

# USDA's February 2023 Proposed Rule to Update Nutrition Standards for School Meals

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## **USDA's February 2023 Proposed Rule to Update Nutrition Standards for School Meals**

On February 7, 2023, the U.S. Department of Agriculture (USDA) released a proposed rule ("Child Nutrition Programs: Revisions to Meal Patterns Consistent With the 2020 Dietary Guidelines for Americans") to update the nutrition standards (also known as *meal patterns*) for reimbursable school meals served through the National School Lunch Program (NSLP) and School Breakfast Program (SBP). USDA's stated goal is to "improve the school meal pattern requirements ... based on a comprehensive review of the Dietary Guidelines for Americans, 2020-2025 (Dietary Guidelines), robust stakeholder input on school nutrition standards, and lessons learned from prior rulemaking."

The rule proposes changes to added sugars, sodium, whole grains, and milk rules for reimbursable school meals. It also proposes stricter enforcement of Buy American rules for school meals—establishing a cap of 5% on nondomestic purchases. The rule would also make several changes geared toward accommodating cultural, religious, and ethical dietary needs and preferences, streamlining certain program requirements, and expanding local foods in school meals. Some of these changes would also apply to foods sold in schools (*competitive foods*) and served through the Child and Adult Care Food Program (CACFP) and the Summer Food Service Program (SFSP).

The comment period on the rule closes on May 10, 2023. In developing the rule, USDA took into account comments it received through listening sessions and on a prior, transitional rule that pertains to nutrition standards in school year (SY) 2022-2023 and SY2023-2024. USDA plans to issue a final rule "in time for schools to plan for school year 2024-2025."

#### **SUMMARY**

R47522

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## Introduction

The federal government has prescribed nutritional requirements for school meals since the authorization of the National School Lunch Program (NSLP) in 1946. Such requirements have changed throughout the course of history. Current law requires the Secretary of Agriculture to prescribe "minimum nutritional requirements" based on "tested nutritional research."<sup>1</sup> In addition, school meal nutrition standards must be "consistent with the goals of the most recent Dietary Guidelines [for Americans]" (DGAs).<sup>2</sup> Under these parameters, USDA has established detailed nutritional requirements in regulations.<sup>3</sup>

This report discusses the latest proposed revision of nutritional requirements for school meals, as promulgated by the U.S. Department of Agriculture (USDA) in a proposed rule on February 7, 2023.<sup>4</sup> The proposal, according to USDA, was informed by the DGAs and feedback from stakeholders, particularly in the wake of temporary changes to nutrition standards for school meals during the COVID-19 pandemic. In addition to summarizing the contents of the proposal, this report provides a recent history of changes to the nutrition standards and discusses reactions to and potential implications of the proposed rule.

## **Recent History**

The February 2023 proposed rule should be viewed in the context of changes to school nutrition rules since the enactment of the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296). That act required USDA to update nutrition standards for school meals served through NSLP and SBP and establish nutrition standards for foods sold in schools (*competitive foods*) based on recommendations from the National Academies of Science, Engineering, and Medicine and the DGAs.<sup>5</sup> USDA finalized a school meals rule in 2012 and a competitive foods rule in 2016.<sup>6</sup> The 2012 rule altered and added nutritional requirements for school meals, including increasing the amount of fruits, vegetables, and whole grains and limiting flavored milk, sodium, and calories. Subsequently, some schools reported difficulty implementing the standards, including challenges

<sup>&</sup>lt;sup>1</sup> Section 9(a)(1)(A) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(a)(1)(A)).

<sup>&</sup>lt;sup>2</sup> Section 9(f) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(f)). For more information on the DGAs, see CRS Report R47488, *The Dietary Guidelines for Americans: Development, Implementation, and Considerations for Congress.* 

<sup>&</sup>lt;sup>3</sup> The current nutrition standards for school meals are located at 7 C.F.R. §210.10 (lunches) and 7 C.F.R. §220.8 (breakfasts).

<sup>&</sup>lt;sup>4</sup> U.S. Department of Agriculture (USDA), Food and Nutrition Service (FNS), "Child Nutrition Programs: Revisions to Meal Patterns Consistent With the 2020 Dietary Guidelines for Americans," 88 *Federal Register* 8050, February 7, 2023, https://www.federalregister.gov/documents/2023/02/07/2023-02102/child-nutrition-programs-revisions-to-meal-patterns-consistent-with-the-2020-dietary-guidelines-for.

<sup>&</sup>lt;sup>5</sup> For more information on the DGAs, see CRS Report R47488, *The Dietary Guidelines for Americans: Development, Implementation, and Considerations for Congress.* 

<sup>&</sup>lt;sup>6</sup> USDA, FNS, "Nutrition Standards in the National School Lunch and School Breakfast Programs," 77 *Federal Register* 17, January 26, 2012, https://www.federalregister.gov/documents/2012/01/26/2012-1010/nutrition-standardsin-the-national-school-lunch-and-school-breakfast-programs; and USDA, FNS, "National School Lunch Program and School Breakfast Program: Nutrition Standards for All Foods Sold in School as Required by the Healthy, Hunger-Free Kids Act of 2010; Final Rule," 81 *Federal Register* 50131, July 29, 2016, https://www.federalregister.gov/documents/ 2016/07/29/2016-17227/national-school-lunch-program-and-school-breakfast-program-nutrition-standards-for-allfoods-sold-in.

with obtaining whole grain and low-sodium products and student acceptance of foods.<sup>7</sup> Over time, Congress and USDA responded by changing aspects of the milk, whole grain, and sodium requirements (further detail is provided in the sections to follow).<sup>8</sup> The school meal patterns were also temporarily eased during the COVID-19 pandemic (from March 2020 through SY2021-2022).<sup>9</sup>

## **Proposed Changes**

### Sodium

Over the course of a school week, the average reimbursable lunch and breakfast must fall within certain sodium limits. Schools are currently operating under a limit (Target 1, shown for lunches in **Table 2**) that was established in the transitional rule.<sup>10</sup> Seeking alignment with sodium recommendations for children in the DGAs<sup>11</sup> and the Food and Drug Administration's (FDA's) voluntary sodium reduction targets for the U.S. food supply,<sup>12</sup> USDA proposes a 10% reduction in sodium in SY2025-2026 (for both breakfasts and lunches), another 10% reduction in SY2027-2028 (for breakfasts and lunches), and another 10% reduction in SY2029-2030 (for lunches only) (amounts displayed in **Table 1**).

For a comparison with existing and prior sodium limits for school lunches, see Table 2.

Sodium Limit for an Average Lunch			
Age/Grade Group	SY2025-2026 and SY2026-2027	SY2027-2028 and SY2028-2029	SY2029-2030 Forward
Grades K-5	<u>&lt;</u> 1,000 mg	<u>&lt;</u> 900 mg	<u>&lt;</u> 810 mg
Grades 6-8	<u>&lt;</u> 1,105 mg	<u>&lt;</u> 990 mg	<u>&lt;</u> 895 mg

Table	I. Propos	ed Sodium	Limits:	NSLP
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<sup>7</sup> For example, see School Nutrition Association, "Stories from the Frontlines: School Cafeteria Professionals Discuss Challenges with New Standards," May 28, 2014, https://schoolnutrition.org/sna-news/stories-from-the-frontlines-school-cafeteria-professionals-discuss-challenges-with-new-standards.

<sup>8</sup> Appropriations acts in FY2015, FY2016, and FY2017 made changes to milk, whole grain, and/or sodium requirements. In December 2018, USDA under the Trump Administration issued a final rule making changes to such requirements in SY2019-2020 forward (these policies are discussed in CRS Insight IN11009, *USDA's Final Rule on Milk, Whole Grains, and Sodium in School Meals* and CRS Report R45486, *Child Nutrition Programs: Issues in the 115th Congress*). The December 2018 rule was subsequently vacated by a U.S. District Court (see USDA, FNS, "Child Nutrition Programs: Rescission of Milk, Whole Grains, and Sodium Flexibilities: Notice of Vacatur" 85 *Federal Register* 74847, November 24, 2020), reverting the programs to the milk, sodium, and whole grain policies established in the 2012 final rule. However, the FY2021 appropriations act reinstated 1% flavored milk. In February 2022, USDA under the Biden Administration issued a final rule making changes to the milk, whole grain, and sodium requirements starting in SY2022-2023 and stating its intentions to issue further rulemaking for subsequent school years (see USDA, FNS, "Child Nutrition Programs: Transitional Standards for Milk, Whole Grains, and Sodium," 87 *Federal Register* 6984, February 7, 2022).

<sup>&</sup>lt;sup>9</sup> USDA, FNS, "COVID-19 Nationwide Waiver to Allow Meal Pattern Flexibility in the Child Nutrition Programs," March 25, 2020, https://www.fns.usda.gov/cn/covid-19-child-nutrition-response-4; and USDA, FNS, "Nationwide Waiver to Allow Specific School Meal Pattern Flexibility for SY 2021-22," August 27, 2021, https://www.fns.usda.gov/cn/covid-19-child-nutrition-response-90.

<sup>&</sup>lt;sup>10</sup> USDA, FNS, "Child Nutrition Programs: Transitional Standards for Milk, Whole Grains, and Sodium," 87 *Federal Register* 6984, February 7, 2022.

<sup>&</sup>lt;sup>11</sup> USDA and U.S. Department of Health and Human Services (HHS), *Dietary Guidelines for Americans*, 2020-2025, 9<sup>th</sup> edition, December 2020, p. 46.

<sup>&</sup>lt;sup>12</sup> FDA, "Sodium Reduction," http://www.fda.gov/SodiumReduction.

Age/Grade	SY2025-2026 and	SY2027-2028 and	SY2029-2030
Group	SY2026-2027	SY2028-2029	Forward
Grades 9-12	<u>&lt;</u> 1,150 mg	<u>&lt;</u> 1,035 mg	<u>&lt;</u> 935 mg

**Source:** Adapted from USDA, FNS, "Child Nutrition Programs: Revisions to Meal Patterns Consistent With the 2020 Dietary Guidelines for Americans," 88 *Federal Register* 8050, February 7, 2023 (Proposed Rule).

**Notes:** Individual lunches can go over these limits, but the average lunch over the school week must meet the limits.

Table 2. Current and	Historical NSLP	<b>Sodium Limits</b>
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Sodium	Limit	for	an .	Average	Lunch
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Age/Grade Group	Target I (SY2014- 2015 to SY2019- 2020, SY2022-2023)	Interim Target IA (SY2023-2024)	Target 2 (SY2020-2021 and SY2021-2022)	Target 3 (Never Implementedª)
Grades K-5	<u>&lt;</u> 1,230 mg	<u>&lt;</u> 1,110 mg	<u>&lt;</u> 935 mg	<u>&lt;</u> 640 mg
Grades 6-8	<u>&lt;</u> 1,360 mg	<u>&lt;</u> 1,225 mg	<u>&lt;</u> 1,035 mg	<u>&lt;</u> 710 mg
Grades 9-12	<u>&lt;</u> 1,420 mg	<u>&lt;</u> 1,280 mg	<u>&lt;</u> 1,080 mg	<u>&lt;</u> 740 mg

**Source:** Adapted from USDA, FNS, "Nutrition Standards in the National School Lunch and School Breakfast Programs," 77 *Federal Register* 4087, January 26, 2012 (Final Rule); and USDA, FNS, "Child Nutrition Programs: Transitional Standards for Milk, Whole Grains, and Sodium," 87 *Federal Register* 6984, February 7, 2022 (Final Rule).

**Notes:** Individual lunches can go over these limits, but the average lunch over the school week must meet the limits. Sodium limits were not fully enforced from March 2020 through SY2021-2022 due to waivers provided during the COVID-19 pandemic.

a. 77 Federal Register 4087 originally scheduled Target 3 implementation for SY2022-2023.

### **Added Sugars**

There is currently no limit on sugar in reimbursable school meals. Since the 2015-2020 iteration, the DGAs have recommended limiting *added* sugars<sup>13</sup> to less than 10% of daily calories. The proposed rule would similarly enact an added sugars limit of less than 10% of calories per week.

Additionally, the proposed rule would adopt product-based limits on added sugars. First, there would be a limit of no more than 2 ounce equivalents per week of grain-based desserts (e.g., cereal bars and toaster pastries) in school breakfasts (the same limit already exists for lunches).<sup>14</sup> In addition, breakfast cereals would be limited to no more than 6 grams of added sugars per dry ounce, yogurts would be limited to no more than 12 grams of added sugars per 6 ounces, and flavored milk would be limited to no more than 10 grams of added sugars per 8 fluid ounces (for flavored milk sold as a competitive food in middle and high schools, the limit would be 15 grams per 12 fluid ounces). The rule would apply the same standard to Child and Adult Care Food

<sup>&</sup>lt;sup>13</sup> According to the U.S. Food and Drug Administration (FDA), "Added sugars include sugars that are added during the processing of foods (such as sucrose or dextrose), foods packaged as sweeteners (such as table sugar), sugars from syrups and honey, and sugars from concentrated fruit or vegetable juices. They do not include naturally occurring sugars that are found in milk, fruits, and vegetables." FDA, "Added Sugars on the New Nutrition Facts Label," https://www.fda.gov/food/new-nutrition-facts-label/added-sugars-new-nutrition-facts-label.

<sup>&</sup>lt;sup>14</sup> For an illustration of ounce equivalents, see USDA, FNS, "Exhibit A: Grain Requirements For Child Nutrition Programs," https://foodbuyingguide.fns.usda.gov/Content/TablesFBG/ExhibitA.pdf.

Program (CACFP) yogurt and breakfast cereals and eliminate CACFP's cap on *total* sugars for such items.

### Whole Grains

Currently, at least 80% of the weekly grains in school meals must be *whole grain-rich* (*whole grain-rich* is defined in regulations to mean that at least half of the grains are whole grains, and any remaining grains are enriched). The proposed rule provides two options: (1) retaining the 80% requirement, or (2) requiring 100% of grains to be whole grain-rich (like the 2012 rule), except that enriched grains could be offered one day per week.

Previous changes to the whole grain standards are shown in Table 3.

 Table 3. Changes to the Whole Grain Standard for School Meals, 2012-2022

Law, Regulation, or Policy	Summary
2012 rule	Required 50% of grains to be whole grain-rich, scaling up to 100% by SY2014-2015
FY2015-FY2017 appropriations acts	Allowed certain exemptions from the 100% whole grain-rich requirement for schools demonstrating hardship <sup>a</sup>
2018 rule	Required 50% of grains to be whole grain-rich starting in SY2019-2020; allowed certain exemptions
2020 court vacatur and policy rescission <sup>b</sup>	Reverted to 2012 standard
2022 transitional rule	Required 80% of grains to be whole grain-rich starting in SY2022-2023

**Source:** CRS, based on specified laws and regulations.

**Note:** Whole grain standards were not fully enforced from March 2020 through SY2021-2022 due to waivers provided during the COVID-19 pandemic.

- a. The laws required USDA to allow states to grant exemptions to school districts that could "demonstrate hardship, including financial hardship, in procuring specific whole grain products which are acceptable to the students and compliant with the whole grain-rich requirements." Schools that received exemptions still had to meet a 50% whole grain-rich requirement. USDA, FNS, "Child Nutrition Programs' Flexibilities for School Year 2018-2019," June 1, 2018, https://www.fns.usda.gov/cn/child-nutrition-program-flexibilities-school-year-2018-2019.
- b. The 2018 rule was vacated (struck down) by a U.S. District Court (see USDA-FNS, "Child Nutrition Programs: Rescission of Milk, Whole Grains, and Sodium Flexibilities: Notice of Vacatur," 85 Federal Register 74847, November 24, 2020), reverting the programs to the whole grain policies established in the 2012 rule.

#### Milk

Under the 2022 transitional rule, schools are currently allowed to serve 1% flavored milk in the programs. The proposed rule provides two options:

- 1. allow only unflavored milk (1% or fat-free) for younger students (the proposal gives an option of defining such students as grades K-5 or grades K-8) and allow flavored and unflavored (1% or fat-free) for older students (option of grades 6-12 or 9-12), or
- 2. retain the current policy.

Option 1 would take effect in SY2025-2026. In either case, flavored milk would be subject to the new added sugar limit.

Previous changes to the milk standards are shown in Table 4.

Law, Regulation, or Policy	Summary
2012 rule	Allowed 1% unflavored milk and fat-free flavored milk starting in SY2012-2013
FY2017 appropriations act	Allowed certain exemptions, allowing schools demonstrating hardship <sup>a</sup> to serve 1% flavored milk
2018 rule	Allowed 1% flavored milk
2020 court vacatur and policy rescission	Reverted to 2012 standard
FY2021 appropriations act	Allowed 1% flavored milk
2022 transitional rule	Allowed 1% flavored milk

Table 4. Changes to the Milk Options in School Meals, 2012-2022

**Source:** CRS, based on specified laws and regulations.

**Note:** Milk requirements were not fully enforced from March 2020 through SY2021-2022 due to waivers provided during the COVID-19 pandemic.

- a. The law required USDA to allow states to grant exemptions "to schools which demonstrate a reduction in student milk consumption or an increase in school milk waste."
- b. The 2018 rule was vacated (struck down) by a U.S. District Court (see USDA-FNS, "Child Nutrition Programs: Rescission of Milk, Whole Grains, and Sodium Flexibilities: Notice of Vacatur," 85 *Federal Register* 74847, November 24, 2020), reverting the programs to the whole grain policies established in the 2012 rule.

### **Buy American**

Section 12(n) of the Richard B. Russell National School Lunch Act requires *school food authorities*<sup>15</sup> to purchase domestic commodities or products "to the maximum extent practicable."<sup>16</sup> The U.S. territories, Alaska, and Hawaii are exempt from this rule except that school food authorities in Hawaii and Puerto Rico must prioritize commodities or products from their jurisdictions when they are produced "in sufficient quantities to meet the needs of [school] meals." USDA has not specified a limit on nondomestic purchases in regulations or guidance. Its current guidance permits school food authorities to make exceptions to the Buy American requirements on a limited basis when

• a product "is not produced or manufactured in the U.S. in sufficient and reasonably available quantities of a satisfactory quality," or

<sup>&</sup>lt;sup>15</sup> Federal regulations designate school food authorities as the local authorities in charge of operating the school meal programs; typically, these are foodservice departments within school districts.

<sup>&</sup>lt;sup>16</sup> Statute defines *domestic commodities or products* as those that are both produced and processed substantially in the United States. Accompanying conference report language elaborated that *processed substantially* means that the product is processed in the United States and contains over 51% domestically grown ingredients. U.S. Congress, Conference Committee, William F. Goodling Child Nutrition Reauthorization Act of 1998, conference report to accompany H.R. 3874, 105<sup>th</sup> Cong., 2<sup>nd</sup> sess., H.Rept. 105-786 (Washington, DC: GPO, 1998), p. 38.

• "competitive bids reveal the costs of a U.S. product are significantly higher than the non-domestic product."<sup>17</sup>

School food authorities must interpret when this is the case and document any exceptions they make.<sup>18</sup>

The proposed rule would institute a new limit on nondomestic purchases: 5% of school food authorities' annual commercial food purchases.<sup>19</sup> School food authorities would be required to document compliance with this threshold. The proposed rule would also maintain the requirement that nondomestic purchases meet one of the two reasons for exception listed above. The proposed rule would also codify current guidance defining domestically harvested fish.

## **Other Changes**

#### **Sourcing Local Foods**

Under current law, child nutrition program operators are allowed to apply a preference for local products (*geographic preference*) when reviewing proposals and bids from vendors (e.g., they may award additional points for local products when scoring proposals).<sup>20</sup> USDA proposes expanding local procurement options for operators by additionally allowing "locally grown, raised, or caught" to be used as a procurement specification (i.e., "a written description of the product or service that the vendor must meet to be considered responsive and responsible") for unprocessed or minimally processed food items.

#### Changes for Schools Serving American Indian and Alaska Native Students

In addition to certain U.S. territories, the proposed rule would allow tribally operated schools, Bureau of Indian Education schools, schools serving primarily American Indian or Alaska Native children,<sup>21</sup> and schools in Hawaii and Guam to serve vegetables to meet the minimum grains requirements (e.g., at least 1 ounce equivalent daily for students in grades K-5, and 8-9 ounce equivalents over the course of a week). USDA's stated intent is to make it easier to serve traditional foods such as breadfruit, prairie turnips, plantains, sweet potatoes, and yams. This change would also be made to nutrition standards in CACFP and SFSP. The proposed rule would also codify a definition of *traditional food* and current agency policy allowing traditional foods to be served as part of reimbursable school meals.

<sup>&</sup>lt;sup>17</sup> USDA, FNS, "Compliance with and Enforcement of the Buy American Provision in the National School Lunch Program," June 30, 2017, https://www.fns.usda.gov/nslp/compliance-enforcement-buy-american.

<sup>&</sup>lt;sup>18</sup> A recent U.S. Government Accountability Office (GAO) report recommended that USDA standardize this process. GAO, "School Meal Programs: USDA Could Enhance Implementation of the Buy American Provision," GAO-23-105884, April 13, 2023, https://www.gao.gov/products/gao-23-105884.

<sup>&</sup>lt;sup>19</sup> In the rule, USDA cites a forthcoming study showing that 26% of school food authorities reported using Buy American exceptions, and such exceptions made up 8.5% of these school food authorities' purchases in SY2017-2018.

<sup>&</sup>lt;sup>20</sup> Section 9(j) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(j)); and USDA, FNS,

<sup>&</sup>quot;Procurement Geographic Preference Q&As," February 1, 2011, https://www.fns.usda.gov/procurement-geographic-preference-qas.

<sup>&</sup>lt;sup>21</sup> Defined as "schools where American Indian or Alaska Native children represent the largest demographic group of enrolled children."

#### **Educational Requirements for School Nutrition Program Directors**

Under current regulations, school nutrition program director hires in mid-sized districts (2,500 to less than 10,000 students) are required to have at least an associate's degree, and hires in large districts (10,000 or more students) are required to have a bachelor's degree.<sup>22</sup> The proposed rule would allow state agencies to approve hires that do not meet the education requirements if they have at least 10 years of school nutrition program experience.

#### Afterschool Snack Nutrition Standards

The proposed rule would update nutrition standards for the NSLP Afterschool Snack Program to reflect current statutory requirements. Specifically, statute requires that nutritional requirements for afterschool snacks served through the CACFP At-Risk Afterschool Meal and Snack Program also apply to the NSLP Afterschool Snack Program.<sup>23</sup> This would generally result in stricter requirements related to fruits and vegetables, low-fat milk, whole grains, and grain-based desserts in the NSLP Afterschool Snack Program.

#### Fruits and Vegetables in School Breakfasts

Under program regulations, schools are allowed to substitute vegetables for fruits in school breakfasts, but not all of those vegetables can be starchy vegetables.<sup>24</sup> Since FY2019, appropriations acts have waived this requirement—allowing any amount of starchy vegetables to substitute for fruit in school breakfasts. USDA proposes to continue to restrict the types of vegetables that may be substituted for fruits in school breakfasts, but only when schools make substitutions more than one day per week.

#### **Exemption for Hummus as a Food Sold in Schools**

Current nutritional requirements for competitive foods include limits on total fat and saturated fat. Several products receive exemptions from the fat limits under current regulations (e.g., reduced fat cheeses, whole eggs, and nut and seed butters). The proposal would exempt hummus from the total fat standard but not from the saturated fat standard.

#### Nuts and Seeds

Nut and seed butters (e.g., peanut butter and sunflower butter) can currently fulfill meat/meat alternate requirements in the child nutrition programs. For consistency, USDA proposes allowing nuts and seeds (e.g., peanuts and sunflower seeds) to fulfill the entire meat/meat alternate component as well (currently, nuts and seeds may only count toward half of the requirement). This change would also be made to nutrition standards in CACFP and SFSP.

<sup>&</sup>lt;sup>22</sup> For further information about federal requirements for the school nutrition workforce, see CRS Report R47199, *The School Foodservice Workforce: Characteristics and Labor Market Outcomes*.

<sup>&</sup>lt;sup>23</sup> Section 17A(d) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766a(d)).

<sup>&</sup>lt;sup>24</sup> Specifically, at least 2 cups per week must be from the dark green, red/orange, beans and peas, or other vegetable subgroups defined in regulations at 7 C.F.R. §220.8(c) and (c)(2)(ii).

## **Estimated** Cost

The proposed rule includes a Regulatory Impact Analysis that estimates that the changes would cost school districts an additional 3-4 cents per meal and \$220-\$274 million annually, on average.<sup>25</sup> The largest costs would be related to the sodium proposal (\$120 million annually), followed by the added sugars proposal (\$80 million annually), and the milk proposal (option 1, \$53 million). Sodium costs, for example, would stem from the price of lower-sodium products and labor costs associated with preparing lower sodium meals. There is currently no federal funding dedicated to implementing the rule, though USDA touted funding available through the Healthy Meals Incentives initiative in its announcement of the proposal.<sup>26</sup>

## **Stakeholder Reactions and Next Steps**

By the end of March 2023, there were roughly 60,000 comments on the proposed rule. These comments represent perspectives from a variety of stakeholders, including school nutrition professionals, parents, public health advocates, and food industry representatives. The School Nutrition Association, a membership organization for school nutrition professionals, argued that programs "lack the capacity" to meet stricter standards in the wake of supply chain issues and labor shortages, and worry about the palatability of changes to children and the impact on participation (and, therefore, revenue).<sup>27</sup> There were mixed reactions from industry groups, including some proponents of the milk changes and some opponents to the added sugars limits.<sup>28</sup> Other organizations, such as the American Heart Association, supported the proposal, particularly the new added sugars limits, maintaining that the changes would improve children's diets and ultimately their health outcomes.<sup>29</sup> USDA similarly emphasized the impacts on children's nutrition and health in the proposed rule, frequently citing findings from its School Nutrition and Meal Cost Study.<sup>30</sup>

The comment period on the rule closes on May 10, 2023, and USDA says in the rule that it plans to issue a final rule prior to SY2024-2025. However, under the proposal, not all changes would take effect immediately. The whole grains changes would take effect immediately, whereas milk, sodium, and product-based added sugars rules would start taking effect in SY2025-2026. The weekly cap on added sugars would take effect two years later, in SY2027-2028.<sup>31</sup>

<sup>&</sup>lt;sup>25</sup> See the "Regulatory Impact Analysis" section and Table 23 on page 8134 of 88 Federal Register 8050.

<sup>&</sup>lt;sup>26</sup> USDA, "USDA Announces Steps To Improve Child Health through Nutritious School Meals, February 3, 2023," https://www.usda.gov/media/press-releases/2023/02/03/usda-announces-steps-improve-child-health-through-nutritiousschool. For more information on the Healthy Meals Incentives initiative, see USDA, FNS, "Healthy Meals Incentives," https://www.fns.usda.gov/cnp/healthy-meals-incentives.

<sup>&</sup>lt;sup>27</sup> School Nutrition Association, "SNA Comments on Proposed Nutrition Standards," March 27, 2023, https://schoolnutrition.org/wp-content/uploads/2023/03/2023-SNA-Comments-on-Proposed-Nutrition-Standards.pdf.

<sup>&</sup>lt;sup>28</sup> National Milk Producers Federation, "NMPF Protecting Dairy in Schools," March 2, 2023, https://www.nmpf.org/ nmpf-protecting-dairy-in-schools; and PBS, "New federal rules would limit sugar in school meals for the 1<sup>st</sup> time," February 3, 2023, https://www.pbs.org/newshour/health/new-federal-rules-would-limit-sugar-in-school-meals-for-thefirst-time.

<sup>&</sup>lt;sup>29</sup> American Heart Association, "Updated USDA nutrition standards will produce healthier school meals," February 3, 2023, https://newsroom.heart.org/news/updated-usda-nutrition-standards-will-produce-healthier-school-meals.

<sup>&</sup>lt;sup>30</sup> USDA, FNS, Office of Policy Support, *School Nutrition and Meal Cost Study*, April 2019, https://www.fns.usda.gov/school-nutrition-and-meal-cost-study.

<sup>&</sup>lt;sup>31</sup> USDA, FNS, "Proposed Implementation Timeline for Updating the School Meal Standards," February 3, 2023, https://www.fns.usda.gov/cn/proposed-timeline-updating-school-meal-standards.

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### Disclaimer

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