

Providing Equal Access and Improving Meal Quality in the School Meal Programs: Addressing Differences in Regional Cost of Living

Barry Sackin, SNS

The National School Lunch Program, School Breakfast Program, Afterschool Snack Program, and Child and Adult Care Food Program are federal nutrition programs for all children and seniors, and also support the nation's goals for ending hunger and providing nutritional adequacy for people living near or below the national poverty line. However, there are many families living in poverty who are not eligible for the benefits of these programs because of where they live.

Federal child nutrition programs provide a basic reimbursement for all meals served that is essential support for providers who sponsor the programs. Additionally, the law provides "special assistance" for low income households - those with income below 130% of the national poverty line are eligible for free school meals, and households between 130% and 185% receive school meals at a reduced price. The problem is that the statute applies a single, national standard for poverty, whereas some communities' cost of living is substantially higher, resulting in families who are living in poverty relative to their location but which find themselves ineligible for the federal nutrition programs that are intended to assist them.

For example, according to the Council for Community and Economic Research, in 2009 the cost of living in Tucson was 98.8 percent of the national average. So, the Smiths who live in Tucson and have income of \$28,000 for a family of four qualified for free meals. But if the Smiths lived in Boston at 139.5 percent of the average cost of living and with income of \$39,000, they are living in poverty relative to their community standard but their children don't qualify. There is an obvious equity problem here.

The Council for Community and Economic Research generates the ACCRA Cost of Living Index. According to their website, "[t]he ACCRA Cost of Living Index is the most reliable source of city-to-city comparisons of key consumer costs available anywhere. ACCRA COLI data is recognized by the U.S. Census Bureau, US Bureau of Labor Statistics, CNN Money, and the President's Council of Economic Advisors."

ACCRA data is only one of several indices that can be used to assess the differences in cost of living in different communities. The Self-Sufficiency Standard (SSS) is a relative-

ly new measurement that calculates what income households with different configurations require to get by without public assistance. The majority of states have developed SSS tables by county. And the Bureau of Labor Statistics generates data by county for the Consumer Price Index that can be used for determining the variance in costs in communities nationally.

The goal of this proposal is to apply these measures to the federal nutrition programs so that there is an equal opportunity for all families to access the federal child nutrition programs based on comparable standards of living. The notion of locality adjustments is not new to federal programs. Federal salary schedules include locality pay adjustments. Medicaid and SCHIP allow states to apply a more regionalized index for eligibility. Even the school meal programs have a precedent for this in the provision of higher eligibility scales and reimbursement rates for Hawaii and Alaska.

The same rationale also applies to the rates at which meals are reimbursed in the child nutrition programs. With the exception of Alaska and Hawaii, all School Food Authorities receive the same per meal reimbursement, \$2.86 for a free school lunch this year. The impact of this is that schools in lower cost locations have a higher effective rate than schools in high cost areas, which results in a significant difference in meal quality. Consider the following example.

In a low cost area, a school district may be able to hire foodservice staff for minimum wage. Let's say the average hourly wage, with benefits and payroll taxes, is about \$10. In high cost areas it is likely to be over \$20. If both programs have similar productivity of 15 meals per labor hour (a very good rate), the schools in the lower cost area have an additional 67¢ per meal to spend on food. This helps these schools improve meal quality with more fruits and vegetables, including salad bars, and whole grain-rich foods that the Dietary Guidelines for Americans recommend. The differences are actually greater because the cost of goods in high cost areas is also higher.

A solution to this inequity is to index both income eligibility guidelines and meal reimbursement rates county by county across the country. This is not as complicated as it may at first appear. First, as stated earlier, there are several indices available to establish the index needed for this purpose.

Second, the simplest way to implement this concept is to create a tiered system. Based on the index selected, a range of five tiers could be established. For example, counties with an index value up to 110% of the base line (national average) would be tier 1.

Counties between 110% and 120% would be tier 2, etc. Eligibility scales and reimbursement rates would be assigned to each tier as a factor of the baseline.

Third, this would not be too complicated to administer. Each year USDA publishes income eligibility guidelines. The guidelines currently present three different scales – contiguous states, Alaska, and Hawaii. Expanding this to five tiers and including Alaska and Hawaii in their appropriate tiers is not a significant change in the guidelines process. Each SFA would know its tier and apply those guidelines in certifying applications for free or reduced price meals. Similarly, the technology to apply different reimbursements to an SFA is not in the least complicated and would require only minor modifications to existing systems.

Finally, this proposal would use the current guidelines and reimbursement rates as the base for tier 1 and no SFA would experience a reduction in either eligibility or reimbursement rates. Tier 1 should be set no lower, and possibly slightly higher than the national average.

This proposal is really about equity and equality. If we are to achieve President Obama's goal of ending childhood hunger in America by 2015 we must recognize that hunger and poverty are more prevalent in communities with high costs of living, and the federal government's solutions must reflect these disparities.