

FOOD, NUTRITION, AND CONSUMER SERVICES

**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**

Thank you, Mr. Chairman, and members of the Subcommittee for the opportunity to present the Administration's fiscal year (FY) 2016 Budget request for USDA's Food, Nutrition, and Consumer Services (FNCS). With me today are two other members of the FNCS leadership team. Many of you already know Audrey Rowe, the Administrator of the Food and Nutrition Service (FNS), who brings great knowledge and expertise from her distinguished public service at the State level, her private sector experience, and her efforts to improve program performance at USDA. Angela Tagtow, the Executive Director of the Center for Nutrition Policy and Promotion (CNPP), joined FNCS following her tenure at Iowa's Department of Public Health. Executive Director Tagtow, who received bipartisan endorsements from the Iowa Congressional delegation, has many years of experience working in public health nutrition and food systems. She has worked directly with regional food and farming coalitions, not-for-profit organizations, professional associations, government agencies and universities to provide community assessment and engagement, strategic planning, event and project management, policy analysis and expertise in other essential nutrition and nutrition assistance issues. Both Administrator Rowe and Executive Director Tagtow have submitted testimony for the record that provides more detail on our budget requests.

Fifty years ago, when the key elements of the nutrition assistance safety net were being developed, medical experts observed widespread hunger and malnutrition, especially among children, in the poorest parts of the United States. Today, the medical effects of severe food deprivation are far less prevalent here, due in large measure to the effectiveness of Federal nutrition assistance. But we have not solved all of the Nation's nutrition-related problems. Too

many Americans at all income levels do not make healthy eating choices, with negative consequences for weight and health. We have made progress for children in recent years, however. The most recent data shows that obesity decreased significantly among 2- to 5-year-old children between 2003 and 2012.

In addition, too many low-income families continue to struggle with food insecurity – inconsistent access to adequate and healthful food. Some of these families face very low food security, meaning that they have to reduce the size of meals, skip meals, or even go a whole day without eating during the year. Numerous studies have linked household food insecurity to poorer nutritional, physical and mental health, as well as behavioral and academic difficulties among children. Indeed, researchers are increasingly linking food insecurity with overweight and obesity, noting that lack of food resources may drive consumers to choose the least expensive food options, which are often high in calories and low in nutrients, and which can promote weight gain. Research on the long-term impacts of the introduction of SNAP (formerly the Food Stamp Program) bears this out – young children who had access to the program when it was first rolled out county-by-county saw long-term health benefits. They were less likely to suffer from high blood pressure, heart disease, obesity, and diabetes, and the study also found that SNAP participation increased educational attainment, employment, and earnings.

The work of FNS and CNPP – the 15 nutrition assistance programs as well as evidence-based dietary guidelines and educational initiatives – are critical interventions to address the interconnected problems of food insecurity and poor diet quality. Diet-related problems are impacting national security; Mission Readiness, a nonpartisan national security organization comprised of 500 retired senior military leaders, recently reported that nearly one quarter of young adults are too overweight to serve in the military and about 12 percent of active duty service members are obese.

This budget request provides full support for the major Federal nutrition assistance programs. Preserving their scope and reach and making evidence-based reforms that ensure they are as effective as possible in promoting healthy diets is a common-sense prevention approach to slow the growth of, and ultimately reverse increases in, these devastating health problems.

Let me turn first to SNAP – the cornerstone of our nutrition assistance strategy – which helps families facing unemployment, underemployment, and low incomes afford food. The

economy is continuing to recover for millions of Americans. Since the beginning of 2013, unemployment rates have fallen slowly but steadily, and SNAP participation decreases starting in FY 2014 mirror that trend. There are currently about 1.3 million fewer participants in SNAP today than there were two years ago and the reductions in participation are geographically dispersed. Our most recent data show that 40 States are reporting decreases of between one and 14 percent since 2013. Those declines are expected to continue, with more than 1.9 million fewer people receiving SNAP in 2016 than in 2013.

But the lingering effects of the depth and severity of the economic downturn mean that the recovery has yet to benefit us all. Though the unemployment rate has been below 6 percent since last August, long-term unemployment – the number of people out of work for more than six months and still seeking a job – remains at historically high levels. Moreover, even as many people are able to find a job, their earnings are often modest and SNAP continues to assist low earners make ends meet. We all look forward, over the long term, to SNAP responding *as it is designed to do*, with caseload reductions resulting from continued economic growth and job creation. USDA projects that SNAP participation will decline by 27 percent over the next 10 years. In the meantime, however, the program will continue to respond, *as it is designed to do*, to the needs of eligible families struggling to regain employment and reach the middle class.

Of particular note is the historically high level of SNAP participants with earnings. The latest data shows that 31 percent of SNAP households have earnings, and that 42.5 percent of SNAP participants are in households that include workers, a share that has grown steadily in recent years. The prevalence of low wages and part-time work explains the presence of so many workers on the program rolls.

The fact that so many working families remain poor, and thus eligible for SNAP, underscores the importance of redoubling our efforts to help families secure the good-paying jobs that will enable them to transition away from the program. We are working to re-energize and improve SNAP's Employment and Training (E&T) program, which can help people gain education and skills that pay off in the labor market. We have reached out to workforce development experts to find and focus on strategies that have been proven effective in helping individuals secure better jobs. FNS is working closely with our State partners to connect E&T

services more directly to existing workforce needs, and to leverage resources to reach more people.

A highlight of this effort is the forthcoming launch of the employment and training pilot projects authorized and funded at \$200 million by the Agricultural Act of 2014 to develop and test strategies to reduce dependency and increase work effort under SNAP. We conducted a competitive solicitation for these projects, and States responded with dozens of innovative proposals. We expect to award grants to the 10 best projects soon. Just as important, the law requires a rigorous evaluation of those pilots so that we can learn with confidence which of these strategies is most effective – and then, in partnership with the States, scale them up across the country.

The need for effective E&T programs is particularly acute given that in the future many States will no longer be eligible to waive time-limits for able-bodied adults without dependents (ABAWDs). SNAP rules limit benefits for ABAWDs to three months out of every three years, even if they are diligently seeking a job, unless they are enrolled in E&T services or employed at least 20 hours per week. When the economy is weak and unemployment rates are high, the law allows States to request waivers for these time limits. These are NOT waivers of SNAP's work requirement – only waivers of participation time limits for this population. ABAWDs must still register for work, accept suitable employment that is offered, and may not voluntarily quit a job or reduce hours. They must also participate in an E&T program if a slot is offered. In FY 2014, 42 States and the District of Columbia received such waivers, which allowed a very low-income population to receive SNAP benefits that helped them put food on the table when their employment prospects were particularly dim. As the economy continues to improve, fewer and fewer States will qualify for waivers. The Center for Budget and Policy Priorities estimates that about one million SNAP participants will lose eligibility during FY 2016 as a result. The President's Budget proposes to bolster E&T services with \$25 million in programs targeted to individuals subject to the time limits. This would allow some of our Nation's poorest to work toward self-sufficiency and continue to receive SNAP as they do. If we take seriously the importance and inherent dignity of work, then we should make an investment to support that transition.

As we seek to help people move beyond the need for SNAP, we are also focusing on promoting healthy behaviors for those the program serves. As I noted previously, all Americans need to improve their diets, and SNAP offers a substantial opportunity to advance this goal. We are expanding SNAP access to farmers' markets nationwide. Thanks to funding first provided in FY 2012, farmers can gain access to EBT technology through Marketlink.org. To date, almost 5,200 farmers' markets and direct-marketing farmers have been authorized to accept SNAP benefits – about 1,000 more than at this time last year. We're also partnering with USDA's National Institute of Food and Agriculture (NIFA) on the Farm Bill-authorized Food Insecurity Nutrition Incentive (FINI) program, which will expand and test new strategies to use point-of-sale incentives to encourage the purchase of fruits and vegetables. We intend to announce the first round of FINI grants in late March or early April.

In addition, we're working with States to implement evidence-based obesity prevention and nutrition promotion strategies to support and facilitate healthy eating choices among SNAP participants. SNAP provides over \$400 million in grants to States for Nutrition Education and Obesity Prevention. This is a small investment compared to the billions in advertising and promotion that influences consumers – for better or worse – in the food marketplace. So it is essential that these resources are used on the most effective strategies available to motivate better diets. The Healthy, Hunger-Free Kids Act of 2010 transformed this part of SNAP – known as SNAP-Ed – by re-focusing it on obesity prevention and embracing comprehensive community-based and public health approaches. We have partnered with NIFA to launch the Nutrition Education Centers of Excellence to develop innovative, evidence-based obesity prevention strategies and interventions for States to implement with their SNAP-Ed grants.

Helping children get a healthy start in life is the goal of the WIC program. WIC has long been grounded in science-based standards that ensure its benefits contribute as effectively as possible to meet the nutrition needs of low-income mothers-to-be, mothers, infants, and young children. In 2009, USDA updated the program's nutrition standards based on Institute of Medicine (IOM) recommendations, and IOM experts are reviewing the standards again, as the law requires, to determine if new evidence warrants further updates. In the meantime, evidence of the benefits of WIC continues to grow. A 2013 study linked WIC participation with improvements in early childhood obesity and preschoolers' consumption of fruits, vegetables, whole grains, and low fat milk. For infants, breastfeeding and the appropriate introduction of

solid foods also improved.¹ The Centers for Disease Control and Prevention concluded that WIC likely helped to improve early childhood obesity rates in 18 states. This budget request provides support for WIC to serve all eligible people who seek benefits.

We have also worked with our State and local partners over the last several years to implement evidence-based reforms, developed by independent experts, in school meals and the school food environment. Over 93 percent of schools are certified as meeting updated meal standards including more whole grains, fruits and vegetables, and low fat milk, with reductions in sodium, *trans* fats, and calories. We know that reaching the new standards remains a challenge for some schools, so FNS has offered new flexibility to schools in meeting program requirements, and they are responding positively. We are focused on providing technical assistance and support to schools. This year, changes to meal patterns were joined by the implementation of Smart Snacks in Schools standards, giving all 53 million students in schools that participate in USDA meal programs access to an even healthier school food environment. And we recently announced the nationwide expansion of our Team Up for Success Initiative, which will provide school nutrition personnel across the nation tailored technical assistance and peer to peer mentoring on topics like menu planning, financial management and meal presentation.

I have visited dozens of schools over the last several years, and I have heard from food service professionals, teachers, and perhaps most importantly, students and their parents. While change is challenging, and we are not yet done with implementation, there is tremendous progress in communities around the country. I have seen positive responses to these changes in school after school. My observations match the findings of a poll conducted last fall by the Pew Charitable Trusts, which found that over 70 percent favor national nutrition standards for school meals, over 70 percent support standards for school snacks, and over 90 percent support requiring schools to include fruits or vegetables with each meal. Furthermore, we are seeing results – one recent study found that in some schools, students are eating more fruit and throwing

¹ Chiasson, M.A., S.E. Findley, J.P. Sekhobo, et al. (2013) “Changing WIC Changes What Children Eat.” *Obesity*, 21, E1-E7. doi:10.1002/oby.20295.

away less of their lunch entrées and vegetables now than they were before USDA's updated standards were in place.²

Now, as success spreads across the country and we're beginning to see the positive impacts of these improvements, is not the time to turn back the clock. I know that some of you have heard from the current leadership of the School Nutrition Association and other powerful interests that are vested in the *status quo*. But nineteen past SNA Presidents have urged Congress not to reverse the progress that is now underway. Their letter asked USDA to continue to work with school leaders and state directors to ensure all schools can meet the new standards, and we are working assiduously to meet that request. The improvements we are making with schools and other partners will benefit current and future generations of Americans. I urge you to stand strong for our children, keeping the standards intact and robust as we provide program operators the tools and resources they need to deliver healthier school meals.

As we continue the effort to improve these programs, we are also making them more accessible in low-income communities through the Community Eligibility Provision (CEP), which provides an alternative to household applications for free and reduced price meals in some areas. CEP, which became nationally available this year, simplifies program operations and helps schools and districts with high poverty rates offer *all* students meals at no direct cost. Yet it preserves the shared-cost approach of the traditional program; districts must make up any difference in meal costs for students who do not qualify for the Federal free subsidy rate. This year more than 2,000 school districts have elected CEP for some or all schools, reaching more than 6.3 million students—a true good news story of government's ability to help society.

While CEP is helping us reach low-income children during the school year, there is still a summer hunger gap when school is not in session. In recent years, FNS has placed summer feeding among its top priorities. Last summer, we served 10 million more meals than the summer before, reaching an average of 3.7 million children per day. This summer, we intend to make even more progress. This will include the funds we received in 2015 to continue the Summer Electronic Benefit Transfer (EBT) for Children projects. A rigorous evaluation of these projects which were first funded by this Committee in 2010, found that they reduced very low

² Schwartz MB *et al.*, "New School Meal Regulations Increase Fruit Consumption and Do Not Increase Total Plate Waste." *Child Obesity*, March 2015, online publication.

food security among children by one-third, and also improved the quality of their diets, relative to those that did not have access to the program.

For FY 2016, the budget request builds on our prior successes with full funding for the Summer Food Service Program, and a \$66.9 million investment in Summer EBT for Children. Funding at this level would allow expansion in existing summer EBT states, potentially allowing some State-wide projects, and would allow the pilots to serve up to 200,000 families during the summer months. We have evidence of the positive impact of Summer EBT for Children, and this funding would allow us to scale up a successful intervention while continuing to gain operational experience to inform programmatic improvements.

Let me now turn to the *Dietary Guidelines for Americans*, which provide the basis for all federal food and nutrition policy and education initiatives. Developed jointly every five years by USDA and the Department of Health and Human Services (HHS), the *Dietary Guidelines* focus on food-based recommendations that help prevent disease and promote health for people aged two years and older, including those at risk for chronic disease. Given the state of the Nation's health, helping the public understand and follow the *Guidelines* has never been more important. According to USDA's Healthy Eating Index (HEI), which compares the Nation's diet quality to the Dietary Guidelines, America's current HEI score is 57 out of 100. For context, a score greater than 80 is considered a good diet, a score below 51 is considered a poor diet. Again, *America's score is 57. We must do better.*

HHS and USDA are in the early stages of developing the 2015 *Guidelines*. In February, the 2015 Dietary Guidelines Advisory Committee, an independent, external panel of scientific experts, submitted its advisory report to Secretaries Burwell and Vilsack after its 18-month review and public deliberation on the current science on diet, nutrition and public health. Members of the committee were selected through an open and public process notice in the *Federal Register*. The Committee's report is advisory in nature – it is neither the *Dietary Guidelines* nor a draft of the *Guidelines*. HHS and USDA will consider the Advisory Committee's report, along with comments from other Federal agencies and the public, as the Departments jointly begin the process of developing the 2015 *Dietary Guidelines*.

While the lengthy advisory report covers a wide range of issues, dialogue here in Washington and national media attention has focused on a handful of topics. I would like to take

this opportunity to correct two key pieces of misinformation we have seen and heard. Some have claimed that the Advisory Committee recommended eliminating “lean meats” from a healthy diet, and reducing meat consumption. In fact, the report states that “[l]ean meats can be part of a healthy dietary pattern,” and the quantity of meat to consume in the 2015 advisory report is *the same* quantity recommended in the 2010 *Dietary Guidelines*. The report’s discussion of meat consumption focuses on moving quantitatively closer to the existing *Guidelines*.

Others have claimed that the Advisory Committee’s deliberations on sustainability drove an environmental agenda through its recommendations on [quote-unquote] “reducing meat consumption”. In fact, the Committee conducted a scientific review focused on sustainable healthy eating patterns on a parallel but separate track from its primary focus on diet, health and what foods are needed to meet nutritional needs. The Committee’s findings on sustainability did not drive or determine its quantitative food group recommendations.

As I stated, HHS and USDA are at the beginning of the process of developing the 2015 *Dietary Guidelines*. We are in the middle of the public comment phase. We will host a public meeting for oral testimony on March 24, and are encouraging the public to review the report and submit their comments to the Departments at DietaryGuidelines.gov between now and April 8. I encourage you to share this information with your constituents, since public input is a critical part of our process. We fully understand the great responsibility we bear in fulfilling the mandate to publish the *Dietary Guidelines for Americans* every five years, and we pledge that the 2015 *Guidelines* will reflect both strong science and practical guidance to help families and individuals improve their diets and their health.

I am also committed to making continued improvements in the integrity of these programs – one of USDA’s most important responsibilities. As I have testified to previously, Americans expect and deserve for the significant public investment in nutrition assistance to be managed wisely. The government must earn the public’s trust through proper administration, or we risk undermining public confidence, which can threaten the programs’ very survival.

SNAP delivers critical benefits to low-income households with a high degree of integrity. In fiscal year 2013, the program achieved the highest level of overall payment accuracy in its history, and the national error rate fell to 3.2 percent, reduced by more than half since 2000, and among the best in the Federal government. Still, rooting out waste, fraud and abuse in SNAP is a

top priority. With regard to recipient fraud, FNS is using regulatory changes, developing tools and providing technical assistance to strengthen States' ability to find and hold accountable recipients who don't play by the rules. In FY 2013, for example, States conducted nearly 710,000 investigations resulting in nearly 44,000 disqualifications. In the same year, States collected over \$75 million in fraud claims from households. In order to further support our focus on integrity and proper stewardship of taxpayer dollars, FNS' FY 2016 budget includes a request for \$4 million to strengthen Federal training, oversight and monitoring of State quality control processes and data, to ensure that States are meeting the highest standards in program administration and payment accuracy.

Over the last few years, we have redoubled our efforts to address retailer integrity, strengthening procedures and enforcement, toughening sanctions, and holding retailers accountable. In FY 2014, FNS reviewed more than 17,000 stores and conducted over 7,000 investigations. Over 1,400 stores were permanently disqualified for trafficking or falsifying an application and over 700 stores were sanctioned for other violations. The 2,226 stores sanctioned in FY 2014 represent a 28 percent increase from 5 years ago, reflecting the success of our expanded program integrity efforts in getting violators off of the program.

In the Child Nutrition Programs, FNS established a new Office of Program Integrity, drawing on a wide range of research, policy, and operational expertise to take a multi-faceted approach. To address household reporting errors on applications, FNS is currently developing a new model application that incorporates elements of human-centered design to improve the clarity of the application for households to avoid inadvertent errors. We are also improving administration, including exploration of additional data matching against Federal and State data systems to increase accuracy and reduce burden in the certification and verification processes.

I truly believe Americans support putting healthy food on the table for struggling individuals and families – but they also want to know taxpayer funds are being used wisely. That's why we will continue to confront error and abuse head-on to make sure the programs will continue to be there for those who truly need them.

As I noted previously, Administrator Rowe's and Executive Director Tagtow's testimony describe our budget request in more detail. I appreciate the opportunity to speak to you today, and look forward to your questions.