

# **School Nutrition Programs in North Carolina**

**Legislative Task Force  
on Childhood Obesity**

**February 11, 2010**

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# What is the purpose of the Child Nutrition Program?

A nutrition program that promotes the optimal growth, development and health of students while supporting their academic success?



# What is the purpose of the Child Nutrition Program?



A food service enterprise program housed on the school campus that generates enough money to support its operations and/or generate revenues for the district?

# Today's discussion

- ✓ Programs administered by NCDPI
- ✓ Brief “snapshot” of the history of the School Meals program in NC
- ✓ Current Challenges facing the School Meals Program
- ✓ Possible Solutions
- ✓ Important Decision

# Child Nutrition Programs administered by the NCDPI

## School Breakfast and Lunch Programs

- ✓ 8<sup>th</sup> largest program in the nation
- ✓ 1.8 million meals served daily
- ✓ Available to all students enrolled in public school
- ✓ 50% of students qualify for free or reduced price meals (by household income)
- ✓ Governed by Federal regulations



# Child Nutrition Programs administered by the NCDPI

**After School Snack Program** – provides snacks for students who attend after school enrichment programs

**Summer Seamless Option** – provides meals to students when school is out of session (summer and year-round track out periods)

**Fresh Fruit and Vegetable Program** – provides funds for free fresh fruits and vegetables for in-school snacks



# How School Nutrition Programs Operate

Congress



US Department of Agriculture



State Education Agency/Board of Education



School District/Local Board of Education

# Terminology



**Reimbursable Meal** – A meal that qualifies for Federal reimbursement because it meets requirements for food components or nutrients; must meet USDA nutrition standards

***A la Carte items*** – Individual foods or beverages sold in the school cafeteria; there are no nutrition standards and no reimbursement for these items





# How did we get here?



President Harry S. Truman signs the National School Lunch Act into law on June 4, 1946

*“Today as I sign the National School Lunch Act, I feel that Congress has acted with great wisdom in providing the basis for strengthening the nation through better nutrition for our school children...I hope that all **state and local authorities will cooperate fully**...in establishing the cooperative school lunch in every possible community.”*

# 1946 – 1980

## Child Nutrition Programs thrive

*“this is the right thing to do for children”*

- Educators/administrators viewed CN program as part of total education program
- Nutrition education was a component of state curricula
- *“Hungry children can not learn”*
- Child Nutrition Act of 1966 – expanded and strengthened the program
- School Breakfast program and summer food program
- Funding to states increases; more funding available for high need areas

**1981 - 1989**

**Massive Federal Budget Cut  
funding crisis closes some programs**

- Program is devastated by \$1.8 billion budget cut
- Federal budget cuts proposed annually
- Shift responsibility to states and charities
- States struggle to keep program operational
- Schools begin to sell supplemental items
- A la carte service begins; offers relief from budget cuts
- 1987 – federal program funds restored...

# 1990 - 2003

## Priority for the Program Shifts

- *A la carte* program is thriving; schools are making money
- Stigma associated with the “traditional meal”
- Children develop appetite for *a la carte* items
- Schools develop appetite for revenues from *a la carte* foods and beverages
- State and local funding support allocated elsewhere
- Direct and indirect costs assessed to CN program

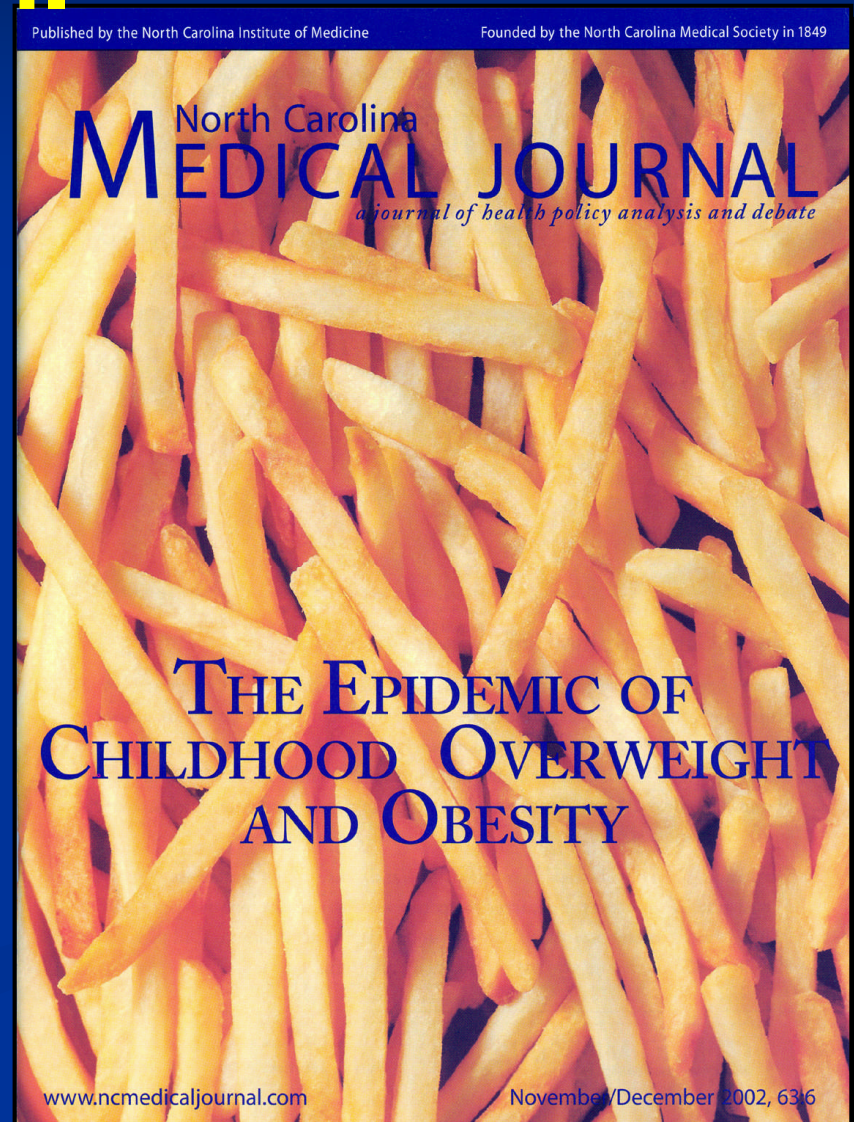
# Shift in Priorities

Over the past 30 years, there has been a cultural, nutritional, operational and financial shift in priorities surrounding the Child Nutrition Program.

In many NC school districts, the philosophy of “What is the right thing to do for children” has been replaced with the administration’s priority of “How much revenue can be generated?”



# NC has the fifth fattest student body in the nation.



It's a Fact...

Reimbursable school meals  
are not the cause of the  
epidemic, but schools  
and School Nutrition  
Programs can be part of  
the solution and the  
national commitment to  
end childhood obesity  
in this generation.

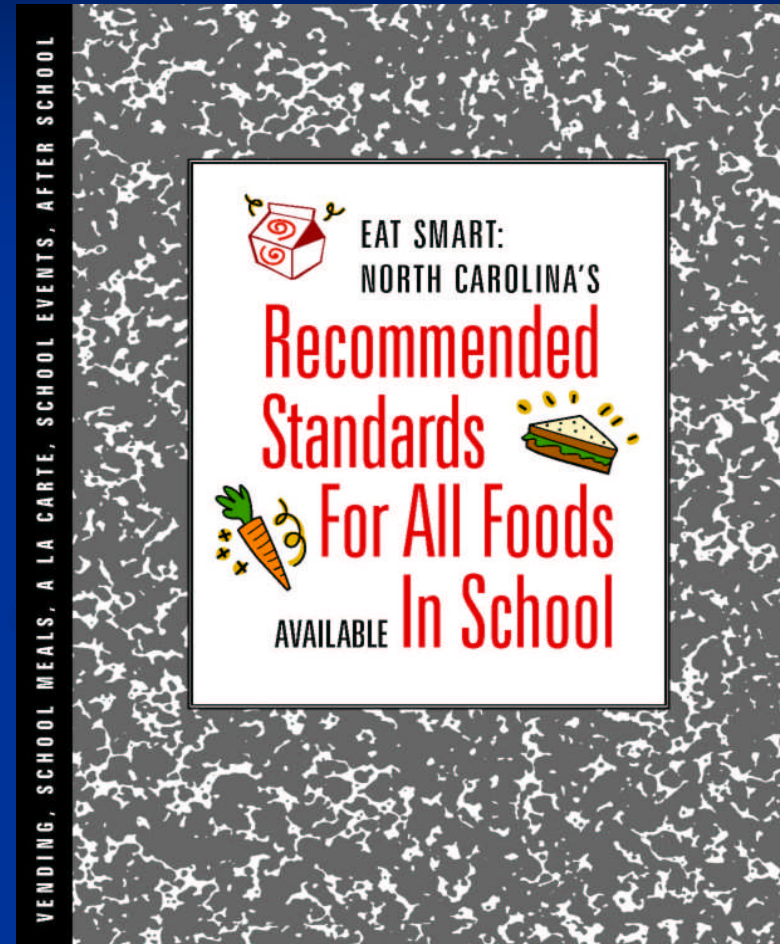


# NC pilots nutrition standards

## “Healthful School Food Choices Pilot Program”

(July, 20 2004)

Legislation provides \$25,000 for “no risk” pilots in eight NC LEAs in grades K – 5 for the 2004 – 2005 school year





# Results of the “No-Risk Pilots”

- ✓ Food costs were higher, especially whole grains, fresh fruits and vegetables
- ✓ Production costs were higher
- ✓ Schools were not adequately equipped
- ✓ Districts lost fifteen times the amount that was appropriated for the pilot in less than 5 months due to decreased *A la Carte* sales
- ✓ The anticipated cost of implementing nutrition standards in elementary school is \$20 million annually



# **NC General Statute mandates nutrition standards (G.S. 115C-264)**

In October, 2006, the SBE adopted nutrition standards for elementary schools that are consistent with the *Dietary Guidelines for Americans*.<sup>\*</sup> All elementary schools were to comply with the nutrition standards by the end of the 2007 – 2008 school year. Time for implementation has been extended until funding is available.

<sup>\*</sup>SBE Policy #EEO-S-002

# NC's Child Nutrition Programs have made tremendous progress

- ✓ Achieving USDA's School Meals Initiative
- ✓ Increasing fresh fruits and vegetables
- ✓ Increasing whole grain foods
- ✓ Limiting fried foods
- ✓ Limiting high fat, high sugar foods
- ✓ Eliminating whole milk
- ✓ Emphasized the reimbursable meal
- ✓ Formed a state-wide purchasing alliance
- ✓ Implemented Farm-to-School Program
- ✓ 95% of elementary schools achieved nutrition standards...until they lost money



# Philosophy versus Reality

While the philosophy suggests the school nutrition program is a program that promotes the optimal growth, development and health of students while supporting their academic success...



# Philosophy versus Reality



The reality is that the program is a food service enterprise program housed on the school campus that generates enough money to support its operations and/or generate revenues for the district.

# Current challenges in the Child Nutrition Programs

Programs expected to operate as enterprise business on the school campus and must produce revenues to cover:

- Food and supplies
- Equipment and technology
- Salaries for all staff
- Benefits (health, longevity, retirement, workers' compensation)
- State-mandated pay raises and salary schedules
- Indirect costs
- Other costs assessed by district

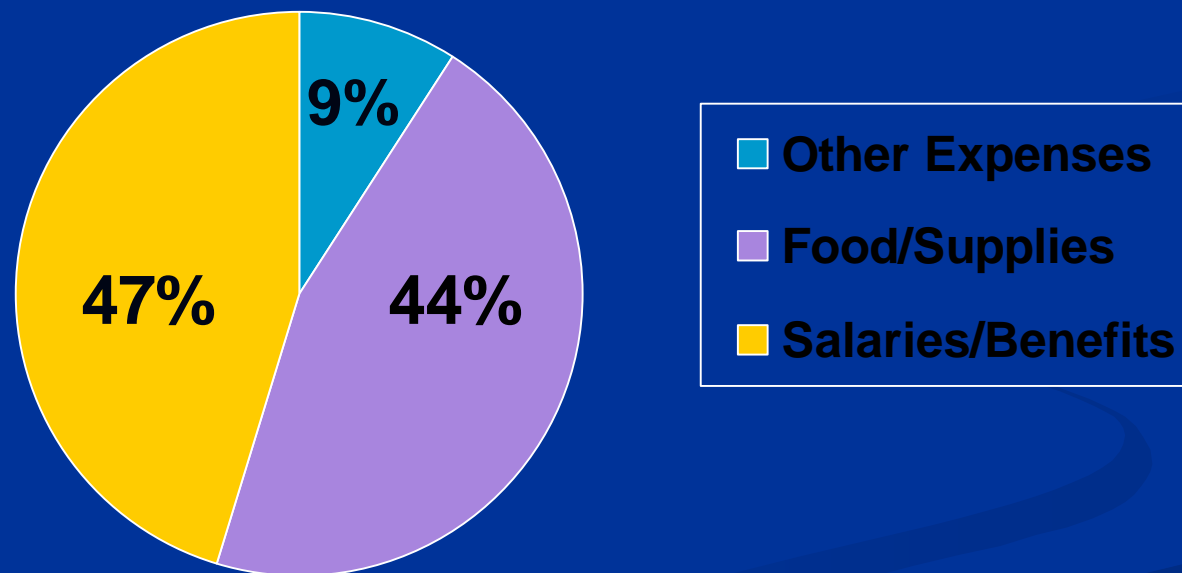
# Operating costs are increasing

- ✓ Food Costs
- ✓ Fuel/Delivery Costs
- ✓ Service/maintenance
- ✓ Labor Costs
- ✓ Employee Benefits
- ✓ Equipment Costs
- ✓ Indirect Costs
- ✓ Other Costs



# Where does the money go?

## Expenses in NC's Child Nutrition Program





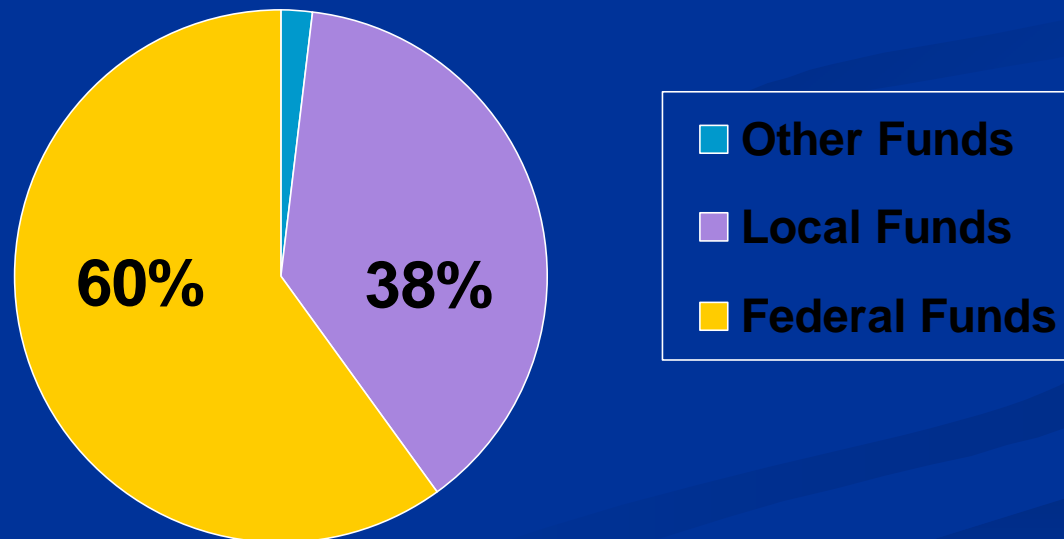
# Program revenues are decreasing

- Federal Reimbursement does not cover the cost of preparing/serving the meal
- Commodity entitlement remains limited
- *A la Carte* sales have plummeted as less healthful foods and beverages have been replaced with more healthful options
- There is a diminished profit margin for more healthful foods
- There are no state or local funds to support the program



# What are the sources of funds to operate NC's Child Nutrition Program?

Funding Sources for  
NC's Child Nutrition Program



# Current perception of NC's Child Nutrition Programs

“The Child Nutrition Program is a Federal Program and is *required, by law*, to be financially self-supporting. Consequently, there is little “ownership” of the program by state and local decision-makers.”

*The local Board of Education is ultimately responsible for operating the program.*

# Economics of North Carolina's School Meals Program

Example:

\$3.20      average cost to produce a school lunch

\$2.68      Federal reimbursement for “free” meal

**\$ .52**

\$3.20      average cost to produce a school lunch

\$1.95      average cost to a paying student

\$ .25      Federal reimbursement for “paid” meal

**\$1.00**

# Economics of North Carolina's School Meals Program

Example:

\$3.20      average cost to produce a school lunch

\$2.28      Federal reimbursement for "reduced price"

\$ .40      Amount owed by student

**\$ .52**

But what if the child does not have the \$ .40 to pay for the meal? In some districts, Board-approved meal charge policies deny meals to students who do not have money for their meals.

# Meal participation drives Federal reimbursement

## Breakfast participation is low

34% in Elementary School

19% in Middle School

12% in High School

## Lunch Participation is moderate

76% in Elementary School

69% in Middle School

42% in High School

# **Some ask...is the answer to increase the cost of the meal to paying children?**

We must consider economies of scale and the loss of meal participation when meal prices increase significantly. If the meal is unaffordable for working families, children in elementary schools will bring food from home; middle and high school students will buy items from vending machines/school stores or skip meals altogether.



# Another challenge...the sale and availability of competitive foods and beverages

Competitive foods are foods and/or beverages that **are sold or offered to students** in competition with the Child Nutrition Program. Competitive foods and beverages erode the nutritional, operational and financial integrity of the school meals program.





# As a result of these challenges, CN Programs have been required to:

- ❖ Return to and increase the sale of high calorie (fat and sugar) foods and beverages
- ❖ Return to the sale of fried foods in elementary, middle and high schools
- ❖ Cut labor to the exclusion of Meal quality and safety
- ❖ Decreased the amount of fruits and vegetables
- ❖ Considered eliminating the school breakfast program



# Philosophy versus Reality

A nutrition program that promotes the optimal growth, development and health of students while supporting their academic success

**OR**

A food service enterprise program housed on the school campus that generates enough money to support its operations and/or generate revenues for the district

# Healthy School Foods vs. Healthy School Finances

*These challenges in the CN Program are NOT the result of poor program management. NC leads many states in its qualified, certified Child Nutrition Directors. Most are academically well-prepared, experienced, and competent. Most have a passion for serving the LEA to promote student's optimal growth, development and academic achievement. The time has come to re-define the criteria for a "successful" Child Nutrition Program in our state.*

# Barriers to Optimal Nutrition Environment that supports Obesity Prevention

- ❖ Inadequate funds
- ❖ Administrative and policy support
- ❖ Nutrition not valued as part of the instructional day
- ❖ Limited time/space for school meals
- ❖ Too little nutrition education to influence children's eating habits
- ❖ Conflicting messages
- ❖ Student taste preferences

# What is the purpose of the Child Nutrition Program?

Until such time as we start measuring the success of the Child Nutrition Program based on re-shaping students' waistlines instead of the bottom line



OR



It will not be possible to make huge strides in the Nutritional integrity of School Meals

# What is the solution?

- ✓ The CN Program MUST become a nutrition program that supports the optimal health, well-being and academic success of students.
- ✓ Adequate Federal, State and local funds must be available to ensure the total school community supports healthful school meals.
- ✓ School meals must be nutritious, affordable, achievable and appealing to students.

# What is the solution?

- ✓ Students must have a reasonable meal period with sufficient time to consume healthful meals and snacks.
- ✓ Nutrition education must be part of the curriculum; students must be healthy to learn and they must learn to be healthy.
- ✓ Decisions regarding foods and beverages must be based on student health and well-being, not profits.

**NC's Child Nutrition Administrators  
have the will and  
know the way...**

**The need you to lead the way  
and set the pace.**



*Thank you for your  
support of healthy  
school meals.*

*Do you have questions?*