

**BRIEF ANALYSIS**

No. 159

*For immediate release:**Monday, April 17, 1995***Welfare Reform:  
School Lunches**

As part of the Contract With America, the House of Representatives passed a Republican plan to group school nutrition programs now costing about \$6.3 billion a year and turn them over to the states in the form of block grants. The largest and best known is the school lunch program, which will get \$4.509 billion in cash plus \$658 million in commodities this year. Under the bill, the block grant would consolidate the school lunch program and the school breakfast program together with part of the money that now goes to schools to provide summer meals, snacks before and after school for youngsters in day care and a milk program for schools that do not offer lunch or breakfast.

Opponents of the reform are predicting that the move effectively will eliminate school lunches:

- House Minority Leader Richard Gephardt says that "Republicans are taking food out of the mouths of starving children in order to pay for tax cuts for the rich." He told one newspaper that the reforms would not only gut the school lunch program but would effectively eliminate it as a federal program.
- White House Chief of Staff Leon Panetta said, "This is really like parents who are taking their kids' lunch money in order to have a night on the town."
- First Lady Hillary Clinton said, "I don't think that rich people need the money as much as kids need the lunch and our students need the education."
- President Clinton said, "Here's a program that isn't broke, that's done a world of good for millions and millions of children of all races and backgrounds all

across our country and I think it would be a terrible mistake to put an end to it, to gut it, to undermine it."

- Vermont Governor Howard Dean called the Republican school lunch plan "the most despicable, mean-spirited legislative proposal I have seen in all my years of public service."
- Representative William Clay (D-MO) asked, "What's next — castration, sterilization?"

But just what are the Republicans proposing? Let's take a look.

**School Nutrition****Block Grants Authorized  
by Republican Bill**

<u>Fiscal Year</u>	<u>(\$ millions)</u>
<b>1995 (current)</b>	<b>\$6,309*</b>
<b>1996</b>	<b>\$6,681</b>
<b>1997</b>	<b>\$6,956</b>
<b>1998</b>	<b>\$7,237</b>
<b>1999</b>	<b>\$7,538</b>
<b>2000</b>	<b>\$7,849</b>

\* Authorized spending; block grants will not begin until FY 1996.

Sources: U.S. House Committee on Economic and Educational Opportunities.

**How the School Lunch  
Program Works.**

In schools participating in the federal school lunch program, all children receive some federal subsidy regardless of family income. The lunch subsidy ranges from \$1.76 for the poorest children to 17.5 cents for those at the highest income level. A smaller number of schools also serve breakfast, for which the subsidy ranges from 97.5 cents to 19.3 cents. Lunches for more than half the nation's schoolchildren are subsidized under the program. Even Ross Perot's grand-

children and Donald Trump's children could receive federally subsidized lunches under the program.

Schools can charge better-off children whatever price they wish. The meals must be free to the poorest children and not more than 40 cents for lunch and 30 cents for breakfast for those with family incomes between 130 and 185 percent of poverty (\$19,240 to \$27,380 for a family of four).

**House Republican Bill: Increased Spending.** Despite the rhetoric, the Republicans are not proposing to cut spending for the federal school lunch program. The block grants to the states would increase by 4.1 percent per year. [See the table.]

Democratic critics claim that this increased spending will not keep pace with the growth of the program required by population changes and inflation, and they call the Republican proposal a "spending cut." Indeed, the Congressional Budget Office estimates that federal subsidies for school lunches would increase an average of 5.3 percent per year under the current law. But the critics of reform assume that all the existing nutrition programs must continue in their present forms, with no changes and no efficiencies. Proponents of reform challenge that stand.

It is true, however, that there is no way to determine precisely how much would be spent for school lunches under the proposal because there would no longer be a separate account for such meals. Instead, each state would be able to tailor its spending to its needs. Thus, any comparisons between current and future spending on school lunches are based on speculation. They are also likely to be colored by the interests of the person or organization making the comparisons.

**House Republican Bill: State Control.** The Republican reform would allow each state to run the total child nutrition program as it thinks best, as long as at least 80 percent of the money goes to nutrition programs for children whose family income is less than 185 percent of poverty. Each state would set its own nutrition guidelines based on up-to-date medical information and would decide who is eligible, how much assistance they should receive, when and in what form. This would allow each state to use the funds in whatever ways it believes will best help its poor. It would allow the states to target the assistance to those who truly are poor. And the reform would save about \$200 million in administrative costs, as federal bureaucrats would no longer be involved.

Can the states handle this responsibility? Certainly, they know more about who is in need and how they can be helped than do Washington bureaucrats. With block grants, each state could adjust its efforts to local conditions and changes.

**Making the House Bill Better.** The Republican proposal also includes a separate block grant combining the special supplemental nutrition program for women, infants and children (WIC) with other family-based

nutrition programs. However, if other federal welfare programs including food stamps, public housing and Medicaid were block-granted along with the school and family nutrition programs, each state would be free to use the entire amount for the most urgent priorities and to get the most value for each dollar spent. For example, a state might use some of the school lunch funds on health care for its sickest children, better housing or jobs that would enable parents to provide their children's essential needs.

**Are the Poor Hungry?** The case for federal government involvement in providing lunch for the nation's children is weak. No state is without the resources to provide lunch for the children of families who are too poor to provide it themselves. Despite much talk of hunger in America, little or no malnutrition in the U.S. results from poverty. According to the federal government's own studies:

- Poor children actually consume more meat than do higher-income children and have average protein intakes 100 percent above recommended levels.
- The average consumption of protein, vitamins and minerals is virtually the same for poor and middle-class children, and in most cases is well above recommended norms.
- Today's poor children grow up to be on average one inch taller and 10 pounds heavier than the GIs who stormed the beaches of Normandy in World War II or than the average nonpoor child of the same age in the late 1950s.
- The principal nutrition problem facing poor persons in the U.S. is not hunger but obesity. The poor have a higher rate of obesity than those with above-poverty incomes.

**Setting Priorities at the Local Level.** Opponents of moving responsibility for school lunches to the states believe in centralized, big-government solutions. But they are going against the trend to devolve power to states, localities and the private sector, from which the most innovative solutions come.

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