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PAYMENTS UNDER THE NATIONAL SCHOOL LUNCH ACT

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HEARING

BEFORE THE

GENERAL SUBCOMMITTEE ON EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR

HOUSE OF REPRESENTATIVES

NINETY-SECOND CONGRESS

FIRST SESSION

ON

H.J. Res. 889 and S.J. Res. 157

JOINT RESOLUTIONS TO ASSURE THAT EVERY NEEDY
SCHOOLCHILD WILL RECEIVE A FREE OR REDUCED PRICE
LUNCH AS REQUIRED BY SECTION 9 OF THE NATIONAL
SCHOOL LUNCH ACT

HEARING HELD IN WASHINGTON, D.C., OCTOBER 6, 1971

Printed for the use of the Committee on Education and Labor

CARL D. PERKINS, *Chairman*



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THE HISTORY OF THE UNITED STATES OF AMERICA

FROM THE FIRST SETTLEMENTS TO THE PRESENT TIME

BY JAMES OSGOOD

NEW YORK: PUBLISHED BY J. OSGOOD, 151 NASSAU ST.

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THE HISTORY OF THE UNITED STATES OF AMERICA

PAYMENTS UNDER THE NATIONAL SCHOOL LUNCH ACT

WEDNESDAY, SEPTEMBER 6, 1971

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

The subcommittee met, pursuant to call, at 1:45 p.m., in room 2261, Rayburn House Office Building, the Hon. Roman C. Pucinski (chairman of the subcommittee) presiding.

Present: Representatives Pucinski, Meeds, Quie, Bell, Veysey, and Peyser.

Staff members present: John F. Jennings, counsel; and Charles W. Radcliffe, minority counsel for education.

Mr. PUCINSKI. The General Subcommittee on Education will come to order.

The bills before us today are H.J. Res. 889 and S.J. Res. 157, resolutions directing the Secretary of Agriculture to make certain payments under the National School Lunch Act.

(Joint resolutions follow:)

[H.J. Res. 889, 92d Cong., first sess.]

JOINT RESOLUTION To assure that every needy schoolchild will receive a free or reduced price lunch as required by section 9 of the National School Lunch Act

Whereas it appears that under the proposed apportionment of funds available for special assistance under section 11 of the National School Lunch Act for the fiscal year ending June 30, 1972 (including funds appropriated by section 32 of the Act of August 24, 1935, and made available for that purpose), only six States will receive more than 30 cents in such assistance per free or reduced price lunch; and

Whereas it appears that this amount per lunch is not adequate to enable States and schools to continue to participate in the school lunch program and to achieve the objectives of the National School Lunch Act, particularly that of providing a free or reduced price lunch to every needy child: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the Secretary of Agriculture shall until such time as a supplemental appropriation may provide additional funds for such purpose use so much of the funds appropriated by section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), as may be necessary, in addition to the funds now available therefore, to carry out the purposes of section 11 of the National School Lunch Act and provide a rate of reimbursement which will assure every needy child of free or reduced price lunches during the fiscal year ending June 30, 1972. In determining the amount of funds needed and the requirements of the various States therefor, the Secretary shall consult with the National Advisory Council on Child Nutrition and interested parties. Funds expended under the foregoing provisions of this resolution shall be reimbursed out of any supplemental appropriation hereafter enacted for the purpose of carrying out section 11 of the National School Lunch Act, and such

reimbursements shall be deposited into the fund established pursuant to section 32 of the Act of August 24, 1935, to be available for the purposes of said section 32.

SEC. 2. Funds made available by this joint resolution shall be apportioned to the States in such manner as will best enable schools to meet their obligations with respect to the service of free and reduced price lunches, and such funds shall be apportioned and paid as expeditiously as may be practicable.

SEC. 3. The Secretary of Agriculture shall immediately upon enactment of this resolution determine and report to Congress the needs for additional funds to carry out the school breakfast and nonfood assistance programs authorized by sections 4 and 5 of the Child Nutrition Act of 1966 during the fiscal year ending June 30, 1972, at levels which will permit expansion of the school breakfast and school lunch programs to all schools desiring such programs as rapidly as practicable.

SEC. 4. Section 11(e) of the National School Lunch Act is amended by adding at the end thereof the following: "Such maximum per meal amount shall in no event be less than 40 cents; and the Secretary shall establish a higher maximum per meal amount for especially needy schools based on such schools' needs for assistance in providing free and reduced price lunches for all needy children."

[S.J. Res. 157, 92d Cong., first sess.]

JOINT RESOLUTION To assure that every needy schoolchild will receive a free or reduced price lunch as required by section 9 of the National School Lunch Act

Whereas it appears that under the proposed apportionment of funds available for special assistance under section 11 of the National School Lunch Act for the fiscal year ending June 30, 1972 (including funds appropriated by section 32 of the Act of August 24, 1935, and made available for that purpose), only six States will receive more than 30 cents in such assistance per free or reduced price lunch; and

Whereas it appears that this amount per lunch is not adequate to enable States and schools to continue to participate in the school lunch program and to achieve the objectives of the National School Lunch Act, particularly that of providing a free or reduced price lunch to every needy child: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the Secretary of Agriculture shall until such time as a supplemental appropriation may provide additional funds for such purpose use so much of the funds appropriated by section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), as may be necessary, in addition to the funds now available therefor, (1) to carry out the purposes of section 11 of the National School Lunch Act and provide a rate of reimbursement which will assure every needy child of free or reduced price lunches during the fiscal year ending June 30, 1972, and (2) to carry out the purposes of section 4 of the National School Lunch Act and provide a rate of reimbursement of not less than 6 cents per meal. In determining the amount of funds needed and the requirements of the various States therefor, the Secretary shall consult with the National Advisory Council on Child Nutrition and interested parties. Funds expended under the foregoing provisions of this resolution shall be reimbursed out of any supplemental appropriation hereafter enacted for the purpose of carrying out section 4 and section 11 of the National School Lunch Act, and such reimbursements shall be deposited into the fund established pursuant to section 32 of the Act of August 24, 1935, to be available for the purposes of said section 32.

SEC. 2. Funds made available by this joint resolution shall be apportioned to the States in such manner as will best enable schools to meet their obligations with respect to the service of free and reduced price lunches and to meet the objective of this joint resolution with respect to providing a minimum rate of reimbursement under section 4 of the National School Lunch Act. Such funds shall be apportioned and paid as expeditiously as may be practicable.

SEC. 3. The Secretary of Agriculture shall immediately upon enactment of this resolution determine and report to Congress the needs for additional funds to carry out the school breakfast and nonfood assistance programs authorized by sections 4 and 5 of the Child Nutrition Act of 1966 during the fiscal year ending June 30, 1972, at levels which will permit expansion of the school breakfast and school lunch programs to all schools desiring such programs as rapidly as practicable.

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Passed the Senate October 1, 1971.

Attest:

FRANCIS R. VALEO,
Secretary.

Mr. PUCINSKI. H.J. Res. 889—introduced by Congressman Carl Perkins—calls for a minimum payment of 40 cents for every free and reduced price lunch served; and S.J. Res. 157—introduced by Senator Talmadge and others—calls for the same minimum payment for free and reduced price meals and also for a minimum payment of 6 cents for all lunches provided under the act.

This latter joint resolution was passed by the Senate last Friday 75 to 5. And we are honored to have as our first witness the author of the House resolution, Carl Perkins, the chairman of our full committee.

Before I call on Mr. Perkins, I want to express my dismay at the actions of the administration which have necessitated the introduction of these bills and the calling of this hearing today.

Earlier this year the committee held hearings on the lunch program and on its provision of free and reduced price meals for needy children. At that time we became aware that the Department of Agriculture had not requested sufficient funds in its budget to provide enough for the free and reduced price meals required by Public Law 91-248 and to provide for the expansion of the summer program.

So with broad bipartisan support the Congress unanimously passed H.R. 5257, which gave the Department of Agriculture authority to use whatever funds it would need to achieve these two objectives. The President signed that measure and the Congress confidently went out for the recess.

But then in the middle of August the Department issued its new regulations to implement that act, and we discovered that these regulations went directly contrary to what we in Congress had thought we had achieved by passage of H.R. 5257. Those regulations not only rejected the mandate contained in H.R. 5257 to feed as many needy children as possible, but they also threatened the very existence of the basic lunch program.

Cities and school districts across the country soon made known the fact that if the new reimbursement rates contained in the regulations were to go into effect, they would have to drop their entire lunch programs. The public outcry and the leadership of Senator Talmadge and others resulted in the Senate's action last Friday.

It has also resulted in the Department's action today in revising its regulations to allow a 40-cent reimbursement on a statewide average basis for free and reduced price lunches and only 5 cents for the others. Although this was a major objective that we have been seeking, the doubts persist and we don't believe that this policy is enough.

We wonder if the administration is again faced with some new budgetary tricks. Unfortunately the track record does not give us very much confidence in this field. Although we have seen over and over in this administration, again within the past year, the promises

made on this program, then somewhere in the time lag between press conference and receipt of the funds by the local school district something happens and once again we are faced with a crisis in our feeding program.

We are here today to hear testimony on this development and to weigh our next course of action.

I am most pleased to present to the committee the chairman of our full committee, the gentleman from Kentucky, Mr. Perkins, who has long been a champion in this noble effort to provide decent feeding programs for the children of our schools.

Mr. Perkins, we are delighted to have you here.

Mr. BELL. Mr. Chairman?

Mr. PUCINSKI. Yes.

Mr. BELL. It should be noted that the administration has increased the school lunch funding for needy children by a thousand percent since 1969, so I think that this administration can be reasonably proud of its record that increases from 4.1 million to 7 million children. I think that is a fairly good record.

Mr. PUCINSKI. I appreciate the gentleman's statement, but I am reminded when I was flying missions in World War II we would go out on bombing raids and we would come back with all sorts of statistics on the success of our missions, but the photographs didn't quite prove up to those successes. We used to have a commanding officer who said, "It is true that figures don't lie, but liars make figures."

Mr. BELL. I also note you brought up some figures, Mr. Chairman.

Mr. PUCINSKI. We are delighted to have the chairman of our full committee here, Mr. Lunch Program himself, Congressman Carl Perkins.

We welcome you here, Mr. Chairman.

STATEMENT OF HON. CARL D. PERKINS, CHAIRMAN, COMMITTEE ON EDUCATION AND LABOR

Mr. PERKINS. Thank you very much, Mr. Chairman.

I certainly want to compliment my distinguished colleague, the subcommittee chairman for taking appropriate action in calling these hearings on such a very important subject matter. There is no subject matter pending in the Congress more important and deserving greater consideration than feeding schoolchildren, especially needy schoolchildren, throughout the country.

Principally, the resolution that I introduced amends section 11(e) of the National School Lunch Act to provide that the maximum per-meal reimbursement shall be fixed by the Secretary of Agriculture—for free and reduced price meals—at no less than 40 cents. I want to emphasize that "no less than 40 cents." In many places in the country it should be 50, 60, 70 or maybe 80 cents, but to require some uniformity and give the legislation some stability. If we undertake to put a floor of anything less than 40 cents for a free and reduced price meal for a needy child, we are certainly going to get into a lot of trouble and tear down our school lunch program in general.

Other provisions of the resolution set out a requirement for expeditious apportionment and payment of the funds made available by the

resolution, and a determination to be made by the Secretary of Agriculture on the needs for school breakfast and nonfood assistance funds for expansion of the school breakfast and school lunch programs in accordance with the law.

A resolution identical to House Joint Resolution 889 was reported by the Senate Agriculture and Forestry Committee on September 29 and, as the distinguished chairman said, it was passed by a vote of 75 to 5 in the other body on October 1 with an amendment to provide not less than 6 cents per meal for all lunches served under the school lunch program.

That is the faulty part of the resolution that I introduced. This reimbursement should be a minimum of 6 cents all the way across the board.

I also support this change because it will strengthen the entire school lunch program.

It became abundantly clear to me, following the publication by the Department of Agriculture on August 13, of the amendments to the school lunch regulations, that a genuine state of anxiety was created on all levels of school lunch service. State directors, city directors, local programs operators, parents, teachers and organizations interested in hunger and nutrition, wired and wrote to me that the school lunch programs in their areas would be facing disaster if the regulations as proposed were permitted to become final.

Particular concerns were expressed about the State average reimbursement rate of 30 cents for free and reduced price lunches. The school systems claimed that they were caught in the double pinch of rising food costs and the freeze on the price that could be charged for school lunches this year, as compared with last year. In addition, most school budgets for the year had already been finalized and, therefore, local money needed to fill the gap would not become available.

Furthermore, many school systems, in compliance with Public Law 91-248, were working toward a program of feeding their substandard income children for the first time in the new school year, and now found themselves with reduced reimbursement funds. All of these factors—the need to feed more children at a free or reduced price, the price freeze, the shortage of local money, and rising food costs—should have suggested to the Department that there would be a need for substantially more funds to be made available immediately rather than a cutback in the average reimbursement rate to 30 cents.

A survey, which was conducted by the Committee on Education and Labor before the start of the new school year on the projected needs for the school lunch program, reveals that during the 1970-71 school year a total of 6.38 million children were receiving free and reduced price lunches.

We asked the State directors to give us their best estimate of the number of children who would be eligible under the 1971-72 poverty index figure of \$3,940, and their reply was 8.87 million children. We further asked how many children they felt would be reached with a free or reduced price lunch through existing and expanded programs, and their reply was 7.76 million children, which represents an increase of 1.38 million children over the 1970-71 school year figure.

Translated into dollar figures, the State directors have estimated that it will take \$513 million in special assistance under section 11 and section 32 funds to meet the national needs for free or reduced price lunches. This contrasts to the \$390 million budgeted by the Department of Agriculture.

On August 26—prior to the deadline for submitting recommendations—I wrote Secretary Hardin urging the Department of Agriculture to reconsider the new regulations with particular reference to this question of the 30-cent reimbursement rate. I have since written to the President expressing to him the urgency that had been communicated to me from every corner of the land.

In my judgment, and in the judgment of many officials with whom I have spoken, not only will the progress of the past few years be arrested, but there is every likelihood that existing programs will be curtailed. For example, the director of the Pittsburgh program advised me, "Implementing changes so close to the opening of school will cost Pittsburgh a loss of reimbursement in September and could well sink the entire program."

Further, the committee survey asked each State to indicate the average rate of reimbursement from Federal funds which will be required—over and above the rate of section 4 reimbursement—to finance the expected service of free and reduced price meals. Thirty-four States indicated they will require a reimbursement rate in excess of the 30-cent average rate provided for in the new regulations. A majority of the States indicated a requirement of 40 cents or more.

Finally, I should mention that, in numerous instances, the States requested a section 4 reimbursement rate of more than the 5-cent average rate provided for in the regulations. In the face of increased costs, an average reimbursement rate of 5 cents in section 4 funds will result in higher costs per lunch to paying students. As a result, according to many experts, participation in the program will decrease with the unfortunate outcome that there will be less support at the local level for the entire school lunch program, including the provision of free and reduced price lunches.

As I indicated earlier, the need for action to resolve this situation is urgent. The school year is already well underway. The Department's regulations on the use of funds have not been issued. School districts are being required under law to provide lunches to all needy children, but the districts have scant knowledge of where the money will come from to pay the cost.

The resolution before you, as passed by the Senate, would remove the uncertainty and confusion which is jeopardizing our efforts to feed hungry children.

I strongly recommend your serious consideration and adoption of this measure.

Mr. Chairman, let me state in conclusion that I know that much progress has been made under the present administration insofar as improving the school lunch program and I want to compliment them, but for the reason cited before this committee for the sake of \$150 or \$200 million we can do serious harm to the school lunch program where it will not recover for many years to come if we permit these regulations now to go into effect, because the regular school lunch pro-

gram is going to take off so much to feed the needy that you are just not going to have a school lunch program that will be satisfactory and people will commence to drop out of it and get discouraged.

Many schools with this reimbursement rate, school districts, cannot afford a school lunch program for the needy and we could jeopardize all the gains for the sake of \$100 or \$200 million. When we got up to the point of spending more than a billion dollars on such a great program, perhaps the greatest program of all of our programs insofar as child development is concerned in this country, it is odd to me that we cannot come forth and support or adopt regulations which will correct these injustices and feed these needy children and strengthen our school lunch program in this country. I am most hopeful, Mr. Chairman.

I again want to compliment you and all the members of this committee that this resolution can be reported tomorrow, so that we can get it before the House by the next suspension date or get it before the Rules Committee or get it before the House. We need to move this at the earliest possible moment and I intend to call the full committee together and I would hope to report it out of the full committee next week.

Mr. PUCINSKI. Thank you very much, Mr. Chairman. I appreciate this very excellent statement. I think you certainly put in a proper perspective the dimension of the problem. We are going to be hearing from Secretary Lyng very shortly to see what the administration view is on this matter.

Mr. PERKINS. I do want to state that we should add in there with the resolution that we have introduced it has faulted the 6-cent reimbursement rate for the regular school lunch program. That is needed by all means. Everything skyrocketed, and while everything is going up, inflation has taken its toll on the cost of everything else.

We have done so little in connection with the reimbursement rate for our schoolchildren; we have just done nothing in that area.

Mr. PUCINSKI. Now as I understand this, we have passed legislation and led the local school districts across the country to believe and rely on the fact that they would have certain funds forthcoming. As you say in your statement on page 2, as a result of that anticipated assistance most school district budgets are locked up for the year.

Mr. PERKINS. That is correct. In many States like Kentucky the legislature will not meet until next year and there is not one thing they can do about it and all their local funds have been allocated either at the local or State level.

Mr. PUCINSKI. Would you know offhand what is the total amount of deficiency in the administration's present program, not counting today's amendment? Now I understand it was \$330 million to carry out the intent of Congress as we had incorporated in our own action when we passed our legislation here by—

Mr. PERKINS. I understand if we could get about \$175 million, that we could live with it maybe.

Mr. PUCINSKI. In other words, you feel that the deficiency is about \$175 million?

Mr. PERKINS. Yes.

Mr. PUCINSKI. Would that take care of the 40-cent base?

Mr. PERKINS. That would be the 40-cent minimum and take care of the 6-cent reimbursement.

Mr. PUCINSKI. Now, of course, the administration today has proposed a 40-cent State average and a 5-cent—

Mr. PERKINS. That won't do the job. It will be so discouraging to some of the school lunchrooms in the country where they need the funds the most, where they will be locked in and with no additional revenue. For instance, in my district every school lunch director and every county board of education is on me down there about these regulation. It is just destroying them. They could not do anything about it, they were locked in, no additional funds and it was just going to cut the heart out of all the regular school lunch programs in all these districts.

Mr. PUCINSKI. Perhaps you may want to reflect on that for a moment. I am under the impression that the administration's proposal of a 40-cent State average and 5 cents across the board totals \$135 million as announced today. I am under the impression that to go to the 40-cent State average and a 6-cent reimbursement, as you propose, would require another \$110 million.

Mr. PERKINS. We hardly think it will cost that much money, but even if it did, it would be the cheapest insurance against what we are trying to do here to solve this problem of any money that can possibly be expended.

Mr. PUCINSKI. But your own judgment is that—

Mr. PERKINS. \$175 million.

Mr. PUCINSKI. \$175 million.

If the administration today has already committed an additional \$135 million, then we are really only \$40 million apart. It would seem to me that we should not have all that much trouble then in passing your legislation and trying to find that \$40 million.

Mr. PERKINS. I think that legislation will go through the House just about unanimously, in my judgment.

Mr. PUCINSKI. Mr. Chairman, where would you propose that the additional money be forthcoming from?

Mr. PERKINS. Section 32. That is provided for in the resolution.

Mr. PUCINSKI. And that money is available?

Mr. PERKINS. Yes, absolutely.

Mr. PUCINSKI. All it means is that we will return that much less to the Treasury?

Mr. PERKINS. That is correct.

Mr. PUCINSKI. On those section 32 funds that are unexpended; is that right?

Mr. PERKINS. Well, the resolution I understand provides that there be a supplemental to replace that which Jimmy Whitney stated that he was agreeable to some time ago.

Mr. PUCINSKI. Do I understand correctly now that if we do not take this additional money that would be needed to carry out your proposal, that that money then returns back to the Treasury?

Mr. PERKINS. That is correct.

Mr. PUCINSKI. Out of the section 32 funds?

Mr. PERKINS. That is correct.

Mr. PUCINSKI. So in passing your resolution we are not really increasing the drain or the pressures on the budget itself. This money is there no matter how you expend it?

Mr. PERKINS. This money is there and it is not being utilized, but we do provide in the resolution for a reimbursement of it. I mean for a supplemental appropriation if it is necessary.

Mr. PUCINSKI. Now I have seen a number of editorials across the country which reflect pretty much the outrage of people throughout the country in trying to fight inflation and balance the budget and do all kinds of other things at the expense of needy children participating in a lunch program.

I think that if we had included those editorials, which do reflect the spirit of the people in those communities, it would be a rather impressive record. Have you seen any of those editorials?

Mr. PERKINS. I have seen some stories, but I don't recall about editorials. I have talked to the best experts in the country and those are the people involved. I have talked to dozens of people and that is much better evidence than any editorial statement that you can read.

I have talked to the lunchroom directors, I have talked to the people who provide the funds, I have talked to the court members, the school board members and the school administrators and I don't know. If anybody knows the problem, they are the experts, and they all tell me that the guidelines should be revised because if you don't they will have the effect of pulling down this great program and in many instances destroying it in certain communities.

Mr. PERKINS. Now we are anticipating in 1971-72 some 25 million children are being reached with this school lunch program, which is about a 9- to 10-percent increase over last year. Do you have any estimates or does anyone have any figures to indicate how many of these children would have to be either outright denied lunches or average substantially reduced lunch programs?

Mr. PERKINS. There will be millions and millions if we don't do this job.

Mr. PUCINSKI. We don't have any survey of any precise figure?

Mr. PERKINS. No precise figure, but we have got some statistics along that line. I think the committee has gathered some statistics.

Mr. PUCINSKI. The point you made about budgets being locked in, of course, is the problem that I think is most serious.

Mr. PERKINS. Yes.

Mr. PUCINSKI. Now as a local school administrator, and we have here a raft of telegrams, and this is just a little bit that came in today, we have a good deal more than have been coming in over the last few days from all over the country. This is really an impressive cross section. It is not from any one section of the country. But these telegrams are all pleading for support of your legislation to save them from what some call the disaster.

So apparently your statement that there would be a great number of systems that would have to severely curtail their programs is fortified by these people out in the field.

Well, Mr. Chairman, I want to thank you for your very forthright statement.

Mr. Bell?

Mr. BELL. No questions; it is a pleasure to have you before our subcommittee.

Mr. PUCINSKI. Thank you very much.

Mr. Peyser?

Mr. PEYSER. May I hold onto you for 1 minute? I have to get something clarified in my mind.

Mr. PERKINS. Absolutely.

Mr. PEYSER. We were talking about the difference between your proposal, which was an estimated \$175 million, and the administration's move now that is adding \$135 million, I think, to the program, so there is roughly a \$40 million. Now I want to be sure in my own mind, what steps does your program take within that scope of the \$40 million to make this dramatic difference?

Mr. PERKINS. What I have suggested is that we adopt for the regular school lunch program the reimbursement rate of 6 cents instead of 5 cents. That is the discrepancy which you have in mind.

Mr. PEYSER. And that difference in your opinion then would make the difference a success or failure in the total program?

Mr. PERKINS. That is correct.

Mr. PEYSER. All right. I appreciate that.

Mr. PUCINSKI. Thank you very much, Mr. Perkins. I hope you will be able to stay with us for the testimony of Secretary Lyng, who is next.

Mr. PERKINS. I am going to my office, but if you run out of a quorum, let me know.

I have Mr. Lyng's statement here. I glanced at a couple of paragraphs. I don't know what I did with it.

Mr. PUCINSKI. Mr. Secretary, if you would like to have your associates join with you at the table, it is perfectly agreeable.

I see you are accompanied by Mr. Edward J. Hekman, Administrator; Mr. Phil Olsson, Deputy Assistant Secretary; and Miss Isabelle M. Kelley, Assistant Deputy Administrator, Food and Nutrition Service.

It is a distinct pleasure to have you before us again. We have been discussing this program a good deal of the time and I know that you certainly are a longtime friend of this program. I sympathize with the problems that you have, but I don't think that anyone has ever questioned or would ever want to question your own personal sincerity and desire in trying to do the best you can with this program.

I think that over the years you have established an enviable reputation for your concern of the successful operation of the program. As Mr. Bell said, surely the program has substantially increased in the last few years, thanks in a great measure to your planned leadership.

So we are very pleased to have you here. We are anxious to hear your statement.

STATEMENT OF RICHARD LYNG, ASSISTANT SECRETARY, U.S. DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY PHIL OLSSON, DEPUTY ASSISTANT SECRETARY; EDWARD J. HEKMAN, ADMINISTRATOR; AND ISABELLE M. KELLEY, ASSISTANT DEPUTY ADMINISTRATOR, FOOD AND NUTRITION SERVICE

Mr. LYNG. Thank you, Mr. Chairman.

Mr. Chairman, members of the committee, it is a pleasure to appear before this committee today and to have an opportunity to comment

upon USDA's child nutrition program, and particularly upon the national school lunch program.

This morning the Department of Agriculture announced that decisions have been completed on new school lunch regulations and that they would be published in the Federal Register within a few days.

It will interest the committee to know that the final regulations will be considerably different than those published for comment on August 13. We have given considerable study to the large volume of comments received. We have considered comments from school administrators, teachers, school lunch administrators and from a large number of members of the Senate and House of Representatives, including members of this committee.

In our final regulations we have also given consideration to the action of the Senate on last Friday. The final regulations will provide for the following major program changes:

1. The 50 States and the District of Columbia will be guaranteed a statewide average reimbursement rate of 40 cents for each free and reduced price lunch—10 cents above the 30-cent guarantee in our August 13 proposals.

2. Federal reimbursement for needy children will be limited to free and reduced price lunches to children from families with income at or below the mandatory income eligibility standard specified in the National School Lunch Act. The 1972 standard is \$3,940 for a family of four.

3. Increased flexibility is provided in the method of distributing special section 32 funds to give added assurances to States that they will be able to promptly process and pay reimbursement claims from schools.

The estimated cost of these announced revisions will depend upon actual program growth in 1972. We now estimate that these additional costs will be about \$135 million. This will increase Federal school lunch cash assistance payments from \$536 million in 1971 to about \$750 million in 1972.

We believe, Mr. Chairman, that these revisions will meet the concerns expressed by both the States and the Congress that needy children have access to a free and reduced price lunch in 1972. With a minimum statewide average of 40 cents in Federal section 11 funds for every free and reduced price lunch served to poverty level children, the State will be able to vary payments to especially needy schools.

There is no change in the maximum payment permitted to especially needy schools. It remains at 60 cents.

We also believe, Mr. Chairman, that this revision is in line with the National School Lunch Act's direction that priority be assigned to the neediest children.

The proposed 5-cent minimum statewide average reimbursement rate under section 4 remains unchanged in the final regulations.

In view of these actions by the Department, we do not believe that the passage of House Joint Resolution 889 or Senate Joint Resolution 157 is now necessary. If, however, the committee believes that the passage of such a resolution is still desirable, we suggest the language and intent of the resolution should at least be clarified.

First, we are opposed to the provision of Senate Joint Resolution 157 with respect to section 4 reimbursement rates. The language of that portion of the resolution directs that a minimum reimbursement rate of 6 cents be established. With the new guaranteed average payment of 40 cents for free and reduced price lunches under section 11, we do not believe it is necessary to increase section 4 rates for the more affluent schools or for nonneedy children.

Both House Joint Resolution 889 and Senate Joint Resolution 157 concern the establishment of maximum rates of reimbursement for free and reduced price lunches served to needy children. It amends the National School Lunch Act to provide that the maximum per-meal rate of section 11 assistance shall not be less than 40 cents and that a higher maximum rate shall be established for especially needy schools.

We assume, first, that this amendment is not intended to contravene the overall limitation in section 11 that Federal reimbursement payments shall not exceed the operating costs of a school's lunch program. This should be clarified because, as presently worded, we find it confusing.

Our new regulations will guarantee the States an average section 11 payment of 40 cents for free and reduced price lunches to needy children. States could use these Federal payments to pay more than 40 cents to especially needy schools—up to a maximum of 60 cents in a combined section 4 and section 11 payment—and less than 40 cents to the more affluent schools. Thus, the 40-cent average payment we are guaranteeing the State is not inconsistent with House Joint Resolution 889's provisions with respect to the maximum section 11 rates of assistance to be established.

Thus, Mr. Chairman, I respect that we believe our final 1972 school lunch regulations will meet the concern about needy children and passage of a joint resolution is not necessary.

Our revised regulations, which will add another \$135 million to Federal school lunch funding in 1972, is another in the series of actions we have taken to strengthen and expand Federal food programs.

Since the fiscal year 1968 we have more than doubled Federal support for child feeding programs. In 1972 we will be providing more than \$1.2 billion in Federal support. In the fiscal year 1968 that support totaled \$500 million.

Most of that increase in Federal support has been concentrated on special assistance to help schools serve free and reduced price lunches to needy children. Since 1968 there has been more than a hundredfold increase in section 11 assistance—from just under \$5 million in 1968 to the well over \$500 million that will be provided in 1972.

In the last 2 years alone Federal cash assistance payments under section 4 and section 11 have increased from \$300 million in fiscal 1970 to about \$750 million for 1972. In addition, schools will be receiving an additional 7 cents in commodity assistance for each lunch served in 1972.

Were we to include our family feeding programs, total Federal support for food programs has increased from \$894 million in fiscal 1968 to about \$4 billion in fiscal 1972. We believe it is important to remember that needy children benefit both from our child nutrition and our family feeding programs. We have moved to improve the diets of needy children on two fronts—while in school and while they are at home.

We believe, Mr. Chairman, that this record of increased Federal support does demonstrate our commitment to effective and expanded Federal food programs.

Thank you.

Mr. PUCINSKI. Well, thank you very much, Mr. Secretary.

Now there is no question that the statistics that you have cited on page 5 of your statement are an impressive record and I am very pleased that working together we have been able to address ourselves to a problem that 5 years ago was a national disgrace and a national scandal.

You recall that all of this drive for increased expenditures for needy children came as a result of shocking revelations all over the country, that a tremendous number of children in this country were going to sleep hungry and were underfed. I am delighted that the administration has responded to that problem, but now it seems to me that with the announcement that you make today and the position that the administration is taking at this time, you really are going backward and you are somewhat undoing the very excellent start that we have made toward dealing with the problem of hungry children in this country, and this is what disturbs us.

What disturbs us is not the fine record that we have written over the 5 years, but the fact that this record is now being very seriously jeopardized. As the chairman of our committee said a moment ago, and as these telegrams indicate before me here, we can be brought to a very serious standstill.

Now I am sure that neither the President nor anyone in his administration wants to turn the clock back to the days when this Nation was aroused to the point that it was because of the fact that we had so many unfed children. I really don't understand if indeed the statement made by the chairman that we need \$175 million more to meet the provisions of the legislation before us, and I believe that you have put a price tag of \$135 million on your action today, we are only \$40 million apart.

Why can't we then find that additional \$40 million? If we are talking about some grandiose figures, some pie-in-the-sky figure, I can see what the problem is. But we are only talking about \$40 million if the figures cited by the chairman are correct to carry out the provisions of the legislation before us.

It seems to me that that is what we are talking about today.

Now I do have telegrams here which indicate that using the 40-cent State average as against the 40-cent floor proposed in this legislation will make a significant difference in many States. I am also told that the 6 cents continues to be needed even though you say it is going to be a 7-cent increase of commodities.

So the one thing though that disturbs me about your proposed legislation, coming from a big city like Chicago, on page 2 in paragraph 2 you say that the 1972 standard is \$3,940 for a family of four. Now that may be true in Appalachia, it may be true in Arkansas, it may be true perhaps in the pulpwood forests of Alabama and Georgia. But I don't think it is true in a city like Chicago or New Orleans or Cleveland or Los Angeles.

Now why are we using this uniform standard figure for the whole country? I was under the impression that the National School Lunch

Act gave the Secretary authority to use more realistic figures by reason or areas.

Mr. LYN. No, Mr. Chairman. The National School Lunch Act, as amended in 1970, says that the Secretary shall as of July 1 of each year prescribe the poverty level, and the Secretary has done this after consultation with the Census Bureau and the Bureau of Labor Statistics and the other governmental agencies, and there is a national standard.

The law said that this would be a minimum and that minority should be given to the serving of the neediest of children. This is the basis for action. As a matter of fact, in the State of Illinois I understand that the State itself has adopted the figure of \$3,940 as the eligible figure for the entire State.

Mr. PUCINSKI. But I have a feeling though that if you apply the \$3,940 figure to the lunch program as a cutoff point for needy children, we are going to be faced with a real crisis in our communities.

Mr. LYN. I don't think so. There will be no change in your community, Mr. Chairman, if I understand correctly. There are some communities that have adopted higher figures and if I might take a moment and explain our rationale in putting this provision in, there are some communities that have gone as high as \$7,500 in their definition of income for a needy family, a family of four.

We feel that in those areas where there is a need to go higher, slightly higher, that there is nothing to preclude the local districts from permitting schoolchildren to share in reduced price lunches. They simply don't share in Federal reimbursement. In view of the amount of money that we are adding to the States allocations, we believe that those communities where incomes are higher should be better able—than they were in the past—to afford assist students who would be above the minimums. Actually, Mr. Chairman, last year there were 8 percent or less of the total children receiving free and reduced price lunches were in families with incomes above the poverty level of \$3,720.

Mr. PUCINSKI. Well, you are suggesting then that the 40-cent State average will not have as adverse an effect as we feel in insisting that we have a 40-cent floor?

Mr. LYN. No. As a matter of fact, we think it will work out quite well. We see grave administrative problems in trying to administer a program with a 40-cent floor. It would be immediately necessary for us to somehow define—in rather rigid terms—criteria to be used in approving applications of increments above the floor.

We now have some definitions for the use of maximum allowances and we know some of the difficulties involved in that, Mr. Chairman. The cost of establishing minimum reimbursements, would be, we think, a great deal more than—with all respect to the chairman—a good deal more than he thinks it would.

Mr. PUCINSKI. Going to a 40-cent floor and a 6-cent reimbursement, what do you think it would run?

Mr. LYN. If the 6-cent reimbursement were on the same basis as our proposal for 40 cents on an average, the 6-cent statewide average, it would cost in the vicinity of \$40 million. So, if the chairman's figure of \$175 million, was the \$135 million required for our regulations, as

announced today, plus the 6 cents on that average basis, we think this estimate of \$175 million would be accurate. However, if we were to adopt regulations or policy of 6 cents as a minimum and 40 cents as a minimum, I don't have an estimate of what it would cost. On the 6-cent figure, I would guess that it would probably in the area of \$15 to \$20 million for a 6-cent minimum only.

We have done some study on the free and reduced price lunches. We estimate that each 5-cent increase in that average rate would increase costs from \$65 million to \$100 million depending upon participation and depending upon how we could structure some sort of controls. But we really have not been able to understand how we could administer a program, where you permitted States to set the rate of reimbursement at somewhere between 40 and 60 cents, without some sort of guidelines that would have to be fairly rigid.

Mr. PUCINSKI. I know, but it does seem to me that there must be something wrong with our method of communicating. Now we have your Department here today and you assure us that with the new program you announced today of 40 cents State average and 5 cents across the board at a cost of \$135 million, that this would do the job.

I know that we have had previous experiences with your Department where we received assurances that we could do the job and yet we get these reports from the field people who are working with the programs and people who have to need these youngsters and they tell us that they are not going to do the job.

Now it would seem to me that I have to sort of rely to a great extent on the people who are out there in the field. They are trying to administer these programs and it just seems to me that these people tell us that there is going to be some very, very disastrous consequences if this program is moved along the lines you proposed.

Now you say that you have changed your previous guidelines, but I think that the best information that we have is the 6 cents and the 40 cents would be the way to go. Now we are talking about some \$40 million if the chairman is correct and perhaps \$100 if you are correct, but the money is in section 32. I mean, this is not robbing Peter to pay Paul. The money is there.

Why can't we use it to feed these children?

Mr. LYG. Mr. Chairman, there is section 32 money. We have traditionally maintained a carryover of \$300 million of section 32 money. The Appropriations Committees have done this, and the executive branch has gone along. I think only once has part of the carryover been used.

The original purpose of section 32, as you recall, was to set aside tariff receipts for the removal of surplus commodities that were not under support programs. The purpose in reserving the carryover was for unforeseen crises. I think it would be a mistake to assume—or to consider—that this money is just there; that it does not cost anything to spend it. It is an outlay. It has a very real effect just as whenever the Federal Government spends money. It is just as real. Once spent, the carryover won't be available again.

That is why I think that both the Senate and the House resolutions call for reimbursement of the section 32 account. The actual spending of an additional \$100 million of section 32 funds would have the effect

of increasing the Federal deficit by \$100 million. There is no mystery to that.

On the question of the 6 cents, Mr. Chairman: I think it should be clear to the committee that the 5-cent appropriation allowance is to all children, needy children and nonneedy children alike. Increasing that by 1 cent will have a very small effect, a negligible effect, on the needy children because it moves them from 45 cents to 46 cents.

The major cost and the major effects relate to the large number of children who are not in the needy category. Our reason for not proposing to increase section 4 beyond a nickel is, as I am sure you understand, to try to keep Federal expenditures under some sort of control, under some sort of reasonable balance. We feel that priorities should be given to the feeding of needy children; that there is some real merit to leaving the 5 cents where it is. That is the reason for our proposal.

Mr. PUCINSKI. Well, you are actually right. You take \$300 million in section 32 and you don't spend it, it goes back in the Treasury and it is used for some other purpose. So you are absolutely right when you say this money just does not come off a tree.

I am fully sympathetic with the President's problem. I know he is faced with a \$35 billion deficit in fiscal 1972, but I am reminded of the testimony before this committee when we addressed ourselves to this problem 5 years ago and at that time the Congress by tremendous vote put the highest priority on feeding these children.

So it seems to me that any kind of retreat from that highest priority is contrary to the intent of this Congress and it does seem to me that this is where the problem is.

Now I presume that if the Congress passes this resolution, that the President will sign it. I know you can't speak for the President, but is there any question that he would sign it?

Mr. LYNG. You are right, I cannot speak to that, Mr. Chairman. I think it should be pointed out that there is no retreat here. The statewide average reimbursements of 5 cents for these programs come very close to the reimbursement rates that we have had in the past. I think only in one year have we ever exceeded this figure, just the most recent year.

Mr. PUCINSKI. But we have never had as massive a program. We have 25 million children that are now participating and we require 21 States to set higher minimum income poverty guideline standards. We have brought these children in and we have told these school administrators that we want every child in this country who needs assistance to be fed.

We have committed ourselves on a national policy that no child in this country will go hungry. Now these school districts are locked up, budgets are locked up, their legislatures won't be meeting again in many instances, and it seems to me on a basis of these telegrams that I have here and the statements that have been given to us that unless you go to the 40-cent minimum instead of average and the 6-cent reimbursement, that they are going to have to either lower the quality of the diet you are giving these youngsters or just not feed a number of youngsters.

Mr. PEYSER. Would you yield?

Mr. LYNG. No; that is not accurate. I would call to the committee's attention that the reimbursement rate during the past fiscal year was 31.1 cents. We have announced today that it will average—actually it averages above 40 cents—but it will be a statewide minimum average of that; in some States it will actually be above it, in all probability.

So at the very minimum we are providing an increase per lunch of 8.9 cents. We are providing 50 percent more cash than we were last year in total dollars, from \$536 million to \$750 million, and this is no retreat. This is a very substantial increase, Mr. Chairman.

I suspect that many of those people that sent those telegrams, if they were aware of our proposal today, would be able to tell you that they could operate under this program the way we have announced it.

Mr. PUCINSKI. Mr. Peyser.

Mr. PEYSER. Excuse me. I just wanted to ask a question of you, Mr. Chairman, for my own understanding.

When we are dealing with average and minimum, which seems to be the question here, would you mind or would the Secretary mind explaining briefly exactly what that means?

Mr. PUCINSKI. I will take a stab at it and then perhaps if the Secretary wants to elaborate, he can.

Obviously when we say a 40-cent minimum, that is precisely what we mean, that we will give assistance to needy children at no less than 40 cents. If you take the State average—and you may find that this is going to fluctuate in some districts—you may find that they get substantially below the 40 cents at the expense of other districts in their State. So while you are taking care of one, you may be hurting another one.

Our study shows, and the statement was made before the committee by the chairman, others indicate that 40 cents is the very least rate of assistance that they need if they are going to have an effective program. This is why we are saying that the 40-cent minimum—not it may be higher in some areas, but it can't go below 40 cents.

The Secretary is taking a position of averaging out across the States, which in my judgment would mean that some districts would have less money to work with.

Now, Mr. Secretary.

Mr. LYNG. Yes. Just briefly I think the chairman has explained it. The reason for it, Mr. Peyser, is that you have some school districts who have a very few needy children; in many instances their tax base is sufficient; it is not really a major problem for that school district to take care of those needy children.

You have other school districts that are particularly poor, where you have a very high percentage of poor children. We have schools where actually a hundred percent of the children come from homes with a poverty standard. In those school districts you very often have a low tax base; as you know, equalization programs throughout the States are not all that satisfactory. In many cases there are some really grave financial problems in those poor school districts.

Our announcement, and it is traditional—the way we have been operating the program—permits the State department of education to reallocate these funds on the basis of need in school districts; go up as high, under some conditions, as 60 cents, which will substantially pay the full cost of the meals.

We don't let them exceed the cost of the meals so that we are paying virtually 100 percent in some school districts. In others parts of the States are schools that have been able to get along quite well with far less apportionment. This really has not created serious problems. As a matter of fact, it is only in the last few days that this issue has come to my attention of a minimum standard.

Mr. PEYSER. Thank you very much.

Mr. MEEDS (presiding). The gentleman from California, Mr. Bell.

Mr. BELL. Thank you, Mr. Chairman.

Mr. LYG, how many children are you reaching by this present method, the 40 cents and the 5 cents?

Mr. LYG. The total figure at the end of the last school year was just about 25 million, Mr. Bell, in total. We were serving 7.3 million needy children free and reduced price lunches.

Mr. BELL. Do you have any figures showing how many needy children you think there are?

Mr. LYG. We had an estimate from the State departments of education which indicated that the total was 7.8 million. Now there is a discrepancy, we think, in these figures; we do not really believe that if the 7.3 figure is accurate. We don't believe that we have 7.3 million poverty numbers. We think that there has been some reporting of free and reduced price meals served to children who were not truly needy and we have proposed through audits to get at that.

Some schools, for example, which had 50 or 60 percent needy children, just went ahead and classed all their children as needy children. We think there is some lack of accuracy in this, but not a widespread thing.

Mr. BELL. Do you think there are 500,000 needy children that are not being reached by this?

Mr. LYG. Yes; as a matter of fact, we could estimate that there could be a million to 1.2 million. We have about 18,000 to 20,000 schools in the country that do not have a program. We estimate that in those schools—we have had estimates of 900,000—in some cases as high as 1.2 million needy children.

But we do know that there is a number that we don't have. We think that the program we are now putting into effect will get at that. In the past we have been granting the States a bloc grant; the more meals they served, the lower the reimbursement was per meal.

Under this regulation we are guaranteeing a minimum of 40 cents for every eligible meal no matter how many they serve. We think that it will be a real inducement for the States to go ahead and expand and get at those—

Mr. BELL. In other words, what you are really saying is those missing areas, people that you heretofore have not gotten over the 7.3 million, that you have not gotten them because the States have not adequately cooperated or the school organizations; is this correct?

Mr. LYG. Well, I could not want to say they have not cooperated, Mr. Bell. We have about 85,000 schools in the program. I think the States have done, in most instances, a good job. This is a program that has been growing steadily for years. The movement has been good, but we would like to accelerate it, particularly among the needy children.

I think that there have been a number of reasons for it, dollars have been waiting——

Mr. BELL. What I am trying to get at, Mr. Lyng, is that the chairman indicated that you have a pool of approximately 3 million which you said was allocated to some other difficulty you might have in deficits as a result of some of your products that were involved, but I am not just sure what that is.

At any rate, if you were to dip in and take some of that, assuming that you could without doing the damage to the economy that you say it might, could you actually reach that 500,000 right now?

Mr. LYNG. I think it would still take some time, Mr. Bell. Many of these schools do not have facilities, but there is no question about it that additional money will help. We think the additional money that we are putting in will move in that direction just about as quickly as it could be done.

Mr. BELL. What is that \$300 million that you mentioned—that taking \$100 million from it would cause difficulty in the economy?

Mr. LYNG. Under the increase in school lunch spending we announced this morning, we are planning to use section 32 and we have the authority to do so. The section 32 is the 30 percent of customs receipts. It is assigned to the Department of Agriculture for use primarily in the elimination of surplus of nonsupported agricultural commodities.

There is about \$700 million a year that we receive in that fund. We will be spending about \$350 million for commodities, roughly half of it in the purchasing of surplus foods—orange juice, canned peaches, pears, raisins, prunes, from California.

We buy pork. We buy a lot of foods in California, your State and mine. We have a number of commodities that are not price supported and this is the kind of crops that it is used for.

We also bought lots of pork, lots of dehydrated potatoes and so on. But the rest is spent in cash allotments, largely to schools for school lunch programs.

I am not giving you precise figures on that, but if you like, we would submit precise figures for the record.

Now, each year, we have carried over \$300 million; it has only been used one time. The purpose of having it carried over for some emergency agricultural problem. As a matter of fact, the records would show that Senator Holland, when he was chairman of the subcommittee for appropriations of the Senate committee, zealously guarded this \$300 million, feeling that Agriculture could very likely need it. It is only recently that we have begun to talk about invading that \$300 million for something other than agricultural purposes.

We can only do it once. It won't be a carryover if we use it. We start out this year with a billion dollars; we have \$700 million of new income and the \$300 million carryover. If we use it, then next year we don't have a \$300 million carryover, so we will——

Mr. BELL. Won't you have some from the next year?

Mr. LYNG. We will have \$700 million, but we won't have the carry-over, you see. When it was used before, it was replenished by an appropriation or by a reduction in other spending.

Mr. BELL. Well, then I suppose, Mr. Lyng, you could make an argument that you could dip in to some extent to make up the difference of the still needy children of 500,000. But what would it take, for example?

Mr. LYNG. We are prepared to spend what it will take under our regulations, Mr. Bell. We have said that we would pay the minimum average figure regardless of how many participate. We operate on an estimated basis. We are estimating it would be \$135 million, which, if we did not apply for a supplemental appropriation, would have to come from section 32, so that would take—

Mr. BELL. Another \$135 million?

Mr. LYNG. We are at this point, based on the only authorization we have, invading that \$300 million by \$135 million.

Mr. BELL. That is where you get your money for that?

Mr. LYNG. Yes.

Mr. BELL. And if you were to up that, I suppose, to include these other people you would have to get up to another what, \$40 million or what?

Mr. LYNG. Yes. If we moved from the 5 cents to the 6 cents.

Mr. QUIE. Would the gentleman yield?

Mr. BELL. Yes.

Mr. QUIE. That pool of money is not something that would be automatically there. Once you draw it down, it is not there as long as we are utilizing all the money that comes into section 32 each year, so it stays down there. The only way this could ever build up again is if you would find the money for the school lunches from other sources and let some of the section 32 funds accrue in a year and fill that \$300 million again.

Mr. BELL. As I understand, you could take \$40 million from that and you would still have \$260 or whatever it would be.

Mr. LYNG. In this year, Mr. Bell, and then next year we would have to find some other.

Mr. QUIE. We are talking about 125—

Mr. BELL. You said you had more after that?

Mr. LYNG. No, we are evading the carryover, unless we ask for a supplemental appropriation. That has not been clearly determined at this point.

Mr. QUIE. If you got a supplemental appropriation and funded it that way, you would not have to draw down the \$300 million. I have no objection to drawing down the \$300 million to some lower level, but we must remember with only \$125 million left and you put those two sums together, you cannot be doing this indefinitely.

Mr. BELL. There could be an argument made that you have 500,000 children that are really terribly in need. You can make an argument for that.

Mr. QUIE. Yes; I would make the argument for that, but I just want everybody to be aware of what they are doing.

Mr. BELL. I am just pointing out that assuming that the mechanics of it could be worked out, the money could be brought to where the needy children are.

Mr. LYNG. That is correct.

Mr. BELL. That you still have the resources to take care of the 500,000 needy children.

Mr. LYG. That is correct, Mr. Bell. That has not been the whole problem. There are many other problems involved in the nonprogram schools, among them equipment; the ability of the schools to manage the programs. As I say, great strides have been made. As a matter of fact, the figures last year showed that we moved from 4 million to 7.3 million needy children between September and the end of the school year. We have made great progress here.

We don't have that much farther to go. We think that during the next year, particularly during the next 2 years, we are going to substantially eliminate this problem.

Mr. BELL. So what you are saying, in effect, is you have not got the mechanics worked out or it cannot be worked out.

Mr. LYG. Yes. It is not 100 percent money. Money is not the total problem. Some nonprogram schools are private or parochial schools that have some problems—although we have private and parochial schools in the program. There are some small country schools where the children go home or bring bagged lunches and they are quite happy.

Mr. BELL. I am not talking about robbing Peter to pay Paul, but you have the question of priority.

Mr. LYG. I would agree.

Mr. PUCINSKI (presiding). Mr. Meeds.

Mr. MEEDS. Thank you.

Mr. Lyng, let me say I am happy to get this chance to discuss with you this very pressing problem.

My understanding is that when the guidelines were first announced, that you set a family income of some \$3,720, I believe, for a family of four, but you also allowed States in certain instances to exceed that—if they wanted a higher State average income for a family of four, that they were allowed to do so under those original guidelines. Is that correct?

Mr. LYG. Yes.

Mr. MEEDS. Indeed 21 States did do that?

Mr. LYG. I am not sure of the number. There were a number of States that did that; that is correct.

Mr. MEEDS. Then when you changed your guidelines, you raised that amount to a family of four to \$3,940, I believe it was?

Mr. LYG. That is correct.

Mr. MEEDS. But you did not allow States to set anything above that; is that correct?

Mr. LYG. That is the provision that will be in the regulations that we announced today.

Mr. MEEDS. Well, how much of the \$130 million that you are saying you are going to put into it comes from the fact that there will be no 21 States going above \$3,720?

Mr. LYG. There is no precise way to figure that. Mr. Meeds. You see, because we have increased the poverty figure, there is really no comparability with last year. We estimate, though—I think I pointed out earlier that one of our problems on this is that if we don't have some sort of a limit on eligibility when we increase the amount of our payment to as high as it is. We will have 40 plus 5, 45—plus 7, possibly 8 in commodities. We are getting very close to paying the total cost of the luncheon.

Mr. MEEDS. I am not saying I disagree.

Mr. LYG. So what we run into is a situation where in one major city in the country they set a level of minimum poverty level for a family of four at \$7,500. By getting our payment up high, you get a disincentive for local government to resist having a very high level of eligibility.

So we feel that it is quite essential that we have not only a minimum—which we know is essential; the law calls for that—but also is essence a maximum.

Mr. MEEDS. Yes. I am not saying I disagree with your setting this guideline. I am just saying that \$130 million that you are talking about having to put in extra for this program, there may be a part of that which you would have anyhow be putting in because there were 21 States that were going above your \$3,720 minimum anyhow.

Mr. LYG. Yes, or to put it another way, if we had not done that, it could cost us more than the \$135 million.

Mr. MEEDS. If you allowed them to go over?

Mr. LYG. Yes.

Mr. MEEDS. I agree with that.

Mr. LYG. Yes.

Mr. MEEDS. But that \$135 million is not under those circumstances as big as it might look.

Now you talked about guidelines which would allow under especially needy circumstances where they could go to 60 cents; is that correct?

Mr. LYG. Yes.

Mr. MEEDS. Is that still in the new regulation you promulgated?

Mr. LYG. Yes.

Mr. MEEDS. Could you tell us a little bit about those circumstances?

Mr. LYG. I will ask Miss Kelley. Could you spell out the circumstances?

Miss KELLEY. There would be three general criteria. One, the school's school lunch operating cost or the percentage of free and reduced price meals it was serving, was higher than was typical for the State. Either they had above-average cost or had above-average percentage of free and reduced price meals.

Mr. MEEDS. Over the last year or over the State average?

Miss KELLEY. No, over the State average, currently.

Mr. MEEDS. All right.

Miss KELLEY. Second, the projected cost of operating the program—serving those free and reduced price meals—and the revenues that would be engendered, at a 30-cent rate of section 11 assistance, would result in an operating deficit in the school, that is, you took all of the State, local, and Federal money at the 30-cent rate, the school still needed more money to finance the free and reduced price lunches.

The third criteria would be a finding on the part of the State that this operating deficit did not result from poor management practices; that it was not inefficiently operated; that high costs could be corrected by prudent and effective management.

Those the the three general criteria.

Mr. MEEDS. If I may just ask a follow-on question, who makes the determination as to whether or not a State meets that criteria, the Secretary?

Mr. LYNG. The State department of education, the chief State educational officer and his staff under the guidelines that she has outlined.

Mr. MEEDS. I yield to the gentleman.

Mr. QUIE. You said in your first criteria two things would be taken into consideration, the cost or the percentage of students. What causes costs to be higher than average that would be acceptable?

You said that poor management would not be the case.

Miss KELLEY. Typically, in an urban situation labor costs will be considerably higher than in the rural areas, particularly if the workers are unionized. You may find it is a central core school, where they do not have facilities, they must use a more expensive method to prepare food, on the outside and then truck it to the school, and so forth.

Mr. MEEDS. Now I am advised by the Seattle School District, and I am not exactly certain of these figures, but on the projection of the 30-cent reimbursement the Seattle School District would already be \$10,000 in arrears in their program. Does that sound reasonable?

Mr. LYNG. I would think that would be a rather modest amount for the Seattle School District.

Mr. OLSSON. The State of Washington benefited from the rates and the proposed regulations. If the system which was in effect last year had continued, the State of Washington would have been worse off than it would have been under the 30-cent rates and it would be better off—

Mr. LYNG. Yes; I think the State of Washington will be far better off than they have ever been before under the regulations as we put them out today.

Mr. MEEDS. I assume so since it will be at least 10 cents more on an average.

Mr. LYNG. Yes; I think that will substantially solve the problems in that State.

Mr. MEEDS. Why is this so? Why should they be proportionately better off?

Mr. LYNG. Well, Mr. Meeds, we apportioned the funds in a totally different way last year. Under the National School Lunch Act—this is a very complex program, far too complex, we think—we propose to do something about that.

But under the program section 4 and section 11 are allocated based on formulas in the law. Last year we augmented both section 4 and section 11 with some section 32 funds. We allocated the section 32 funds on the section 11 formula. The formula took into consideration, and I don't know the precise language, but it took into consideration such things as per-capita income, level of the program, the poverty population based upon the 1960 census because we didn't have the 1970 census at this point in time.

So the State of Washington suffered as did the State of California and some other States where they previously had not had a high level of participation, but did have, historically, a fairly high or comparatively high income, per-capita income.

Mr. MEEDS. Which is fast disappearing.

Mr. LYNG. Yes, some real problems—

Mr. MEEDS. We have been through the problems that the Puget Sound area has, and just to give you some idea—and if there is no objection, I will insert this entire letter in the record after the Secretary's

statement, but I want to just give you some idea of what is happening in my area.

(The letter follows:)

MUKILTEO SCHOOL DISTRICT No. 6,
Mukilteo, Wash., October 4, 1971.

Re Senate Joint Resolution 157—Free/reduced lunch reimbursement rate increase.

Hon. LLOYD MEEDS,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE MEEDS: In listening to the news, reading newspapers and talking with other supervisors of food services (School Lunch Program Directors) in the State, it is my understanding that the Senate unanimously passed S.J.R. 157—Increase for Free and Reduced Lunch Reimbursement to \$.45 (\$.40+.05= \$.45). The reimbursement rate is presently \$.35 (\$.30+.05= \$.35).

The Resolution is scheduled to go to a Committee, of which you are a member, and I wanted to take this opportunity to express my sincere hope that you will do everything in your power to help this Resolution through the Committee and to the House for passage.

The free and reduced lunches offered in the Mukilteo School District have increased as follows:

	1968-69	1969-70	1970-71
Reduced.....	5,600	5,968	19,905
Free.....	0	3,525	42,291

The month of September 1971 shows a large increase of free and reduced lunches over September 1970.

Our school lunch program is set up based on a "break even" basis, as are most school lunch programs in other districts throughout the State, although *most* districts *do not* break even.

In order to help offset the local cost of the increasing number of free and reduced lunches served and to continue to feed all the children that cannot afford to pay for their lunches, there is a great and justifiable need for the increased reimbursement rate presented in S.J.R. 157 to become law.

Respectfully submitted.

TED C. E. KNUTSON,
Food Services Supervisor.

Mr. MEEDS. Mukilteo, and it sounds like a disease, but it is the name of a city—it is a relatively affluent suburb area between Seattle and Everett. In 1969 Mukilteo served no free or reduced price lunches. They served some reduced price lunches, but no free lunches.

In 1969-70 they served 5,968 reduced price lunches and 3,525 free lunches. In 1970-71 they served 19,905 reduced price lunches and 42,291 free lunches. The income of these people in this area has gone down in addition to, I think, the increased benefits under the act which came under our 1969-70 amendments, which had a tremendous effect in this area and unless these school districts are compensated or reimbursed at a relatively high rate, they are just going to have absolute disaster.

So I am very happy to see the changed position of the Department and would hope that strong consideration would be given to raising the 5 cents to 6 cents and that the Department could. I think there is no question they could use these section 32 funds. We have been through that with some other matters, too, and what it amounts to is that I know you don't want to dip into that fund any more than is necessary,

but it simply means that if we have to come back to the Congress and reimburse that fund, let's do it. But for Heaven's sakes, let's not cut back on hungry kids.

Mr. LYNCH. Mr. Chairman, the State of Washington last year had an average reimbursement under section 11 of 28.4 cents. This year they will have an average reimbursement of 40 cents, so this is a substantial increase for that State. The 28.4 in Washington compared to the national average of 31.1 cents shows the State of Washington benefits, and is one of those States that really is helped by this.

Mr. BELL. Mr. Chairman?

Mr. MEEDS (presiding). The gentleman from Minnesota.

Mr. QUINN. Yes; I had some questions.

Do I understand there would be a minimum of reduced lunches in a State, but if a State wanted to divide that differently, they could do so?

Mr. LYNCH. Mr. Quinn, this is a point of difference between Chairman Perkins' proposal and the regulations as we announced them today. Traditionally we have allowed the States some flexibility in the apportionment of these funds, as we discussed, between poor schools. The chairman's proposal would set a floor of 40 cents. Of course, they could go on up to more needy schools.

The additional cost of this is considerable. We are not absolutely sure what it would cost; a good deal would depend upon what criteria we would build. We have to really modify, we think, and build a much more rigid criteria, than those described by Miss Kelley a moment ago. Under that kind of proposal we are not absolutely sure how we could do that.

But we think that it could cost a minimum of \$65 million and it could cost above a hundred million over our proposal of today.

Mr. QUINN. Does the State department of education make the determination which schools will stay with that 40-cent average, which get more than that and which get less than that?

Mr. LYNCH. Yes. Using the criteria that Miss Kelley outlined in accordance with the State plan filed with the Department, they make that allocation at the State level and it has worked out pretty well.

Mr. QUINN. Does no the school have to make a pretty strong case when, in effect, it takes money away from the school district?

Mr. LYNCH. Yes; and we think the States are best able to make that determination.

Mr. QUINN. Under regulations is the 5 cents also an average minimum?

Mr. LYNCH. Yes; that is an average statewide average.

Mr. QUINN. If you go to 6 cents, what would be your estimated cost?

Mr. LYNCH. On the same basis as the five, we would have an increased cost of \$40 million or \$41 million over the funds appropriated.

Mr. QUINN. That is all the questions I have.

Mr. BELL. Mr. Chairman.

Mr. PUCINSKI (presiding). Yes.

Mr. BELL. I had another question.

With regard to Mr. Meeds' last comment in which he said, "Don't go dipping into that additional money to help needy kids" sounds all right, but as I understand your testimony, actually mechanically that could not be accomplished right now; is that right? Even if you could

dip into it, you would have difficulty in getting the money to the children.

Mr. LYNG. We intend to get some to the children, Mr. Bell. We don't think the money is going to be the thing that keeps us from doing the 100 percent. We would have trouble in delivering 100 percent, regardless of the amount of money available.

Mr. BELL. That is the same thing we had trouble with in Mississippi and other areas a few years ago, they had trouble getting it to the needy people.

Mr. LYNG. Yes; the problem in our home State of California. Incidentally 2 years ago, it was about the lowest major State in terms of participation of any State in the Nation. States like in the Southeast were very high. This has been changing very rapidly in California, but it was only last year that Los Angeles came under the national school lunch program.

Mr. BELL. So it is not just the money, it is the mechanics of making it work?

Mr. LYNG. Yes.

Mr. MEEDS. Mr. Chairman?

Mr. PUCINSKI. Yes.

Mr. MEEDS. I would like to clarify this. Your calculation of \$40 to \$41 million is premised on reimbursement to presently existing programs; was it not?

Mr. LYNG. No; it is based on participation, an estimate of participation.

Mr. MEEDS. But participation by the same people that today are receiving 5 cents.

Mr. LYNG. We are expecting an increase, Mr. Chairman. This takes our projected participation for this fiscal year, which we think will be an increase. So that it will—yes, it will be the same people plus some additional ones.

Mr. MEEDS. Are you having trouble getting funds to the same people who are participating? I don't understand this colloquy between you and Mr. Bell because you say you are having trouble getting it to the people and it seems to me it is just a matter of increasing by 1 cent to the same people.

Mr. LYNG. No; I am not talking about the 5 versus 6 cents. I think Mr. Bell was referring to the numbers of needy children who are not now receiving free or reduced price lunches. We have earlier discussed that this figure ranged between 900,000 and 1.2 million. Mr. Bell was wondering why we could not just use this reserve of section 32 funds to get the job done.

I came to the conclusion, we at least discussed the fact, that there are other problems besides money in getting this job done.

Mr. MEEDS. So we don't have any problem though with this question, at least if we can isolate these things. Under section 4 you are now reimbursing all States at the rate of or proposing to reimburse all States at the rate of 5 cents per lunch regardless of free—

Mr. LYNG. On an average statewide minimum basis; yes.

Mr. MEEDS. All right. Now you would not have any difficulty in increasing that, any mechanical difficulty in increasing that to 6 cents; would you?

Mr. LYNG. The money is there in section 32. There is some question, I suppose, about our authorities. I am not absolutely sure how much we can invade that without coming to the Congress. In any case I think that with the spirit of the Congress being what it is, we could do it without any great difficulty; yes.

Mr. BELL. You mean you could increase it? Is that what you are saying?

Mr. LYNG. Yes.

Mr. MEEDS. Thank you, Mr. Chairman.

Mr. PUCINSKI. Mr. Secretary, we then, I think, are reasonably agreed that to carry out the provisions of this act, it would require an additional \$100 million over and above what you have committed today under your proposal?

Mr. LYNG. Mr. Chairman, on the 40-cent item itself, the question of the 40 cents for free and reduced price. If that were a floor, we think that would range between \$65 and \$100 million more than the regulations which we adopted.

On section 4, the 5 cents, if it were moved to 6 cents, this would cost \$40 million on the basis of an average. I don't have a figure of what it would cost if it were a minimum, but it would be more than that. It could be as much as \$20 million more, I think. So we could say that the difference between the regulations that we adopted today and the regulations as proposed by Chairman Perkins could range from about \$105 million to perhaps as much as \$160 million. We have no hard figures on that.

Mr. PUCINSKI. Do you mean to say, then, a total budget of some \$220 million for all programs across the board, total budget of \$220 million for fiscal 1972 that we cannot find another \$105 to \$165 million to feed these kids properly? I mean, I don't understand that. I am just a small guy from a little suburb by the side of Chicago and I don't understand why we would sit here and haggle about this kind of money for this program.

Now I am the first man to support cuts and various other programs. I think you ought to cut programs, but I think that we have already agreed a number of years ago that we have a national commitment. We agreed that there would be no hungry kids in this country.

If what these telegrams tell me is true, we are going backwards.

Now can't we get that money out of the section 32 or some other way?

Mr. LYNG. We have proposed not to do so in our regulations, Mr. Pucinski. We do this without any feeling that we are failing in our commitment to eliminate hungry children. I repeat that the difference of 5 to 6 cents is not particularly aimed at hungry children; most of it would go to children from affluent families, at least families above the poverty level.

The question of making the 40 cents a minimum instead of an average presents real administrative problems which we have not clearly been able to understand or to understand how we would administer. Further, it would make a very major increase in the total cost of the program. It would increase the Federal role in the program to an extent, I believe, which exceeds the concept of the National School Lunch Act as we have understood it.

In statements before the Senate Agriculture Committee and on the floor of the Senate just in recent days Senator Ellender, who was an

original author of the act, pointed out that the national school lunch program had always been considered to be a partnership program between the Federal and the State and local agencies. The amendments to the act in 1970 called for State participation in the program, concentrated on needy children. We think that the Federal action on this goes a long way toward fulfilling our commitment to this partnership.

Mr. PUCINSKI. Well, Mr. Secretary, we obviously have an honest disagreement. The administration has problems and you have taken a position. We have our commitments we are going to take a position on. Perhaps you are not the one I should be asking this question of, but we are moving on these regulations because in the opinion of the legislative branch of Government the mandate incorporated in the original legislation has somewhat been distorted in the interpretation.

Now just as one friend to another are there any other Mickey Mouses in this bill that would permit you to continue to do what you are doing even if we pass this legislation? We obviously are trying to close the door, we are trying to lock the barn, we are trying to write a bill that will take all of that initiative away and will compel your agency to do what we think ought to be done.

Now while I don't want you to divulge any professional secrets, if this bill is passed in its present form, signed by the President, will you then be compelled to go to the 40-cent floor and a 6-cent assistance base?

Mr. LYNG. If the resolution the committee is considering is identical to the one passed by the Senate, then it would not do what you suggest without revision.

Mr. PUCINSKI. All right. I appreciate your candor and frankness.

What would we have to do with this bill to do what we want to do and take the initiative away from you and put it in our court?

Mr. LYNG. The bill amends certain sections of the National School Lunch Act, Mr. Chairman, but it does not amend the right sections to accomplish what I really believe was the legislative intent of the Senate, what the chairman wanted to do in the Senate or what the Senate believed they were doing.

I would repeat that I would hope the committee would look closely at the regulations as we propose them. I suspect that they have really accomplished most of the things that the proponents of the resolution, the constituents that have urged the resolution, wanted. We feel that it is important. We agree with Chairman Perkins that it is important this thing be clarified and that is the reason we published these regulations.

We feel strongly that the schools need to know. We would be hopeful that the committee would believe that, because we have made this major step of increasing the expenditures by \$135 million, that there would be no longer the need, the same need, that the Senate felt in passing the resolution.

Now if the committee feels that the resolution needs to be passed, we would be pleased to send staff people up here to assist the committee, however, in technical ways.

Mr. PUCINSKI. That is a very fine gesture on your part because there is just no sense in legislating and finding out that after we have

gone through the whole process, that we are right back where we started from. Obviously the intent of the chairman, whether you agree with that position or not, is that at this point subject to your testimony, but the intent of the chairman obviously is to build a 40-cent floor and a 6-cent rate of assistance.

Now we will be talking here with counsel to find out precisely if this resolution can do exactly that and then we will slug it out on the floor. If we have the votes, fine; if we don't, that is the name of the game.

Mr. LYNG. In Chairman Perkins' testimony on page 3 he said that translated into dollar figures the State directors have estimated that it will take \$513 million under the section 11 and section 32 funds to meet the national needs for free and reduced price lunches.

The regulations that we announced today will put \$525 million into that area, which is \$8 million more than the chairman's testimony estimated, said that the State directors have estimated. So that in that area I believe that we have substantially solved the major problem.

Mr. PUCINSKI. I know it is entirely possible that you may have, I don't know. It seems to me that when we are dealing with as big a program as this, it is quite possible that there may be some slippage, that we overlook and maybe we are doing a much better job than we think we are. I don't know. For that reason it would seem to me that if our estimates showed \$513 million, and you are already spending \$525 million, then why would we object to having an ironclad resolution that cost for 40 cents and 6 cents?

If you are already doing that, then it won't affect you.

Mr. LYNG. Mr. Chairman, the 40 cents and 6 cents, as outlined by Chairman Perkins, would cost a great deal more than \$525 million.

Mr. PUCINSKI. In other words, you think the \$513 million figure is low?

Mr. LYNG. We think it is what the State directors believe they needed. With due respect, I find the chairman's testimony somewhat confusing, because the minimum levels that he referred to would cost a good deal more than that \$513 million figure.

Mr. PUCINSKI. Well, we will certainly want to get some more information on this.

One quick question. Perhaps Miss Kelley or someone else can answer.

Generally how do you evaluate the program today? Without discussing whether we go to 40-cent average or 40-cent base, how in your judgment is the program working out? Are we reaching the youngsters we want to reach?

Miss KELLEY. Yes, I think we have made remarkable progress. I think it is essential that we try to clarify the funding structure. To prevent, year after year, putting the funds in States, not in accordance with the participation, with several States having to wait 6 to 8 months to see if we can reapportion funds among States.

I think we do have a problem in reaching the no-program schools, particularly needy no-program schools. That is why we have directed the States to put a higher priority on the use of equipment assistance funds to reach needy schools—rather than spending the money on already participating schools.

Mr. PUCINSKI. Well, Miss Kelley, I have heard all sorts of statements back and forth, even right up to the day of these hearings on the basis of your own knowledge of the program and the problem. Are there in your judgment any hungry children in this country, children that are not being reached by this program?

Miss KELLEY. Yes. Clearly we have 20,000 schools that do not at this time have a food service other than perhaps a service of milk. These are the schools to which Mr. Lyng referred—we have had various estimates of perhaps as many between 900,000 to 1.2 million needy children in those schools who are now without a food service.

We regard that as a high priority. We are hoping—with a guarantee of 40 cents without regard to how fast a State expands the program, with our new revisions to concentrate the use of equipment assistance, Federal equipment assistance, on needy no-program schools—that we can make very substantial progress in bringing more of these 20,000 schools into the program.

In some instances, this will mean taking advantage of the new food technology. We have been moving to use engineered foods, to use outside food management companies to bring food into the school, to find better, more effective, cheaper ways of moving food into schools where there is no hope of putting food preparation facilities.

Mr. PUCINSKI. The architect of my own school system told me recently that this is the very problem that he has. There are no funds available for developing these lunch facilities in many of the schools in our area. While we have funds here for equipment, his problem is that they don't have the space.

I saw one of the high schools in my district that literally served a lunch in the gym and they prepare it in a closet. They just have no facilities and it is a pitiful thing.

Now what are we doing to help these schools develop the lunch facilities that they need so that they can serve these meals?

Mr. LYNG. Mr. Pucinski, we have a graphic example in the city of Chicago in the Archdiocese schools there, many of which were old schools in the older part of town, I understand in the downtown area.

I would like Mr. Hekman, who is close to what was done in that program—this is an example of the kind of cooperative work we have done not only with parochial schools, but in many instances with the public schools, of course.

Ed, could you comment on that?

Mr. HEKMAN. Yes.

At the invitation of the parochial school authorities in Chicago, Mr. Chairman, I visited there. Using of Federal funds and local funds, a central kitchen was installed on the near North Side. It is now serving some 14,000 children in the type schools that you have described—old schools, 100 years old, narrow halls, small rooms and all the other problems that go with it.

This has worked out very well. Now they are substantially expanding it. That is the central kitchen approach.

Others have used the so-called satellite approach. The private sector is moving very strongly in this whole field, with the major capital

commitments by major companies. They go all the way to the financing of the equipment.

I was privileged recently to study one proposal rather closely. In this city where it was proposed, it would affect some 20,000 students. All of the financing was built into the plans. I was told that, if the go-ahead decision was made in August, the food could be on the table through this system at a range of 41 to 49 cents per lunch within 4 months. These are examples of two programs, one through a central kitchen; the other, through the private sector.

There are many, many examples that I could give the committee.

Mr. PUCINSKI. Well, you are very kind to give me this information. I have a feeling that we have really torn up your schedule this afternoon, so I think we better get you out of here as fast as possible.

Mr. VEYSEY. Would you yield, Mr. Chairman?

Mr. PUCINSKI. Surely.

Mr. VEYSEY. I would like to explore a little further the point that Miss Kelley brought forward about new approaches in serving meals. I just received a letter from an assistant school superintendent in my district from Hemet, Calif., who says to me something like this; Yes, there is an awful lot of distribution of food being made. We are getting the food into the system and it is going out there, but that is a different thing than producing nutrition in all the young bodies that we would like to think we are taking care of.

Knowing teenagers and their habits along this line, I suppose it is true that there may be a great deal of food that is not getting where it should be going. He points out or suggests that, he thinks the style in foods has changed and is changing quite rapidly and a lot of young people are just not too well-acquainted with some of the types of food that are placed before them in the system that has been set up in the cafeterias. He is proposing some type of pilot projects which could explore new ways of serving good.

Now you touched on something like that but I don't know whether that is what you were referring to by "other ways," alternative ways of more effectively getting nutrition, that is the name of the game with all these young people rather than simply getting rid of a lot of food.

From all my readings in California it seems to me that the administration here, while it may have had some problems, has done an excellent job of expanding this program and getting to a lot of people. There are still more to cover, I grant you that, and we will always have that problem and have to keep working at it. But I am worried about whether we are delivering nutrition to the young people's bodies as effectively as we think we are when we just get the food out.

Mr. LYNG. Mr. Veysey, this is a subject we have spent a lot of time on. Most recently, the Secretary of Health, Education, and Welfare and the Secretary of Agriculture have met and talked in terms of collaborating on nutrition research and nutrition education. We do have a number of programs really aimed toward this.

The largest one right now is at Rutgers University where we have a major study underway. We will be getting the results of that before too long—on acceptability of foods, what can you do to encourage people to eat right, the fortification of foods, the new food concepts.

We have been talking a good deal with all kinds of food people, food experts, on this. Campbell Soup, General Foods, a number of these people have been meeting before the Senate Select Committee. A lot is going on.

We would be happy to send some information as to what we are doing. You have a very good point, a good question as to whether or not we are really delivering nutrition.

Mr. VEYSEY. Maybe I will send you down that letter and we will answer it.

Mr. LYNG. We will be happy to do so.

Mr. VEYSEY. The pilot programs that you spoke of, are they of the type that would touch the problem that I mentioned here?

Mr. LYNG. Yes.

Mr. VEYSEY. And there are several going on?

Mr. LYNG. Yes.

Mr. VEYSEY. Maybe you could give me some information.

Mr. HEKMAN. One is on food preferences. It is a study that ties in very closely to what Mr. Lyng just discussed as going on at Rutgers.

Mr. LYNG. We are very concerned that we are spending here \$4 billion of the taxpayers' money in an effort to eliminate hunger and malnutrition. Yet we really don't, I believe, have a good monitoring system to tell whether we are getting our money's worth. We are working on that.

Mr. VEYSEY. Good. I hope we can get a monitoring system. I think that would be important.

Mr. HEKMAN. This will be in the report to the Congress the latter part of the year from the advisory committee. It is interesting that discussions this afternoon centered so closely on two of the committee's priorities: One was no-program schools and the second one was exactly equal in their priority ranking, the problem that you just brought up of nutrition education.

Mr. VEYSEY. I think those are the two big problems that we have not handled.

Thank you, Mr. Chairman.

Mr. PUCINSKI. Thank you.

Mr. Secretary, I certainly want to thank you and your associates for spending the afternoon with us.

I also would like the record to show that your very fine assistant, Mr. Howard Davis, is here. He has always been a friend of all of us on the committee and has been extremely helpful to us on many, many occasions.

Mr. LYNG. He has been helpful to me, too, Mr. Chairman. We just didn't want to overpower the committee, so we kept him in reserve.

Mr. PUCINSKI. I also see Mr. Sam Vaneman from the American School Services Association and I hope that you will be submitting a statement to the committee for the record.

Thank you very much.

The committee will stand adjourned until further notice.

Mr. LYNG. Thank you.

(Whereupon, at 3:45 p.m. the subcommittee adjourned, to reconvene at the call of the Chair.)

(The following material was submitted for the record:)

STATEMENT OF HON. JOSHUA EILBERG, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF PENNSYLVANIA

Mr. Chairman, distinguished members of this subcommittee, we are concerned, extremely concerned, in Philadelphia, about the effect of the drastic limitation placed on the school lunch program by the Department of Agriculture.

It is certainly no secret that in professing to liberalize payments to states by increasing the federal share of lunch program costs from a proposed level of 35 cents a meal to 45 cents a meal at the request of Congress, the Agriculture Department actually was not liberalizing them at all.

Because at the same time it was graciously raising the federal ante per meal with one hand, it was severely limiting the number of meals with the other. And the device it used, as you are well aware, was restricting eligibility to a scale equivalent to families of four earning less than \$3,940 a year.

Gentlemen, that is even less than the level of eligibility for welfare in many states, including Pennsylvania. What the Department of Agriculture is saying to hundreds of thousands of hungry children throughout the country is that even though their parents may be poverty stricken and on welfare, that still does not qualify their children to eat lunch.

And there are hundreds of thousands more whose parents are struggling along just above the welfare level, trying with all the pride they can muster to stay off welfare and still give their children the basic needs of life. They, too, are being told that it is too bad, but there are more important federal priorities than buying a hungry child some lunch.

I would submit that the estimate of Senator McGovern and Representative Perkins that this latest blatant move by the Agriculture Department would deprive a million children of free or reduced price lunches may be extremely conservative.

In Philadelphia right now, there are more than 35,000 youngsters receiving free and reduced price lunches each day, and most of them wouldn't have much more than a slice of bread or a candy bar if it weren't for the Federal school lunch program assistance.

Gentlemen, if these new restrictions stick, at least 25,000 of those children would lose their right to reduced price meals in Philadelphia, with 112,000 getting the same shoddy treatment statewide. That, I contend, would be disastrous to the city and the state.

And the impact becomes doubly serious in Philadelphia, because once the federal wage-price freeze is lifted, regular lunch prices are scheduled to be raised to cut into a \$1 million food program deficit incurred by the school district last year. These price increases were planned for the opening of school in September, but were postponed by the freeze. What they will do now, unfortunately, is make it even more impossible for a hungry young child in the ghetto to buy lunch.

It would be nice, of course, if the Philadelphia school system could pick up the tab for the reduced federal funds under the new Department of Agriculture restrictions, but Philadelphia, like most other big city school systems, is broke. They already face a \$40 million deficit for the 1971-72 school year, without taking on the Federal duty of feeding hungry kids.

Eligibility levels currently in operation in the Philadelphia public schools provide free lunches for 6,000 children from families earning less than \$3,600 a year, and another 29,000 ten cent lunches for children from families in the \$3,600 to \$6,100 range.

Obviously, enforcing new restrictions of \$3,940 literally would decimate the school lunch program in Philadelphia.

I would contend further, gentlemen, that the selection of a level of \$3,940 a year as a poverty level is as out of date with the times and the economy of this nation as is the 20-cent hamburger. You can't get a decent hamburger for 20 cents anymore, and you can't raise a family of four on \$3,940, either.

Even the state welfare level in Pennsylvania is \$4,212 for a family of four and, as I have testified, here the Agriculture Department would be denying reduced price lunches to more than 100,000 Pennsylvania boys and girls whose families already are poor enough to be barely existing on welfare.

The effect of it all, I'm afraid, is that the Department of Agriculture is turning its back on the overwhelming weight of studies across the country and around the world that have documented unquestionably the strong relationship between adequate nutrition and the desire and ability to learn.

There are an estimated ten million hungry people in the United States today, despite all our affluence, and study after study links malnutrition with anemia, brain retardation, and stunted physical growth among children.

And even if the hungry child is lucky enough to escape these kinds of crippling problems, his ability to learn is severely diminished even before he walks into a school.

To quote just one Philadelphia school teacher:

"Kids would come to school without eating. They'd go home for lunch and not be fed. After this non-lunch, they were completely lost, without energy, lethargic, virtually uneducable. Some of them were in so much pain that they were tempted to go to sleep. I was so depressed by the situation that I told the Board I wouldn't teach in a school where the children weren't given lunch."

Gentlemen, I think that one quote ties it all together more eloquently than I ever could. It says that kids can't learn when their bellies hurt. It says that kids in the ghetto have a tough enough time learning without having to fight hunger pains, too. It says that the Nation's teachers recognize only too well what the Department of Agriculture would like to forget.

To what the classroom teacher says, the Philadelphia Inquirer adds in an editorial, and I quote:

"Now, budgetary discipline is all very well, but what about the discipline of an empty stomach? The department looks at the school lunch program and sees dollar signs. Why can't it see hungry children?"

Mr. Chairman, I would like to ask the very same question, and I challenge the Agriculture Department to come up with an answer.

Thank you.

NEW MEXICO DEPARTMENT OF EDUCATION,

Santa Fe, October 4, 1971.

Congressman ROMAN C. PUCINSKI,

Chairman, General Education Subcommittee, House Education and Labor Committee, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN PUCINSKI: I am writing to indicate my deep concern for the future of the National School Lunch Program. It is my understanding that you will be holding hearings during the week of October 4 in the General Subcommittee on Education on H.J. Resolution 889. I would like to submit the attached information as an indication of the degree of concern and hardship which the present funding will create for the schools of New Mexico.

Thank you very much for your consideration of this very serious threat to the health and well-being of the needy children of our nation.

Sincerely yours,

(Mrs.) GRETCHEN Y. PLAGGE,

Director, School Food Services Division.

PREPARED STATEMENT OF MRS. GRETCHEN Y. PLAGGE, DIRECTOR OF SCHOOL SERVICES,
DEPARTMENT OF EDUCATION, STATE OF NEW MEXICO

I am Mrs. Gretchen Y. Plagge, Director of School Food Services, Department of Education, State of New Mexico.

I sent a letter on September 1, 1971, to 22 representative districts of New Mexico asking specific questions of superintendents as to the outlook for the current school year in light of present funding regulations. As of September 10, we received 15 responses. The statistics given here will give an indication of the scope of the problem for the State of New Mexico.

The 15 schools who responded to this request are: Albuquerque, Belen, Bernalillo, Carlsbad, Shiprock, Clovis, Grants, Gallup, Las Cruces, West Las Vegas, Lovington, Penasco, Santa Fe, Socorro and Springer. These 15 districts represent a broad cross section as to size, number of needy children, geographical location, and participation in the program. This represents about 12 percent of the total number of participation districts (public and non-public) in New Mexico.

The following questions were asked and the answers represent the totals for these 15 districts:

1. *Q. How many school lunches do you estimate will be served this year?*

A. In the 15 districts, 17,556,000 meals will be served.

2. *Q. How many needy children will be served this year compared to last year?*

A. An estimated 47,490 needy children will be served this year in these districts. This represents an increase of 9,243 children over last year. The primary reason for this increase is because of the liberalized guidelines issued by the Secretary of Agriculture. In addition, some increase should be due to the fact that the program has been in operation for one year and increased publicity would bring in more applications.

3. *Q. How much do you estimate total reimbursements will be decreased this year under the proposed funding compared to last year's total?*

A. In these 15 districts a total decrease in funding will come to \$610,000.

4. *Q. Using May prices for food, what do you estimate each lunch will cost this year?*

A. An average food cost for the 15 districts is \$.45 for the current school year.

5. *Q. How long do you estimate the district can continue the lunch program under the proposed funding?*

A. Most of the 15 districts indicated that they could operate the program until December or January of the current school year. One district indicated that they thought they could "barely" complete the current school year, without any funds left with which to open the operation a year from this fall. The earliest termination dates given were December of 1971. These dates were given by Albuquerque and Santa Fe.

6. *Q. If the lunch program ceases, where would the children eat or would they have lunch?*

A. The districts answered that the large number of needy children in their district would probably go without any lunch at all. They also said that provision of snack bars and a la carte service would provide some food service for those who could afford to buy. Most of the districts indicated that long bussing distances would make even the sack lunch impractical because of the long period which the lunch would have to sit in an unrefrigerated area before the noon hour period.

7. *Q. If the lunch program ceases, how many employees would be affected?*

A. In the 15 districts responding, there are 1,427 employees who would face unemployment and possibly return to welfare assistance in some form.

8. *Q. If the lunch program ceases how will this affect the economy of your community?*

A. The 15 districts answering this inquiry stated that the annual input into the local communities would amount to \$7,076,543. This money then would be taken out of the community economies and would cause a severe threat to the stability of many businesses now depending upon this income.

Many further observations and conclusions could be drawn from the additional information provided by superintendents in their letters; however, the statistics given should indicate the gravity of this current situation.

It is obvious from the information given that school districts cannot possibly meet the \$.45 food cost with a \$.06 reimbursement from Section 4 and \$.30 reimbursement from Section 11 and 32 monies.

I hope this information will be of assistance to you in considering further action to appeal for reconsideration of funding plans for the 1971-72 school year.

HOUSE OF REPRESENTATIVES,
Washington, D.C., October 1, 1971.

HON. CARL D. PERKINS,
Chairman, Committee on Education and Labor,
Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I write in support of your proposal, H.J. Res. 889, which is designed to assure that every needy school child receive a free or reduced-price lunch as required by section 9 of the National School Lunch Act. The Department of Agriculture's new regulations, proposed August 13, governing the national school lunch program, endanger Maryland's ability to meet the school lunch needs of its needy children. The all too likely consequence of

these new regulations is that thousands of needy children in Maryland may go hungry despite Federal and State promises that they would have at least one good meal per day.

There can be little doubt of the need for your proposal. The August 13 regulations provide for the apportionment of funds available in 1972 for general and special cash assistance for school lunches in such a manner that each State would receive approximately 5 cents in general assistance for each lunch served and 30 additional cents in special assistance for each free or reduced-price lunch served. The combined 35¢ total for free and reduced-price lunches is less than many schools were receiving at the end of the last school year.

The national average cost per school lunch is estimated at 52.6 cents per meal, and I would note that in Baltimore the average cost per lunch is greater. Given the cost of producing these lunches, a reimbursement rate of 30 cents under section 11 for each free and reduced-price lunch is simply not adequate to assure that all needy children receive free or reduced-price lunches. The 40 cent figure proposed in your bill would certainly more nearly attain this goal.

Your proposal would also make it clear that Congress expects the funds provided in the resolution to be apportioned in that manner which will best enable schools to provide lunches to needy children and not in accordance with the section 11 formula. It would also require the funds to be apportioned and paid out as expeditiously as possible. Finally it would require the Secretary of Agriculture to report to Congress on the need for additional funds for the fiscal 1972 school breakfast and non-food assistance programs.

Through your previous leadership, Congress has made an effort to provide an effective school lunch program capable of feeding every needy child. Due to increases in the size of the program, among other things, the funds available for fiscal 1972 are inadequate to provide sufficient reimbursement per meal to assure the program's continuation. This inadequacy has resulted despite the fact that Congress appropriated \$33.8 million more than the Administration requested. Emergency action is now clearly needed.

H.J. Res. 889 would provide that action by drawing upon section 32 funds until the Appropriations Committee can begin work on a supplemental appropriation. A precedent for this kind of approach was established this summer when Congress enacted H.R. 5257, which also provided for the use of section 32 funds for free and reduced-price lunches.

Mr. Chairman, in May of last year, 349,010 children were participating in Maryland's school lunch program. The State served 14,533,800 free and reduced-price lunches. Today Maryland is serving 97,000 free and reduced-price lunches per day and the Maryland Food Committee predicts that that number could go far beyond 125,000 lunches per day. These thousands of needy Maryland children received a promise from the State and Federal Government that they would receive at least one nourishing meal per day. Your bill will make it possible for the Federal and State governments to keep their promise. I therefore strongly support your resolution and am anxious to cooperate with you in securing passage of this proposal by the House of Representatives.

With best regards,

Sincerely,

PAUL S. SARBANES,
Member of Congress.

WELLSVILLE CITY SCHOOLS,
Wellsville, Ohio, October 7, 1971.

Hon. ROMAN PUCINSKI,
U.S. House of Representatives,
Longworth Building, Washington, D.C.

DEAR SIR: I am writing in regards to bill H.J. Res. 889, which was recently passed by the Senate. This additional reimbursement for milk and needy lunches is needed very much to support our cafeteria program.

The additional revenue in equipment assistance should be approved. The Wellsville City Schools, at the present time, are building two new elementary buildings with new cafeterias. We were told that we would get federal assistance for equipment, but due to the fact that the equipment assistance was cut, it will be impossible to furnish these cafeterias.

Your support in the passage of this measure will be greatly appreciated.

Sincerely yours,

DONALD LOWE, Superintendent of Schools.

WAHCONAH REGIONAL HIGH SCHOOL,
Dalton, Mass., October 6, 1971.

Congressman ROMAN PUCINSKI,
Chairman, General Subcommittee on Education,
Rayburn Building, Washington, D.C.

DEAR CONGRESSMAN: We would like to persuade you and your sub-committee to act favorably on House Resolution 889 which calls for a reservation of proposed restricted regulation governing the appropriation of the National School Lunch Child Nutrition Program, and which would also provide additional monies for the purchasing of needed equipment for schools not now participating in the program.

JAMES T. O'CONNER,
Vice Principal

MARBLEHEAD PUBLIC SCHOOLS,
Marblehead, Mass., October, 7, 1971.

Congressman ROMAN PUCINSKI,
Chairman, General Subcommittee on Education,
Rayburn Building, Washington, D.C.

DEAR MR. PUCINSKI: I am writing to urge you and your committee to act favorably on House Bill 889, which calls for a revision of present restricted regulations governing National School Lunch Programs which also provide for additional monies for the purchase of needed equipment for schools now not participating in the program.

The proper nutrition of children is essential to their education and well being. Thank you for your help and understanding in this matter.

Sincerely,

ROBERT FILBIN, Superintendent of Schools

MINNEAPOLIS COUNCIL OF PTA'S,
Minneapolis, Minn., October 9, 1971.

HON. ROMAN PUCINSKI,
Chairman, General Subcommittee on Education,
Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN PUCINSKI: The Minneapolis Council of PTA's being an organization primarily concerned with the welfare of children is concerned about the possible additional changes in the USDA guidelines for federal support of the school lunch programs. We are deeply concerned that the proposed eligibility changes in the regulations will eliminate many children, particularly AFDC children, from the free and reduced lunch program. That would mean approximately 15,000 children in Minneapolis alone would be affected by the change. We recognize the need of adequate nutrition in a child's physical and mental development.

The proposed regulations in the USDA's guidelines would be an additional financial burden to the Minneapolis Public Schools by making up a deficit based on last year's participation and reimbursement in the school lunch program.

Sincerely yours,

Mrs. LAWRENCE DAVIS, Legislation Cochairman.

WAHCONAH REGIONAL HIGH SCHOOL,
Dalton, Mass., October 6, 1971.

Congressman ROMAN PUCINSKI,
Chairman, General Subcommittee of Education,
Rayburn Building, Washington, D.C.

DEAR CONGRESSMAN: We would like to persuade you and your sub-committee to act favorably on House Resolution 889 which calls for a reservation of proposed restricted regulation governing the appropriation of the National School Lunch Child Nutrition Program, and which would also provide additional monies for the purchasing of needed equipment for schools not now participating in the program.

JAMES F. FARMER, Business Manager.

WELLSVILLE BOARD OF EDUCATION,
Wellsville, Ohio, October 12, 1971.

HON. ROMAN PUCINSKI,
*U.S. House of Representatives,
Longworth Building, Washington, D.C.*

DEAR REPRESENTATIVE PUCINSKI: I am writing in regards to HJR889 which contains a measure to increase the School Lunch Reimbursement from the present .04 (four) to .06 (six) cents. Also, it is my understanding that Section II increases the "needy" reimbursement from .30 (thirty) to .40 (forty) cents.

In a time when costs are rising our reimbursement for the lunch program has been decreasing. Last year, for instance, we were paid .34 cents from the State for each needy lunch served. This school year we are being reimbursed .30 cents for needy lunches served in our High School and .15 cents for needy lunches served in our Elementary School. Need I say that with rising food costs and increased labor costs that we need more money to operate and not less.

Any help that you can give us in this matter will be greatly appreciated.

Sincerely yours,

KEITH E. NIXON, *Clerk-Treasurer.*

MINNEAPOLIS COUNCIL OF PARENT-TEACHER ASSOCIATIONS, INC.,
Minneapolis, Minn., October 9, 1971.

Congressman ROMAN PUCINSKI,
*Chairman, General Subcommittee on Education,
Rayburn House Office Building, Washington, D.C.*

DEAR CONGRESSMAN PUCINSKI: The changes in the federal support of school lunch programs has been very disturbing to the Minneapolis Council of P.T.A. Associations, Inc.

Since September 2, 1971, each school has had to change their regulations in collection of monies for the hot lunch programs twice. Now we understand a possible third change in the regulations is being considered. Each additional change has cost money in sending out information to parents about the new changes, not to mention the clerical time involved.

By increasing the eligibility limit to \$4200, many Aid to Families with Dependent Children (AFDC) in our target area schools will still be forced to pay the full amount or be forced to send "potato chips and candy bar" lunches with their children.

Just when the Minneapolis Public Schools are succeeding in their plans of providing a hot meal each noon hour for every child in Minneapolis, changes take effect which push the providing plans backward, instead of forward. It seems like help for other areas in the nation are taking effect, but our children are the last ones to receive it. Why is this so?

Please, Congressman Pucinski, help the Minneapolis administrators move forward in providing the children in our schools with "hot lunches".

Sincerely,

Mrs. WILLIAM McCABE, *President.*
Mrs. RICHARD DURAND,
Corresponding Secretary.

MINNEAPOLIS, MINN., October 9, 1971.

Mr. ROMAN PUCINSKI,
*Chairman, General Subcommittee on Education, Rayburn House Office Building,
Washington, D.C.*

DEAR MR. PUCINSKI: I am writing to you because I am deeply concerned about the consequences of the additional proposed U.S.D.A. regulations.

As a parent of six children and a member of the Minneapolis School Lunch Committee, I am aware of the need and value of the hot lunch program for school students. The schools, citizens and the committee members have worked diligently to bring the hot lunch program to as many of the elementary schools requesting the program as the restricted school budget would allow. They developed innovations and shared ideas in setting up a successful lunch program in old and outdated school buildings. The community and parents actively assist in implementing the lunch program on a daily basis.

New interest and knowledge about food is shown by the children as teachers use the lunch program to teach good nutrition by first hand experience.

A factor not often mentioned in connection with having a lunch program at school is the safety factor. The dangers of children having to cross streets to go out to lunch is eliminated by eating at schools. The lunch hour can also be shortened enabling an earlier dismissal time when traffic is not so busy. The Police Department has recorded the decrease in the school accident rate.

Many of these benefits to the student and the community will be gone with the harshness of the additional proposed regulations. One Principal of one of our inner city schools threw up his hands and said—"All the good will and community cooperation that I have worked years to build for our school is being destroyed by the excessive paperwork, having to take away lunches and bill parents for lunches they can't afford anymore this fall than they could last spring."

Nine other elementary schools in Minneapolis also want to start a hot lunch program this year but cannot do so because the school district will have an additional financial burden to maintain the current lunch programs if the proposed regulations are passed.

I sincerely urge you to consider the real needs for the lunches to the children as well as all salient benefits of a lunch program and oppose the U.S.D.A. proposed regulations that are contrary to the welfare of the children.

Yours truly,

(Mrs. John A.) JOYCE H. MADSON.

MINNEAPOLIS, MINN., October 9, 1971.

Representative ROMAN PUCINSKI,
Rayburn House Office Building,
Washington, D.C.

DEAR MR. PUCINSKI: While I am not one of your constituents by reason of residence in your electoral district, I am in the broader sense a constituent in so far as the actions taken by your subcommittee on Education directly affect our children in a public target area school in Minneapolis. I am writing specifically in regard to new and proposed regulations of the U.S. Department of Agriculture relating to free and reduced cost school lunches and federal reimbursement to local school districts.

Our family does not qualify for either free or reduced lunch under either old or new guidelines, but we are very concerned about the effect of the regulations on our school district. Under Minnesota law, financing inner city schools at a level which would come anywhere near meeting the needs of the children attending these schools is very difficult. Federal monies have helped us, and we feel that the hot lunch program which we have had for about two and one-half years at our school has been crucial for improved child achievement.

I have been active for about six years in community "education-oriented" organizations (PTA, League of Women Voters, etc.) working to improve public school finance. We know that pressure on the education dollar in the big cities is intolerable, and for the federal government to contribute to this pressure by needless reductions in funds and expansion of paper work seems ironic to say the least. And it is hardly fair to effect government savings by penalizing the poorest segments of our population.

The Indian education bill recently passed by the Senate points up the problem. According to my arithmetic, this bill grants approximately \$2,200 per eligible Indian child for improving his education. In 1970 Minneapolis had 1,993 Indian students (3% of total enrollment). These students were not eligible for Johnson-O'Malley funds and because most of them attend core area schools were eligible for reduced or free lunches. Now these students must make application and the district may be required to verify every application for free or reduced cost lunch. High absenteeism, much moving between schools and even moving back and forth between city and reservation will complicate the problem.

At the same time the funds received by the Minneapolis school district for the lunch program will be substantially reduced (by about \$510,000 based on last year's participation and reimbursement). The state government will not pick up this expense, and at the same time our legislature is enacting legislation which will severely limit the amount the Minneapolis district may levy for schools. This can only mean that Minneapolis may well be forced to abandon the hot lunch

program in some schools, or cut back on already meager educational programs. And so—back we go trying to teach hungry children while trying to tell people we do “care”—and again failing in both.

As your committee deals with the school lunch program I hope one of your guiding principles will be to “promote the general welfare.”

Sincerely,

JANE A. STARR
Mrs. Clark D. Starr.

PAULDING COUNTY PUBLIC SCHOOLS,
Dallas, Ga., October 5, 1971.

Congressman ROMAN PUCINSKI,
Chairman, General Subcommittee on Education,
House of Representatives, Washington, D.C.

DEAR MR. PUCINSKI: We, in Paulding County, are aware of your untiring work for an adequate lunch at school for the children of the United States. For this we are appreciative and thankful.

With the reduction in personnel at Lockheed of Marietta; the closing of textile mills and other changes taking place in our section of Georgia, we find the number of requests for free breakfasts and lunches is increasing. We find that our breakfast programs are running into great financial trouble. Therefore, there is a need for greater monetary help from Government Funds.

We have increasing need for the replacement of worn out equipment and for the purchase of new equipment if we are to do the best job of preparation and serving food.

These needs cannot be met with the funds we now receive.

Your continued help will be appreciated.

Sincerely,

J. C. SCGGINS, Jr., Superintendent.

WAHCONAH REGIONAL HIGH SCHOOL,
Dalton, Mass., October 6, 1971.

Congressman ROMAN PUCINSKI,
Chairman, General Subcommittee of Education,
Rayburn Building, Washington, D.C.

DEAR CONGRESSMAN: We would like to persuade you and your sub-committee to act favorably on House Resolution 889 which calls for a reservation of proposed restricted regulation governing the appropriation of the National School Lunch Child Nutrition Program, and which would also provide additional monies for the purchasing of needed equipment for schools not now participating in the program.

Sincerely,

JACOB FRANKLIN, Principal.

PRATT-MOTLEY, PTA,
Minneapolis, Minn., October 10, 1971.

Mr. ROMAN PUCINSKI,
House Office Building,
Washington, D.C.

DEAR MR. PUCINSKI: I am writing to you today in your capacity of Chairman, General Subcommittee on Education. I am very concerned about the change in the level of reimbursement for the public schools hot lunch program and the effect the change in USDA guidelines will have in this school district (Minneapolis, Minn.).

First let me say a word about the new guidelines requirement that low-income families apply for free or reduced rate lunch. It has placed our low-income families in an intolerable position. The children are now singled out, an embarrassment which happily was absent under the earlier guidelines.

Any upward change in the income base will adversely effect many children in this school district. Surely this should not be the intent of the legislation.

The change in the amount of reimbursement is a subject of great concern to those of us residing in a school district beset by all the usual problems of financing urban education. The school district is under great pressure to reduce

its reliance on the local property tax at a time when costs are rapidly rising. In addition we will soon come under a levy limitation to be set by the state legislature. A combination of these factors means that if more local money is needed it is likely the program will be curtailed. The program is, I think, a good use of funds and should be continued and expanded under the former reimbursement level.

Surely there must be some better way to save money at the federal level than to downgrade this worthwhile program.

I appreciate your attention to these matters.

Very truly yours,

JANET LUND, *President.*

BOARD OF EDUCATION,
Buffalo, N.Y., October 8, 1971.

Congressman ROMAN PUCINSKI,
Chairman, General Education Subcommittee,
House Office Building, Washington, D.C.

Attention: Mr. Jack Jennings.

DEAR MR. JENNINGS: Mr. Sam Husk of the Council of Great Cities asked me to prepare and send you a brief description of the general effects of the proposed United States Department of Agriculture regulations concerning free lunch reimbursement and eligibility standards.

In the interests of time I have been authorized to send the attached as staff information, rather than as official testimony from Buffalo Schools Superintendent Joseph Manch. It is expected that Dr. Manch will file with USDA a formal protest concerning the proposed regulations.

A specific analysis of the effect of the proposals in Buffalo should be ready by Wednesday, October 13. I would be happy to communicate the results by phone if you wish (842-4660 Area 716).

Sincerely yours,

EUGENE C. SAMTER,

Assistant Superintendent for Administrative Services and Research.

It has been announced that the federal administration, through the United States Department of Agriculture, intends to revise school free lunch regulations to raise the rate of reimbursement in all states while at the same time lowering the level of eligibility for such reimbursement in some states. For each free lunch served a needy child a school district will receive 45 instead of 35 cents. But the term needy is to be determined by family income criteria no higher than those established by the federal government. If local districts establish higher criteria, their increased cost must come from nonfederal sources.

It appears that the Department is attempting to be deceptive, giving the impression that it is bowing to the will of Congress, but in reality effecting a saving in appropriations by adding restrictions on reimbursement.

It appears clear that the effect of the announced changes will be a retrenchment and shift in national policy of feeding the needy, as well as a shift in the flow of funds to implement this policy.

What is equally important—indeed, critical in the large cities—is the timing of the action. At this stage, the second month of school, school lunch programs are well underway and children have been receiving free lunches. A change in the eligibility standards at this stage is analogous to changing game rules after the game has started.

To date, USDA regulations state that family income criteria "shall not be less" than those prescribed by the Secretary of Agriculture. The new regulations apparently will set standards which, for all districts in all states, will be those prescribed by the Secretary. In failing to recognize regional variations in cost of living, it discriminates against the poor who live in northern, eastern and western states and in the large cities.

There will be varying effects resulting from higher reimbursement rates coupled with eligibility standards that equal or fall below present criteria. Relatively the most significant increase in federal school lunch revenues will be realized by school districts in those states where eligibility standards have been those prescribed federally. On the other hand, preliminary estimates indicate that in states where family size-income criteria have exceeded federal standards by an average of up to 6 percent to account for higher living costs, losses in

federal aid will be incurred that can be avoided under only two alternative conditions.

The first alternative requires the school district to drop from the free lunch lists all those children whose family income exceeds national standards. The second alternative would require that such children be retained in the lunch program, thereby making the district eligible for 5 cents per lunch regular reimbursement and thus defraying the loss in federal aid. In the second case, there would be no loss in total federal aid, but lunch fees would have to be changed and/or additional local funds allocated.

The two conditions mentioned are alternatives, but not realistic options. Resulting as they do from the proposed changes in regulations, they reflect a callous disregard for the needy and for the fiscal plight of school districts, particularly in the large cities of the North, East and West.

Public Law 91-248 makes it clear that national policy is to feed the needy. The proposed revisions in regulations represent the second attempt by a federal agency to abort congressional intent and to twist policy by convoluting procedures.

CENTRAL BERKSHIRE REGIONAL SCHOOL DISTRICT,
Dalton, Mass., October 6, 1971.

Congressman ROMAN PUCINSKI,
Chairman, General Subcommittee of Education,
Rayburn Building, Washington, D.C.

DEAR CONGRESSMAN: We would like to persuade you and your sub-committee to act favorably on House Resolution 889 which calls for a reservation of proposed restricted regulation governing the appropriation of the National School Lunch Child Nutrition Program, and which would also provide additional monies for the purchasing of needed equipment for schools not now participating in the program.

Very truly yours,

G. H. FITZPATRICK,
Superintendent of Schools.

MINNEAPOLIS PUBLIC SCHOOLS,
SPECIAL SCHOOL DISTRICT No. 1,
Minneapolis, Minn., October 8, 1971.

HON. ROMAN C. PUCINSKI,
Chairman, General Subcommittee on Education,
Rayburn House Office Building, Washington, D.C.

DEAR MR. PUCINSKI: The confusion surrounding the federal support of school lunch programs is being compounded by the United States Department of Agriculture's (USDA) current threat of an additional change in the guidelines after the school year is almost two months along.

The Minneapolis Public Schools began the 1971-72 school year using the same USDA school lunch program guidelines as last year. These guidelines allowed some schools with a majority of low income children to have free lunches for all children.

Students in all other target areas received lunches at reduced rates, and those who applied and qualified received free lunches.

New USDA guidelines received in early September forced every family who wanted their children to qualify for free or reduced lunch to complete an application form. This move added a great deal of paperwork to the workload of school teachers, social workers, social work aides, administrators, and parents.

The USDA is now contemplating an additional set of regulations which will force a review of every application, the completion of many new forms, and worst of all, will force many children now receiving free lunches to pay the reduced rate and many paying the reduced rate to pay the total cost.

This proposed change in the eligibility limit on free lunches will make (1) the small wage earner, who is struggling to get along, pay the price of a USDA invoked government saving, and (2) the school enforce these punitive regulations. The family income eligibility limit for free lunch for a family of four will be increased from \$3940 to \$4200.

A great fear is that the new \$4200 income base for a family of four being proposed by the USDA will force many families who receive Aid to Families with

Dependent Children (AFDC) off the free and reduced lunch program. The severe income restrictions on AFDC families are such that many AFDC parents will not be able to pay the additional costs, and the poorest of our children will again have to go to school without adequate nutrition.

We currently are serving 26,000 lunches per day. With a population of approximately 15,000 AFDC children, this would mean that approximately 50% of our children would no longer be eligible for the free or reduced price lunch.

Wherever the majority of children are in need of a lunch and for whatever reason are unable to pay for it, that school should be allowed to provide the lunch free or reduced and be adequately reimbursed without the laborious burden of application forms for every child.

While the proposed regulations will succeed in forcing many more children to pay for lunches, the Minneapolis Public Schools will have to make up a deficit of \$510,391 based on last year's participation and reimbursement in the school lunch program.

Sincerely yours,

DONALD D. BEVIS,

Associate Superintendent of Schools for Business Affairs.

ISSAQUAH SCHOOL DISTRICT No. 411,
Issaquah, Wash., October 5, 1971.

Mr. ROMAN C. PUCINSKI,
*Rayburn House Office Building,
Washington, D.C.*

DEAR MR. PUCINSKI: House Joint Resolution number 889 to increase federal reimbursement of all school lunches to 6 cents and 40 cents for free and reduced price lunches, is a vital piece of legislation in my estimation.

In our area, with the high rate of unemployment, we are glad to be able to give free lunches to about 10% of our students, but the cost far exceeds the 30 and 5 cents we are now receiving.

Please put all effort possible into passing this Resolution.

Yours truly,

KATHLEEN VOORHEES,
Food Services Supervisor.

HOUSE OF REPRESENTATIVES,
Washington, D.C., October 8, 1971.

Representative ROMAN PUCINSKI,
*Chairman, General Subcommittee on Education,
Rayburn Building, Washington, D.C.*

DEAR ROMAN: I am angered and confused by the Agriculture Department's new school lunch regulations.

On October 6, Assistant Secretary Lyng announced a "liberalization" of the previously revised regulations and the allocation of an additional \$135 million for school lunches nationwide.

For some, the new regulations may mean extra funds and a "liberalization," but for my district they mean that half the youngsters who now get free or reduced-price lunches will be cut out of the program!

The problem in Minneapolis, of course, is caused by the new income eligibility standard set at \$3940 for a family of four. Our school system estimates that probably half of the 18,000 children now in the program are from families with incomes between \$3940 and the current state reduced-price limit of \$4800.

In a district that adjoins mine, the St. Paul Board of Education has even more precise statistics. The St. Paul Board has determined that the new income limitation will disqualify 3,767 of the 10,188 children in its program—or 37%.

Luckily, your subcommittee still has an opportunity to help undo the harm that the new regulations will cause in Minnesota and in other high benefit states. I refer to H.J. Res. 889 which comes before the General Education Subcommittee next week.

I want to urge the Subcommittee to amend this resolution to set \$3940 as the income eligibility floor rather than the ceiling. At the same time, the Agriculture Department should be required to allow states some leeway in setting ceilings, as

it has done in the past. If the subcommittee determines that some standard must be established, you might want to consider relating the ceiling to a state's public assistance level under the AFDC program where this level exceeds \$3940.

Unless the income eligibility issue is dealt with in H.J. Res. 889, I am afraid that passage of this legislation will merely legitimize an effort to hurt some children so that others can be helped.

With best wishes.

Sincerely,

DONALD M. FRASER.

OHIO DEPARTMENT OF EDUCATION,
Columbus, Ohio, October 5, 1971.

Hon. ROMAN PUCINSKI,
U.S. House of Representatives,
Rayburn Building, Washington, D.C.

DEAR MR. PUCINSKI: Even though I sent you a telegram this morning urgently supporting the passage of HJR 889, which would increase School Lunch reimbursement on Section 4 to \$.06 and Section 11 to \$.40, I would like to add some additional information to assist you with your efforts.

At the time the Perkins' supplementary appropriation of \$30,000,000 was made in late February, 1970, we took rapid action to use our allocation of these funds. Under urging by the USDA, we encouraged schools that were serving fifteen percent or more of their lunches free to needy children to reduce their charge to \$.20 for all children. This permitted many who were on the fringe of not being able to buy a lunch to do so at this reduced price. Participation increased significantly. Four hundred and thirteen schools in Ohio took advantage of this assistance. We utilized a little over \$1,000,000 of these funds from March to June of 1970. We increased the rate of reimbursement to cover the cost on paid lunches, which exceeded the charge of \$.20, and on those lunches served without charge.

By last October, 1970, we became concerned about these schools being unable to make ends meet financially by charging \$.20. We suggested to these 413 schools that they should consider increasing their charge by at least \$.05. Very few of them did. They have now been caught in the President's price freeze which prevents increasing the charge for lunches. Under the proposed new regulations issued by the USDA on August 13, 1971, and the unit limitation on reimbursement of \$.05 and \$.30, these schools are really suffering financial losses. It is hoped that steps will be taken, when the President's 90 day price freeze is removed, so that charges for lunches will be removed from any future price control.

For several years our State Department of Welfare along with local departments of welfare granted some assistance on needy lunches in our larger cities. This assistance was completely withdrawn the first of September by the State Department of Welfare.

For the last two years we had a block grant of Section 32 funds to divide among Special Assistance, Breakfast Program and Equipment Assistance. This block grant was removed by the USDA this fall in order to affect the unit control funding of \$.05 and \$.30 per lunch. This knocked out our ability to further assist those 413 schools that had reduced prices a year and a half ago.

I am enclosing a financial statement comparing our total funds received last year with our initial allotment this year. I believe you will note a significant difference. We have been advised by the USDA to hold our breakfast expenditures at the annualized basis of last April. We have not been able to add any new breakfast programs this year, even though cities such as Cincinnati and Youngstown were ready to initiate a breakfast program. The Model Cities people were going to supplement our food reimbursement with funds to cover the cost of labor.

We have had requests from 76 districts for equipment assistance. Based upon the reduction in the available funds we will only be able to assist about twelve districts including several of our larger cities that have schools without any food service facilities.

Respectfully yours,

WADE D. BASH,
Chief, School Food Service Program.

FEDERAL SCHOOL FOOD SERVICE APPORTIONMENTS TO OHIO—COMPARISON OF TOTAL FUNDS RECEIVED DURING 1970-71 WITH INITIAL ALLOTMENT FOR 1971-72

Funds	1970-71 (limited by dollar amounts)				1971-72 (limited by \$0.05 and \$0.30 reimbursement)		
	Allocation	Sec. 32	Supplemental	Total funds	Average re-imbursement	Initial allotment	Average re-imbursement
General lunch assistance (sec. 4)	\$8,257,874		\$464,358	\$8,722,232	.0554	\$8,100,065	0.50
Special lunch assistance (sec. 11)	6,090,112	\$2,215,269	324,373	8,629,754	.3443	7,293,623	.30
Breakfast program	389,076	1,114,964		1,504,040	.145	620,741	.145
Nonfood assistance	618,039	914,260	5,663	1,537,962		629,862	
Additional assistance (sec. 32)	4,244,493	² 794,394					
Special milk program	5,804,837			5,804,837		5,804,837	
Total	25,404,431	5,038,887	794,394	26,198,825		22,449,128	1,789,611
Special milk funds unused				357,201			
Total				25,941,624			24,238,739

¹ Promised² Allotted Aug. 26, 1971.³ Assured.

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