fat-free or low-fat lactose-free milk, fat-free or low-fat buttermilk, and fat-free or low-fat acidified milk.
 - Until an implementing rule goes into effect, plain or flavored low-fat and fat-free milk may be offered to meet the variety requirements described above.

Sec. 203 - Water



- Potable water available to children at no charge in the place where lunch meals are served during the meal service
- Policy Memo 28-2011 (4/14/2011)
- Water is not considered part of the reimbursable meal and students are not required to take it.
- Encouraged immediately but not later than SY 2011-12
- Reasonable costs associated with providing potable water would be an allowable cost to the non-profit food service account

Sec. 204 - Local wellness policy implementation

- Requires USDA to establish regulations for local wellness policies and to provide technical assistance to States/schools in consultation with ED & HHS (CDC).
- Authorization to fund (\$3 million).
- Guidance Spring 2011
- Proposed rule Fall 2011

Sec. 205 - Equity in school lunch pricing



- Paid meal prices must be at parity with free reimbursements, currently \$2.46 is the target price
- Implementation SY 2011-12
- Fact Sheet 3/2/2011
 - LEAs may gradually increase prices OR fund from other, non-federal sources
 - USDA cannot require increases greater than 10¢ or a calculation based on inflation rate plus 2%. For 2011-12 the effective factor will be 3.14%

Equity pricing con't



Current price	\$2.25
Inflation factor	.0314
Increase	.071
Rounding down	.05

Current price	\$1.25
Inflation factor	.0314
Increase	.039
Rounding down	.00

Equity pricing con't



- Equity price is average of all prices in the district.
 - ✦ Differential pricing by school, including economic status (charge less in poorer schools)
 - ✦ Differential pricing by school type (elementary, middle, high)

Equity pricing con't



SY	Free rate	increase	Paid rate	difference	target price
1999-2000	\$ 1.98		\$ 0.19	\$ 1.79	\$ 1.75
2000-2001	\$ 2.02	\$ 0.04	\$ 0.19	\$ 1.83	\$ 1.80
2001-2002	\$ 2.09	\$ 0.07	\$ 0.20	\$ 1.89	\$ 1.85
2002-2003	\$ 2.14	\$ 0.05	\$ 0.20	\$ 1.94	\$ 1.90
2003-2004	\$ 2.19	\$ 0.05	\$ 0.21	\$ 1.98	\$ 1.95
2004-2005	\$ 2.24	\$ 0.05	\$ 0.21	\$ 2.03	\$ 2.00
2005-2006	\$ 2.32	\$ 0.08	\$ 0.22	\$ 2.10	\$ 2.10
2006-2007	\$ 2.40	\$ 0.08	\$ 0.23	\$ 2.17	\$ 2.15
2007-2008	\$ 2.47	\$ 0.07	\$ 0.23	\$ 2.24	\$ 2.20
2008-2009	\$ 2.57	\$ 0.10	\$ 0.24	\$ 2.33	\$ 2.30
2009-2010	\$ 2.68	\$ 0.11	\$ 0.25	\$ 2.43	\$ 2.40
2010-2011	\$ 2.72	\$ 0.04	\$ 0.26	\$ 2.46	\$ 2.45
2011-2012	?	?	?	?	?

Sec. 206 - Revenue from non-program food



- Requires all non-reimbursable meal foods sold by school food service to generate revenue at least equal to their cost
- Provision is effective July 1, 2011
- Nondiscretionary Interim Rule Spring 2011

Sec. 207 - Reporting and notification of school performance



- Consolidates CRE and SMI
- Moves from five year to three year cycle
- Proposed menu planning rule, which implements this provision, requires two weeks breakfast and lunch menus to be reviewed for calories, saturated fat, sodium and transfat.
- Requires public posting of results

Sec. 208 - Nutrition standards for all foods sold in schools



- USDA to develop standards
- Proposed rule December 2011
- Final rule Summer 2013

Sec. 209 - Information for the Public on the School Nutrition Environment



- Requires LEAs to report on the school nutrition environment to USDA and to the public, including:
 - information on food safety inspections
 - local wellness policies
 - school meal program participation
 - Nutritional quality of program meals
- Implementation Memo Spring 2011
- Proposed Rule Fall 2011

Sec. 301 - Privacy protection



- Requires only last 4 digits of SSN from person signing the application
- Policy Memo 19-2011 (2/15/2011)
- Effective retroactively to 10/1/2010

Sec. 302 - Applicability of food safety program



- Applies the food safety requirements throughout the school campus where **program** foods are stored, prepared and served.
- Policy Memo SP 37-2011, (5/23/2011)
 - “FNS anticipates that only minor modifications to existing food safety programs will be needed in order to meet this requirement.”

Sec. 304 - Independent review of applications



- “error-prone agencies” must have two separate individuals review all applications
- Implementation Memo Winter 2012
- Proposed rule Winter 2012
- Final rule Winter 2013

Sec. 306 - Professional standards for school foodservice



- Requires USDA to establish a program of required education, training and certification for school food service directors; criteria and standards for election for State Directors; and required training and certification for local school food service personnel.
- Establish action plan and form committee to recommend appropriate standards Spring 2011
- Enter into contract for development of training modules, as defined by committee Fall 2011
- Proposed Rule Fall 2012
- Enter into contract for ongoing certification of local directors and personnel 2012
- Final Rule Fall 2013

Sec. 307 - Indirect costs



- Must issue guidance, perform a study, and issue rules as necessary to assist in ensuring non-profit foodservice account is properly charged.
- Guidance Spring 2011
- Study 2011-12
- Report to Congress Fall 2013

Sec. 308 - Ensuring safety of school meals



- Holds and Recalls guidelines

Sec. 401 - Commodity support



- Extends 12% bonus commodity provision through 2020
- \$1 billion in “savings”

Questions

