

**Statement of Kevin Concannon
Under Secretary for Food, Nutrition and Consumer Services**

Before the Subcommittee on Agriculture, Rural Development,
Food and Drug Administration and Related Agencies

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

With your permission I would like to begin by introducing the members of the Food, Nutrition, and Consumer Services (FNCS) team sharing the witness table with me today. Julie Paradis returned to USDA last May as Administrator of FNS. Ms. Paradis has a long history of service to the nutrition assistance programs and the vulnerable Americans they assist. She has previously served as Deputy Under Secretary of FNCS, as a Congressional professional staff member, and in advocacy positions directly involved with nutrition assistance issues. Also joining me today is Dr. Rajen Anand, Executive Director of CNPP. Dr. Anand has an extensive background in human nutrition and physiology, both in the academic community and in public policy. He served as CNPP Executive Director from 1997 to 2001.

The President's budget for fiscal year 2011 for FNCS requests a record \$96 billion in budget authority, reflecting the President's and the Secretary's commitment to combating food insecurity and poor nutrition among the Nation's children and low-income households. The request also supports broader efforts, targeted at all Americans, to deliver understandable, actionable, science-based nutrition messages to assist all of us in making smart food and physical activity choices that promote health and well-being.

Ensuring Full Funding for Core Programs

The first challenge in meeting the nutrition assistance needs of the Nation is to make certain that funding is available in the major programs that serve all eligible persons seeking program services. The major nutrition assistance programs, especially the Supplemental Nutrition Assistance Program (SNAP) and the Child Nutrition Programs, are designed to respond rapidly to the changing needs of the populations they serve. The strength of these programs has been put to the test in the current economic crisis and they have risen to the challenge -- SNAP and Child Nutrition Programs have expanded to provide benefits for the millions of additional children and low-income families -- setting participation records on a monthly basis. SNAP provided benefits to 39 million individuals in December 2009, the most recently reported month; up by 41 percent over the past 24 months. Each school day 32 million children participate in the National School Lunch Program -- over 60 percent receiving meals free or at a reduced price. These are record levels on both counts. Similarly, WIC, which serves half of all babies in this country, is now serving over 9 million persons a month, a historic level, and we expect that level to continue to grow. USDA continues to provide unprecedented levels of commodities and administrative

support to our partners in the food bank community as they respond to strong demand for their important services.

Our budget request for fiscal year 2011 will ensure the nutrition assistance programs continue to respond to the needs of the most vulnerable; by fully funding anticipated participation levels in all the major nutrition assistance programs; by providing indefinite authority for SNAP; and by doubling the WIC contingency reserve to \$250 million.

Expanding Program Access

If we are to meet the challenge before us to end childhood hunger by 2015, we cannot be satisfied to simply maintain these programs as they currently exist. We must work to improve access to services for those already eligible and in need. We must expand eligibility to individuals currently not covered by our programs but facing undeniable hardship, especially in these tough economic times. The President's fiscal year 2011 budget request reflects this pledge in its commitment to a \$10 billion increase over 10 years for Child Nutrition reauthorization and in the government-wide proposals addressing asset limits and the treatment of refundable tax credits in all means tested programs. Increasing the SNAP asset limit to \$10,000 for all households will allow access to benefits for an additional 230,000 participants in fiscal year 2011. At the same time, the exclusion of refundable tax credits from determining SNAP benefits will positively impact 7,000 participants.

Child Nutrition and WIC Reauthorization

The reauthorization of the Child Nutrition Programs presents us with an historic opportunity to combat child hunger and improve the health and nutrition of children across the Nation. As Secretary Vilsack noted recently, 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 President's budget request reflects an investment of \$10 billion in additional funding over ten years to improve our Child Nutrition Programs. As I discussed with this Subcommittee earlier this month, this proposed investment would 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. This is a once in every five-year opportunity to modernize these programs along with the Summer Food Service Program (SFSP), the Child and Adult Care Food Program (CACFP), Special Milk Program, and WIC. Its impacts will extend beyond nutrition and be felt in health promotion, educational opportunity, and economic development. For these reasons, I'm appreciative of the opportunity to work with the Congress, including this Subcommittee, to pursue a robust reauthorization.

Promoting Healthful Diets and Active Lifestyles

Our programs are designed to not only provide access to healthy food, but also to build the skills and motivation to support and encourage a healthy lifestyle for all Americans. The Administration has focused unprecedented attention and action on the problem of childhood

obesity through the First Lady's Let's Move! campaign. This effort will engage community leaders, teachers, doctors, nurses, and parents to tackle the challenge of childhood obesity – and solve it within a generation. As part of Let's Move!, we are calling on schools across the Nation to take action in support of this goal by entering the HealthierUS School Challenge – USDA's program to recognize schools that do an exceptional job promoting meal participation, meal quality, nutrition education, and physical activity. We have set a goal to double the number of schools participating in the HealthierUS School Challenge in the next year and to reach 3,000 within the next three years.

More broadly, we recognize that our nutrition responsibilities extend to all Americans. With this in mind, CNPP's focus on the broader population, USDA, and FNCS in particular, play a central role in the integrated Federal response to the growing public health threat posed by overweight and obesity which affects well over half of adult Americans.

The public investment we are asking you to make today in FNCS' contributions to addressing the critical nutrition- and health-related issues will pay dividends for generations to come. This budget request provides approximately \$1.1 billion in resources tied specifically to improving the diets, nutrition knowledge and behavior, as well as helping to promote the importance of physical activity across all of the populations we serve.

The CNPP continues to have an integral role in the development and promotion of updated dietary guidance and nutrition education. The Dietary Guidelines for Americans (Guidelines), published jointly every 5 years by the USDA and the U.S. Department of Human Services (DHHS), is the cornerstone of Federal nutrition policy, allowing the Federal Government to speak with one voice. USDA through CNPP currently serves as lead Federal agency for the development of the 2010 Guidelines, which will be released later this year. The President's request features an increase of \$9 million to promote the Guidelines as well as to maintain and enhance the extremely well-received food guidance system, MyPyramid.gov, one of the most frequently visited of all Federal Web sites.

Fiscal Stewardship

Finally, we are keenly aware that good stewardship of the public resources with which we are entrusted is essential to maintaining the strong, broadly-based support the nutrition assistance programs have so long enjoyed. We will pursue improved performance and integrity in our programs at the same time that we seek to expand their reach. Support for new technology and increasing the use of direct certification will help schools avoid inaccuracies in eligibility determinations, and maintain the confidence that the taxpayer investment in these programs is used wisely. The President's request also includes \$8 million to initiate the next cycle of periodic studies to identify the sources and levels of erroneous payments in the meal programs – information needed to target and assess efforts at eliminating them.

In fiscal year 2008, the most recent period for which data is available, SNAP once again reduced its combined error rate and achieved a record payment accuracy rate of 94.99 percent. We are committed to continuing our partnership with the States to maintain the great progress we have made over the last decade, and to make further improvements in payment accuracy where

possible. The President's budget request includes \$9.4 million for the modernization of the Federal benefit systems that support State electronic benefit delivery as well as the ALERT fraud detection system. These investments will improve the security and efficiency of benefit delivery systems and enhance FNS' ability to detect and pursue program fraud.

In the remainder of my remarks, I would like to highlight a few key components of our request.

Child Nutrition Programs

The budget requests \$19.2 billion for the Child Nutrition Programs, which provide millions of nutritious meals to children in schools and in child care settings every day. This level of funding supports our reauthorization proposals, as well as an expected increase in daily School Lunch Program participation from the current 32.1 million children to approximately 32.6 million children. This funding request also supports an increase in daily School Breakfast Program participation from the current 11.7 million to over 12 million children. FNS is also requesting \$2 million for the Farm to School Teams, whose goals are to facilitate linkages between schools and local food producers and support local and regional food systems.

WIC

The President's budget includes \$7.6 billion for the Special Supplemental Nutrition Program for Women, Infants and Children, or WIC. This year's request will allow local communities to provide food, nutrition education, and a link to health care to a monthly average of over 10 million low-income women, infants and children during fiscal year 2011. Additionally, this request supports a \$2 increase in the children's cash value voucher for fruits and vegetables. The proposed \$8 voucher brings the cash value voucher amount in line with the Institute of Medicine's recommendation and helps to increase children's intake of fruits and vegetables. The request provides for an increase to the WIC contingency fund of \$125 million, bringing the total reserve to \$250 million. These resources can be used as needed if food costs or participation exceed current estimates. This increase in the contingency reserve is especially important in light of the uncertainty surrounding the future path of retail food prices – a primary driver of WIC costs.

Supplemental Nutrition Assistance Program (SNAP)

The President's budget requests \$68.7 billion for SNAP, enough to serve an average of 43.3 million people each month in fiscal year 2011. The request includes sufficient funds to support the impact on SNAP of government-wide proposals addressing asset limits and the treatment of refundable tax credits in 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, excluding refundable tax credits from determining SNAP benefits will impact 7,000 participants. Also included in the budget request is a one-year extension of Recovery Act provisions eliminating limits on Able-Bodied Adults without Dependents (ABAWDs). Without this extension, approximately 14,000 participants will lose access to program benefits at the close of fiscal year 2010.

We also propose to increase the annual appropriated level of the SNAP benefit reserve to \$5 billion. This increase reflects the dramatic changes that have occurred in program participation levels since the reserve was first introduced and represents approximately one month's program issuance. As an alternative to the fixed reserve, the budget request offers the option of indefinite funding authority. This proposal follows the leadership provided by the Congress in the fiscal year 2010 Department of Defense Appropriations Act that provided indefinite funding authority for SNAP in fiscal year 2010. 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.

In sum, I believe the President's request sets the right priorities to expand access to Federal nutrition assistance for the children and low-income people who need them, while maintaining and improving program integrity and supporting our efforts to address the growing public health threat of obesity. Thank you for this opportunity to appear before you today and discuss the FNCS mission. The work of this agency is especially critical as the Nation emerges from difficult economic times. We appreciate the support provided by this Subcommittee in the past and look forward to working with you as we embrace the future. I would be happy to answer any questions you may have.