

May 13, 2011

Member  
Subcommittee on Early Childhood, Elementary, and Secondary Education  
House of Representatives  
Washington, D.C. 20515



**NSBA Statement on:  
"Examining the Costs of Federal Overreach into School Meals"  
Subcommittee on Early Childhood, Elementary, and Secondary Education  
May 13, 2011**

Dear Member:

The National School Boards Association (NSBA), representing more than 90,000 local school board members across the nation, is pleased to submit this statement for today's hearing on "Examining the Costs of Federal Overreach into School Meals" in the Healthy, Hunger-Free Kids Act – PL 111-296.

NSBA supports the overall goals of PL 111-296 to end childhood hunger and address the epidemic of childhood obesity. School boards are deeply committed to fostering a healthy and positive learning environment for children to achieve their full potential. Our commitment to healthy child nutrition is embedded in the organization through our School Health programs.

At a time when education is acknowledged as a priority for achieving economic recovery and creating a competitive American workforce, federal implementation of PL 111-296 must assure that educational systems are supported, not undermined by the provisions of the Act, in order to serve over 31 million students each year.

NSBA is gravely concerned about the financial impact the law could have on school districts at a time when many are in dire economic straits. One need not look far to see the evidence of the economic crisis for our schools.

Most states have cut K–12 education funding since 2008 and forty-four states project budget shortfalls for FY2012 that will not be restored in the foreseeable future. Local property tax revenue for education is stagnant or declining and many school districts do not have the capacity to ask struggling communities for yet another tax increase. The Federal Reserve Bank of Atlanta predicts that local and state governments are facing years of declining property tax revenue, and the worst shortfalls are still to come. Exacerbated by the expiration of ARRA and Education Jobs Fund money, and reductions likely in federal education funds for FY 2012, school district resources are eroding in every direction.

Any new responsibilities that result in unfunded or underfunded mandates will inevitably result in the loss of programs, jobs, or both at the local level. Every dollar in unfunded mandates must come from somewhere else in the educational system, and could result in layoffs, larger class sizes, narrowing of the curriculum, elimination of after-school programs, and cuts to other program areas

*Working with and  
Through our State  
Associations, NSBA  
Advocates for Equity  
and Excellence in  
Public Education  
through School  
Board Leadership*

---

**Office of Advocacy**

- *Mary Broderick  
President*
- *Anne L. Bryant  
Executive Director*
- *Michael A. Resnick  
Associate  
Executive Director*

**National School Boards Association**

1680 Duke Street ■ Alexandria, Virginia 22314-3493 ■ (703) 838-6722 ■ Fax: (703) 548-5613 ■ <http://www.nsba.org>

including areas of school food services itself. Therefore, NSBA recommends the following strategies for implementation of PL 111-296:

**Recommendation: Voluntary compliance with unfunded mandates.** Implementation of PL 111-296 should eliminate any mandates on school districts to comply with provisions that are unfunded or underfunded. This would apply to standards, reporting, training and certification and other requirements of the bill. As noted above, imposing unfunded mandates on child nutrition at the expense of the academic mission of school districts will not achieve the desired results for our children or our nation.

**Recommendation: Accurate cost-benefit analysis.** The Office of Budget and Management should conduct a cost-benefit analysis of PL 111-296 that incorporates the financial and operational impact on school districts, *including the impact on resources available for instructional programs, services and the workforce.* We further recommend that all guidance, implementation memos, Dear Colleague letters, proposed rules, and other policy issued by the Department of Agriculture to implement PL 111-296 incorporate the impact on resources for the academic mission of school districts, including the impact on facilities, operations and workforce capacity. To ignore the cost to educational systems is not an accurate reflection of the true cost of the measure.

**Recommendation: Alignment with federal reimbursement.** The Department should revise and align meal patterns and standards to cost no more than the federal reimbursement available. PL 111-296 should not exacerbate the funding gap for school districts participating in the school meal programs. Current funding for school meals is already inadequate for most districts to cover the full cost of providing them. U.S. Department of Agriculture reports document that school districts' cost of providing free lunches exceeds the federal reimbursement by over thirty cents per meal. Public Law 111-296 authorizes a six-cent increase per school lunch for districts that voluntarily adopt updated federal standards for school meals. The Department's own estimates include a 14 cent increase in the cost of each lunch and a 50 cent increase in the cost of each breakfast. However, NSBA estimates the actual increased cost of compliance ranges from 11–25 cents for lunches, thus increasing the reimbursement gap that already exists. A district serving subsidized lunches to 5,000 students has a potential shortfall of \$270,000 under the current reimbursement rate. PL 111-296 could add \$54,000 to that shortfall. In many school districts such an additional shortfall could necessitate the elimination of teaching and other instructional positions.

**Recommendation: Eliminate cost shifting to students and families, state, and local governments.** Of the four options for revenue recommended by the Department of Agriculture to cover the increased cost of PL 111-296, three fall squarely on the shoulders of school districts, taxpayers, and students. They are: increased student payments, increased state and local funding, and operational changes. The fourth is federal reimbursement, which is already demonstrated to be woefully inadequate. NSBA recommends replacing this scenario with an affirmative statement that school districts are/will not be required to further subsidize school meal programs at the expense of academic programs and school operations and that schools will not be penalized as a result.

**Recommendation: Increase transparency in reporting the cost burden to school districts.**

NSBA recommends that all guidance, implementation memos, Dear Colleague letters, proposed rules and other policy issued by the Department to implement PL 111-296 include a *cumulative* analysis of the financial and operational impact of the bill on school districts.

PL 111-296 has many provisions that will be implemented over the next two-three years that will impose additional costs on, and create facility and workforce capacity issues for, school districts. They include indirect costs, paid meal pricing, local wellness policies and the school nutrition environment, mandatory standards for food outside the subsidized school meal programs, fines and program disqualifications, and training and certification requirements for school food service personnel. The layering effect of these multiple requirements should be recognized, calculated, and made available in a transparent manner to congress and the general public.

**Summary:** School districts are cutting programs and staff in response to eroding local, state, and federal resources. Unfunded or underfunded provisions in the child nutrition law will just exacerbate the financial pressure on school districts and their ability to provide instruction and other school services.

Implementation of the bill is the next opportunity to assure that we are successful in achieving our shared goal of giving America's students the best possible start and the best possible education. Therefore, it is imperative that implementation of PL 111-296:

- Be cost neutral to local school districts.
- Address school district concerns in a meaningful and sustained way, at every stage of policy development and implementation.
- Phase in provisions of the law in a manner that is sensitive to the fiscal condition of school districts.

Thank you for the opportunity to provide this statement. School nutrition programs simply cannot be successful unless the school districts providing them have sufficient resources and local authority to administer them effectively. Questions concerning our statement may be directed to Lucy Gettman, director, federal programs, at 703-838-6763 or by e-mail at [lgettman@nsba.org](mailto:lgettman@nsba.org).

Sincerely,



Michael A. Resnick  
Associate Executive Director