

Food, Nutrition, and Consumer Services

Statement of Roberto Salazar, Administrator  
Food and Nutrition Service  
Before the Subcommittee on Agriculture, Rural Development,  
Food and Drug Administration and Related Agencies

Thank you, Mr. Chairman, and members of the Subcommittee for allowing me this opportunity to present testimony in support of the fiscal year 2005 budget request for the Food and Nutrition Service.

The Food and Nutrition Service is the agency charged with managing the Nation's nutrition safety net and providing Federal leadership in America's ongoing struggle against hunger and poor nutrition. Our stated mission is to increase food security and reduce hunger in partnership with cooperating organizations by providing children and low-income people access to nutritious food and nutrition education in a manner that inspires public confidence and supports American agriculture.

In fiscal year 2005, the President's budget requests a total of \$50.1 billion in new budget authority to fulfill this mission through the Federal nutrition assistance programs. With this record request we will touch the lives of more than 1 in 5 Americans over the course of a year. This includes providing nutritious school lunches to an average of 29 million children each school day (NSLP), assisting with the nutrition and health care needs of 7.86 million at risk pregnant and postpartum women (WIC) and children each month, and ensuring access to a nutritious diet each month for 24.9 million people through the Food Stamp Program (FSP). These are just 3 of our 15 Federal nutrition

assistance programs, which also include such important programs as the School Breakfast Program (SBP), The Emergency Food Assistance Program (TEFAP), the Summer Food Service Program (SFSP), the Child and Adult Care Food Program (CACFP), the Food Distribution Program on Indian Reservations (FDPIR), and the Commodity Supplemental Food Program (CSFP). Through the range of design and delivery methods these programs represent, FNS seeks to serve the children and low-income households of this Nation and address the diverse ways and circumstances in which hunger and nutrition-related problems present themselves.

The resources we are here to discuss must be viewed as an investment -- an investment in the health, self-sufficiency, and productivity of Americans who, from time to time, find themselves at the margins of our prosperous society. Under Secretary Bost, in his testimony, has outlined the three critical challenges which the Food, Nutrition and Consumer Services team has focused on under his leadership: expanding access to the Federal nutrition assistance programs, promoting healthy weight to address the problems of overweight and obesity; and, improving the integrity with which our programs are administered. In addition to these fundamental priorities specific to our mission, President Bush has laid out an aggressive agenda for management improvement across the Federal government as a whole -- the President's Management Agenda. This agenda seeks to protect the taxpayers' investment in all Federal activities by enhancing the accuracy and efficiency of program delivery and reducing improper payments, by improving decision-making through the integration of performance information into the budget process, by building partnerships with faith and community based organizations,

and by planning carefully and systematically for the human capital challenges looming near for all of the Federal service.

### **The Challenge of Improper Payments**

Benefits of the Federal nutrition assistance programs must be carefully targeted and delivered to those who are eligible, in need, and wish to participate. Benefit payments made in error increase the cost of these programs to the taxpayers and can divert needed assistance from eligible participants seeking services. Today I am pleased to report to you, for the second year in a row, record high payment accuracy rates for the Food Stamp Program. In fiscal year 2002, the most recent year for which data is available, the Food Stamp Program achieved an accuracy rate of 91.74 percent, 0.4 percent higher than fiscal year 2001's record achievement. Despite this success, much remains to be done to improve the accuracy and efficiency of benefit delivery in all the Federal nutrition assistance programs, not just the Food Stamp Program. The President's budget requests additional funding to strengthen integrity and program management both at the Federal and State levels. Our request includes an increase of \$7 million in our administrative budget which will be targeted at maintaining our continuing success in the Food Stamp Program, improving the accuracy of certifications for free and reduced price school meals, and improving delivery of program benefits and reinvigorating our oversight, training and technical assistance activities for our State and local partners.

### **Budget and Performance Integration**

The President's Management Agenda recognizes that good decision-making depends on both the availability of relevant, high quality data and using that information in an analytical, business-like approach to problem solving. The Food and Nutrition Service has long been a leader in the Federal arena. Our entitlement programs are performance funded. This requires us to balance, through analysis and insight, an uncertain dynamic program demand with the constraints of a fixed appropriation. In this year's budget explanatory notes, you will find expanded performance information and analysis with clear connections linking USDA's strategic plan, our budget request, and program performance.

Vital to the success of the President's vision of improved Federal decision-making and seamless budget and performance integration is an adequately funded, properly positioned agenda of performance measurement and program assessment. Funding proposed in the request would support a range of important program assessment activities: focused studies of program operations, development of comprehensive measures of program performance to inform and foster outcome-based planning and management; and technical assistance to States and communities for practical demonstrations of potential policy and program improvements. These activities provide a crucial foundation for strategic planning and program innovation. This request will allow the programs to respond to emerging performance management issues identified by the Performance Assessment Rating Tool of the National School Lunch Program and Food Stamp Program as well as support effective stewardship of the taxpayer investment in nutrition assistance.

## **Reaching Out to Those in Need through Faith-based and other Community Organizations**

To meet our commitment to improve access for all who are eligible, we must work closely with our program partners – individuals and organizations in communities across America who deliver the Federal nutrition assistance programs, and work to make them accessible and effective. Faith-based organizations have long played an important role in raising community awareness about program services, assisting individuals who apply for benefits, and delivering benefits. President Bush has made working with the faith-based community an Administration priority, and we intend to continue our outreach efforts in FY 2005. The partnership of faith-based organizations and FNS programs, including TEFAP, WIC, NSLP, and the CSFP, is long-established. Indeed, the majority of organizations such as food pantries and soup kitchens that actually deliver TEFAP benefits are faith-based. Across the country, faith-based organizations have found over the years that they can participate in these programs without compromising their mission or values. They are valued partners in an effort to combat hunger in America.

### **Human Capital Management**

The General Accounting Office (GAO), have demonstrated that recruiting, developing and retaining a highly-skilled workforce is critical to sustaining our public service. This is especially true for the Food and Nutrition Service. We currently estimate that up to 80 percent of our senior leaders are eligible to retire within five years, as is

nearly 30 percent of our total workforce. FNS must address this serious challenge by improving the management of the agency's human capital, strengthening services provided to employees, and implementing programs designed to improve the efficiency, diversity, and competency of the work force. With just nominal increases for basic program administration in most years, the Food and Nutrition Service has reduced its Federal staffing levels significantly over time. We have compensated for these changes by working smarter – re-examining our processes, building strong partnerships with the State and local entities which administer our programs, and taking advantage of technological innovations. We are extremely proud of what we have accomplished, but seek additional funding in a few targeted areas to address specific vulnerabilities. Full funding of the nutrition programs administration requested in the President's budget, approximately 0.39 percent of our program portfolio, is vital to our continued success.

Now, I would like to review some of the components of our request that relate to these outcomes under each program area.

### **Food Stamp Program**

The President's budget requests \$33.6 billion for the Food Stamp account including the Food Stamp Program and its associated nutrition assistance programs. These resources will serve an estimated 24.9 million people each month participating in the Food Stamp Program alone. Included in this amount, we propose to continue the \$3 billion contingency reserve provided for the program in fiscal year 2004. The importance of this reserve is especially critical in fiscal year 2005. While we anticipate that the improvement we are now seeing in the general economy will at some point begin to

impact the program, predicting the turning point of participation is challenging. Our request also presents, as an alternative to the traditional contingency reserve, a proposal of indefinite authority for program benefits and payments to States and other non-Federal entities.

### **Child Nutrition Programs**

The budget requests \$11.4 billion for the Child Nutrition Programs, which provide millions of nutritious meals to children in schools and in childcare settings every day. This level of funding will support an increase in daily School Lunch Program participation from the current 28.7 million children to over 29.2 million children. This funding request also supports an increase in daily School Breakfast Program participation from the current 8.8 million to 9.0 million children. Requested increases in these programs also reflect rising school enrollment, increases in payment rates to cover inflation, and proportionately higher levels of meal service among children in the free and reduced price categories. We are proposing to extend provisions that would expire on March 31, 2004.

### **WIC**

The President's budget includes \$4.8 billion for the Special Supplemental Nutrition Program for Women, Infants and Children, the WIC program. The request will allow local communities to provide food, nutrition education, and a link to health care to a monthly average of 7.86 million needy women, infants and children during fiscal year 2005. We also propose to continue our vital initiatives, begun in fiscal year 2004, to enhance breastfeeding initiation and duration, improve State information technology

infrastructure, and to maximize WIC's potential to combat childhood obesity. The \$125 million contingency fund provided for in the fiscal year 2003 appropriation continues to be available to the program. These resources are available if costs exceed current estimates.

### **Commodity Supplemental Food Program (CSFP)**

The Commodity Supplemental Food Program (CSFP) serves elderly persons and at risk low-income pregnant and post-partum and breastfeeding women, infants and children up to age six. The budget requests \$98.3 million for this program, the same level appropriated in fiscal year 2004. This request may not support the same level of program services as in fiscal year 2004 due to the availability of one-time carry-over funds from 2003. However, we will take all available administrative actions to minimize any program impact. We face a difficult challenge with regard to discretionary budget resources. CSFP operates in selected areas in 32 States, the District of Columbia, and two Indian Tribal Organizations. The populations served by CSFP are eligible to receive similar benefits through other Federal nutrition assistance programs. We believe our limited resources are best focused on those programs available in all communities nationwide.

### **The Emergency Food Assistance Program (TEFAP)**

As provided for in the Farm Bill, the budget requests \$140 million for commodities in this important program. Our request for States' storage and distribution costs, critical support for the Nation's food banks, is \$50 million. The Food and Nutrition Service is committed to ensuring the continuing flow of resources to the food bank community including directly purchased commodities, administrative funding, and surplus commodities from the USDA market support activities. Surplus commodity donations significantly increase the amount of commodities that are available to the food bank community from Federal sources.

#### **Nutrition Programs Administration (NPA)**

We are requesting \$152.2 million in this account, which includes an increase of \$7 million for the program integrity initiative described earlier. Included are also a number of initiatives, under the Food and Nutrition Service and the Center for Nutrition Policy and Promotion, designed to combat obesity and improve the dietary quality of all Americans. Our total request for Federal administrative resources represents only about 0.39 percent of the program resources for which we have responsibility and sustains the program management and support activities of our roughly 1,545 employees nationwide. I believe we need these modest increases in funding in order to maintain accountability for our \$50 billion portfolio and to assist States to effectively manage the programs and provide access to all eligible people.

Thank you for the opportunity to present this written testimony.