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United States Department of Agriculture
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Subcommittee on Civil Rights and Human Services

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Thank you Chairwoman Bonamici, Ranking Member Comer, and Members of the Committee for the opportunity to discuss the Fiscal Year (FY) 2020 President’s Budget for the U.S. Department of Agriculture’s (USDA’s) Food, Nutrition and Consumer Services (FNCS) and the reauthorization of the Child Nutrition and WIC Programs. I am Brandon Lipps, the Acting Deputy Under Secretary for FNCS, as well as the Administrator for the Food and Nutrition Service (FNS), at USDA. FNCS has long been committed to ensuring all Federal nutrition assistance programs serve eligible populations effectively and make optimum use of Federal resources. These programs are central to Agriculture Secretary Sonny Perdue’s pledge to “Do Right and Feed Everyone.”

Let me turn first to the President’s budget request for FY 2020, which fully funds the Child Nutrition programs – including school meals, the Child and Adult Care Food Program (CACFP), the Summer Food Service Program (SFSP), and the Special Milk Program (SMP) – so that every eligible child has access to nutritious meals in schools, child care centers, day care homes, and other facilities throughout the school year and when school is not in session. The request also fully funds WIC to ensure that all women, infants, and children who are eligible and wish to participate may do so. Together, these programs served about 38 million people on an

average day in FY 2018. They ensure that infants have the best possible start in life and that children have access to nutritious food when they are away from home to support their development and learning. I will share additional details about key budget proposals for these programs as I discuss the Administration's priorities in a few moments.

Turning to reauthorization, we know that these programs were last reauthorized over eight years ago. Because of their scope and significance to families and local communities across America, Congress has a long history of constructive bipartisan action to support and strengthen them. I am pleased to join you in that spirit to contribute to a reauthorization process that builds on the programs' history of success, while also advancing the Administration's nutrition assistance priorities – to improve customer service for our partners and participants, to protect and enhance integrity, and to ensure that FNS programs are helping participants move toward self-sufficiency and independence.

It has been my privilege over the last two years to lead our efforts to move these priorities forward. In my view, all three are fundamental to the ongoing effectiveness of nutrition assistance. Good customer service is essential to efficient operations that achieve the programs' missions. Strong integrity safeguards for taxpayer investments in nutrition are fundamental to earning and keeping the public confidence that make these programs possible. And every program should support a self-sufficient future for those who participate, because long-term reliance on government assistance has never been a part of the American Dream. I'd like to share some of our activities and proposals related to the Child Nutrition and WIC programs, particularly in the areas of customer service and integrity.

Customer Service

Secretary Perdue has placed a robust focus on customer service across USDA. Given the number and diversity of FNS customers – those who participate, and those who partner with us to operate the programs – we are at the center of that effort. Great customer service starts with listening to customers, to understand their requirements, their challenges, and the choices available to address them within the existing program authorities.

USDA puts this philosophy into action by holding roundtables with program operators to understand their views and needs. We heard first and foremost that school nutrition professionals want students back in the cafeteria, as lunch participation has continued to decline since the standards were implemented in 2012, particularly in the paid meal and reduced-price categories. To create school meals that were both nutritious and appealing to the students being served, school nutrition professionals needed targeted adjustments to existing meal standards. That's why one of Secretary Perdue's first actions was to extend school meal flexibilities related to flavored milk, whole grains, and sodium. Making these flexibilities permanent provided the certainty that schools and food manufacturers needed as they continued to implement these standards.

We also heard that the education and training standards for nutrition professionals that USDA implemented under the last reauthorization put strain on small and rural school districts. Knowing this, we revised the rules, in accordance with the law, to allow these districts more flexibility in the hiring of new school nutrition program directors. We sought comments on the crediting system for child nutrition programs in an effort to make crediting more simple, fair, and transparent. We learned that we needed to add food items which were not previously counted toward meal pattern requirements.

States also told us they need help with additional funding for developing, improving, and maintaining their automated systems used to operate and manage all the Child Nutrition Programs. Grants for state administrative expenses are capped, States are often not able to prioritize technology upgrades. The President's Budget requests a \$20 million increase – a total of \$25 million – for formula-based grants to States to help them modernize systems to improve program operations, oversight, and overall program integrity.

In addition, we have heard from the farm to school community that they need additional flexibilities with Farm to School Grant limits, which are currently capped by statute at \$100,000 per recipient. This grant program serves a wide variety of stakeholders, including nonprofit organizations, tribes, schools, producers, and local and State agencies. USDA has received feedback from States and other stakeholders that \$100,000 is often not adequate to launch or expand farm to school programming, hire and retain staff to oversee and sustain the work, or to cover administrative expenses. At the same time, USDA wants to better support States in making farm to school efforts a more durable part of school feeding. The President's Budget includes raising the cap on grants to \$500,000, which would allow States and other grantees to conduct higher impact work that is more likely to last beyond the end of the grant term. We feel this is a better approach to maximize the impact of these investments.

While I am proud of these successes, we are still listening, and there is more to be done. We will continue to meet and work with State agencies, school nutrition professionals, industry, and other stakeholders on a forward-thinking strategy that ensures school nutrition standards are both healthful and practical, while avoiding unnecessary burden and red tape. We do this because local nutrition operators know their students and their communities best and must be empowered to meet program standards with reasonable flexibility and common sense.

I have also held roundtables with the WIC community, including state administrators, clinic staff, business partners, and participants, to better understand the challenges of operating this complex program. In these discussions, we've explored ways to enhance the food package as well as improve the WIC shopping experience – with implementation of electronic benefit transfer a critical improvement strategy – and questions about access, and the potential role of technology to simplify the client application and participation experience. Beyond these discussions, I have visited WIC clinics to see firsthand the benefit this program provides to infants and children, and of course their mothers. The President's Budget fully funds WIC to ensure that all women, infants, and children who are eligible and wish to participate have the opportunity. As you may be aware, birth rates have continued to decline – particularly for women under the age of 30. This has contributed to declines in WIC participation for several years. We estimate that participation will average about 6.6 million women, infants and children in FY 2020 – about the same number as are participating this year.

Program Integrity

Just as important as good customer service is ensuring strong program integrity, and we have taken many steps in this area. We heard that school meal program operators needed better tools to improve integrity and efficiency in easy-to-use ways. We have responded with new resources, such as:

- A web-based school meal application based on USDA's open-source, integrity-focused application prototype. We provided information on how states, school districts, and even software designers can reduce household reporting mistakes and certification errors by adopting the use of our online application. The application guides users through the most

error-prone parts of the application process to minimize errors. This is very similar to what you may see when using commercial tax software.

- Additional information and flexibilities in the Administrative Review cycle have been provided to States to ensure that these programs are operated correctly while reducing the burden on operators.
- We have switched to a risk-based approach, but we also offer flexibilities if state agencies are having difficulty with staffing and resources.

We recognize that more can be done. That is why we proposed in the FY 2020 Budget to strengthen the income eligibility verification process to focus more on applications that are at a higher risk for error. This common-sense proposal strengthens program integrity by streamlining the process, especially for districts with strong integrity performance, but also allows districts with challenges to do more to reduce error and fraud. It implements research-backed revisions to current school meal verification requirements while supporting operators with resources and strategies to achieve greater accuracy in serving meals to eligible children. We estimate these changes would save \$482 million over a 10 year period through improved application integrity.

Integrity is also an important focus of WIC. FNS verifies State compliance with WIC requirements through management evaluations, which includes on-site reviews of State and local agency operations and documentation. In recent years, we have put in place a number of important changes, including a team dedicated to creating oversight tools for States and providing technical assistance before integrity problems emerge. We continue to work closely with WIC State agencies in the area of vendor management and integrity to identify best practices and encourage innovation; provide guidance and technical assistance; address allegations of fraud, waste, and abuse; and improve data collection and reporting methods.

In the last reauthorization, Congress set the expectation that all WIC State agencies implement electronic benefit transfer (EBT) by October 1, 2020, or seek an exemption. As of May 2019, 49 WIC State, Territory, and Tribal agencies have successfully implemented EBT statewide and the remaining 42 are in the planning or implementation stage. Thank you for supporting our efforts in this area.

We also work very closely with the Government Accountability Office (GAO) and USDA's Office of the Inspector General (OIG) to identify and address integrity challenges. As you all are aware, OIG recently provided recommendations to FNS on ways in which we can strengthen integrity within the Summer Food Service Program (SFSP). We appreciate our partnership with OIG and are actively working with them to improve SFSP, recognizing its vital importance to children, especially those in rural areas of the country. Our efforts include making changes to oversight and management protocols so that we can better evaluate State agencies during reviews. We will continue our push to improve accountability, transparency, and program operations.

In closing, I want to thank the Committee for your engagement with the FY 2020 President's Budget request and for your support for the reauthorization of these important programs. I know the painstaking effort required to develop legislation of this size and complexity, and we at the Department stand ready to provide any support and technical assistance that you need in completing your deliberations. I am happy to answer any questions you may have.