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SCHOOL LUNCH PROGRAM

GOVERNMENT

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HEARING BEFORE THE GENERAL SUBCOMMITTEE ON EDUCATION OF THE COMMITTEE ON EDUCATION AND LABOR HOUSE OF REPRESENTATIVES EIGHTY-SEVENTH CONGRESS FIRST SESSION ON

H.R. 4688, H.R. 4764, H.R. 6209, H.R. 8962

BILLS TO AMEND THE NATIONAL SCHOOL LUNCH ACT TO
PROVIDE FOR A MORE EQUITABLE DISTRIBUTION OF THE
FUNDS AVAILABLE UNDER SUCH ACT, AND FOR OTHER
PURPOSES

HEARING HELD IN WASHINGTON, D.C., AUGUST 31, 1961

Printed for the use of the Committee on Education and Labor

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III



SCHOOL LUNCH PROGRAM

THURSDAY, AUGUST 31, 1961

HOUSE OF REPRESENTATIVES,
GENERAL SUBCOMMITTEE ON EDUCATION OF THE
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met, pursuant to call, at 9:45 a.m., in room 429, Old House Office Building, Hon. Cleveland M. Bailey (chairman of the subcommittee) presiding.

Present: Representatives Bailey, Brademas, O'Hara, Quie, and Garland.

Also present: Robert E. McCord, subcommittee staff director.

Mr. BAILEY. The subcommittee will be in order.

The subcommittee has convened today for the purpose of hearing different proposals contained in H.R. 4688, H.R. 4764, H.R. 6209, and with particular reference to H.R. 8962 introduced by a member of the committee, Mr. O'Hara of Michigan.

(The bills referred to follow:)

[H.R. 4688, 87th Cong., 1st sess.]

A BILL To amend the National School Lunch Act to provide for a more equitable distribution of the fund available under such Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the National School Lunch Act (42 U.S.C. 1753) is amended by inserting "(a)" after "Sec. 4," by striking out "Alaska, Territory of Hawaii, Puerto Rico, and the Virgin Islands" and inserting in lieu thereof "the Commonwealth of Puerto Rico, Guam, and the Virgin Islands". Section 4 of the National School Lunch Act is further amended by striking out the third, fourth, fifth, sixth, and seventh sentences thereof and inserting in lieu of such sentences the following new paragraphs:

"(b) Subject to the limitations imposed in subsection (d), apportionment among the States shall be made on the basis of two factors: (1) the participation rate for the State, and (2) the assistance need rate for the State. The amount of the apportionment to any State shall be determined by the following method: First, determine an index for the State by multiplying factors (1) and (2); second, divide this index by the sum of the indices for all the States; and third, apply the figure thus obtained to the total funds to be apportioned: *Provided, however,* That proportionate adjustments shall be made as necessary to provide that the sum available to any State is not less than 5 cents times the participation rate for such State.

"(c) For the purposes of this Act—

"(1) the participation rate of a State shall be the number of type A lunches served by participating schools in such State in the preceding fiscal year, as determined by the Secretary.

"(2) the assistance need rate of each State shall be determined by assigning a value of five to each of the States and by increasing the value of five for each State having an annual per capita income less than the average annual per capita income of all the States by the ratio that the average annual per capita income of each such State bears to the average annual per capita income of all the States, up to a maximum value of nine.

"(3) the per capita income figures used in determining the assistance need rates under this section shall be the average of those certified by the Depart-

ment of Commerce for the latest three years for which such figures are available.

"(4) 'school' means any public or nonprofit private school of high school grade or under and, with respect to Puerto Rico, shall also include nonprofit child-care centers certified as such by the Governor of Puerto Rico.

"(d) In the event that the amount available for apportionment under this section does not exceed an amount equal to 5 cents times the sum of the participation rates for all States, the assistance need rate for each State shall be the rate obtained by dividing the sum of the participation rates for all States into the amount available for apportionment under this section."

SEC. 2. Section 5 of the National School Lunch Act (42 U.S.C. 1754) is amended (1) by striking out "Alaska, Territory of Hawaii, Puerto Rico, and the Virgin Islands" and inserting in lieu thereof "the Commonwealth of Puerto Rico, Guam, and the Virgin Islands".

SEC. 3. Section 6 of the National School Lunch Act (42 U.S.C. 1755) is amended (1) by inserting "(a)" after "Sec. 6", (2) by striking out "for his administrative expenses" and inserting in lieu thereof "for use as provided in subsection (b)", and (3) by adding at the end thereof the following new subsection:

"(b) Two-sevenths of the funds made available for use as provided in this subsection may be granted by the Secretary to State educational agencies which request such funds for use by such agencies in meeting their administrative expenses. The amount which may be granted a State educational agency under this subsection may not exceed an amount which bears the same ratio to the total funds available for distribution under this subsection as that State's apportionment under section 4 for the year bears to the total funds being apportioned. The remainder of such funds may be used by the Secretary for his administrative expenses."

SEC. 4. The first sentence of section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended to read as follows: "Lunches served by schools participating in the school lunch program for which reimbursements are paid under this Act shall meet minimum nutritional requirements prescribed by the Secretary for type A lunches on the basis of tested nutritional research."

SEC. 5. Section 10 of the National School Lunch Act (42 U.S.C. 1759) is amended by striking out "number of children between the ages of five and seventeen, inclusive, attending nonprofit private schools within the State is of the total number of persons of those ages within the State attending school" and inserting in lieu thereof the following: "participation rate for all nonprofit private schools within the State is of the participation rate for the State".

SEC. 6. Section 11(d)(1) of the National School Lunch Act (42 U.S.C. 1760) is amended by striking out "'State' includes any of the forty-eight States and the District of Columbia, Territory of Hawaii, Puerto Rico, Alaska, and the Virgin Islands", and inserting in lieu thereof the following: "'State' includes any of the fifty States and the Commonwealth of Puerto Rico, the District of Columbia, Guam, and the Virgin Islands".

SEC. 7. Section 11(c) of the National School Lunch Act (42 U.S.C. 1760) is amended by inserting after the words "materials of instruction" the words "on any State educational agency or".

SEC. 8. The amendments made by this Act shall take effect July 1, 1961.

[H.R. 4764, 87th Cong., 1st sess.]

A BILL To amend the National School Lunch Act to provide for a more equitable distribution of the funds available under such Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the National School Lunch Act (42 U.S.C. 1753) is amended by inserting "(a)" after "(SEC. 4." by striking out "Alaska, Territory of Hawaii, Puerto Rico, and the Virgin Islands" and inserting in lieu thereof "the Commonwealth of Puerto Rico, Guam, and the Virgin Islands". Section 4 of the National School Lunch Act is further amended by striking out the third, fourth, fifth, sixth, and seventh sentences thereof and inserting in lieu of such sentences the following new paragraphs:

"(b) Subject to the limitations imposed in subsection (d), apportionment among the States shall be made on the basis of two factors: (1) the participation rate for the State, and (2) the assistance need rate for the State. The amount of the apportionment to any State shall be determined by the following method: First, determine an index for the State by multiplying factors (1) and (2); second,

divide this index by the sum of the indices for all the States; and third, apply the figure thus obtained to the total funds to be apportioned: *Provided, however*, That proportionate adjustments shall be made as necessary to provide that the sum available to any State is not less than 5 cents times the participation rate for such State.

"(c) For the purposes of this Act—

"(1) the participation rate of a State shall be the number of type A lunches served by participating schools in such State in the preceding fiscal year, as determined by the Secretary.

"(2) the assistance need rate of each State shall be determined by assigning a value of five to each of the States and by increasing the value of five for each State having an annual per capita income less than the average annual per capita income of all the States by the ratio that the average annual per capita income of each such State bears to the average annual per capita income of all the States, up to a maximum value of nine.

"(3) the per capita income figures used in determining the assistance need rates under this section shall be the average of those certified by the Department of Commerce for the latest three years for which such figures are available.

"(4) 'school' means any public or nonprofit private school of high school grade or under and, with respect to Puerto Rico, shall also include nonprofit child-care centers certified as such by the Governor of Puerto Rico.

"(d) In the event that the amount available for apportionment under this section does not exceed an amount equal to 5 cents times the sum of the participation rates for all States, the assistance need rate for each State shall be the rate obtained by dividing the sum of the participation rates for all States into the amount available for apportionment under this section."

SEC. 2. Section 5 of the National School Lunch Act (42 U.S.C. 1754) is amended (1) by striking out "Alaska, Territory of Hawaii, Puerto Rico, and the Virgin Islands" and inserting in lieu thereof "the Commonwealth of Puerto Rico, Guam, and the Virgin Islands".

SEC. 3. Section 6 of the National School Lunch Act (42 U.S.C. 1755) is amended (1) by inserting "(a)" after "Sec. 6", (2) by striking out "for his administrative expenses" and inserting in lieu thereof "for use as provided in subsection (b)", and (3) by adding at the end thereof the following new subsection:

"(b) Two-sevenths of the funds made available for use as provided in this subsection may be granted by the Secretary to State educational agencies which request such funds for use by such agencies in meeting their administrative expenses. The amount which may be granted a State educational agency under this subsection may not exceed an amount which bears the same ratio to the total funds available for distribution under this subsection as that State's apportionment under section 4 for the year bears to the total funds being apportioned. The remainder of such funds may be used by the Secretary for his administrative expenses."

SEC. 4. The first sentence of section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended to read as follows: "Lunches served by schools participating in the school lunch program for which reimbursements are paid under this Act shall meet minimum nutritional requirements prescribed by the Secretary for type A lunches on the basis of tested nutritional research."

SEC. 5. Section 10 of the National School Lunch Act (42 U.S.C. 1759) is amended by striking out "number of children between the ages of five and seventeen, inclusive, attending nonprofit private schools within the State is of the total number of persons of those ages within the State attending school" and inserting in lieu thereof the following: "participation rate for all nonprofit private schools within the State is of the participation rate for the State".

SEC. 6. Section 11(d)(1) of the National School Lunch Act (42 U.S.C. 1760) is amended by striking out "'State' includes any of the forty-eight States and the District of Columbia, Territory of Hawaii, Puerto Rico, Alaska, and the Virgin Islands", and inserting in lieu thereof the following: "'State' includes any of the fifty States and the Commonwealth of Puerto Rico, the District of Columbia, Guam, and the Virgin Islands".

SEC. 7. Section 11(c) of the National School Lunch Act (42 U.S.C. 1760) is amended by inserting after the words "materials of instruction" the words "on any State educational agency or".

SEC. 8. The amendments made by this Act shall take effect July 1, 1961.

[H.R. 6209, 87th Cong., 1st sess.]

A BILL To provide additional funds for carrying out the National School Lunch Act in the fiscal year 1961

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized to utilize from funds of the Commodity Credit Corporation an amount not to exceed \$10,000,000 for the purpose of carrying out the provisions of the National School Lunch Act (42 U.S.C. 1751-1760) during the remainder of the fiscal year 1961. Such sums shall be in addition to any funds heretofore appropriated for carrying out such Act in the fiscal year 1961.

SEC. 2. There is hereby authorized to be appropriated to the Commodity Credit Corporation an amount equal to the amount utilized by the Secretary of Agriculture pursuant to the provisions of the first section of this Act.

[H.R. 8962, 87th Cong., 1st sess.]

A BILL To revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National School Lunch Act of 1946, as amended, is amended by revising section 3 to read as follows:

"(a) For each fiscal year there is hereby authorized to be appropriated, out of money in the Treasury not otherwise appropriated, such sums as may be necessary to enable the Secretary of Agriculture (hereinafter referred to as 'the Secretary') to carry out the provisions of this Act other than section 11.

"(b) For each fiscal year there is hereby authorized to be appropriated in addition to the sums authorized in subsection (a) above, out of money in the Treasury not otherwise appropriated, such sums as may be necessary to enable the Secretary to carry out the provisions of section 11 of this Act."

SEC. 2. Section 4 of the Act is revised to read as follows: "The sums appropriated for any fiscal year pursuant to the authorization contained in section 3(a) of this Act, excluding the sum specified in section 5, shall be available to the Secretary for supplying agricultural commodities and other foods for the program in accordance with the provisions of this Act. The Secretary shall apportion among the States during each fiscal year not less than 75 per centum of the funds made available for such year for supplying agricultural commodities and other foods under the provisions of section 3(a) of this Act. Apportionment among the States shall be made on the basis of two factors: (1) the participation rate for the State, and (2) the assistance need rate for the State. The amount of apportionment to any State shall be determined by the following method: First, determine an index for the State by multiplying factors (1) and (2); second, divide this index by the sum of the indices for all the States; and third, apply the figure thus obtained to the total funds to be apportioned. If any State cannot utilize all funds so apportioned to it, or if additional funds are made available under section 3(a) for apportionment among the States, the Secretary shall make further apportionments to the remaining States in the same manner. Notwithstanding the foregoing provisions of this section, for the fiscal year ending June 30, 1962, one-half of the funds available for apportionment among the States shall be apportioned on the basis of the factors used prior to such fiscal year, and one-half of such funds, and any funds available for further apportionments, shall be apportioned in accordance with the foregoing provisions."

SEC. 3. Section 5 of the Act is amended by striking out the last sentence thereof.

SEC. 4. Section 10 of the Act is amended by striking out "number of children between the ages of five and seventeen, inclusive, attending nonprofit private schools within the State is of the total number of persons of those ages within the State attending school" and inserting in lieu thereof the following: "participation rate for all nonprofit private schools within the State is of the participation rate for the State".

SEC. 5. Section 11 of the Act is redesignated as section 12 and subsection (d) thereof is amended to read as follows:

"For the purposes of this Act—

"(1) 'State' means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.

"(2) 'State educational agency' means, as the State legislature may determine, (a) the chief State school officer (such as the State superintendent

of public instruction, commissioner of education, or similar officer), or (b) a board of education controlling the State department of education.

"(3) 'Nonprofit private school' means any private school exempt from income tax under section 101(6) of the Internal Revenue Code, as amended.

"(4) 'Nonfood assistance' means equipment used by schools in storing, preparing, or serving food for school children.

"(5) 'Participation rate' means the number of lunches, meeting the minimum requirements of the type of lunch for which the maximum rate of reimbursement is authorized by the Secretary, served by participating schools in each State in the preceding fiscal year, as determined by the Secretary.

"(6) 'Assistance need rate' means that rate determined by assigning a value of five for each State having an annual per capita income less than the average annual per capita income of all the States by the ratio that the average annual per capita income of all the States bears to the per capita income of said State, up to a maximum value of nine. The per capita income figures shall be the average of those certified by the Department of Commerce for the latest three years for which such figures are available.

"(7) 'School' means any public or nonprofit private school of high school grade or under and, with respect to Puerto Rico, shall also include nonprofit child-care centers certified as such by the Governor of Puerto Rico."

SEC. 6. The following language is inserted after section 10 of the Act:

"SPECIAL ASSISTANCE

"Sec. 11. The sums appropriated pursuant to section 3(b) of this Act shall be used by the Secretary, under such terms and conditions as he deems to be in the public interest, to provide special assistance to needy schools for the purpose of helping them to meet the requirements established in this Act concerning the service of lunches to children unable to pay the full cost of the lunch."

SEC. 7. These amendments shall become effective July 1, 1961.

Mr. BAILEY. The general chairman having called a caucus in this room at 11 o'clock, we shall be hard put for time to conclude the hearing, so I trust all witnesses will understand that there is a time limit.

Without any further delay we shall hear from the first witness, Mr. Howard P. Davis, Deputy Director, Food Distribution Division, Agricultural Marketing Service, Department of Agriculture. Mr. Davis.

Mr. McCORD. Before Mr. Davis takes the stand, Mr. Chairman, might we have the permission of the committee to submit for the record, preceding Mr. Davis' testimony, a letter from Secretary of Agriculture Orville L. Freeman, addressed to you, transmitting a draft copy of the bill which Mr. O'Hara has introduced, together with the Department's section-by-section explanation of the bill.

Mr. BAILEY. If there is no objection, it will be accepted for inclusion in the record.

(The documents referred to follow:)

DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 12, 1961.

HON. CLEVELAND M. BAILEY,
Chairman, General Subcommittee on Education, Committee on Education and Labor,
House of Representatives.

DEAR CONGRESSMAN BAILEY: The attached bill incorporates the principles outlined in the school lunch recommendations which were included in the President's farm message to the Congress (H. Doc. No. 109). We believe it will also meet the objectives outlined in your letter of February 17, 1961.

The bill incorporates the factor of participation into the formula for apportioning cash assistance funds among the States and provides for a transition period of 1 year before the new formula would become fully effective. A new section would be added to the National School Lunch Act which would provide for an additional appropriation of funds to provide special help to especially needy

schools. Also, the bill provides that, where it is necessary to initially divide a State's share of the total apportionment between public and private schools, the division should be based upon a participation factor. This was the method authorized in H.R. 13016, 86th Congress.

The bill provides that funds shall be apportioned among the States on the basis of the number of lunches served in each State in the preceding year, with the lower income States receiving relatively more per meal than average or above-average-income States. This is accomplished by applying a value of 5 to each lunch served in average or above-average-income States and a higher value (up to 9) in below-average-income States. At any appropriation level, therefore, the minimum rate assigned to any State would be the rate assigned to the average-income State. The minimum rate in any year would depend upon the amount made available for apportionment to the States in that year.

The bill provides for considerable administrative flexibility in developing the new program for especially needy schools. However, the percentage of free meals served to needy children would be one of the principal criteria for selecting the schools to receive such assistance.

The Bureau of the Budget advises that the enactment of this proposed legislation would be in accord with the President's program.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

EXPLANATION OF THE BILL

This bill amends the National School Lunch Act in two principal respects: (1) It revises the method by which cash assistance funds are apportioned among the States and (2) it provides for a new appropriation authority in order to give additional assistance to especially needy schools. Most of these schools are located in economically depressed urban and rural areas.

The following is an explanation of each section of the bill:

Section 1: This section amends the appropriation authority in section 3 of the act. It adds a new authority to provide an additional annual appropriation to be used to help especially needy schools.

Section 2: This section revises the formula prescribed in section 4 of the act for the apportionment of cash assistance funds among the States.

The act now provides that the apportionment shall be based upon the number of school-age children in each State and the State's need for assistance as measured by its per capita income. This bill recognizes that the percentage of school-children actually participating in the programs varies considerably from State to State.

The bill provides that the number of lunches meeting the minimum requirements of what is now referred to as the "type A" lunch, served in each State during the preceding year, shall be a basis for the apportionment of funds, rather than the number of school-age children residing in each State. The milk-only or "type C" lunch is excluded in counting the number of lunches served. Relative need is taken into account by applying a value of 5 to each lunch served in those States with average or above-average per capita incomes and by increasing that value (up to a maximum of 9) for States with a per capita income below the national average.

For the fiscal year 1962, a transition period is provided. In that year, one-half of the funds made available for apportionment would be apportioned on the basis of the method now in effect and one-half of the amount would be apportioned under the new method proposed in this bill.

Section 3: This section amends section 5 of the act to provide for the same method of apportioning funds made available for nonfood (equipment) assistance as is provided in this bill for cash food assistance. (Congress has not appropriated funds for nonfood assistance since 1946-47).

Section 4: This section revises the method outlined in section 10 of the act for dividing the State's share of the cash assistance funds between public and private schools, when such a division is necessary because State statutes prevent the State agency from disbursing funds to private schools. The bill provides that the division shall be made on the basis of the number of type A lunches served in each type of school in the preceding year, resulting in the same average per meal rate in both public and private schools.

Section 5: This section amends section 11 of the act which is concerned with miscellaneous requirements and definitions. Section 11 is redesignated as section 12 and the definitions are revised and enlarged to add to the clarity of the act.

Section 6: This section adds a new provision to the act. It authorizes the Secretary of Agriculture to establish the terms and conditions under which additional assistance is to be provided to needy schools. Although the language provides considerable latitude to the Secretary in determining the schools eligible for such assistance, it is intended that the percentage of lunches served free to needy children should be one of the principal criteria.

STATEMENT OF HOWARD P. DAVIS, DEPUTY DIRECTOR, FOOD DISTRIBUTION DIVISION, AGRICULTURAL MARKETING SERVICE, DEPARTMENT OF AGRICULTURE

Mr. DAVIS. I am Howard P. Davis, Deputy Director of the Food Distribution Division, Agricultural Marketing Service, U.S. Department of Agriculture.

Our Division has the responsibility for administering the school lunch program among some other food distribution programs.

Mr. Chairman, I have a statement which I would like to make to the committee. I could read it or submit it in the interests of time, whichever you would prefer.

Mr. BAILEY. I would suggest that it be offered now for inclusion in the record in its entirety, and you take whatever time you need to touch the high points of your proposal.

(Mr. Davis' statement follows:)

STATEMENT OF HOWARD P. DAVIS, DEPUTY DIRECTOR, FOOD DISTRIBUTION DIVISION, AGRICULTURAL MARKETING SERVICE

We are pleased to appear again before this subcommittee to discuss changes in the National School Lunch Act. The changes proposed in the bill now under consideration meet with the approval of the Department.

At a hearing in August of last year before this subcommittee, we presented a detailed description of the origin and progress of the national school lunch program, together with a review of the principal feature of the enabling legislation. With that background, we feel we can begin today with a brief review of the current status of the program. (Also, in table I, selected program statistics are shown for 1946-47—the first year of operations under the act—and for 1960-61.)

Last year, 13.5 million children were participating in the program. This represents about 32 percent of the children enrolled in elementary and secondary schools. Almost 2.3 billion lunches were served to these children and 1 out of 10 of these lunches were served free or at reduced prices to children who could not afford to pay the full price of the lunch.

The total cost of the program last year was in excess of \$1 billion. The Federal contribution—in cash and commodity food assistance—totaled \$225 million. The remainder of the cost was financed by State and local sources, including the payments children made for their lunches.

The amount of Federal cash and commodity food assistance will be larger this year than in 1960-61. I should like to outline for you the amounts and sources of this assistance:

	Fiscal year 1961-62 (millions)
Appropriation:	
Cash food assistance.....	\$98. 6
Sec. 6 commodities.....	14. 4
Special commodity funds:	
Transfer from sec. 32.....	45. 0
Additional sec. 6 funds.....	10. 0
Sec. 32 and sec. 416 donations: Estimated cost.....	100. 0
Grand total.....	268. 0

With respect to the additional \$10 million made available for section 6 commodity purchases, the Congress authorized that up to \$2½ million can be used to inaugurate a program of special assistance to "needy schools which because of poor local economic conditions (1) have not been operating a school lunch program or (2) have been serving free or at substantially reduced prices at least 20 percent of the lunches to children."

The bill before this subcommittee is primarily concerned with a new formula for apportioning cash food assistance funds among the States and territories and with the addition of a new section to the National School Lunch Act which would authorize a program of special assistance for especially needy schools. Also involved is a new method of dividing a State's share of the total cash assistance funds between public and private schools in any State where State law is such as to make it necessary for the U.S. Department of Agriculture to administer the lunch program in private schools.

Federal cash assistance funds are used to help participating schools make local purchase of food for the lunch program.

Basically, the bill before this subcommittee is a modification of the two bills—sponsored by Chairman Bailey and Congressman Brademas—on which hearings were held last August. Following those hearings, Chairman Bailey requested the technical assistance of the Department in drafting a bill for the subcommittee which would accomplish the following:

1. Base the allocation formula on the rate of participation;
2. Provide for a minimum reimbursement rate for all States;
3. Set up a "need formula";
4. Revise the method of dividing funds between public and private schools; and
5. Add a new section or title providing for an additional authorization to assist those districts where, because of depressed economic conditions, it was necessary to serve an unusually large number of free lunches or where the price of the lunch is greatly reduced.

We felt the bill, as drafted for the subcommittee, was in line with the President's school lunch recommendations contained in his farm message to the Congress. It was subsequently submitted to the subcommittee with the approval of the Department and with advice from the Bureau of the Budget that the proposed legislation was in accord with the President's program. The Department did, however, recommend that a 1-year transition period be provided in order to assist in an orderly change between the old and new method of apportioning cash assistance funds. This provision is included in the bill now being considered.

The National School Lunch Act now prescribes the formula under which these cash assistance funds shall be apportioned among the States and territories. The formula involves two factors: (1) The school-age population in each State (a measure of the maximum potential size of the program) and (2) the relationship of each State's per capita income to national per capita income (a measure of the relative need of the various States for Federal assistance). The act provides that States shall use these funds to reimburse participating schools on the basis of the number of lunches served. The maximum allowable payment of 9 cents for a type A lunch has been established by Department regulation. In 1961-62, it is estimated that the national average Federal cash assistance rate will be 4.2 cents.

Because the program has grown faster in some States than in others, in actual practice the average per-meal rates of cash assistance any State is able to provide to its participating schools tends to be related more to the rate of program growth than to need, as measured by the per capita income of a State. Thus, a higher income State with below average participation may be able to provide its schools with a higher average per-meal payment than can a lower income State with above average participation. The first column of table II illustrates the effect of the current formula. States are ranked by income, from the highest to the lowest, together with the probable average per-meal rates of assistance that can be provided to schools by the various States this school year.

Likewise, the act now provides that when a State's share of the cash assistance funds must be divided between the public and private schools, such a division be based upon the relative number of children attending school in each type of school within the State. Here, too, variations in the rate of school lunch growth can result in differences within a State in the average rate of payment than can be provided to public schools by the State and to private schools by the Department. (This is a problem, of course, only in those States where it is necessary for the Department to administer the program in private schools.)

The bill before the subcommittee would take differences in the rate of program growth into account by introducing the factor of participation into the apportionment formula. The cash assistance funds would be apportioned among the States on the basis of the number of type A lunches served in each State in the preceding year, with below-average income States receiving relatively more assistance per meal than average or above-average income States.

In the proposed formula, the lower income States would be provided with a larger per meal allowance by applying a value of 5 to each lunch served in average or above-average income States and a higher value (up to a maximum of 9) in below-average income States. In table II there is shown the resulting per meal payments that would have been provided for 1962 under a total cash assistance fund of \$98.6 million, \$118.6 million, and \$139.9 million. (Table III shows the same data in dollar amounts.)

As table II illustrates, the minimum rate assigned to any State under the proposed formula is the rate assigned to the average income State. Also, the minimum rate in any year would depend upon the amount of funds made available by the Congress for apportionment to the States in that year. In 1961-62—referring again to table II—the minimum rate would be 3.5 cents at \$98.6 million, 4.2 cents at \$118.6 million, and 5 cents at \$139.9 million.

The same factor of participation—as measured by the number of type A meals served in the preceding year—would be used to divide funds between public and private schools within a State whenever such a division is necessary. This would result in the same average per meal rates of assistance for public and private schools, in those States in which the program in private schools, because of State law, is directly administered by the U.S. Department of Agriculture.

We have, as previously indicated, provided for a 1-year transition from the old to the new apportionment formula. For the first year, half of the cash assistance funds would be apportioned under the old formula and half under the new method. For the second year, the new formula would be fully effective. Table IV shows the possible apportionments to States under the current and proposed formula during the transition period.

One additional technical change is provided in the bill. Currently, the income factor is measured by the per capita income figures for the latest year that can be certified by the Department of Commerce. This bill provides that a 3-year moving average of per capita shall be used in the apportionment formula, using the latest 3 years available from Commerce. This change will help eliminate abrupt year-to-year changes that now may occur in a State's share of the available funds and, thus, help in the more orderly development of the program.

We feel that these changes are desirable in order to correct inequities that have developed, since 1947, in the application of the present apportionment formula. Currently, those States which have been most successful in extending the program to more schools and to more children have found themselves in the position of having to spread available cash funds thinner and thinner as the number of type A lunches steadily increased. This necessarily has served to impede further development of the program. We believe the proposed formula will provide an equitable basis for the division of the amount of cash assistance funds that the Congress annually will make available under the regular appropriation process.

The new section of the bill would authorize a specific annual appropriation under the act to provide special assistance to especially needy schools. This, of course, was one of the provisions originally requested by the subcommittee. We believe, also, that it would be a valuable addition to the enabling legislation.

We have become increasingly aware of the need to make some special provisions for those communities and those children that are least able to take advantage of the school lunch program. Under this bill, considerable administrative flexibility would be provided to the Department in developing the new program. We feel this is necessary. Also, we will gain considerable experience this year in administering the \$2½ million commodity fund that has been provided by the Congress for this purpose in the Department's 1961-62 appropriation bill.

Finally, the Department recommends a further addition to the bill in order to extend the school lunch program to American Samoa. Such an extension was recommended by the study mission to Eastern (American) Samoa, which was established pursuant to Senate Resolution 330, 86th Congress.

Almost 7,000 children are enrolled in elementary and secondary public and private schools in American Samoa. Development of the lunch program there may be slow and any rapid progress will probably depend upon the provision of

more adequate school facilities. Nonetheless, a beginning could be planned once Federal assistance was available.

Because of the absence of a participation record, special provision would need to be made for an allotment of funds to American Samoa under the proposed bill. It is recommended that for each of the 5 fiscal years following the revision in the formula, an initial reserve of up to \$25,000 be established for American Samoa. Thereafter, American Samoa would receive funds based upon actual participation. We are prepared to submit to the subcommittee language for an appropriate change in the language of the bill to accomplish this recommendation.

We appreciate the opportunity to make this statement and will be glad to answer any questions you may have.

TABLE I.—*Selected program statistics, fiscal years 1947 and 1961*

	Fiscal year 1947	Fiscal year 1961 prelim- inary
1. Total school enrollment (including territories).....	26, 606, 077	42, 204, 978
2. Participation:		
(a) Number of schools.....	34, 144	63, 961
(b) Number of children.....	4, 545, 129	13, 453, 410
(c) Number of children as a percent of total enrollment.....	17	31. 9
3. Local food purchases by schools.....	\$128, 648, 278	\$575, 000, 000
4. Total cost of program:		
A. Federal contribution:		
(a) Cash payments to States.....	¹ 59, 896, 235	93, 746, 304
(b) Sec. 6 procurement.....	5, 735, 269	59, 634, 000
(c) Surplus commodities.....	2, 312, 479	71, 700, 000
(d) Administration.....	2, 075, 000	1, 766, 000
Total, Federal.....	70, 018, 983	226, 846, 304
B. State contributions:		
(a) Children's payments.....	112, 540, 000	610, 000, 000
(b) State and local government.....	20, 616, 000	110, 000, 000
(c) Other local.....	17, 532, 000	140, 000, 000
Total, State.....	150, 688, 000	860, 000, 000
C. Grand total, cost of program.....	¹ 220, 706, 983	1, 086, 846, 304

¹ Does not include \$9,702,990 for equipment.

TABLE II.—Average per meal rate of assistance under present formula for apportionment and under proposed formula

[Cents]

State ¹	With a cash assistance fund of— ²			
	\$98,600,000		\$118,600,000	\$139,900,000
	Present method	Proposed method	Proposed method	Proposed method
Delaware.....	3.0	3.5	4.2	5.0
District of Columbia.....	8.5	3.5	4.2	5.0
Connecticut.....	3.9	3.5	4.2	5.0
Nevada.....	4.9	3.5	4.2	5.0
New York.....	3.4	3.5	4.2	5.0
California.....	5.0	3.5	4.2	5.0
Alaska.....	5.4	3.5	4.2	5.0
New Jersey.....	6.8	3.5	4.2	5.0
Illinois.....	4.6	3.5	4.2	5.0
Massachusetts.....	3.8	3.5	4.2	5.0
Maryland.....	4.2	3.5	4.2	5.0
Ohio.....	4.3	3.5	4.2	5.0
Michigan.....	5.6	3.5	4.2	5.0
Washington.....	3.7	3.5	4.2	5.0
Colorado.....	3.3	3.5	4.2	5.0
Pennsylvania.....	4.9	3.5	4.2	5.0
Oregon.....	3.4	3.5	4.2	5.0
Wyoming.....	3.3	3.5	4.2	5.0
Missouri.....	3.0	3.5	4.2	5.0
Rhode Island.....	7.9	3.6	4.3	5.1
Indiana.....	3.8	3.6	4.3	5.1
Hawaii.....	1.9	3.7	4.4	5.2
Wisconsin.....	4.3	3.7	4.4	5.2
Nebraska.....	3.9	3.7	4.5	5.3
New Hampshire.....	4.4	3.8	4.6	5.4
Minnesota.....	3.1	3.8	4.6	5.3
Kansas.....	3.7	3.8	4.6	5.4
Montana.....	5.3	3.8	4.6	5.4
Arizona.....	3.9	3.9	4.7	5.6
Iowa.....	2.9	3.9	4.7	5.6
Guam.....	5.4	4.0	4.8	5.7
Florida.....	3.0	4.0	4.8	5.7
Texas.....	5.8	4.0	4.8	5.7
Utah.....	3.8	4.1	4.9	5.8
Maine.....	4.6	4.2	5.1	6.0
Vermont.....	5.9	4.2	5.1	6.0
Virginia.....	3.9	4.2	5.1	6.0
Oklahoma.....	4.1	4.2	5.1	6.0
Idaho.....	4.3	4.2	5.1	6.0
New Mexico.....	4.6	4.3	5.2	6.1
South Dakota.....	5.1	4.4	5.3	6.3
North Dakota.....	3.4	4.4	5.3	6.3
West Virginia.....	5.2	4.7	5.6	6.6
Louisiana.....	2.6	4.7	5.7	6.7
Georgia.....	3.3	4.9	5.9	7.0
North Carolina.....	3.4	5.1	6.1	7.2
Tennessee.....	4.5	5.1	6.1	7.2
Kentucky.....	4.0	5.1	6.1	7.2
Alabama.....	4.6	5.4	6.4	7.6
South Carolina.....	3.9	5.7	6.9	8.1
Arkansas.....	4.5	5.8	7.0	8.3
Mississippi.....	5.2	6.3	7.6	9.0
Virgin Islands.....	3.7	6.3	7.6	9.0
Puerto Rico.....	8.1	6.3	7.6	9.0
U.S. total.....	4.2	4.2	5.0	5.9

¹ States ranked in order from highest to lowest per capita income average for latest 3 years: 1958, 1959, 1960.² Based on estimated meals in fiscal year 1962.

TABLE III.—*Payments to States under present formula for apportionment and under proposed formula*

[Thousands of dollars]

State ¹	With a cash assistance fund of—			
	\$98,600,000		\$118,600,000 \$139,900,000	
	Present method	Proposed method	Proposed method	Proposed method
Delaware.....	159	186	224	264
District of Columbia.....	215	89	108	126
Connecticut.....	926	833	1,002	1,182
Nevada.....	106	76	92	108
New York.....	5,834	6,070	7,302	8,614
California.....	6,143	4,376	5,263	6,209
Alaska.....	92	60	72	84
New Jersey.....	2,325	1,209	1,454	1,716
Illinois.....	3,977	3,079	3,704	4,369
Massachusetts.....	2,079	1,935	2,327	2,745
Maryland.....	1,455	1,222	1,470	1,734
Ohio.....	4,569	3,738	4,496	5,304
Michigan.....	3,858	2,423	2,015	3,438
Washington.....	1,392	1,330	1,600	1,887
Colorado.....	873	926	1,114	1,314
Pennsylvania.....	5,257	3,757	4,519	5,332
Oregon.....	893	938	1,128	1,331
Wyoming.....	175	191	230	270
Missouri.....	2,049	2,376	2,858	3,372
Rhode Island.....	395	180	217	256
Indiana.....	2,402	2,295	2,760	3,256
Hawaii.....	354	677	815	961
Wisconsin.....	2,063	1,765	2,124	2,505
Nebraska.....	734	714	859	1,013
New Hampshire.....	313	269	323	381
Minnesota.....	1,910	2,349	2,825	3,333
Kansas.....	1,161	1,185	1,426	1,681
Montana.....	406	291	350	412
Arizona.....	807	822	989	1,668
Iowa.....	1,667	2,078	2,499	12,94
Guam.....	72	54	65	76
Florida.....	2,671	3,605	4,336	5,115
Texas.....	5,820	4,077	4,904	5,785
Utah.....	604	650	782	922
Maine.....	580	532	640	755
Vermont.....	237	172	207	243
Virginia.....	2,460	2,663	3,203	3,779
Oklahoma.....	1,406	1,448	1,742	2,055
Idaho.....	465	460	553	652
New Mexico.....	697	659	792	934
South Dakota.....	426	372	447	527
North Dakota.....	430	559	672	792
West Virginia.....	1,366	1,236	1,487	1,754
Louisiana.....	2,501	4,491	5,402	6,373
Georgia.....	2,988	4,485	5,394	6,364
North Carolina.....	3,598	5,364	6,452	7,611
Tennessee.....	2,686	3,044	3,661	4,319
Kentucky.....	2,342	2,966	3,567	4,208
Alabama.....	2,779	3,241	3,898	4,599
South Carolina.....	2,270	3,343	4,021	4,743
Arkansas.....	1,582	2,053	2,469	2,913
Mississippi.....	2,403	2,966	3,568	4,209
Virgin Islands.....	38	64	77	91
Puerto Rico.....	3,690	2,657	3,196	3,770
U.S. total.....	98,600	98,600	118,600	139,900

¹ States ranked in order from highest to lowest per capita income average for latest 3 years: 1958, 1959, 1960.

TABLE IV.—*Payments to States under present formula for apportionment and under proposed formula during transition period*¹

[Thousands of dollars]

State ²	With a cash assistance fund of—			
	\$98,600,000		\$118,600,000 \$139,900,000	
	Present method	Proposed method	Proposed method	Proposed method
Delaware.....	159	172	208	245
District of Columbia.....	215	152	183	216
Connecticut.....	926	879	1,058	1,248
Nevada.....	106	91	110	130
New York.....	5,834	5,952	7,160	8,445
California.....	6,143	5,259	6,326	7,462
Alaska.....	92	76	91	107
New Jersey.....	2,325	1,767	2,125	2,507
Illinois.....	3,977	3,528	4,244	5,006
Massachusetts.....	2,079	2,007	2,414	2,848
Maryland.....	1,455	1,339	1,610	1,899
Ohio.....	4,569	4,154	4,996	5,894
Michigan.....	3,858	3,140	3,778	4,456
Washington.....	1,392	1,361	1,637	1,931
Colorado.....	873	900	1,082	1,277
Pennsylvania.....	5,257	4,507	5,421	6,395
Oregon.....	893	916	1,101	1,299
Wyoming.....	175	183	220	260
Missouri.....	2,049	2,212	2,661	3,139
Rhode Island.....	395	288	346	408
Indiana.....	2,402	2,349	2,825	3,332
Hawaii.....	354	516	620	732
Wisconsin.....	2,063	1,914	2,303	2,716
Nebraska.....	734	724	871	1,027
New Hampshire.....	313	291	350	412
Minnesota.....	1,910	2,129	2,561	3,021
Kansas.....	1,161	1,173	1,411	1,665
Montana.....	406	348	419	494
Arizona.....	807	815	980	1,156
Iowa.....	1,567	1,822	2,192	2,585
Guam.....	72	63	76	90
Florida.....	2,671	3,138	3,774	4,452
Texas.....	5,820	4,949	5,952	7,021
Utah.....	604	627	754	889
Maine.....	580	556	669	789
Vermont.....	237	205	246	290
Virginia.....	2,460	2,562	3,081	3,635
Oklahoma.....	1,406	1,427	1,717	2,025
Idaho.....	465	462	556	656
New Mexico.....	697	678	815	962
South Dakota.....	426	399	480	566
North Dakota.....	430	494	595	701
West Virginia.....	1,366	1,301	1,565	1,846
Louisiana.....	2,501	3,496	4,205	4,960
Georgia.....	2,988	3,736	4,494	5,301
North Carolina.....	3,598	4,481	5,390	6,358
Tennessee.....	2,686	2,865	3,446	4,065
Kentucky.....	2,342	2,654	3,192	3,766
Alabama.....	2,779	3,010	3,621	4,271
South Carolina.....	2,270	2,806	3,376	3,982
Arkansas.....	1,582	1,818	2,186	2,579
Mississippi.....	2,403	2,685	3,229	3,809
Virgin Islands.....	38	51	61	72
Puerto Rico.....	3,690	3,173	3,817	4,503
U.S. total.....	98,600	98,600	118,600	139,900

¹ Represents an apportionment of funds, $\frac{1}{2}$ under the present formula and $\frac{1}{2}$ under the proposed formula.² States ranked in order from highest to lowest per capita income average for latest 3 years: 1958, 1959, 1960.

Mr. DAVIS. Essentially, this bill is of course designed to provide a more equitable apportionment of the school lunch funds among the States. To do that, we feel that we have outgrown the previous legislation which provided for that apportionment on the basis of child population plus relative per capita income of the States. At this point it would be much more equitable to apportion the money among the States, as provided in the bill, on the basis of actual participation in the program plus the relative need of the State.

By apportioning it on the basis of the actual participation in the program, we feel that we are giving recognition to those areas that have made greater progress in extending the school lunch to more children rather than, under the old formula, penalizing them by forcing them to divide their money among more children.

The new bill would provide the money on the basis of the number of children among whom the money would be divided in reimbursement payments for lunches.

Essentially, that is what this bill does.

In order to minimize the impact of certain changes this bill will bring about in the amount of money the several States will get the first year, we would like to provide an interim arrangement whereby the new formula would be applied toward half the total available funds, and the old formula to the other half.

The other basic feature of the bill would make provision for use of part of the appropriation for special assistance to especially needy schools throughout the country. In working with the formula, trying to develop the new formula, we found that, regardless of the method we used for apportioning the money, there still remained the problem of some very needy school that would not receive enough to provide free meals or reduced-cost meals to all the children who needed it. The bill provides for some special assistance funds out of the annual appropriations.

The formula is so designed that for those States at or above the average per capita income for the Nation, there will be a certain minimum amount of money based on participation, and those States which are under the national average will get varying amounts based on the need of the State.

I believe that is about all I would need to say at this point, Mr. Chairman. I would be glad to answer any questions the committee might have.

Mr. BAILEY. I would suggest that the witness review briefly the status of the School Lunch Act at the present time. I notice you deal with it on the first page of your formal presentation. Give us a little résumé of that.

Mr. DAVIS. Our estimates for the current fiscal year are that the average payment per meal will probably run about 4.2 cents. This is based upon an increased appropriation this year which will provide cash assistance, to be apportioned among the States, of \$98.6 million. In addition to that, the current appropriation will provide for \$14.4 million for special purchases as provided in the act. In addition, the Congress added to the original appropriation \$10 million additional for food purchases under section 6 of the act. Further, they provided for \$45 million to be transferred from section 32, also for direct purchases of food to be distributed to the States.

This, of course, is all in addition to the commodities which will be made available to the schools as a result of surplus removal purchases and our price-support program. Our present estimate is that this quantity will represent a cost of about \$100 million, or in total the Federal assistance will run to \$268 million. We estimate approximately 13½ million children will participate this year, and this represents, I believe, somewhat more than 31 percent of the school enrollment.

Mr. BAILEY. I note the comments on page 2 of your presentation with respect to the additional \$10 million made available for section 6 commodity purposes. Is the \$2½ million in addition to the \$14.4 million, or is that included in the \$14.4 million in your breakdown?

Mr. DAVIS. No, sir; that is included in the \$10 million additional which I mentioned, which was made available for direct purchases this year. There was quite a bit of legislative history to that \$10 million. As I recall, in the House appropriations bill, I believe they added \$10 million in cash to be used for special assistance. When the Senate reported the bill out, they deleted the \$10 million. In conference they put the \$10 million back in, but made the \$10 million available not as cash but for the purpose of purchasing food nationally and shipping it out to the schools, with the further provision that up to \$2½ million of that \$10 million could be used to make purchases to be used for special assistance for especially needy schools.

Mr. BAILEY. Will you go into that somewhat in detail, stating the purpose of that program.

Mr. DAVIS. We have not yet worked out all of the program details, just how the \$2½ million will be expended. However, we had a group of representative State directors, both our direct distribution program and our school lunch program, in Washington last week to give us their best suggestions on how we might go about using this \$2½ million worth of commodities to aid these particularly needy schools. As a result of that, they recommended that perhaps our first priority or our first aim should be in the nature of special purchases which would enable schools which do not now have a school lunch program to initiate one.

Mr. BAILEY. May I interrupt to inquire how many of the States do not have a program?

Mr. DAVIS. All of the States have the school lunch program. Actually, the school lunch program is available in schools which represent about two-thirds of the Nation's enrollment. About half of those two-thirds actually participate in the program, on the average. Of course, many of those children participate part of the time during the year. All of the States have the national school lunch program, including Puerto Rico, the Virgin Islands, and Guam. They all have tried to provide, to the extent they were able, for free lunches for those children who could not afford them. However, as you well know, in certain sections of certain States there are areas which are in extremely difficult economic condition, and their requirement for free meals is so great that some schools just cannot afford a program at all.

Mr. BAILEY. I think that is the situation in my State particularly.

Mr. DAVIS. In many areas; yes, sir.

Mr. BAILEY. There are too many free meals involved.

Mr. DAVIS. We requested cash to attempt to meet this problem over and above the regular school lunch program. With the com-

modities we will try to carry out the same aim. This probably will take the nature of, let us say, special purchases which would enable a school with no equipment to serve at least a bag lunch, always remembering that we would try in all instances to enable the school to serve a lunch which would meet the same nutrition requirements as the regular lunch, but it might be served in a little different form. Through the assistance we might give with those special purchases, it would be possible; whereas it might not be possible with the commodities we already have available.

Mr. BAILEY. Have you some questions, Mr. Brademas?

Mr. BRADEMAs. No questions, Mr. Chairman.

Mr. BAILEY. Mr. Quie.

Mr. QUIE. Mr. Davis, will you tell me what section 416 donations are? I have forgotten.

Mr. DAVIS. Section 416 is a section of the Agricultural Act of 1949 which has since been incorporated in Public Law 480 in title III and further amended many times. It is the authority under which the Commodity Credit Corporation, when the inventory stocks which it has acquired under the price support program cannot be sold back into the market without disrupting the market, may donate the commodities, first to schools, institutions, and needy families in this country, and then this is also the authority under which we donate through the U.S. voluntary agencies to needy persons overseas.

Mr. QUIE. This is the same program by which we donate to welfare agencies?

Mr. DAVIS. Yes, sir.

Mr. QUIE. It goes first to school lunches, and then to welfare agencies in this country?

Mr. DAVIS. Yes, sir; that is correct. Of course, the commodities donated under this authority are just those for which there is a price support program, such as dairy products. We acquire flour, cornmeal, rice, and a number of other commodities under this section 416 authority. For the perishable groups, those not under price support, if the market conditions warrant, we use section 32 money for surplus removal purchases. Commodities so acquired are also distributed to the schools, and then in some instances to needy families in this country.

Mr. QUIE. What commodities will be available under title III of Public Law 480 in this coming school year, do you think?

Mr. DAVIS. Butter, cheese, nonfat dry milk, rice, flour, cornmeal.

Mr. QUIE. Will there be enough of all these commodities to fulfill all the needs of our school lunch donations and welfare programs in this country and enough for overseas as well, of all of these six commodities?

Mr. DAVIS. We will have enough of all of them for our domestic program. Only a few of them will be available for oversea donation—flour, cornmeal, some rice (we are not sure how much at this point), and nonfat dry milk. As far as we know at this time, no butter and no cheese.

Mr. QUIE. In the fiscal year 1961-62, you have an estimated cost of \$100 million for sections 32 and 416 donations. How much of this is section 416 donations?

Mr. DAVIS. I believe possibly one-third. I would want to check that. I do not have that breakdown with me. Part of this depends

on whether or not we use section 32 money to purchase from Commodity Credit for the purpose of donating. There is a fiscal paperwork technicality to that. So we may draw more on section 416 funds and less on section 32, depending on the availability of the section 32 money.

Let me say in the past we have used section 32 money to purchase a commodity from the Commodity Credit Corporation and then donate it. In the final analysis, the Commodity Credit Corporation is made whole. The expenditure is from section 32.

MR. QUIE. On page 2, you show transfer from section 32. Is that the transaction?

MR. DAVIS. This is in addition; the funds, which this year amount to \$45 million, which were authorized to be transferred from section 32 to the school lunch appropriation for the purposes of section 6 of the School Lunch Act, which means that rather than being available only for commodities which are in marketing difficulty, which are surplus, we can use this \$45 million the same way we use the school lunch appropriation; in other words, to buy foods which the schools want and we feel the program needs—with one extra admonition from Congress in the legislative history of this transfer, that insofar as possible we would use it for those commodities which are perhaps on the borderline of being in surplus, all other things being equal.

MR. QUIE. What is the limiting factor on your transfer of section 32 funds? Is it the authorization of \$45 million?

MR. DAVIS. It is in the Agriculture appropriation language. In addition to the \$125 million appropriation, there is also authorized to be transferred from section 32 \$45 million to be used for the purposes of section 6 of the National School Lunch Act.

MR. QUIE. This is in the appropriation bill, is that right?

MR. DAVIS. Yes, sir; in the Agriculture Appropriation Act.

MR. QUIE. That is all the questions I have, Mr. Chairman.

MR. BAILEY. Mr. Garland.

MR. GARLAND. I have no questions. I offer my apologies for coming in late this morning. I was tied up in the office.

MR. BAILEY. Have you any brief questions you might ask at this time, Mr. O'Hara?

MR. O'HARA. I will not take any further time. I want to thank Mr. Davis for his testimony.

Under this new allocation formula would we expect, and the new special assistance provisions to particularly needy schools and communities, there would be a request for a somewhat larger appropriation in the next budget request that we receive?

MR. DAVIS. Of course, the Department is currently in the process of developing its 1963 budget for presentation to the Budget Bureau and the President. The President has made it quite clear that he regards the school lunch program as important, that he would like us to exert every effort we could to reach all of the children who need a lunch, and I am sure all of these things will be taken into consideration when the budget estimates are submitted, along with all of the other many urgent needs for the Department.

MR. O'HARA. Thank you, Mr. Davis. I have great confidence in these proposals and in the progress which has been made under the school lunch program. I hope the adoption of this legislation will help the Department to further improve the program. I am looking

forward to making this of more advantage to more children in the future.

Mr. DAVIS. Thank you.

Mr. BAILEY. I notice at the top of page 4 you state:

We felt the bill, as drafted for the subcommittee, was in line with the President's school lunch recommendations contained in his farm message to the Congress. It was subsequently submitted to the subcommittee with the approval of the Department and with advice from the Bureau of the Budget that the proposed legislation was in accordance with the President's program. The Department did, however, recommend that a 1-year transition period be provided in order to assist in an orderly change between the old and new method of apportioning cash assistance funds.

What do you mean by "a 1-year transition period"?

Mr. DAVIS. First of all, the bill as drafted will provide, we feel, a more equitable distribution of funds regardless of the level of the appropriation. However, there will obviously be some rather sharp adjustments for some States. At the current level of the appropriation this would mean a fair reduction in the amount of money some States would get in order to give additional money to States with higher participation and greater need.

In order to cushion the shock of some of these possible reductions we felt it would be advisable to take it in one step and apply the formula for only half of the funds for the first year in order to make these reductions in funds a little less the first year to enable the States to adjust their budgets to give them time perhaps to go back to their legislatures or their local government bodies, so it is merely a device to make the transition less sharp and to give the States a little more time to adjust to whatever reduction they might find is necessary.

Mr. BAILEY. Would you stay in the committee room for a while if it is not an inconvenience? We may have further questions.

Mr. QUIE. Do you project any substantial increase in the number of schools which will participate in the school lunch program or has this been a pretty steady increase each year?

Mr. DAVIS. A rather steady increase over the past 4 or 5 years, I would say, somewhere between 6 and 8 percent increase each year. That is against an increase in school population of around 3 or 4 percent each year. That increase would have a bearing on the increase of the participation in the school lunch program as well. It has been running around 6 to 8 percent, and at this time I believe we would project for 1963 perhaps a 6-percent increase again.

Mr. QUIE. What would you project 5 years from now? You state this represents 32 percent of the children enrolled now. What would you think would be the number receiving school lunches 5 years from now?

Mr. DAVIS. Looking back over the 15-year history of the program under this act it would appear to us that probably it would continue to run somewhere close to one-third of the total population.

There are many factors that affect participation. It may possibly increase much faster in the next 5 years than it has in the last 5 years. Partially that would depend on a matter which I imagine this committee has been concerned with, and that is the building of more consolidated schools and a fewer number of one-room schools. There has been a marked trend in that direction for some time. This would tend to put more of the children in schools which might have facilities

for preparing and serving lunches, so that the proportion might very well go up somewhat.

Mr. QUIE. That is all I have.

Mr. O'HARA. Mr. Davis, the proposed new allocation formula would not affect the method of distribution of commodities under section 32 or section 416, would it?

Mr. DAVIS. No, sir. I perhaps should have mentioned that we do distribute those on the basis of participation already.

Mr. O'HARA. Without regard to any income weighting?

Mr. DAVIS. That has been on the basis of participation. We have, however, been encouraging the States within the State to distribute their commodities somewhat on the basis of need and to give more of some of these section 6 commodities particularly to schools which have greater need.

On the section 32 and 416 commodities for the most part they can get as large a quantity of those commodities as they can use now. However, under section 6 where we are definitely limited we have been urging them to give needy schools more of those.

Mr. BAILEY. I am sure the members of the subcommittee appreciate your coming here and giving us a forthright and factual statement of what is proposed in amending the present hot lunch program for schools.

As consideration proceeds we shall expect to keep in close touch with the Department. We trust you will be available to come back and give us any additional information we might need.

Mr. DAVIS. I would be most happy to, Mr. Chairman. I might say we have been very gratified with the interest of this committee and their assistance in this matter. I think we will come up with something which will be quite an improvement.

Mr. BAILEY. Thank you. I hope your aspirations come about.

Mr. DAVIS. There is one matter I neglected to mention. It is in the statement I submitted in the beginning.

However, the Department would like very much to go on record as being in favor of including American Samoa in this legislation.

I believe the bill as it is written at the moment does not include that.

Mr. BAILEY. Would you mind preparing the necessary legislation to include them?

Mr. DAVIS. I shall do that.

Mr. BAILEY. Very well. Submit it to us. After the hearings we will no doubt have a clean bill which we will be able to use.

(The information referred to follows:)

SUGGESTED AMENDMENT TO BILL

1. The definition of "State" in section 5 of the bill should be amended to read as follows:

"(1) 'State' means any of the fifty States, the District of Columbia, Puerto Rico, the Virgin Islands, and American Samoa."

2. The last sentence of section 2 of the bill should be amended to read as follows:

"Notwithstanding the foregoing provisions of this section, (1) for the fiscal year beginning June 30, 1962, one-half of the funds available for apportionment among the States shall be apportioned on the basis of the factors used prior to such fiscal year, and one-half of such funds, and any funds available for further apportionments, shall be apportioned in accordance with the foregoing provisions, and (2) for the five fiscal years beginning June 30, 1962, the amount apportioned to American Samoa shall be \$25,000 each year, which amount shall be first deducted from the funds available for apportionment in determining the amounts to be apportioned to the other States."

Mr. BAILEY. The next witness is Dr. Edgar Fuller, executive secretary, Chief State School Officers.

**STATEMENT OF DR. EDGAR FULLER, EXECUTIVE SECRETARY
COUNCIL OF CHIEF STATE SCHOOL OFFICERS**

Dr. FULLER. Mr. Chairman and members of the committee, I believe in the interest of saving time, with your permission I will file a very short statement which I have here, and a statement from the American School Food Service Association, which that association has asked me to file. It is a brief statement representing the recent vote of the association which has 25,000 members in all of the States. It also includes a State director of the school lunch administration who works with the State directors of all the States as well as with the 25,000 members of the American School Food Service Association. There is a short statement here they have asked me to file in their behalf.

Mr. BAILEY. If there is no objection we shall accept the statement and include it in the official record.

We shall also include your formal statement. You may proceed to comment on your statement.

(The statements referred to follow:)

**FORMAL STATEMENT OF DR. EDGAR FULLER, EXECUTIVE SECRETARY, COUNCIL
OF CHIEF STATE SCHOOL OFFICERS**

Mr. Chairman and members of the committee, I am Edgar Fuller, executive secretary of the Council of Chief State School Officers, an independent educational organization with an office of three persons here in Washington. Members of the council are the State superintendents and State commissioners of all the States and the chief school officers of the Commonwealth of Puerto Rico, Guam, Canal Zone, and the Virgin Islands. They are the State administrators of the national school lunch program in all States for the public schools, and also for private elementary and secondary schools in 26 of the 55 jurisdictions. We appreciate the opportunity to appear here today.

Mr. Chairman, the council supports the general position of the Department of Agriculture on this legislation. This was not true in the hearings held August 23-24, 1960, and we are greatly pleased about the developments since then. I have only a few comments and one addition to H.R. 8962 to suggest.

I have been requested to present a statement for the record that supports the legislation on behalf of the American School Food Service Association, the 25,000-member professional organization of school lunch personnel throughout the United States. Its officers regret their inability to be here. Mr. Chairman, we would appreciate it if this statement could follow ours in the record of the hearings.

FEDERAL FUNDS FOR STATE ADMINISTRATION

Mr. Chairman, we respectfully suggest that a new section 4 be added to the administration's bill, as follows, and that the present sections 4 through 8 be renumbered 5 through 9:

"SEC. 4. Section 6 of the National School Lunch Act (42 U.S.C. 1755) is amended (1) by inserting '(a)' after 'Sec. 6', (2) by striking out 'for his administrative expenses' and inserting in lieu thereof 'for use as provided in subsection (b)', and (3) by adding at the end thereof the following new subsection:

"(b) Two-sevenths of the funds made available for use as provided in this subsection may be granted by the Secretary to State educational agencies which request such funds for use by such agencies in meeting their administrative expenses. The amount which may be granted a State educational agency under this subsection may not exceed an amount which bears the same ratio to the total funds available for distribution under this subsection as that State's apportionment under section 4 for the year bears to the total funds being apportioned: *Provided, however,* That no State shall receive an amount smaller than \$5,000 or

larger than \$50,000 in any fiscal year. The remainder of such funds may be used by the Secretary for his administrative expenses.' "

There are no adequate statistics for all States to show how much is spent from State funds for State administration of the National School Lunch Act. It is certain that many of the State educational agencies are understaffed and that lunch program efficiency suffers as a result.

The present act provides that the Secretary of Agriculture may withhold 3½ percent of the appropriation for Federal administration. This remains the same under H.R. 8962. We propose that two-sevenths of the Secretary's allotment of funds for administration, which is roughly equivalent to 1 percent of the cash grants to each State, be allocated to State departments of education for State administrative costs, upon application by the States and approval by the Secretary. The remaining five-sevenths, which is equal to about 2½ percent of the total grants to the States, would provide more for Federal administration than has ever been used for that purpose.

We propose a minimum of \$5,000 and a maximum of \$50,000 annually for each State. The total Federal funds required to finance this section would be about \$1,250,000 if all States and territories apply for the funds. The lower amount is a minimum for effective assistance in any jurisdiction, however small, and the maximum of \$50,000 annually is a reasonable amount of assistance for the largest States. The total Federal funds required would be less with these upper and lower limits in effect than would otherwise be required under the proposed new section 4.

Lack of State administrative funds stands first among the reasons why some States have never fully assumed their responsibilities as intended by the act and by the 1947 agreement between the chief State school officers and the Secretary of Agriculture.

Consider, for instance, the problem of auditing. Both State and Federal policies call for the States to assume primary responsibility for auditing, but less than half the States have done so since 1947. One reason is that some legislatures and State fiscal officers find it easier to allow the Federal Government to perform this function than to budget State funds for their lunch divisions. Thus the agreement to transfer full administrative responsibilities to the States, reached in order to minimize any possibilities of undesirable Federal controls over school lunch programs, are nullified by the inability or failure of the States to assume their full responsibilities.

Another problem concerns administrative reviews of local lunchrooms by the States. In many States this necessary service is scarcely adequate to support full State responsibility to the Federal Government. The Department of Agriculture requests that administrative reviews be conducted by the State in 30 percent of its local lunch programs annually, but "performance surveys" conducted by mail by the State department of education may be substituted for 50 percent of these administrative reviews. This is another situation that, in many instances, calls for more effective State administration. The new emergency section 11 of the bill will also place heavy additional responsibilities upon the State administrators of the school lunch and food distribution programs.

One may wonder why many State departments of education are so hard pressed financially that they are unable to do what their own policies indicate. The fact is that it is difficult for many departments to employ appropriate personnel to meet their rapidly increasing obligations. In competition for personnel with the school lunch divisions in State departments of education are a number of federally subsidized State programs such as vocational rehabilitation, vocational education and several branches of the National Defense Education Act. Federal funds build up the staffs of State departments of education in these areas, but not in the school lunch divisions.

Thus the school lunch division competes for the State tax dollar under great handicaps. The States have to pay the entire cost for additional school lunch personnel, while Federal matching funds ease the way for their competitors. Surveys of State staffing indicate that these Federal matching funds have tremendous influence in the staffing of State departments of education.

A large majority of chief State school officers believe, Mr. Chairman, that such an amount to insure more State autonomy and efficiency in administration would benefit the lunch program more than a similar amount used otherwise. We ask for your special consideration of the State departments of education and their serious need in many instances for assistance in order to improve State administration of the national school lunch program.

We thank you very much for the opportunity to present this statement.

STATEMENT BY MR. EARL M. LANGKOP, LEGISLATIVE CHAIRMAN, AMERICAN SCHOOL FOOD SERVICE ASSOCIATION

On behalf of the 25,000 members of the American School Food Service Association in all States of the Union, I wish to express appreciation for this opportunity of bringing to you the views of our membership concerning needed revisions in the National School Lunch Act.

It was the privilege of my predecessor, Mr. Charles W. Lilley, to present to this committee the views of our association on this subject just over 1 year ago. I would again refer to the statement presented by Mr. Lilley on August 17 and 18, 1960.

Our statement at that time strongly endorsed the proposed change in the formula for distribution of school lunch funds to the States, based upon participation rather than upon school age population. Our thinking regarding this proposed change remains the same as expressed 1 year ago.

We have stated previously—and would reemphasize—that the present legislation places a premium upon inactivity. Those States having the lowest participation and doing the least effective work in bringing the advantages of the National School Lunch Act to their children benefit accordingly and receive highest per meal reimbursement. States doing the most effective and energetic job of bringing the advantages of the National School Lunch Act to their children are penalized, therefore, and clearly work under a severe handicap. Under the present formula, low participation States receive as much as 7 to 9 cents per type "A" meal while high participation States receive as little as 2 cents per type "A" meal. Such a distribution pattern is clearly unfair, undemocratic and contrary to the will of Congress in initially passing the National School Lunch Act.

In line with our understanding of the provisions of the O'Hara bill and even though we are disappointed that two important items in the original bill have been removed in the administration sponsored bill, American School Food Service Association would favor its passage as a first step toward correcting our present financial situation. We believe that the provisions of the bill for the transition from the present form of distributing funds to the States in the first year are very commendable and we feel that a 2 year period for such transition should be adequate. We have faith that the U.S. Department of Agriculture will recommend that the Congress will provide adequate funds for the full implementation of the act.

The Legislative Committee of the American School Food Service Association again wishes to go on record as urging the adoption of an amendment to the National School Lunch Act which would provide for allocation of funds to the States keyed to participation rather than school age population.

Dr. FULLER. I should like also to have permission to file further statements before the records of the hearings are closed. There may be one or two others.

Mr. BAILEY. I am sure there would be no objection to your filing later statements.

The record will remain open until the 15th of September. If you have additional statements to file by then they may be included in the record.

Please proceed.

Dr. FULLER. We support the bill that Mr. O'Hara has introduced and we agree with the testimony which has been presented by the Department of Agriculture in regard to it.

We appreciate Mr. O'Hara's introduction of the bill because he is a Representative from one of the States which would least benefit from it. This is a mark of statesmanship which we ought not to overlook.

The only thing we would suggest informally, and it is included in the formal statement, is that as we said in the hearings last August in connection with Mr. Brademas' bill 13016, we believe that approximately 1 percent of the cash appropriations to the States should be used for State administration of the school lunch. We have additional reasons for it this year. The chief State school officers, with almost no exception, are anxious about this.

The additional reason is that under the special distribution program of the administration as stated in section 11 of the bill before the committee, Mr. O'Hara's bill, it will throw additional administrative responsibilities on the State departments of education in the administration of the school lunch.

The 3½ percent allowed to the Secretary for administration has never been used in its entirety. I believe the amount used most years has been around 2 percent rather than 3½.

What we are asking is that 1 percent of these funds that are allowed to the Secretary be made available to the State departments on application by the State departments and approval by the Secretary, making it entirely optional whether a State uses these funds or not.

I have explained in the formal statement a situation in which the State departments find themselves in regard to this matter. I shall not repeat those reasons here.

With that one exception we support the bill as it is. We support the testimony of the Department of Agriculture fully, and we believe this is good legislation which is equitable to all States and it will correct inequities of serious character which have grown up since 1946 in regard to a considerable number of States.

Mr. BAILEY. That proviso is not in the present legislation proposed by Mr. O'Hara?

Dr. FULLER. That proviso was in the bill last year—H.R. 10016, I believe it was. It is not in this bill. We would like to have the same thing put back into this bill.

We believe there are additional reasons for doing that this year, on account of this emergency feeding program.

Mr. BAILEY. I had a long-distance telephone call from my State superintendent of public instruction, this morning. He suggested that the matter be brought to the attention of the subcommittee while we were considering this legislation, so I am glad you brought it up.

Since you have the proposal in your formal presentation, do you want to take a moment or two to discuss it?

Dr. FULLER. Well, it would be in this bill, as we have it before us now, a new section 4, renumbering the subsequent sections, and it would provide in much the same way as was provided in the Brademas bill of last August. I shall read it and correct the record:

Two-sevenths of the funds made available for use as provided in this subsection may be granted by the Secretary to State educational agencies which request such funds for use by such agencies in meeting their administrative expenses. The amount which may be granted a State educational agency under this subsection may not exceed an amount which bears the same ratio to the total funds available for distribution under this subsection as that State's apportionment under section 4 for the year bears to the total funds being apportioned.

I believe section 4 would have to be renumbered there.

Provided, however, That no State shall receive an amount smaller than \$5,000 or larger than \$50,000 in any fiscal year. The remainder of such funds may be used by the Secretary for his administrative expenses.

That would leave 2½ percent for the Secretary's expenses, which is an amount he has never yet used entirely, and 1 percent for allocation to the State departments on application by the States and approval by the Secretary.

The total amount would be about \$1.2 million a year. The benefit to the school lunch program, which is a program of more than \$1 billion

a year, would far exceed the amount of money necessary in order to provide those benefits.

Mr. BAILEY. The administrative costs are actually very low for a program that large.

Dr. FULLER. In some States this would double the amount available for the responsible administration of the State lunch programs in the States. Even in the smallest jurisdiction the \$5,000 minimum would in some cases double the amount now available.

I have made an effort in the formal statement, which is short and covers only this point, to show why it is that the States have difficulty. For instance, in Indiana I think Representative Brademas understands the situation in Indianapolis. He commented on this in hearings last August. I deplore this situation, Mr. Brademas, as much as you do. I have been to Indianapolis and other places.

Mr. BAILEY. Have you further comments at this time?

Dr. FULLER. No, I have not.

Mr. BAILEY. Questions?

(No response.)

Dr. FULLER. It is a distinct pleasure for me, since I have been on sick leave, to come in with the full support of the Department of Agriculture on this bill without having to go through the sort of critical cross-questioning I have from time to time undergone in this room.

Mr. BAILEY. The next witness will be Mrs. Ada Stough, the American Parents Committee.

**STATEMENT OF MRS. ADA BARNETT STOUGH, EXECUTIVE
DIRECTOR, AMERICAN PARENTS COMMITTEE, INC.**

Mrs. STOUGH. Thank you, Mr. Chairman, I also have a short statement which I shall file for the record. Since I notice time is getting short I shall not take further time.

Most of the members know the organization I represent and how we work for school lunch appropriations and better school lunch programs.

We were very gratified to see we got increased appropriations from the Congress this year and I see no reason if this bill is passed why Congress will not increase the appropriations next year so that Mr. O'Hara's State and some of the other States where some of my good congressional friends come from will not be left holding the bag, so to speak. They will not be cut so drastically. I feel optimistic about getting an appropriation large enough to take care of some of these States.

In summarizing, I want to make just five points we would like to see in this legislation. The first point is that we would like to see a formula which would distribute funds to the States on the basis of actual participation rather than potential participation. You have had ample testimony before this committee last year, and I have tried in the written testimony to show how a State which really tries, Mr. Quie, to spread the school lunch program to more children, in other words, increase the participation, is penalized because the money has to be spread much more thinly. Each school that takes on a school lunch program gets less per lunch and it does not encourage the length of the program as this new principle might.

The second principle we would like to see is in the same idea of reimbursement in accordance with participation. The nonpublic schools are getting a larger reimbursement per lunch than the public schools.

The third principle which I find now is in the O'Hara bill, which we found was in the Senate bill, is that there would be a special and additional appropriation to help schools in areas of special need. We realize, Mr. Bailey, what is going on in your State and from the letters we got from States this year when we were preparing testimony for the Appropriations Committee we found that these areas of special need were making for a great handicap and a great financial burden on the whole school lunch program in the entire State because of the number of free lunches they were called upon to serve. We think this principle in this bill would help greatly.

The fourth principle we applaud in the new bill is this transition period which would cushion some of the shock from States such as Mr. O'Hara's and others where they would be drastically cut if the appropriation were not appreciably increased.

The fifth principle we like in the new bill is that there is a specific floor under which reimbursements would not fall. This year, with appropriations not being adequate to take care of many States, the reimbursement has fallen way down in some States. It is dangerously low. I say "dangerously" because if a school cannot get a certain reimbursement they have to close the school lunchroom rather than serve luncheons.

That is all I have, Mr. Chairman. As I say, we applaud your consideration of this bill and we would like very much to see these amendments go through early in the next session so we can get work for an increased appropriation.

May I ask that this full statement be submitted in its entirety?

Mr. BAILEY. Without objection that may be done.

(Mrs. Stough's statement follows:)

TESTIMONY BY ADA BARNETT STOUGH, EXECUTIVE DIRECTOR, AMERICAN PARENTS COMMITTEE, INC.

GENTLEMEN. I am Ada Barnett Stough, executive director of the American Parents Committee, Inc. The organization I represent is an organization which concerns itself solely with legislation for the health, education, and welfare of children. Members of its Board (on the list attached to my testimony) include as you will see, many outstanding men and women. Support and improvement of the national school lunch program has been one of the major objectives of the American Parents Committee during its 15 years of existence.

We have watched the school lunch program grow from a program serving 3½ million children in 1947 to one serving almost 13 million in 1960. Each year we have worked for adequate appropriations for the program. Consequently, support for the legislation you are considering is based on familiarity with the program and is in accordance with the principles voted each year by our Board. I appear here today as a representative of that Board and particularly as a representative of George J. Hecht, chairman, who is also as you know publisher of Parents' magazine.

Rather than address ourselves to any particular bill, we would like to reiterate the principles we would like to see incorporated in amendments to the National School Lunch Act.

The first and most important amendment we would like to see is one which would set up a formula to distribute funds to the States on the basis of actual participation rather than potential participation as is now the case. The present formula penalizes a State which makes an effort to have a good and growing

school lunch program and rewards the State which does not encourage improvement, expansion, and the serving of a greater number of children. The State which exerts itself to see that a hot lunch is available to the greatest possible number of school children must spread its allotment over a larger area. On the other hand, the State which simply accepts its allotment, maintains the status quo and makes little attempt to stimulate growth is rewarded. Fewer children buy lunch in that State so the State allotment does not have to be shared by so many schools and each school gets a larger reimbursement for each lunch served. Since the present formula discourages the growth of the program and works to deprive some children of the benefits of a hot lunch, we would like to see the act amended to allot Federal funds on the basis of actual lunches served.

The second amendment we would like to see is one which would make the principle of actual participation apply to nonpublic schools which receive school lunch money. Available information reveals that the average reimbursement rate per lunch in nonpublic schools runs much higher than the average for public schools. The reimbursement rate is figured on the total enrollment of children in the nonpublic schools. Since comparatively few of the schools operate lunch-rooms the money is spread only over a small area and each school profits accordingly.

We note in S. 2442 a new section which would provide for an additional appropriation of funds to provide special help to schools in areas of special economic need. We assume such a section would also be in a House bill. Such a provision would seem to us very desirable if sufficient flexibility is allowed the Department of Agriculture in the administration of this section. This past year we received letters from many States pertaining to funds for the school lunch program. From almost all of them we heard about the financial burden involved in providing free lunches for the youngsters of the unemployed or those in schools in general economic depressed areas.

The 1-year transition period before the new formula would be effective provided in the Senate bill would seem to us also desirable. The effect of the new formula will not be the desired one if there is not a specific floor below which the reimbursement rate per lunch would not fall. We believe the act should be amended as soon as possible. The President should then recommend in his next budget an appropriation large enough to insure that every State would receive the minimum amount per lunch. The U.S. Congress has always supported the school lunch program and we believe it will do so in the future. For that reason we would like to see legislation before you enacted into law at the earliest possible date. Thank you.

Mr. QUIE. In the second point you made, do I understand there will be less money available under the new formula for nonpublic schools? Is that correct?

Mrs. STOUGH. The principle regarding nonpublic schools would be the same as that for the public schools, which would be on participation rather than the enrollment of public schools.

Mr. QUIE. What would be the practical effect?

Mrs. STOUGH. The practical effect, as I understand it, and Mr. Fuller knows these details more fully, the practical effect would be this: Now the allocation to nonpublic schools is based on enrollment of pupils in nonpublic schools. Since fewer of the nonpublic schools serve lunches this serves to make the reimbursement per child greater. Many nonpublic schools do not serve lunches. To those who do serve lunches the reimbursement rate per child is greater, so they are really getting more assistance from a practical point of view than the public schools.

Mr. QUIE. But the effect of this formula will be to reduce that—

Mrs. STOUGH. If we make it on participation it would not reduce it if a larger percentage of the pupils enrolled were getting lunches. It means the formula applies to those people as well.

Mr. BAILEY. Does the gentleman representing the Agriculture Department wish to comment on this?

Mr. DAVIS. I would be very happy to comment on this. We have had some adverse comments in the past over the condition which arose in some States where a private school on one side of the street serving lunches was perhaps reimbursed at 1 cent more than the public school across the street in the same city. In some instances it was just the reverse, where the private schools had very high participation they might be receiving less in one school on one side of the street than the public school on the other.

Everyone agreed, I believe, that this was not equitable, that all schools should be treated alike, so the formula as it is in the bill would provide the same opportunity for the same reimbursement for all schools in the State, public and private. They would be treated alike.

Mr. QUIE. Where the effect of the new formula would mean a reduction to a nonpublic school they would at least now be treated equitably with the public schools in the area. Where they were lower than the public schools before because of greater participation they would be brought up so they will be made equitable?

Mr. DAVIS. That is right. In all fairness, so we do not leave the wrong impression with the committee, I believe there will be more instances where the private school rate will be lowered than there will be where it will be raised because, as the lady has already testified, generally speaking, across the country the participation in private schools for many very good reasons has been lower than it has been in the public schools, so that in all fairness I think you should know there will be more instances where it will be lowered than raised.

However, there are some where it has been lower in the private schools in the past. They will now receive the same.

Mr. BAILEY. This would tend to make it uniform?

Mr. DAVIS. Yes, sir; they will all be treated alike.

Mr. QUIE. Looking at the last column on your table, if we have an appropriation of \$139 million this in practically every case will bring the participation up to or above what it is at the present time? Is that right?

Mr. DAVIS. Yes, sir. There are one or two exceptions, I believe, the District of Columbia, Alaska, and one or two others which will still take a small reduction under an appropriation of \$139.9 million.

Mr. BAILEY. One observation. I am curious to know why the District of Columbia is 8 cents per pupil and 4.2 cents in West Virginia.

Mr. DAVIS. Entirely a matter of participation. In relation to their child population in the District, with a reasonably high per capita income, they are spreading their available funds among fewer children so they are able to pay this very high rate in comparison to other States.

In a State that has high participation under the present formula, as you well know, they have a very low rate per meal. This bill will correct this.

Mr. BAILEY. To what extent?

Mr. DAVIS. It will reduce the District and it will raise the proportion that a State such as West Virginia would get. For example, the percentage of participation at this point in the District of Columbia is 9.2 percent. In West Virginia it is 38.6, which is well above the national average as you can see so far as participation is concerned.

While this will cause a rather sharp reduction in the amount of money the District gets, and might necessitate some rather difficult adjustments, we still feel it is much more fair to give the States with high participation a reimbursement based on that participation rather than on their lack of it.

Mr. BAILEY. Thank you.

Mr. QUIE. Is it not true that the District of Columbia has perhaps the highest per capita income of any State in the Union?

Mr. DAVIS. That may have been true at one time. If you take Metropolitan Washington that would be a different story.

Mr. QUIE. The District itself.

Mr. DAVIS. You are right, Mr. Quie.

Mr. O'HARA. I do not like to prolong this but a couple of questions have arisen. First, before I get too much credit for an act of statesmanship, I call the gentleman's attention to table 4 which has the transition worked into it. My own State does not do quite as badly as it would if we went directly into the total allocation formula.

Other than that I would like, with respect to this question of the allocation of funds for pupils in public schools and nonpublic schools, to call the attention of the committee to the fact that the justification for this program, in light of the interpretations of the first amendment as made by the U.S. Supreme Court on various cases, really depends upon a grant of assistance directly to the pupils. This is conceived as a program not of any aid to a particular school or class of school but to American schoolchildren regardless of where they go to school. Equal assistance to them seems to me to be part of that justification, I wanted to point that out.

One further point with regard to that matter is that I feel to a large extent the lesser degree of participation by nonpublic schools is the result of the fact that a lower percentage of nonpublic schools have been financially able to equip their institutions with lunchroom facilities. I would personally like to see some effort made under this act, or under administrative action or under other programs, either to fund the existing provisions for assistance to such schools for the purchase of lunchroom equipment or to, in the alternative, provide a greater degree of assistance for lunches of a type which do not require preparation at the site.

I wondered if either Mrs. Stough or Mr. Davis would care to comment on that aspect.

Mrs. STOUGH. I defer to Mr. Davis.

Mr. DAVIS. One quick word on that. That is one way in which the funds that are provided in the bill for special assistance to needy schools might very well be used for additional help to them for the expenses of preparing lunches perhaps in another school, and transporting them. The actual assistance, however, would be in the form of additional food or additional money for the purchase of food so other funds would be released for the equipment and labor.

Mr. O'HARA. I would like to point out in conclusion that in the neediest areas, both in public and nonpublic schools, you are less apt to have the sort of financial base for support of schools that permits the construction of luncheon facilities and kitchen facilities, and it is in those very same areas that the greatest need exists for help through this program, too.

I am concerned that we work out some sort of arrangement whereby we can overcome that difficulty.

I have nothing further.

Mr. BAILEY. If the suggestion of Dr. Fuller prevails perhaps the States might have some money for the construction of facilities.

Our next witness is our colleague, the Honorable Vernon W. Thomson, of Wisconsin, author of one of the bills before the subcommittee. Mr. Thomson.

**STATEMENT OF HON. VERNON W. THOMSON, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF WISCONSIN**

Mr. THOMSON. Mr. Chairman and members of the committee, thank you for the opportunity to present my views on this important legislation.

Through the years the national school lunch program has been an important instrument in maintaining and improving the health of our young people, while at the same time providing a substantial outlet for our agricultural abundance. Last year some 13.5 million youngsters participated in this valuable program. This was the first time that this program which was enacted in 1946 has topped 13 million. According to the Department of Agriculture, some 2,142 million lunches were served last year, some 144 million more than in the previous year. Most of this food, about 80 percent, was purchased locally by the 62,000 public and nonprofit private schools participating in the program. About 265,000 students in my State of Wisconsin alone are enjoying the benefits of the program. During the year total local purchases amounted to some \$540 million. In addition, 58 million dollars' worth of nutritious foods were supplied by AMS purchases to supplement the \$70 million distribution of surplus foods made available from the price support program.

Unfortunately, this worthwhile program is running out of money. That is why I have introduced H.R. 6209 and am now urging the support of the committee for my bill. The problem is an acute one, not only in my State but also in the States of Arkansas, Colorado, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Massachusetts, Michigan, Mississippi, Missouri, New Hampshire, New Mexico, New York, North Dakota, Oklahoma, Puerto Rico, South Carolina, South Dakota, Tennessee, Washington, and Wyoming.

It may well be that the Committee on Appropriations can meet the increased needs by added appropriation or by fund transfers. However, these increased needs developing in these 24 States must be met promptly and I feel that this committee by giving its support to this legislation can make a substantial contribution toward the strengthening of farm prices and the improvement of children's diets.

The success of this program through the years demands our continuing support, so I most sincerely urge the committee to approve the authorized \$10 million increases as expeditiously as possible. Thank you.

Mr. BAILEY. The subcommittee will recess at this time, subject to the call of the Chair.

(The following material was submitted for the record:)

SEPTEMBER 12, 1961.

HON. CLEVELAND M. BAILEY,
*Chairman, General Subcommittee on Education, Committee on Education and Labor,
House of Representatives, Washington, D.C.*

DEAR MR. BAILEY: Thank you for your letter of August 29 requesting a statement in support of my bill (H.R. 4688) to amend the National School Lunch Act to provide for a more equitable distribution of funds under such act and for other purposes.

The purpose of the School Lunch Act as passed in 1946 was stated in its title, as follows: "to provide assistance to the States in the establishment, maintenance, operation, and expansion of nonprofit school lunch programs. For each fiscal year, there is hereby authorized to be appropriated such sums as may be necessary to enable the Secretary of Agriculture to carry out the provisions of the Act. It is hereby declared to be the policy of Congress, as a measure of national security, to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other foods by assisting the States, through grants-in-aid and other means, in providing an adequate supply of foods and other facilities for expansion of the program."

The success of this program has been outstanding. Its acceptance by the parents, pupils, and schools is demonstrated by the fact that in 1947 approximately 3½ million pupils were served a complete meal each schoolday. By 1960, nearly 13 million students were served a complete meal. The total number of meals served crossed the 2 billion mark more than 2 years ago and continues to grow.

However, the number of schools participating in the program and the number of pupils eating lunches have both increased faster than available funds. Consequently, it has been necessary to reduce the Federal reimbursement rate. I should like to show the application of these total figures to the State of North Dakota, with which I am naturally the most familiar. Here is what has taken place in this program within our State.

In 1959, the average national participation in the lunch program was about 35 percent of school enrollment. North Dakota's participation during the school year 1959-60 was 45½ percent. In December 1960 alone the participation was 52 percent. However, the original act provided for about 8.7 cents per meal of Federal participation in our State. Over the years, the increase in the number of meals served reduced the Federal share to 5.3 cents by 1953. During 1960, although the appropriations had increased to \$100 million, the number of children served in North Dakota was great enough to bring the reimbursement down to a new low of 3 cents a meal, which was 1 cent below the national average. This of course brought about increased costs to the school district in providing these class A meals to the students. The current national 4.1 cents per meal does not appear to be sufficiently conducive to encouraging schools to participate in the program. North Dakota rate of 3 cents is even less conducive to it.

One of the reasons for the increased participation in North Dakota has been a great deal of reorganization of school districts. This has eliminated a great many of the small rural schools and necessitated those children being transported by bus to the towns. This means that more students are away from home for the noon meal and thereby increase the demand for hot meals. Having been closely associated with this program in my State for many years and having watched its expansion and success despite the drawbacks involved, I introduced H.R. 4688 at the beginning of this session. If enacted, I feel my bill would do a great deal toward stabilizing this program and safeguarding Federal participation from dropping to such a low point that the school districts will drop the entire program.

I very strongly endorse the provisions of this bill to your committee for consideration with the hope that it will be acted upon favorably.

Sincerely,

HJALMAR C. NYGAARD, *Member of Congress.*

NATIONAL CATHOLIC WELFARE CONFERENCE,
Washington, D.C., September 15, 1961.

HON. CLEVELAND BAILEY,
Chairman, Subcommittee of the Committee on Education and Labor, House of
Representatives, Washington, D.C.

DEAR MR. BAILEY: We read with very great interest the remarks of Senator Long and Senator Burdick relative to a revision of the formula for apportioning cash assistance funds under the National School Lunch Act. Senator Long and Senator Burdick spoke to the bill S. 2442 as a substitute for S. 347. Their remark are to be found in the Congressional Record August 18, 1961, page 15258. We recognize the force of their argument for equity in the distribution of the funds. We recognize that such equity should be represented in all Federal legislation, Realizing the impact that the revised formula which seeks to provide such equity would have upon the school lunch program in the nonpublic schools, we appreciate the proposal that there be a 1-year transition period. According to this proposal, during the transition period one-half of the funds would be made available for apportionment under the formula now in effect and one-half under the new formula. This undoubtedly would help to alleviate the impact upon the non-public schools. In conjunction with this proposal we would urge that the Congress direct a comprehensive study to be made of the operations of the school lunch program, especially as to participation. We would suggest that this study extend no more than 2 or 3 years. This study even in its initial phases will indicate a need for a 2- or 3-year adjustment period.

We share with you, Mr. Chairman, and with the original framers of the school lunch legislation a deep concern for the health needs of America's children. Undoubtedly you are aware that the present lack of equity arises from the fact that the relative participation by non-public-school pupils in the program has been lower than that by public school children. If the participation had been equal the inequity would not exist. Obviously the need of non-public-school children for the benefits of this program is the same as that of the public school children. We must ask, therefore, why there has not been equal participation. It is our contention that the failure arises not from a lack of need or of interest but rather from the inability of many nonpublic schools to provide the facilities necessary. The original legislation included an authorization for an appropriation of funds for the purchase of such facilities. However appropriations have not been made. We would ask that consideration be given to authorized appropriations. We feel confident that if the nonpublic schools could find a means of securing the needed facilities the asserted inequity would disappear and a much higher percentage of America's children would have the needed benefits of this legislation. In this way, Mr. Chairman, non-public-school administrators would find the program more acceptable and the original intent of the Congress, namely, that all American children should have adequate nourishment, would be obtained.

In the light of these facts we urgently request a study of the school lunch program. We are mindful of the need for equity but we are also mindful of the need for providing for the well-being of all of the children whether they be in public or in nonpublic schools. We know that you and your committee will do everything possible to provide legislation which will give to the Nation's schools a program so designed that no child will be deprived of its benefits.

With many thanks for the opportunity to present our point of view,

Sincerely

Rt. Rev. Msgr. FREDERICK G. HOCHWALT,
Director, Department of Education.

S.F. No. 450
Resolution No. 7

A RESOLUTION MEMORIALIZING CONGRESS TO ENACT LAWS PROVIDING FOR MORE
WIDESPREAD USE OF FARM COMMODITIES FOR SCHOOL LUNCH AND WELFARE
PROGRAMS

Whereas, one of the most pressing problems of our Nation today is that of the ever-growing supply of farm surpluses; and

Whereas, there are persons in our Nation who suffer nutritional deficiencies because of financial inability to secure adequate, nourishing food; and

Whereas some progress in the problem of surpluses could be made by greater use of the surplus commodities for school lunch programs and welfare programs: Now, therefore, be it

Resolved by the Legislature of the State of Minnesota, That the U.S. Congress and the Secretary of Agriculture be requested to expand programs whereby surplus food is distributed for school lunch and welfare programs; be it further

Resolved, That the secretary of state is instructed to send copies of this resolution to the President of the United States, the U.S. Secretary of Agriculture, and each Member of the U.S. Congress from the State of Minnesota.

President of the Senate.

E. J. CHILGUN,

Speaker of the House of Representatives.

Passed the senate this fourteenth day of March in the year of Our Lord one thousand nine hundred and sixty-one.

HOY TANNEY,

Secretary of the Senate.

Passed the house of representatives this fifteenth day of April in the year of Our Lord one thousand nine hundred and sixty-one.

G. H. LEAHY,

Chief Clerk, House of Representatives.

Approved April 20, 1961.

ELMER L. ANDERSEN,

Governor of the State of Minnesota.

Filed April 20, 1961.

JOSEPH L. DONOVAN,

Secretary of the State of Minnesota.

