



Child Nutrition in the Build Back Better Act

December 2, 2021

On November 19, 2021, the House passed the Build Back Better Act (H.R. 5376). Subtitle E, *Child Nutrition and Related Programs*, of Title II of the bill would expand existing U.S. Department of Agriculture (USDA)-administered child nutrition activities and newly authorize others. According to an estimate from the Congressional Budget Office (CBO), the child nutrition policies in the House-passed bill would cost \$10.09 billion over 10 years. Much of that spending would occur in FY2022-FY2027.

The child nutrition provisions in the House-passed bill are virtually identical to those in versions of the bill released by the House Rules Committee on November 3, 2021, and October 28, 2021, and are different from related proposals in the bill as reported by the House Budget Committee on September 27, 2021, and in the Biden Administration's American Families Plan released on April 28, 2021.

Community Eligibility Provision (CEP)

Section 24001 would expand eligibility and funding for the Community Eligibility Provision (CEP), a policy through which a school, group of schools, or school district offers free meals to all students through the National School Lunch Program (NSLP) and School Breakfast Program (SBP). Such entities are currently eligible for CEP if at least 40% of their students are approved for free meals through direct certification, a process through which the district or state agency uses data from other programs, including the Supplemental Nutrition Assistance Program (SNAP), to automatically enroll children in free meals without household applications. Section 24001 would lower this eligibility threshold (called the *identified student percentage* [ISP]) for CEP to 25%.

The section would also increase a multiplier used in CEP's reimbursement formula from 1.6 to 2.5, which would increase funding among participating schools. The formula is such that participating schools receive the free meal reimbursement rate (e.g., \$3.66-\$3.90 per lunch) for a percentage of meals equal to the product of their ISP and the multiplier; the remainder of meals are reimbursed at a lower paid meal rate (e.g., 35-50 cents per lunch). For example, under the current formula a school with a 40% ISP receives the free rate for 64% (40% x 1.6) of meals, and the paid rate for the remaining 36% of meals. Under Section 24001, the same school would receive the free rate for 100% (40% x 2.5) of meals.

Section 24001 would also establish a new option for states to operate CEP on a statewide basis. States that opted in would get to use the 2.5 reimbursement multiplier (ISP would be calculated on a statewide basis) *if* the state agreed to provide the remaining amount of funding necessary to ensure that every meal is reimbursed at the free rate.

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https://crsreports.congress.gov IN11815 The policies under this section would be in effect from school years 2022-2023 through 2026-2027, after which they would revert to current law. CBO estimated the cost of Section 24001 at \$6.56 billion over 10 years.

Summer Electronic Benefits Transfer (EBT) for Children Program

Section 24002 would establish a nationwide summer EBT program for two years, providing electronic benefits to eligible families to purchase groceries during the summer months. Children certified for free or reduced-priced school meals through NSLP or SBP in the school year prior to the summer would be eligible for benefits.

Fifty states, the District of Columbia, and the territories would be eligible to operate the program, as would Indian Tribal Organizations (ITOs) that operate WIC (Special Nutrition Program for Women, Infants, and Children). For most jurisdictions, the benefits would be redeemable at retailers authorized to accept SNAP benefits for SNAP-eligible foods. Some jurisdictions would operate the program via WIC or nutrition assistance block grant retail models.

This federal program would not be the first to provide EBT summer food assistance. In the summer of 2021, jurisdictions operated a similar Summer Pandemic EBT program (Summer P-EBT) for certain eligible school- and child care-aged children. (The P-EBT authorizing law allows Summer P-EBT operation following a school year during which there was a federal public health emergency designation based on an outbreak of SAR-CoV-2. As of the date of this report, USDA had released initial guidance on P-EBT for summer 2022.) Separately, before the pandemic, beginning in summer 2011, a Summer EBT for Children Program has operated on a pilot basis in selected states and ITOs.

This section would provide implementation funding in FY2022 and authorize program benefits for the summers of 2023 and 2024. Benefits would be \$65 per summer month per child in the first year and be adjusted for inflation in the second year. CBO estimated the cost of Section 24002 at \$3.25 billion over 10 years.

Healthy Food Incentives Demonstration

Section 24003 would authorize and provide \$250 million for a new demonstration that would fund nutrition-related activities in states and territories participating in USDA's child nutrition programs. The demonstration would support "grants and monetary incentives" to (1) improve the nutritional quality of meals and snacks; (2) enhance the nutrition and wellness environment (including by reducing the availability of "less healthy foods" during the school day); (3) increase procurement of fresh, local, regional, and culturally appropriate foods and foods produced by underserved or limited-resource farmers; and/or (4) fund a statewide nutrition education coordinator. Funding would be provided for FY2022 and remain available until expended.

School Kitchen Equipment Grants

Section 24004 would provide additional funding of \$30 million for school kitchen equipment grants and related USDA technical assistance. Similar to previous laws that funded similar grants (e.g., P.L. 116-260, which funded 2021 grants), USDA would provide grants to states and territories, which would make competitive awards to schools and local educational agencies to purchase equipment with a value of greater than \$1,000 to serve healthier meals and improve food safety. Differing from prior laws, the grants would also be used to increase scratch cooking, and USDA could use some of the funds to provide technical assistance to support scratch cooking. (*Scratch cooking* is not defined in the law, and the term has varying definitions.) Funding would be provided for FY2022 and remain available until expended.

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