Child Nutrition Programs—CBO's Baseline as of March 6, 2020

Several programs and activities of the federal government provide nutrition assistance to schoolage children. Under the National School Lunch Program, the School Breakfast Program, the Child and Adult Care Food Program, the Summer Food Service Program, and the Special Milk Program, the government provides commodities and cash payments to reimburse participating schools and institutions for at least part of the cost of each meal served. Reimbursement rates vary by program, meal type, and participant's household income. Schools in the school breakfast and lunch programs—the two largest such programs—receive relatively small subsidies for meals served to students from households with income above 185 percent of the federal poverty level and larger subsidies for meals served to students from households with income below that level.

Federal child nutrition programs are funded mostly out of mandatory spending, with a small discretionary component. Annual appropriations for child nutrition programs generally cover the cost of providing benefits to all eligible applicants. However, CBO's baseline is constructed under the assumption that in the event of a shortfall, the Department of Agriculture would request an additional appropriation.

These budget projections reflect legislation, administrative actions, and regulatory changes through March 6, 2020. They are based on the economic forecast that CBO completed on January 7, 2020, and do not account for changes to the nation's economic outlook and fiscal situation arising from the recent and rapidly evolving public health emergency related to the novel coronavirus.

Child Nutrition Programs—CBO's Baseline as of March 6, 2020

| ons of Dollars, by Fiscal Year | | | 1 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | March 19, 2020 | |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2020 | 2021 | | | | | | | | 2029 | 2030 |
| Budget Authority Outlays | 24,258 24,086 | 25,090 24,939 | 26,141 25,962 | 27,273 27,079 | 28,436 28,236 | 29,643 29,437 | 30,885 30,673 | 32,173 31,954 | 33,515 33,287 | 34,917 34,678 | 36,382 36,131 |
| Budget Authority Components | | | | | | | | | | | |
| National School Lunch Program | 13,250 | 13,625 | 14,137 | 14,698 | 15,269 | 15,861 | 16,468 | 17,095 | 17,745 | 18,420 | 19,121 |
| School Breakfast Program | 4,689 | 4,880 | 5,106 | 5,352 | 5,606 | 5,868 | 6,140 | 6,423 | 6,720 | 7,030 | 7,355 |
| Child and Adult Care Food Program | 3,810 | 3,992 | 4,199 | 4,409 | 4,629 | 4,856 | 5,093 | 5,342 | 5,604 | 5,881 | 6,174 |
| Commodity procurement | 1,480 | 1,538 | 1,616 | 1,699 | 1,784 | 1,872 | 1,962 | 2,055 | 2,151 | 2,252 | 2,355 |
| Summer Food Service Program | 484 | 497 | 512 | 527 | 542 | 557 | 572 | 587 | 603 | 620 | 637 |
| State administrative expenses | 309 | 316 | 326 | 338 | 352 | 367 | 383 | 399 | 416 | 433 | 452 |
| Other spending ^a | <u>236</u> | <u>242</u> | <u>245</u> | <u>250</u> | <u>254</u> | <u>262</u> | <u>267</u> | <u>272</u> | <u>276</u> | <u>281</u> | <u>288</u> |
| Total Budget Authority | 24,258 | 25,090 | 26,141 | 27,273 | 28,436 | 29,643 | 30,885 | 32,173 | 33,515 | 34,917 | 36,382 |

These budget projections reflect legislation, administrative actions, and regulatory changes through March 6, 2020. They are based on the economic forecast that CBO completed on January 7, 2020, and do not account for changes to the nation's economic outlook and fiscal situation arising from the recent and rapidly evolving public health emergency related to the novel coronavirus.

Components may not sum to totals because of rounding.

a. Other spending includes the Special Milk Program, the Food Service Management Institute, Team Nutrition, coordinated review, computer support and processing, child nutrition grants for the Northern Marianas and American Samoa, and other activities. It also includes discretionary projects funded in annual appropriation acts.

Most reimbursement rates are tied to the consumer price index for food away from home, which is projected to increase as follows:

| Percent | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> | <u>2027</u> | <u>2028</u> | <u>2029</u> | <u>2030</u> |
|---------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 103.0 | 102.8 | 103.0 | 103.0 | 102.9 | 102.9 | 102.8 | 102.8 | 102.8 | 102.8 | 102.8 |