

# Congress of the United States

Washington, DC 20510

May 20, 2022

The Honorable Tom Vilsack  
Secretary  
U.S. Department of Agriculture  
1400 Independence Ave, SW  
Washington, DC 20250

Dear Secretary Vilsack:

We write to request that you provide a temporary increase in the school meal reimbursement rate to Hawaii until the U.S. Department of Agriculture (USDA) completes the School Nutrition and Meal Cost Study-II and adjusts school meal reimbursements. In addition, we encourage you to provide a similar temporary adjustment for the other outlying areas—Guam, Puerto Rico, and the U.S. Virgin Islands. We thank the USDA for its ongoing commitment to strengthen school meal programs and ensure that all children can get the healthy and nutritious foods they need. However, COVID-19-related disruptions to school meal programs and increased rates of food insecurity among children in Hawaii during the crisis requires immediate action.

The *Child Nutrition Amendments of 1978* (P.L. 95-627) grants the USDA authority to establish appropriate adjustments to the national average payment rates for the outlying areas—Alaska, Hawaii, Guam, Puerto Rico, and the U.S. Virgin Islands—to reflect the differences between the costs of producing and supplying school meals in these areas and the continental United States. In 1979, the USDA calculated an adjustment to the national average payment rates for the outlying areas based on food and labor costs, with data derived from the 1976 Thrifty Food Plan and the 1976 County Business Patterns. The adjustment was appropriately weighted based on the 1975 USDA Food and Nutrition Service (FNS) form FNS-13, Annual Statement of Income and Expenditures. Based on these factors, the USDA recommended that the school meal reimbursement rate for Hawaii be set at 17 percent above the national average payment rate, and Alaska at 62 percent above the national rate.

This calculation has not been updated since the USDA's original analysis conducted in 1979, despite food and labor costs in Hawaii increasing substantially in the more than 40 years since the analysis. Based on the same methodology used in the original analysis and factoring in recent data on costs, the school meal reimbursement for Hawaii should be more than 60 percent above the national average payment, which is an increase of at least 43 percent above the rate Hawaii currently receives.

That is why we are encouraged by the USDA's School Nutrition and Meal Cost Study-II (the "study")—which will provide a comprehensive analysis of school food service operations and the nutritional quality, cost, and acceptability of meals served through school meal programs. This study will collect the data necessary to determine the costs of producing and supplying school meals in the outlying areas.

However, while we support the study's objective to provide a comprehensive, accurate accounting of the real costs associated with producing and supplying school meals, we are concerned that the current school meal reimbursement rate for Hawaii is not reflective of these costs, and that the state and its students are currently being negatively impacted. Due to disruptions related to the COVID-19 pandemic, the study will not produce results until at least 2026. In addition, it is unclear when updated school meal reimbursement rates would be

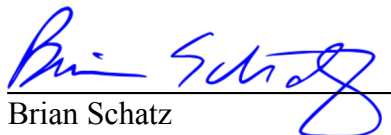
finalized following the release of this study. As a result, Hawaii will continue to receive outdated, lower school meal reimbursements for several more years, which means tens of millions of dollars in federal funding lost for school meal programs in the state. The opportunity cost of this lost federal revenue is evident, as Hawaii ranks among the lowest of all states and territories for participation in child nutrition programs.

Given these delays, we request that you exercise your authority pursuant to 42 U.S. Code § 1760(f) to provide a temporary increase in the national average payment rate to Hawaii at a rate at least equal to the rate for Alaska—which receives a higher school meal reimbursement than the other outlying areas—until the study is completed and updated adjustments for school meal reimbursements for these areas are subsequently made. This additional federal support will not only provide Hawaii with a reimbursement that is reflective of the real costs associated with producing and supplying a school meal, but also ensure that the state has the resources it needs to increase participation in child nutrition programs and invest in initiatives such as increasing the use of locally produced food in school meals.


In addition, we request that USDA provide the necessary technical assistance and flexibility to school food authorities and school staff in Hawaii and the outlying areas throughout the duration of the study. This is critical to ensuring the timely collection of complete and accurate data to better inform the costs associated with producing and supplying school meals in the state.

We appreciate and share the USDA's commitment to improving school meals programs, increasing participation in child nutrition programs, and making sure that children across the country can get the healthy, nutritious meals they need. The School Nutrition Cost Study-II will be critical to this end, but Hawaii cannot afford to wait any longer, as the state will lose out on tens of millions of dollars in federal revenue before results from the study are produced if an updated reimbursement adjustment is not made. We thank you for your close attention to this issue and look forward to your written response.

Sincerely,

  
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Brian Schatz  
United States Senator

  
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Mazie K. Hirono  
United States Senator

  
\_\_\_\_\_  
Ed Case  
Member of Congress

  
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Kaiuli Kahele  
Member of Congress