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Study: State and School Food Authority
Policies and Practices for School Meals
Programs School Year 2012-13*

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*Special Nutrition Program Operations Study:
State and School Food Authority Policies and
Practices for School Meals Programs
School Year 2012-13*

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Table of Contents

<u>Section</u>	<u>Page</u>
Section I: Executive Summary.....	1
Background and Purpose of the Study.....	1
Participation.....	2
Nutrition and Wellness	5
SFA Operations	8
SFA Meal Prices and Expenditures and Revenues.....	9
Conclusion.....	12
Section II: Study Overview.....	13
Study Purpose	14
Study Design	15
Data Sources.....	15
State Child Nutrition Director Survey	15
SFA Director Survey	16
Data Collection Procedures	18
State Child Nutrition Director Survey	18
SFA Director Survey	18
SFA Sample Selection, Weights and Adjustments.....	19
Sample Selection.....	19
Cross-Sectional Weights.....	21
Longitudinal Weights.....	23
Analyses.....	24
Significance Tests.....	26
Missing Data	27
Section III: Participation in NSLP, SBP, and Other Child Nutrition Programs	29
Background.....	29
Participation and Reimbursement Rates.....	30
Participation in Other CN Programs	30
Research Questions	31
Results	32
SFA and School Participation in the NSLP and the SBP	32
Student Participation in the NSLP and the SBP	37
Average Daily Student Participation Rates.....	41
SFA Participation in Other CN Programs	44

Section IV: Special Eligibility Programs and Categorical Eligibility 49

- Background..... 49
 - Use of Special Assistance Alternatives..... 49
 - Other Policies Related to Reducing Burden and Improving Access..... 51
- Research Questions 52
- Results 53
 - Use of Special Assistance Alternatives..... 53
 - Categorical Eligibility for Foster Children 57
 - Universal Free School Breakfast..... 57

Section V: Nutrition and Wellness..... 59

- V-1. New Meal Pattern Requirements 61
 - Background..... 61
 - Research Questions 61
 - Results 62
 - Certification of Compliance With the New Meal Pattern Requirements 62
 - General Implementation..... 64
 - Initial and Ongoing Implementation Challenges for Lunch Requirements..... 72
 - Implementation of New Breakfast Requirements 94
 - Promotion and Acceptance of New Meal Patterns 97
- V-2. Local School Wellness Policy..... 105
 - Background..... 105
 - Research Questions 105
 - Results 106
 - State Agency School Wellness Policy..... 106
 - Local Education Agency School Wellness Policy 109

Section VI: SFA Operations 125

- VI-1. Availability of Food Sources and Services 127
 - Background..... 127
 - Research Questions 127
 - Results 128
 - Availability of Non-Program Foods 128
 - Payment Options 129
 - Availability of Potable Water..... 131

Contents (continued)

VI-2.	Food Service Management Companies.....	135
	Background.....	135
	Research Questions.....	135
	Results	135
VI-3.	Food Purchasing.....	139
	Background.....	139
	Research Questions.....	140
	Results	140
	USDA Foods.....	140
	Food Purchasing Changes Under the New Meal Pattern Requirements.....	144
VI-4.	Farm to School Activities.....	149
	Background.....	149
	Research Questions.....	149
	Results	150
	Farm to School Participation	150
	Evaluation of Farm to School Activities	155
	Receipt of External Grants for Farm to School Activities	156
VI-5.	Food Service Equipment Grants.....	157
	Background.....	157
	Research Questions.....	157
	Results	158
	Receipt of Food Service Equipment Grants.....	158
	Focus Areas and Types of Equipment Purchases.....	159
	Impact of Grants.....	162
VI-6.	SFA Food Service Staff Background.....	165
	Background.....	165
	Research Questions.....	165
	Results	166
	School Food Service Managers.....	166
	Non-Supervisory School Food Service Staff.....	168
VI-7.	Training and Technical Assistance.....	171
	Background.....	171
	Research Questions.....	171
	Results	172
	State Provision of Training and Technical Assistance	172
	Training and Technical Assistance Received by SFAs	179

Section VII:SFA Financials	185
VII-1. Meal Prices.....	187
Background.....	187
Reimbursement Rates.....	187
The Potential for Cross Subsidization and the New HHFKA Provisions	187
Research Questions	189
Results	189
Meal Prices from SY 2009-10 to SY 2012-13.....	189
Factors That May Have Influenced Meal Pricing Decisions	198
Use of Non-Federal Funds to Reduce the Size of Price Increases	200
Price Elasticity of Paid Meal Participation	203
Price Increases from Non-program Foods	206
VII-2. Expenditures and Revenues.....	209
Background.....	209
Research Questions	209
Results	210
Expenditures and Revenues	210
Operating as a Nonprofit.....	225
Effect of the Paid Lunch Equity Provision on SFA Financial Standing.....	229
VII-3. Budget Issues.....	233
Background.....	233
Federal Financial Assistance Under NSLP and SBP	233
State Financing	234
LEA Financing	234
Research Questions	235
Results	235
State Use of Federal Funds.....	235
State Subsidies to SFAs	236
Effect of State Budget Issues on Food Service Programs	239
LEA Subsidies to SFAs.....	239
Section VIII: Conclusions.....	243

<u>Table</u>	<u>Page</u>
I-1. Percentage of SFAs With All Schools Participating in the NSLP and SBP, SY 2011-12 and SY 2012-13	2
I-2. Percentage of SFAs Reporting Changes and Challenges Associated With Implementing the Meal Pattern Requirements, SY 2012-13.....	6
I-3. Percentage of States That Had Various School Wellness Policy Features and Activities, SY 2012-13	7
I-4. Percentage of SFAs With a Local Wellness Policy by Policy Attributes and Activities, SY 2012-13	8
I-5. Percentage of SFAs With Various Purchasing and Contracting Characteristics, SY 2012-13	9
I-6. Summary of Price Increase Data for Paid Student Breakfasts and Lunches, SY 2009-10 to SY 2012-13.....	10
I-7. Average Difference in Revenues Per Lunch, SY 2010-11, SY 2011-12 and SY 2012-13	11
I-8. Percentage of SFAs by Their 2-Year Cash Receipts to Expenditure Ratios, SY 2010-11 to 2011-12	11
II-1. SY 2012-13 State CN Director Questionnaire Content	16
II-2. SY 2012-13 SFA Director Questionnaire Content.....	17
II-3. Response Rate for the SFA Survey.....	19
II-4. Sample Frame Coverage of SFAs, Schools, and Students in SY 2009-10	19
II-5. Sample Frame Coverage of SFAs, Schools, and Students in SY 2009-10	20
II-6. SFA Sample by Enrollment	21
II-7. Weighted Counts of the Sample Based on Poststratified Raked Weights	22
II-8. Unweighted and Weighted Sample Sizes for the Base-Year Cross-Sectional Estimates by SFA Size, Urbanicity, and Poverty Level	25
III-1. Percentage of SFAs With All Schools Within Each Grade Level Participating in the NSLP and SBP, SY 2011-12 and SY 2012-13	32

<u>Table</u>	<u>Page</u>
III-2. Among SFAs That Participate in the SBP, Percentage of SFAs With Schools That Receive SBP Severe-Need Reimbursement, SY 2011-12 and SY 2012-13	34
III-3. Percentage of SFAs That Receive the High-Need (Extra 2 Cents) NSLP Reimbursement Rate by SFA Characteristics, SY 2012-13	35
III-4. Percentage of States That Had Charter Schools and Their NSLP and SBP Participation Levels, SY 2012-13	36
III-5. Among States With Charter Schools, the Percentage of Charter Schools That Participated in NSLP and SBP and Whether They Operated as a Separate SFA, SY 2011-12 and SY 2012-13	37
III-6. Percentage of Students Approved for Free or Reduced-Price Meals, SY 2011-12 and SY 2012-13	38
III-7. Percentage of Student Breakfasts and Lunches Claimed by Meal Benefit Category, SY 2009-10 to SY 2012-13	40
III-8. Average Daily Student Participation Rates for Breakfasts and Lunches by Meal Benefit Category, SY 2011–12 and SY 2012–13	43
III-9. Percentage of SFAs With Schools Participating in the Afterschool Snack Program by SFA Characteristics, SY 2012–13	46
III-10. Percentage of SFAs With Schools Participating in the At-Risk Supper Program by SFA Characteristics, SY 2012–13	47
IV-1. Number and Percentage of States That Had SFAs With Schools Operating Under Provisions 1, 2, or 3 or Community Eligibility, SY 2012-13	53
IV-2. Number and Percentage of SFAs and Schools That Operated Under Provisions 1, 2, or 3 or Community Eligibility as Reported by State Directors, SY 2012-13	54
IV-3. Number and Percentage of SFAs and Schools That Operated Under Provisions 1, 2, or 3 or Community Eligibility as Reported by State Directors for SY 2011-12 and SY 2012-13	55
IV-4. Among States Participating in the Community Eligibility Provision, the Number and Percentage of SFAs and Schools Operating Under Provisions 2 and 3 and Community Eligibility, SY 2011-12 and SY 2012-13	56

<u>Table</u>		<u>Page</u>
IV-5.	Percentage of SFAs That Receive Documentation From Courts or Responsible Agencies Showing the Status of Children as Foster Children by SFA Characteristics, SY 2012–13	57
IV-6.	Among SFAs That Participate in the SBP, Percentage of SFAs With Schools Operating a Universal Free School Breakfast Program by SFA Characteristics, SY 2012–13.....	58
V-1.1.	Percentage of SFAs That Are Certified to Receive Additional Reimbursement by SFA Characteristics, SY 2012-13	63
V-1.2.	Among SFAs Currently Receiving Additional Reimbursement, the Percentage of SFAs That Submitted Certification Documentation Using Various Options, by SFA Characteristics, SY 2012-13.....	64
V-1.3.	Percentage of SFAs That Used the USDA Sharing Website to Assist With Menu Changes by SFA Characteristics, SY 2012-13.....	65
V-1.4.	Percentage of SFAs That Used Technical Assistance Resources to Meet New Meal Pattern Requirements by SFA Characteristics, SY 2012-13	66
V-1.5.	Percentage of SFAs Observing Changes in Scratch Cooking by SFA Characteristics, SY 2012-13	67
V-1.6.	Percentage of SFAs With Schools That Serve Grades 6-8 and 9-12 in the Same Cafeteria at the Same Time by SFA Characteristics, SY 2012-13.....	68
V-1.7.	Among SFAs That Serve Grades 6-8 and 9-12 at the Same Time, the Percentage of SFAs Using Various Strategies to Ensure Grade-Level Portion Control by SFA Characteristics, SY 2012-13.....	69
V-1.8.	Among SFAs That Serve Grades 6-8 and 9-12 at the Same Time, the Percentage of SFAs With Servers Who Have Been Trained on Grade-Level Portion Control by SFA Characteristics, SY 2012-13.....	70
V-1.9.	Percentage of SFAs Reporting Vegetable Subgroups Least Liked by Students by SFA Characteristics, SY 2012-13.....	79
V-1.10.	Percentage of SFAs Having Difficulty Finding Smaller Sized Portions of Meats/Meat Alternates by SFA Characteristics, SY 2012-13	84
V-1.11.	Percentage of SFAs Using Various Meat Alternates by SFA Characteristics, SY 2012-13	85
V-1.12.	Percentage of SFAs That Review Labels for Trans Fat and Have Changed These Procedures to Meet the New Meal Pattern Requirements by SFA Characteristics, SY 2012-13	88

<u>Table</u>		<u>Page</u>
V-1.13.	Percentage of SFAs That Changed Food Items to Meet Trans-Fat Requirements by SFA Characteristics, SY 2012-13.....	89
V-1.14.	Percentage of SFAs Reporting Challenges Meeting the Saturated Fat Requirements by SFA Characteristics, SY 2012-13.....	90
V-1.15.	Percentage of SFAs That Can Report Sodium Levels of Meals by SFA Characteristics, SY 2012-13	91
V-1.16.	Percentage of SFAs That Anticipate Implementing Future Practices to Reduce Sodium Levels by SFA Characteristics, SY 2012-13	93
V-1.17.	Percentage of SFAs That Reported Changes in the Amount of Plate Waste After Implementing New Meal Pattern Requirements by SFA Characteristics, SY 2012-13	100
V-1.18.	Among SFAs With Off-Campus Lunch Policies for High Schools, the Percentage of SFAs Observing Changes in the Number of Students Going Off Campus by SFA Characteristics, SY 2012-13.....	103
V-2.1.	Percentage of States That Had Various School Wellness Policies That SFAs Could Use in Developing Local Wellness Policies, SY 2012-13.....	107
V-2.2.	Percentage of States That Partnered With Other Organizations to Support Local School Wellness Policies, SY 2012-13.....	107
V-2.3.	Percentage of States That Provided Standards and Guidelines to Implement Local School Wellness Policies, SY 2012-13	108
V-2.4.	Percentage of States That Reported on Impact of Local School Wellness Policy, SY 2012-13	108
V-2.5.	Percentage of States That Made Information Available to the Public on School Nutrition, SY 2012-13	109
V-2.6.	Percentage of SFAs With a Local Wellness Policy for All Schools by SFA Characteristics, SY 2012-13	109
V-2.7.	Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs That Had the Policy Revised Within the Last Year, SY 2012-13	110
V-2.8.	Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs With Individual Schools That Have Implemented Stricter Policies by SFA Characteristics, SY 2012-13.....	111

<u>Table</u>	<u>Page</u>
V-2.9. Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs That Have Various Elements Included in the Policy, SY 2012-13	112
V-2.10. Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs With a Policy That Addressed Which USDA Foods Can Be Ordered by SFA Characteristics, SY 2012-13	113
V-2.11. Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs in Which the LEA Informs the Public About the Content and Implementation of the Policy by SFA Characteristics, SY 2012-13	115
V-2.12. Among SFAs in Which the LEA Informs the Public About the Content and Implementation of the Local Wellness Policy, the Percentage of SFAs That Used Various Dissemination Methods by SFA Characteristics, SY 2012-13	116
V-2.13. Among SFAs With a Local Wellness Policy for All Schools, the Percentage That Conducted an Assessment of the Policy Within the Last Year, SY 2012-13.....	117
V-2.14. Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs That Revised the Policy and Conducted an Assessment of the Policy Within the Last Year, SY 2012-13	118
V-2.15. Among SFAs That Conducted an Assessment of the Local Wellness Policy Within the Last Year, the Percentage of SFAs Whose Assessments Evaluated Compliance and Progress Toward Goals, SY 2012-13	119
V-2.16. Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs With LEAs That Inform the Public on School Compliance With the Policy by SFA Characteristics, SY 2012-13.....	120
V-2.17. Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs That Informed the Public About School Compliance by Their General Local Wellness Policy Communication Protocol, SY 2012-13	121
V-2.18. Among SFAs With LEAs That Inform the Public on School Compliance With the Local Wellness Policy, the Percentage of SFAs That Used Various Dissemination Methods by SFA Characteristics, SY 2012-13	122
V-2.19. Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs With Various Individuals Designated to Ensure Compliance With the Policy by SFA Characteristics, SY 2012-13.....	123

<u>Table</u>	<u>Page</u>
VI-1.1. Percentage of SFAs With Schools That Sold Non-Program Foods During Lunch, and Among Those, the Location and the Type of Foods Sold, SY 2012-13	129
VI-1.2. Percentage of SFAs in Which Students Used Various Payment Methods to Purchase Reimbursable Lunches by SFA Characteristics, SY 2012-13	130
VI-1.3. Percentage of SFAs With Varying Percentages of Students Using Electronic Payments to Purchase School Meals by SFA Characteristics, SY 2012-13	131
VI-1.4. Percentage of SFAs in Which Free Drinking Water Was Available to Students Where School Meals Were Served, by School Type and SFA Characteristics, SY 2012-13	132
VI-2.1. Percentage of SFAs That Used FSMCs by SFA Characteristics, SY 2011-12 and SY 2012-13	136
VI-2.2. Among SFAs That Used FSMCs, the Percentage of SFAs and Schools by the Type of FSMC Used as Reported by State CN Directors, SY 2011-12 and SY 2012-13.....	137
VI-2.3. Among SFAs That Used National FSMCs, the Percentage of SFAs and Schools That Used Specific Companies as Reported by State CN Directors, SY 2011-12 and SY 2012-13	138
VI-3.1. State Report on SFAs That Used USDA Foods, SY 2012-13.....	141
VI-3.2. Percentage of SFAs That Used USDA Foods or DoD Fresh for Additional Fruit and Vegetable Purchases by SFAs Characteristics, SY 2012-13	142
VI-3.3. Percentage of SFAs That Changed Their USDA Foods Orders to Meet Updated Nutrition Standards and Meal Patterns by SFA Characteristics, SY 2012-13	143
VI-3.4. Percentage of SFAs Requiring Material Changes in Purchasing by SFA Characteristics, SY 2012-13	144
VI-3.5. Percentage of SFAs That Had Difficulty Purchasing Required Meal Pattern Products by SFA Characteristics, SY 2012-13	145
VI-3.6. Percentage of SFAs That Had Difficulty Purchasing Vegetable Subgroups by SFA Characteristics, SY 2012-13	146
VI-3.7. Percentage of SFAs That Had Difficulty Purchasing Grains and Whole Grains by SFA Characteristics, SY 2012-13	147

<u>Table</u>	<u>Page</u>
VI-4.1. Percentage of SFAs With Schools That Participated or Plan to Participate in Farm to School Activities by SFA Characteristics, SY 2012-13.....	151
VI-4.2. Among SFAs With Schools That Participated in Farm to School Activities, the Percentage of SFAs With Differing Approaches to Organizing These Activities by SFA Characteristics, SY 2012-13	152
VI-4.3. Among SFAs With Schools That Participated in Farm to School Activities, the Percentage of SFAs With Supporting District-Level Policies by SFA Characteristics, SY 2012-13.....	153
VI-4.4. Among SFAs With Schools That Participated in Farm to School Activities, the Percentage of SFAs That Took Various Steps to Ensure Food Safety for Local Food Purchases by SFA Characteristics, SY 2011-12	154
VI-4.5. Among SFAs With Schools That Participated in Farm to School Activities, the Percentage of SFAs That Have Had Farm to School Activities Evaluated, by SFA Characteristics, SY 2012-13.....	155
VI-4.6. Among SFAs With Schools That Participated in Farm to School Activities, the Percentage of SFAs With Schools That Have Ever Received External Grant Funding, by SFA Characteristics, SY 2012-13.....	156
VI-5.1. Percentage of SFAs With Schools That Received Equipment Assistance Grants by SFA Characteristics, FY 2009-11.....	158
VI-5.2. Among SFAs With Schools That Received Equipment Assistance Grants, the Percentage of SFAs That Used the Grants to Address Specific Issues by SFA Characteristics, FY 2009-11	159
VI-5.3. Among SFAs With Schools That Received Equipment Assistance Grants, the Percentage of SFAs That Purchased Various Types of Equipment by SFA Characteristics, FY 2009-11	161
VI-5.4. Among SFAs With Schools That Received Equipment Assistance Grants, the Percentage of SFAs Whose Grant Funding Helped to Improve Foodservice Operations by SFA Characteristics, FY 2009-11.....	162
VI-6.1. Percentage of SFAs With Differing School Food Service Manager Education Requirements, by SFA Characteristics, SY 2012-13	166
VI-6.2. Percentage of SFAs With Licensure Requirements as Compared to Percentage of SFAs With School Food Service Managers Who Had Those Requirements, by SFA Characteristics, SY 2012-13.....	167

<u>Table</u>		<u>Page</u>
VI-6.3.	Percentage of SFAs With Differing Non-Supervisory School Food Service Staff Education Requirements, by SFA Characteristics, SY 2012-13	168
VI-6.4.	Percentage of SFAs With Licensure Requirements as Compared to Percentage of SFAs With Non-Supervisory School Food Service Staff Who Had Those Requirements, by SFA Characteristics, SY 2012-13	169
VI-6.5.	Percentage of SFAs With School Food Service Staff Who Were Limited English Proficient, by SFA Characteristics, SY 2012-13	170
VI-7.1.	Percentage of States That Provided Training and Technical Assistance on Various Topics, SY 2012-13	172
VI-7.2.	Percentage of States That Provided Training and Technical Assistance on Topics Asked About During Both Years, SY 2011-12 and SY 2012-13.....	173
VI-7.3.	Percentage of States That Provided Training and Technical Assistance on Various Topics by Their Frequency, SY 2012-13.....	174
VI-7.4.	Percentage of States That Had Various Training and Technical Assistance Characteristics, SY 2012-13.....	175
VI-7.5.	Among States That Offered New Training, the Percentage of States That Offered Training on Various New Topics Not Provided Previously, SY 2012-13	177
VI-7.6.	Among States That Offered New Training Topics, the Percentage of States That Offered Training on Various New Topics Not Previously Provided, SY 2011-12 and SY 2012-13.....	178
VI-7.7.	Among SFAs That Received Training or Technical Assistance, the Percentage of SFAs That Received Training and Technical Assistance on Various Numbers of Topics, by SFA Characteristics, SY 2012-13.....	179
VI-7.8.	Percentage of SFAs That Received Training and Technical Assistance on Various Topics, SY 2012-13	180
VI-7.9.	Among SFAs That Received Specific Training or Technical Assistance, the Percentage of SFAs That Received That Training or Technical Assistance by Type of Provider, SY 2012-13	181
VI-7.10.	Among SFAs That Received Specific Training or Technical Assistance, the Percentage of SFAs That Found the Training or Technical Assistance Useful, SY 2012-13.....	182

<u>Table</u>	<u>Page</u>
VI-7.11. Percentage of SFAs That Had Various Staff Receive Training and Technical Assistance by SFA Characteristics, SY 2012-13	183
VII-1.1. Reimbursement Rates for the NSLP and SBP, SY 2009-10 to SY 2012-13.....	187
VII-1.2. Average Price Charged by SFAs for a Paid Student Lunch by Grade Level and SFA Characteristics, SY 2009-10 to SY 2012-13.....	191
VII-1.3. Average Price Charged by SFAs for a Paid Student Breakfast by Grade Level and SFA Characteristics, SY 2009-10 to SY 2012-13.....	192
VII-1.4. SFA’s Average Meal Prices, Reimbursement Rates, and Revenues Per Meal for the NSLP and SBP by Grade Level, SY 2010-11	193
VII-1.5. Summary of Price Increase Data for Paid Student Breakfasts and Lunches, SY 2009-10 to SY 2012-13.....	194
VII-1.6. Patterns of Price Change for Paid Student Breakfasts and Lunches Across Three Change Periods Between SY 2009-10 and SY 2012-13	196
VII-1.7. SFAs’ Average Difference in Revenues Per Lunch, SY 2010-11, SY 2011-12 and SY 2012-13	197
VII-1.8. Comparison of the Average Price Charged by SFAs for Adult Meals to the Minimum Price Guidance by Grade Level, SY 2012-13.....	198
VII-1.9. NSLP and SBP Reimbursement Rates for Free School Meals and Average Prices for Paid Meals, SY 2009-10 to SY 2012-13	199
VII-1.10. Among SFAs Not Meeting the Requirements of the Paid Lunch Equity Provision, the Percentage of SFAs That Took Various Pricing and Funding Actions by SFA Characteristics, SY 2012-13	201
VII-1.11. Among SFAs That Used Non-Federal Funds to Reduce the Size of Price Increases, the Percentage of SFAs That Used Various Sources of Funds by SFA Characteristics, SY 2012-13	202
VII-1.12. Predicted Paid Lunch Participation Rates Under Alternative Assumptions About Prices, New Meal Pattern Implementation, and Meal Service Characteristics, SY 2012-13	204
VII-1.13. Percentage of SFAs That Increased À La Carte Prices between SY 2011-12 and SY 2012-13 by SFA Characteristics	207
VII-1.14. Among SFAs That Increased À La Carte Prices, the Percentage of SFAs That Increased Prices for Various Food Items, 2011-12 and SY 2012-13	208

<u>Table</u>	<u>Page</u>
VII-2.1. Percentage of SFAs by Daily Food Service Expenditures Per ADA, SY 2010-11 and SY 2011-12	211
VII-2.2. SFAs' Daily Food Service <i>Cash Expenditure</i> Per ADA by SFA Characteristics, SY 2010-11 and SY 2011-12	212
VII-2.3. On Average, the Percentage of SFAs' <i>Cash Expenditures</i> Spent on Various Inputs, SY 2010-11 and SY 2011-12	213
VII-2.4. On Average, the Percentage of SFAs' <i>Cash Expenditures</i> Spent on Food by SFA Characteristics, SY 2010-11 and SY 2011-12	214
VII-2.5. On Average, the Percentage of SFAs' <i>Cash Expenditures</i> Spent on <i>Labor</i> by SFA Characteristics, SY 2010-11 and SY 2011-12.....	215
VII-2.6. On Average, the Percentage of SFAs' <i>Cash Expenditures</i> Spent on <i>Contracted_Services</i> by SFA Characteristics, SY 2010-11 and SY 2011-12.....	216
VII-2.7. Percentage of SFAs Reporting They Were Charged for Indirect Costs by SFA Characteristics, SY 2010-11 and SY 2011-12	218
VII-2.8. Percentage of SFAs by Daily Revenues per ADA , SY 2010-11 and SY 2011-12	219
VII-2.9. SFAs' Daily Revenues Per ADA by SFA Characteristics, SY 2010-11 and SY 2011-12	220
VII-2.10. On Average, the Percentage of SFAs' Revenues From Various Outputs, SY 2010-11 and SY 2011-12.....	221
VII-2.11. On Average, the Percentage of SFAs' <i>Revenues</i> from <i>USDA Subsidies</i> by SFA Characteristics, SY 2010-11 and SY 2011-12	222
VII-2.12. On Average, the Percentage of SFAs' <i>Revenues</i> From <i>Student Payments for Reimbursable Meals</i> by SFA Characteristics, SY 2010-11 and SY 2011-12.....	223
VII-2.13. On Average, the Percentage of SFAs' <i>Revenues</i> from <i>State and Local Funds</i> by SFA Characteristics, SY 2010-11 and SY 2011-12.....	224
VII-2.14. On Average, the Percentage of SFAs' <i>Revenues</i> from <i>Non-Reimbursable Sales</i> by SFA Characteristics, SY 2010-11 and SY 2011-12.....	225
VII-2.15. Percentage of SFAs by Annual Revenues as a Percentage of Cash Expenditures, SY 2010-11 and SY 2011-12	226
VII-2.16. Percent of SFAs Operating At or Above the Break-Even Level by SFA Characteristics, SY 2010-11 and SY 2011-12	228

<u>Table</u>	<u>Page</u>
VII-2.17. Percentage of SFAs by 2-Year Revenues as a Percentage of 2-Year Cash Expenditures, SY 2010-11 and 2011-12.....	229
VII-2.18. Percentage of SFAs That Raised Prices in Response to the Paid Lunch Equity Provision by Break-Even Status in SY 2011-12.....	230
VII-2.19. Percentage of SFAs With Various Levels of Financial Standing of Their Non-Profit School Food Service Account Before and After the Paid Lunch Equity Provision, SY 2012-13.....	232
VII-3.1. Percentage of States That Used All of Their State Administrative Funds to Administer Breakfast, Lunch, and Milk Programs, SY 2012-13.....	235
VII-3.2. Percentage of States That Faced Various Challenges That Impeded Full Use of Federal Funds, SY 2012-13	236
VII-3.3. Percentage of States That Faced Actions That Impeded Full Use of Federal Funds, SY 2012-13.....	236
VII-3.4. Percentage of States That Provided a Subsidy to SFAs for Breakfasts or Lunches, SY 2011-12 and SY 2012-13.....	237
VII-3.5. Percentage of States That Provided Different Types of Subsidies and Support for School Meals, SY 2011-12 and SY 2012-13.....	238
VII-3.6. Percentage of States That Reported Various Food Service Program Areas Were Affected by State Budget Issues, SY 2011-12 and SY 2012-13.....	239
VII-3.7. Percentage of SFAs That Received Subsidies From the LEA for Breakfast and Lunch, SY 2010-11 and SY 2011-12.....	240
VII-3.8. Among SFAs That Received Subsidies From the State or LEA for Breakfast or Lunch, the Percentage of SFAs That Received Different Types of Subsidies, SY 2011-12 and SY 2012-13.....	241

<u>Figure</u>		<u>Page</u>
I-1.	Number of Students Approved for Free or Reduced-Price Meals, SY 2011-12 and SY 2012-13	3
I-2.	Average Daily Student Participation Rates for Lunches by Meal Benefit Category, SY 2011-12 and SY 2012-13	4
I-3.	Student Lunches Claimed by Meal Benefit Category, SY 2010-11 and SY 2012-13	5
V-1.1.	Percentage of SFAs That Have Made Adjustments to Meet Students' Needs and Wants for Additional Foods by Age-Grade Groups, SY 2012-13	71
V-1.2.	Percentage of SFAs Observing Various Challenges When Initially Implementing Versus Continuing to Implement the New Meal Patterns, SY 2012-13	73
V-1.3.	Percentage of SFAs That Reported Meeting All or Some of the Requirements for Grains, Meats/Meat Alternates, and Calories Was Not a Challenge, SY 2012-13.....	74
V-1.4.	Percentage of SFAs Observing Changes in the Frequency With Which Fruit Products Are Used, SY 2012-13.....	76
V-1.5.	Percentage of SFAs Observing Changes in the Frequency With Which Vegetable Products Are Used, SY 2012-13.....	77
V-1.6.	Percentage of SFAs Finding It Easy to Work Vegetable Subgroups Into Menus, SY 2012-13	78
V-1.7.	Percentage of SFAs That Reported Having Difficulty Meeting the Grain and Whole Grain Requirements, by Age-Grade Group, SY 2012-13	80
V-1.8.	Percentage of SFAs That Report Exceeding Required Daily Grain Quantities by Frequency and Age-Grade Groups, SY 2012-13	82
V-1.9.	Percentage of SFAs That Reported Having Difficulty Meeting the Meats/Meat Alternates Requirements by Age-Grade Group, SY 2012-13	83
V-1.10.	Percentage of SFAs That Reported Having Difficulty Meeting the Calorie Requirements by Age-Grade Group, SY 2012-13.....	87
V-1.11.	Among SFAs That Reported the Sodium Levels of Meals, the Percentage of SFAs Meeting Intermediate and Final Sodium Targets by Age-Grade Group, SY 2012-13	92

Contents (continued)

V-1.12.	Among SFAs That Began Implementing the New Breakfast Requirements, the Percentage of SFAs Having Difficulty Versus Easily Meeting the Requirements by Type of Requirement, SY 2012-13.....	95
V-1.13.	Percentage of SFAs That Foresee Having Future Challenges in Meeting the Nutritional Requirements for Breakfast by Type of Requirement, SY 2012-13	96
V-1.14.	Percentage of SFAs Using Various Methods to Promote New School Meals to Students and Their Families, SY 2012-13.....	97
V-1.15.	Percentage of SFAs Reporting Student Acceptance of New Meal Patterns, SY 2012-2013	98
V-1.16.	Percentage of SFAs Reporting Parent and Community Acceptance of New Meal Patterns, SY 2012-13	99
V-1.17.	Percentage of SFAs Observing Changes in the Amount of Plate Waste at Lunch Time, SY 2012-13	101
V-1.18.	Among SFAs That Reported Changes in Plate Waste, the Percentage of SFAs That Reported Various Reasons for the Plate Waste, SY 2012-13	102
V-2.1.	Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs With Various Stakeholder Involvement by Stakeholder Group, SY 2012-13	114
VI-1.1.	Percentage of SFAs Using Scratch Cooking, FY 2009-11	163

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Section I: Executive Summary

Background and Purpose of the Study

The National School Lunch Program (NSLP) and the School Breakfast Program (SBP) provide nutritious meals and snacks to millions of school-age children every day. The original National School Lunch Act (NSLA) of 1946 authorized the NSLP in response to concerns about frequency of diet-related health problems in the population. Over time, diet-related health problems among children have shifted from malnutrition to obesity and the nutritional quality of foods consumed. As such, the program has been modified numerous times to address changing needs and incorporate the latest nutrition and health science. Most recently, the Healthy, Hunger-Free Kids Act (HHFKA) of 2010 resulted in the U.S. Department of Agriculture (USDA) revising the child nutrition (CN) program requirements in several areas. While the HHFKA is a very comprehensive bill that includes more than 70 sections divided among four titles; several of the provisions are particularly important for school food nutrition and health programs discussed in this report and include:

- School meal pattern standards: the HHFKA required USDA to issue a proposed rule within 18 months to update meal pattern requirements for the NSLP and the SBP.
- Non-program foods standards: the HHFKA provides USDA the authority to set nutrition standards for all foods regularly sold in schools during the school day, including vending machines, the à la carte lunch lines, and school stores.
- Local school wellness policy requirements: the HHFKA strengthens the requirements for ongoing implementation, assessment, and public reporting of wellness policies and expands the team of collaborators to include more members from the community.
- School lunch pricing and accounting: the HHFKA requires USDA to administer a number of provisions related to equitable school lunch pricing and strengthened accounting procedures for the sale of non-program foods.
- The Community Eligibility Provision (CEP): the HHFKA provides an alternative approach for offering school meals in low-income areas that eliminates individual applications for free and reduced-price meals. The CEP uses information from other programs, including the Supplemental Nutrition Assistance Program (SNAP) and the Temporary Assistance Program for Needy Families (TANF) instead of traditional paper applications.

The implementation timeline for the new requirements began in late 2010 and continues for several years, with the meal pattern changes being phased in starting in school year (SY) 2012-13.

The Special Nutrition Program Operations Study (SN-OPS) is a multiyear study designed to provide the USDA's Food and Nutrition Service (FNS) with a snapshot of current state and School Food Authority (SFA) policies and practices and a baseline for observing the improvements resulting from the implementation of the HHFKA. In the base year of SN-OPS, the study team collected data via surveys from all state CN directors and a stratified sample of SFA directors, which

were weighted to represent the population of SFAs. Similarly, in the second year of the study, the team collected another round of survey data from state CN directors and a sample of SFA directors.¹ Many of the questions, especially regarding financial issues, were the same between the two surveys, allowing for examination of longitudinal changes in these measures. Other sections of the second-year surveys, such as the questions on local school wellness policies, were unique to that year and provide a snapshot of current activities and issues. Overall, the study provides FNS with key information about the characteristics, ongoing activities, and status of the school meal programs. By providing a better understanding of what is happening at the state and local levels, these data also can assist FNS in addressing program policy needs, developing informed regulations and guidance, and providing needed technical assistance.

Participation

Participation levels in the school meal programs, especially among students certified for free or reduced-price meals (F/RP), measure the degree to which the programs are successful in reaching low-income children. In addition, because NSLP and SBP reimbursements are tied to the number of meals served, student participation data are important for Federal budgeting and planning purposes. Additionally, changes in participation levels over time as compared to SY 2011-12 may provide one early (albeit gross) indication of how schools and students react to the implementation of the provisions included in the HHFKA.

Table I-1 shows that nearly all public SFAs² participating in the school meal program have all their schools participating in the NSLP, and about 80 percent had all their schools participating in the SBP. Additionally, these participation levels have been maintained over the past 2 years. The percentage of SFAs that had all their schools participating in the NSLP was 97 percent in SY 2011-12 and 96 percent in SY 2012-13. In contrast, 79 and 80 percent of SFAs reported that all their schools participated in SBP in SY 2011-12 and SY 2012-13, respectively. There was no significant change in school participation in either the NSLP or the SBP between SY 2011-12 and SY 2012-13.

Table I-1. Percentage of SFAs With All Schools Participating in the NSLP and SBP, SY 2011-12 and SY 2012-13

Grade level	Percentage of SFAs with all schools participating in the NSLP and SBP					
	SY 2011-12			SY 2012-13		
	Percent of SFAs	Weighted <i>n</i>	Unweighted <i>n</i> ¹	Percent of SFAs	Weighted <i>n</i>	Unweighted <i>n</i> ²
All schools in NSLP	96.6%	14,533	1,389	96.3%	15,070	1,490
All schools in SBP	78.8	14,533	1,389	80.3	15,070	1,490

¹ *n* is less than 1,401 because 12 SFAs provided implausible school count data.

² *n* is less than 1,491 because 1 SFA provided implausible school count data.

There were no significant differences in the percentage of SFAs with all schools participating in the NSLP or SBP between SY 2011-12 and SY 2012-13.

Data Source: SFA Director Survey SY 2011-12, question 2.1; SFA Director Survey SY 2012-13, question 1.1.

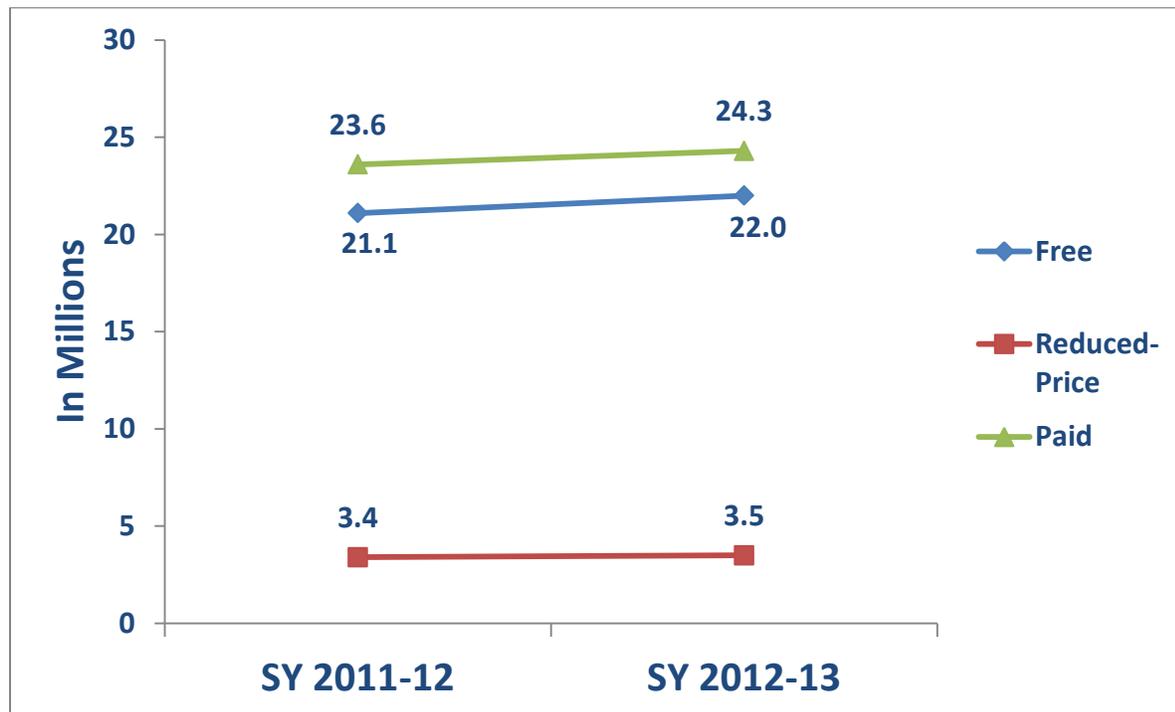
¹ The first- and second-year samples were nearly identical. For the second year, a small number of SFAs were added to the first-year sample to account for nonresponse and overall changes in the universe of public school SFAs due to new SFAs forming and others closing.

² To be included in the sample, the SFA had to support public schools and have at least one school participating in the NSLP.

While all students who attend a school that participates in the NSLP and SBP can participate in the program by selecting a reimbursable meal, student eligibility to receive F/RP meals is based on the combination of household size and income. Students living in families earning at or below 130 percent of poverty qualify for free meals. In addition, students are categorically eligible for free school meals if they or any member of the household receives benefits from certain assistance programs. Children living in families with incomes between 130 percent and 185 percent of poverty qualify for reduced-price meals.

As shown in Figure I-1, SFA directors reported that of the nearly 50 million students enrolled in public schools in SY 2012-13, over half of students were approved for F/RP meals (26 (=22+4) million). Twenty-two million students (44 percent) in all schools were approved to receive free meals and 4 million students (7 percent) were approved for reduced-price meals. Additionally, there was little change in the number of students approved to receive F/RP meals between SY 2011-12 and SY 2012-13 either in the aggregate or by grade level. Although the changes over time in the number of students approved for F/RP meals were not statistically significant, the point estimates suggest that there may have been additional students approved for free meals as the overall number of students increased in SY 2012-13. There are several recent policy changes that could have impacted the number of students approved for free meals including the CEP pilot program that began in SY 2011-12 and the expansion of direct certification.

Figure I-1. Number of Students Approved for Free or Reduced-Price Meals, SY 2011-12 and SY 2012-13

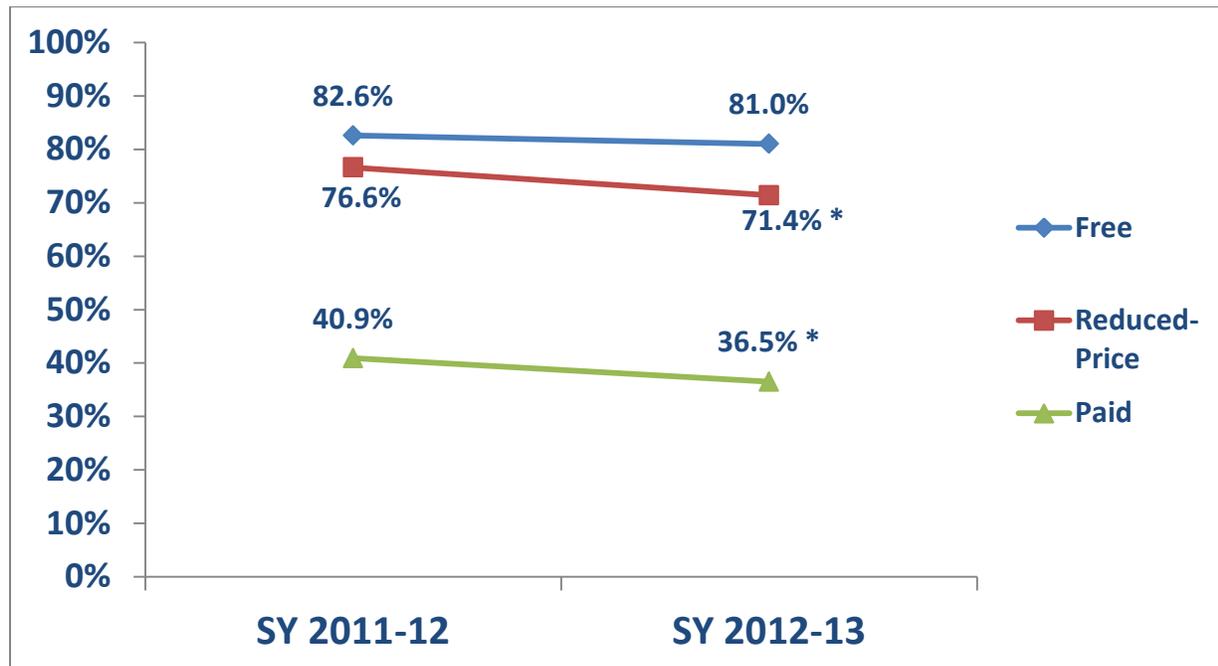


Data Source: SFA Director Survey SY 2011-12, question 3.1; SFA Director Survey SY 2012-13, question 2.1.

Over the same 2-year period, the daily lunch participation rate of students approved for free meals remained basically constant (the small change was not statistically significant) as shown in

Figure I-2. In contrast, the lunch participation rates of those approved for reduced-price meals and those only eligible for paid meals dropped significantly. Recent policy changes that may have affected the daily participation rates in the past year include price increases for paid lunches under the equity in pricing provision of the HHFKA and the phasing in of the new meal patterns.

Figure I-2. Average Daily Student Participation Rates¹ for Lunches by Meal Benefit Category, SY 2011–12 and SY 2012–13



¹ The average daily participation rate for students certified for free (or reduced-priced) meals equals the number of free (or reduced-priced) meals claimed per day divided by the number of students certified for free (or reduced-price) meals. The participation rate for paid meals equals the number of paid meals served per day divided by the number of students not certified for free or reduced-price meals and had access to the NSLP or SBP. Participation rates are adjusted for average daily attendance (ADA) and exclude students who do not have access to the NSLP and SBP.

* Percentage is significantly different from SY 2011-12 at the .05 level.

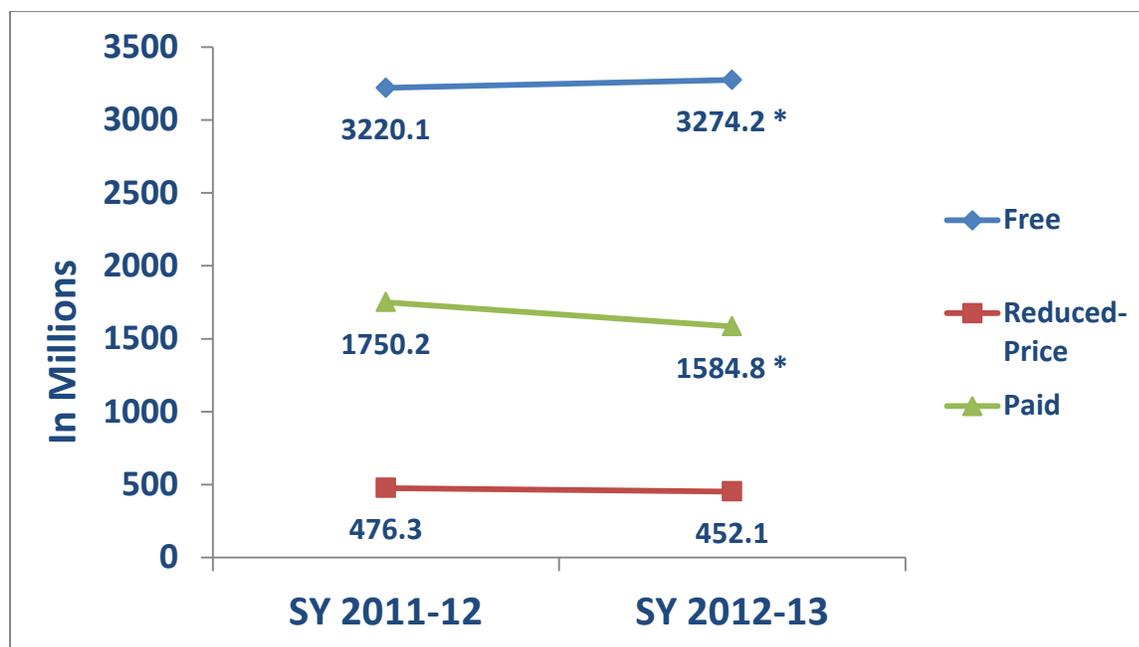
Data Source: SFA Director Survey SY 2011-12, question 3.1; SFA Director Survey SY 2012-13, questions 2.1, 2.2, and 2.6; and state data on NSLP and SBP meals claimed.

The daily participation rate measures the percentage of students that actually take a meal on a typical day within a benefit category. However, it is the daily participation rate in combination with the numbers approved for F/RP meals that ultimately drives the number of reimbursable meals served. For example, as the number of students approved for free meals rose between SY 2011-12 and SY 2012-13 and their daily lunch participation rate remained basically constant, the number of free reimbursable meals served increased as shown in Figure 1-3.

Figure I-3 shows the number of reimbursable meals served to students by program eligibility category in SY 2011-12 and SY 2012-13. Overall, the number of free lunches served increased while the number of paid lunches served fell. Data on the number of meals served by SFAs was provided by states from their administrative records on the number of breakfasts and lunches claimed by SFAs. State administrative data were linked to each SFA in the sample, and the number of meals

claimed in each benefit category was weighted and aggregated to the national level producing estimates highly similar to the administrative data totals.³

Figure I-3. Student Lunches Claimed by Meal Benefit Category, SY 2011-12 and SY 2012-13



*The change in the percentage share of overall payments is significantly different from SY 2011-12 at the .05 level.
Data Source: State data on NSLP and SBP meals claimed.

As Figure I-3 shows, between SY 2011-12 and SY 2012-13, approximately 54 million additional free lunches were served, a statistically significant change in relative shares. The evidence suggests that, at least in the last year, this increase was driven by an increase in the number of students approved for free lunches as the daily participation rate remained basically stable. In contrast, the number of reduced-price lunches fell by 24 million. The decline in reduced-price lunches appears to have been driven by the decline in daily participation rate as the numbers approved for the program remained nearly steady. Finally, the number of paid lunches decreased by 166 million meals. The decline in paid lunches was driven by the decline in daily participation rate as the number of students who were only eligible for paid meals was basically unchanged⁴.

Nutrition and Wellness

The updated school meal patterns for NSLP and SBP meals require schools to increase the availability of fruits, vegetables, whole grains, and fat-free and low-fat fluid milk in school meals; reduce the levels of sodium, saturated fat, and trans fat in meals; and meet the nutrition needs of

³ FNS administrative data indicate that 5,083.2 million lunches were served in Federal fiscal year (FFY) 2013. This is about 1 percent less than the estimate of 5,149.6 million lunches in SY 2012-13. FNS administrative data indicate that 2,212.75 million breakfasts were served in FFY 2013, which is about 3 percent higher than the survey estimate of 2,139.2 million.

⁴ In estimating the number of students only eligible for the paid category, we account for the percentage approved for free and reduced-priced meals as well as the percentage who do not have access to the NSLP and SBPs. Between SY2011-12 and SY2012-13, the percentage of students who did not have access to the NSLP dropped from 2.3 to 2.1 percent and the percentage without access to the SBP fell from 6.9 to 5.9 percent.

school children within their age/grade calorie requirements. The new school meal patterns started being phased in during SY 2012-13.

Table I-2 provides a summary of some of the major changes and challenges that have occurred as the meal patterns are being implemented. SFAs reported a substantial increase in scratch cooking. Thirty percent of SFAs reported increases in scratch cooking, bringing the total percentage of SFAs engaging in some scratch cooking to 79 percent in SY 2012-13. In terms of general challenges encountered, SFAs reported that food costs and student acceptance were the greatest ongoing problems. Sixty-two percent of the SFAs said increased food costs were very or extremely challenging, and 57 percent said student acceptance was very or extremely challenging. Only 14 to 19 percent of SFAs said they were able to meet all the requirements without any difficulties across the grade levels. Despite citing some significant challenges, 80 percent of the SFAs said they met the requirements and are certified to receive the additional 6-cents reimbursement per lunch. Finally, although the phase in is scheduled to begin in SY 2013-14, 52 percent of the SFAs said they have begun implementing the new breakfast requirements, and 15 percent said they met all the requirements without any difficulties.

Table I-2. Percentage of SFAs Reporting Changes and Challenges Associated With Implementing the Meal Pattern Requirements, SY 2012-13

Changes/challenges	Percentage of SFAs	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
Scratch cooking after new meal patterns			
Increased or started scratch cooking	29.9%	14,737	1,469 ¹
Maintained scratch cooking	49.0		
Did not do scratch cooking	21.1		
Identified very or extremely challenging ongoing issues as:			
Availability of products that meet standards	24.7	14,306	1,446 ¹
Increased food costs	62.4	14,368	1,449 ¹
Student acceptance	56.7	14,512	1,457 ¹
Parent/community acceptance	37.4	13,517	1,385 ¹
Met lunch requirements for grains, whole grains, meats/meat alternates, and calories <u>without any difficulties</u>			
K-5	18.8	11,687	1,210 ²
6-8	16.5	11,154	1,437 ²
9-12	13.8	9,386	1,354 ²
Certified to receive additional lunch reimbursement	80.4	14,785	1,472 ¹
Began implementing the new breakfast requirements (among those participating in the SBP)	52.3	13,646	1,397 ³
Met breakfast requirements for fruits, grains/whole grains, milk, calories, sodium, trans-fat, and saturated fat <u>without any difficulties</u> (among those participating in the SBP)	15.3	13,646	1,397 ³

¹ *n* is less than 1,491 due to item nonresponse.

² *n* is less 1,491 because not all SFAs report having each grade span and due to item nonresponse

³ *n* is less than the 1,406 schools that participated in the SBP due to item nonresponse.

Data Source: SFA Director Survey SY 2012-13, questions 5.1, 5.2, 5.5, 5.6, 5.7, 5.8, 5.9, 5.19, 5.21, 5.23, 5.25, 5.47, 5.48, and 5.49.

In addition to including provisions for implementation of updated nutrition standards for school meals, HHS added new provisions for local school wellness policies related to implementation, evaluation, and publicly reporting on progress of local school wellness policies. Local wellness policies are another set of important tools for promoting student wellness, preventing and reducing childhood obesity, and providing assurance that the quality of foods sold in schools meets or exceeds the minimum Federal school standards.

In SY 2012-13, many states had model state wellness policies already in place that could be modified by SFAs in developing local school wellness policies. Table I-3 summarizes the key features of state school wellness policies and associated activities. As the table shows, 72 percent of states had model wellness policies that SFAs could use to develop local school wellness policies that meet Federal requirements. Only about one-third of state CN directors (36 percent) said that the local school wellness policies in their state were stricter than the Federal requirements. About two-thirds of states had set a statewide priority for establishing healthy school environments and implementing local school wellness policies. Sixty-seven percent of the states provided technical assistance, and 61 percent had established a method of accountability to ensure implementation of local school wellness policies.

Table I-3. Percentage of States That Had Various School Wellness Policy Features and Activities, SY 2012-13

Types of wellness policies (n=54)	Percentage of states
Have wellness policies that SFAs can use to develop local policies that meet the Federal requirements	72.2%
Have local school wellness policies that are more strict than the Federal requirements	35.9 ¹
Made establishing healthy school environments and implementing local wellness policy a priority	66.7
Committed resources to providing technical assistance to local education agencies (LEAs) on local school wellness policies	66.7
Established method of accountability so LEAs follow through with school wellness policy implementation	61.1
Established partnerships	90.7
Provided standards and guidelines on the sale or provision of health-related items in schools	61.1
Developed a communication plan for local school wellness requirements	74.1

¹ 9.4 percent of all 54 state agencies responded that they did not know if local wellness policies were more strict than the Federal requirements. So, about 55 percent of states had policies as strict as or less strict than Federal requirements.
Data Source: State CN Director Survey SY 2012-13, questions A1-A8.

At the SFA level, Table I-4 indicates that for SY 2012-13, 89 percent of SFAs had a local school wellness policy for all schools and, of those that had a policy for all schools, 41 percent recently made revisions. Only 8 percent of the SFAs that had a local wellness policy for all schools reported that their school wellness policy was stricter than Federal, state, or LEA regulations.

Table I-4. Percentage of SFAs With a Local Wellness Policy by Policy Attributes and Activities, SY 2012-13

Local wellness policy attributes and activities	Percentage of SFAs	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
Have local wellness policy for all schools	89.1%	15,027	1,485 ¹
Among SFAs with wellness policies at all schools:			
Policy was revised within the last year	41.1	13,360	1,376 ²
Individual schools have implemented stricter local wellness policies than Federal, state, or LEA regulations	8.4	13,299	1,371 ²
Wellness policy addresses which USDA foods can be ordered	9.1	13,219	1,365 ²
LEA informs the public about content and implementation of the local wellness policy	52.5	13,306	1,372 ²
Conducted an assessment of their local wellness policy within the last year	39.0	13,295	1,371 ²

¹ *n* is less than 1,491 due to item nonresponse.

² *n* is less than the 1,378 SFAs with a local wellness policy for all schools due to item nonresponse.

Data Source: SFA Director Survey SY 2012-13, questions 4.1, 4.5, 4.15, 4.7, 4.11, and 4.8.

SFA Operations

Working under the supervision of their respective states, SFAs operate their local school meal programs, including determining what foods and services are offered, purchasing and preparing foods, maintaining the food service equipment, and training staff. During this period of change, it is important to examine the status of SFA operations, particularly around purchasing and contracting, to provide insight to potential transition challenges.

Most SFAs made some changes to their purchasing and contracting patterns to implement the changes stemming from the HHFKA. As Table I-5 shows, 74 percent of SFAs changed their USDA orders as a result of the updated meal patterns, and 31 percent reported needing to make material changes to some of their purchasing contracts. Generally, SFAs had very little difficulty purchasing fruits and fluid milk to meet the meal pattern requirements. They had more difficulty purchasing vegetables, grains/whole grains, and meat/meat alternates to meet the new requirements, with 24 to 37 percent saying they had some problems with these purchases.

Most SFAs are purchasing food independently, as only 21 percent use a Food Service Management Company (FSMC) as shown in Table I-5. Additionally, the percentage of SFAs using an FSMC remained unchanged from last year (data not shown). Sixty-one percent of SFAs use either USDA Foods or Department of Defense (DoD) Fresh to help purchase fruits and 57 percent to help purchase vegetables. Both the USDA Foods program and the DoD Fresh Program provide access to nutritious food items, including a wide variety of fruits and vegetables, which can be incorporated into the meals offered to students. Finally, 18 percent of SFAs reported receiving an

Equipment Assistance Grant, which can be used to help upgrade equipment to support the new meal standards.

Table I-5. Percentage of SFAs With Various Purchasing and Contracting Characteristics, SY 2012-13

Purchasing and contracting characteristics	Percentage of SFAs	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i> ¹
Changed USDA order to meet updated nutritional standards	73.5%	13,449	1,378
Required material change in some purchases	30.5	14,364	1,442
Had difficulty purchasing:			
Fruits	13.8		
Vegetables	26.6		
Grains/whole grains	37.6	14,432	1,447
Meats/meat alternatives	23.8		
Fluid milk	1.9		
Used food service management company	20.7	14,949	1,481
Used USDA Foods or DOD Fresh for fruits			
Neither	38.6		
USDA only	25.8	14,745	1,466
DOD Fresh only	11.3		
Both	24.3		
Used USDA Foods or DOD Fresh for vegetables			
Neither	43.1		
USDA only	25.9	14,745	1,466
DOD Fresh only	9.8		
Both	21.2		
Received Equipment Assistance Grant (FY 2009-11)	17.8	14,802	1,469

¹ *n* is less than 1,491 due to item nonresponse.

Data Source: SFA Director Survey SY 2012-13, questions 5.43, 5.41, 5.42, 3.18, 5.11, 5.12, 5.14, 5.15, and 9.1.

SFA Meal Prices and Expenditures and Revenues

SFAs operate under tight financial constraints and within the policy and regulatory boundaries set by the Federal government, their states, and their LEA. Each SFA establishes a nonprofit food service account and produces reimbursable food items as well as a variety of non-reimbursable foods. To operate as a nonprofit business the SFA must set prices for each of its different products so that at the end of the year it “breaks-even” (revenues generated equals the cost of goods and services provided.).

In addition to updating and strengthening nutrition standards for school meals and other foods sold in schools, the HHFKA requires SFAs to make changes in the pricing structure of all foods sold in schools. A key change is the Paid Lunch Equity Provision that requires SFAs to obtain the same level of financial support for lunches sold to students who have been approved for free and reduced-price meals and students who must pay full price to ensure that reimbursements for free and reduced-price meals are not subsidizing full price meals. This can be accomplished either through gradually raising the prices of paid lunches or through obtaining the equivalent funds from non-Federal sources. The price changes are intended to be gradual, and the required increase is capped at 10 cents per year. Table I-6 shows how prices have changed since the Paid Lunch Equity Provision went into effect in SY 2011-12. With this policy change, more SFAs have been increasing paid lunch prices, but the magnitude of these increases has been smaller than it was before the provision was implemented. Additionally, although the provision only pertains to lunches, we see a

similar price change pattern for breakfast, with a greater share of SFAs raising prices since SY 2011-12 but with the magnitude of the price increase being generally no greater than they were in prior years.

Table I-6. Summary of Price Increase Data for Paid Student Breakfasts and Lunches, SY 2009-10 to SY 2012-13

	2009-10 to 2010-11			2010-11 to 2011-12			2011-12 to 2012-13		
	Elementary	Middle	High	Elementary	Middle	High	Elementary	Middle	High
Lunch									
Percentage of SFAs that increased prices ¹	15.5%	16.6%	16.1%	55.2%	55.4%	55.9%	63.3%	60.5%	60.8%
Mean increase ²	\$.19	\$.17	\$.18	\$.14	\$.14	\$.14	\$.14	\$.15	\$.15
Median increase ²	\$.15	\$.15	\$.15	\$.10	\$.10	\$.10	\$.10	\$.10	\$.10
Modal increase ²	\$.25	\$.25	\$.25	\$.10	\$.10	\$.10	\$.10	\$.10	\$.10
Breakfast									
Percentage of SFAs that increased prices ¹	12.5%	12.9%	12.9%	26.2%	25.8%	24.8%	29.2%	29.3%	29.1%
Mean increase ²	\$.16	\$.15	\$.17	\$.15	\$.14	\$.15	\$.15	\$.17	\$.16
Median increase ²	\$.10	\$.10	\$.10	\$.10	\$.10	\$.10	\$.10	\$.10	\$.10
Modal increase ²	\$.25	\$.25	\$.25	\$.05	\$.05	\$.05	\$.05	\$.05	\$.05

¹Based on SFAs that provided price data in a given pair of years.

²Based on SFAs that reported a price increase.

Data Source: SFA Director Survey SY 2011-12, questions 5.1, 5.2a, 5.2b, 5.4, 5.5a, and 5.5b; SFA Director Survey SY 2012-13, questions 6.1 and 6.6.

As shown in Table I-7, before the Paid Lunch Equity Provision (SY 2010-11), the reimbursement for free meals exceeded the average revenues (price + reimbursement) of paid lunches by 32 to 54 cents across grade levels. Since the provision went into effect in SY 2011-12, SFAs have gradually increased the price of paid lunches, closing of the gap between free lunch reimbursement rates and the price of paid lunches. In the first year after the provision went into effect, the gap was reduced by 5 to 6 percent (not shown), and by the second year, it had been reduced by 9 to 16 percent.

Table I-7. Average Difference in Revenues Per Lunch, SY 2010-11, SY 2011-12 and SY 2012-13

	SFA's average difference in revenue per lunch			
	Elementary	Middle	High	All schools
Difference in revenue (before provision) 2010-11	0.54	0.32	0.32	0.44
Difference in revenue (after provision) 2011-12	0.51	0.30	0.30	0.42
2012-13	0.49	0.29	0.27	0.38
Percent gap has been narrowed	9.3%	9.4%	15.6%	13.6%
Weighted n 2010-11	11,794	8,808	10,349	11,681
Weighted n 2011-12	11,763	8,888	10,314	11,644
Weighted n 2012-13	11,309	8,554	9,854	11,993

Note: The average difference in revenue per lunch is the difference in the reimbursement rates for free and paid lunches minus the average paid lunch price.

Data Source: SFA Director Survey SY 2011-12, questions 5.4 and 5.5a; SFA Director Survey SY 2012-13, question 6.6.

SFAs are required to operate on a nonprofit basis. In a given year, an SFA may not break even but one would expect to see individual SFAs operate near the break-even band over time. Table I-8 shows that over the 2-year period between SY 2010-11 and SY 2011-12, 44 percent of SFAs operated at a break-even level (defined as the average ratio of total cash revenues to total cash expenditures between .95 and 1.05); 35 percent incurred a deficit; and 22 percent ran a surplus. The median ratio of revenues to expenditures, which is less sensitive to outliers, is equal to 1 over the 2-year period, which is exactly at the break-even level.

Table I-8. Percentage of SFAs by Their 2-Year Cash Receipts to Expenditure Ratios, SY 2010-11 to 2011-12

2-year SFA cash receipts as a percentage of 2-year cash expenditures	Percentage of SFAs
	SY 2010-11 to SY 2011-12
≤85%	16.9
86% to 90%	5.6
91% to 95%	12.0
96% to 100%	22.8
101% - 105%	21.1
106% to 110%	11.5
111% to 115%	5.0
≥116%	5.1
Total	100.0
Median ratio (cash receipts/expenditures)	1.00
Total SFAs: Weighted n	7,509
Total SFAs: Unweighted n	701 ¹

¹ n is less than the 1,177 SFAs that participated in both Year 1 and Year 2 because of missing data on revenues and/or expenditures.

Data Source: SFA Director Survey SY 2011-12, questions 7.1.1 and 8.1.1; SFA Director Survey SY 2012-13, questions 6.1a and 7.1a.

Conclusions

Nearly all SFAs that participated in the NSLP continued to have all their schools participating in the lunch program, and an overwhelming majority of SFAs had all of their schools also participating in the SBP. At the student level, there was an increase in the number of students approved for free meals between SY 2011-12 and SY 2012-13. This is likely the result of expanded use of direct certification and the CEP pilot, both of which are intended to increase the accessibility of free meals to children in low-income households. There was also a slight increase in the number of students approved for reduced-price meals. Over the past 4 years, both the NSLP and SBP expanded, with substantial increases in the number of breakfasts and lunches served. The composition of the benefit categories served within the program shifted from paid to free meals. Free lunches and breakfasts made up a large share of all reimbursable meals, and participation in paid meals fell both in terms of the share of the program as well as the number of meals served. Although likely affected by recent changes in relative prices and nutrition standards, these shifts in participation appear to also follow a long-term trend that pre-dates changes stemming from the HHFKA.

Most SFAs are proceeding with implementing the regulations and policies stemming from the HHFKA. Many of the provisions included in the HHFKA were reported to have already been met, including implementation of the updated meal pattern requirements, strengthening local school wellness policies, and aligning prices according to the Paid Lunch Equity Provision. Over 80 percent of the SFAs reported implementing the new meal patterns and being certified to receive the additional reimbursement. In implementing these changes, about 30 percent of SFAs made material changes to their purchasing practices and a similar percentage started or increased scratch cooking. Additionally, the majority of SFAs have begun implementing the new breakfast requirements ahead of schedule. As SFAs move forward with implementing the new meal patterns, they continue to find food costs and student acceptance significant challenges. Nearly all SFAs reported that all their schools have local wellness policies, and many of them revised and assessed them in the past year. Finally, the Paid Lunch Equity Provision appears to be affecting the majority of SFAs, with over 60 percent of SFAs raising the price of paid lunches last year to bring them in line with free meal reimbursement rates. The modest lunch price increases over the past 2 years is working to gradually reduce the gap between the free lunch reimbursement rate and the revenue generated from a paid lunch.

Section II: Study Overview

For seven decades, the Federal government has sought to safeguard the health and well-being of the Nation's children. Through the NSLP and SBP, the two largest CN programs, USDA has provided funding for meals and snacks for millions of school-aged children every day. NSLP alone has grown from serving approximately 7 million students during its inaugural year in 1946 to serving more than 31.6 million students during FY 2012.⁵ Although it started as a pilot program in 1966, SBP has grown to serving 12.9 million students in FY 2012 from just 500,000 students in FY 1970.⁶

Over the years, the legislation governing the CN programs has undergone many revisions to make desired changes, whether expanding the programs or addressing regulatory needs. The most recent was the enactment of the HHFKA in 2010, which incorporated recommendations from the Institute of Medicine (IOM) on standards and requirements for making school meals healthier. While reauthorization of major legislation occurs periodically, much of the impetus underlying the commissioning of the IOM by the USDA was based on a growing body of research identifying problems within the school food environments and policies. Researchers found a majority of secondary schools sold items à la carte in the cafeteria and through vending machines throughout the school day that were low-nutrient, energy-dense foods and beverages, commonly referred to as junk food.⁷ In addition, most high school students could access soft drinks through both vending machines (88 percent) and in the school cafeteria at lunch (59 percent), with middle schools providing somewhat less access.⁸

In its 2009 report, *School Meals: Building Blocks for Healthy Children*, the IOM's committee recommended that USDA adopt standards for menu planning, including (1) increasing the amount and variety of fruits, vegetables, and whole grains; (2) setting minimum and maximum levels of calories; and (3) focusing more on reducing saturated fat, trans fat, and sodium. Given the number of students participating in NSLP and SBP, there is a realization that the quality and nutrient content of school meals is one way to improve children's diets and potentially affect the obesity problem while providing additional food security and ensuring that children are ready to learn.

The HHFKA is a very comprehensive bill that includes over 70 sections divided among four titles with several of the provisions being particularly important for school food operations. These include:

- School meal pattern standards: the HHFKA required USDA to issue a proposed rule within 18 months to update meal pattern requirements for the NSLP and the SBP.

⁵ <http://www.fns.usda.gov/pd/slsummar.htm>. <http://www.fns.usda.gov/sites/default/files/NSLPFactSheet.pdf>.

⁶ <http://www.fns.usda.gov/pd/sbsummer.htm>. <http://www.fns.usda.gov/sites/default/files/SBPfactsheet.pdf>.

⁷ Delva, J., O'Malley, P.M., and Johnston, L.D. Availability of more-healthy and less-healthy food choices in American schools: A national study of grade, racial/ethnic, and sociodemographic differences. *American Journal of Preventative Medicine*, Vol. 33, No. 4S: S226–S239, 2007. French, S.A., Story, M., Fulkerson, J.A., and Gerlach, A.F. Food environment in secondary schools: À la carte, vending machines, and food policies and practices. *American Journal of Public Health*, Vol. 93, No. 7: 1161–1168, 2003. Kubik, M.Y., Lytle, L.A., Hannan, P.J., Perry, C.L., and Story, M. The association of the school food environment with dietary behaviors of young adolescents. *American Journal of Public Health*, Vol. 93, No. 7: 1168–1173, 2003. <http://pediatrics.aappublications.org/cgi/content/full/122/1/e251>.

⁸ Johnston, L.D., Devla, J., O'Malley, P.M. Soft Drink Availability, Contracts, and Revenues in American Secondary Schools. *American Journal of Preventative Medicine*, Vol. 33, No. 4S: S209–S225, 2007.

- Non-program foods standards: the HHFKA provided USDA the authority to set nutrition standards for all foods regularly sold in schools during the school day, including vending machines, the à la carte lunch lines, and school stores.
- Professional standards: the HHFKA required USDA to establish a program of required education, training, and certification for various categories of school food service staff.
- School lunch and non-program foods pricing: the HHFKA required USDA to administer a number of provisions related to school lunch pricing and non-program foods pricing. SFAs must bring paid lunch prices in line with subsidized school lunch levels and price non-program foods at or above the cost to avoid cross-subsidization of funds from reimbursable meals.
- Standards for local school wellness policies: the HHFKA required that local school wellness policies have input from diverse stakeholders, reflect the new nutrition standards set by USDA and set goals for nutrition promotion, include a plan for measuring and reporting on effectiveness, and are communicated to the public.

The implementation timeline for the new requirements began in late 2010 and will continue over 10 years, with the meal pattern changes being phased in starting in SY 2012-13 and serving as a focus for the Year 2 survey. FNS requires information, not already provided through state reporting, that will assist in understanding characteristics and administration of the state and local CN programs. This information will help FNS identify training and technical assistance needs and opportunities, as well as assess achievement of the new legislative goals.

At the Federal level, FNS administers the NSLP and the SBP programs. FNS develops program eligibility requirements, benefits, and application processes and provides guidance to SFAs on implementing the NSLP and SBP. At the state level, the two programs are usually administered by state education agencies (SEAs), which administer the program through agreements with SFAs. SFAs are semi-autonomous nonprofit entities established by LEAs for the sole purpose of operating the school meals programs. State agencies monitor and supervise SFA compliance with Federal financial management standards, review SFA contracts with food service management companies, conduct training programs, provide onsite technical assistance, and assist SFAs with the operation of computerized nutrient menu planning systems and direct certification of students' eligibility. However, differences in demographics, staffing, financial status, and other school- and district-level circumstances result in considerable variability in program implementation.

Study Purpose

The SN-OPS is a multiyear study involving up to three rounds of surveys at the state and local levels and a round of site visits to schools that are designed to provide the USDA, FNS with a snapshot of current state and SFA policies and practices and a baseline for observing improvements stemming from the implementation of the HHFKA. The study provides FNS with key information about the characteristics, ongoing efficiency, and effectiveness of the CN program so FNS has a better understanding of what is happening at the state and local levels and can then address program policy needs, develop informed regulations and guidance, and provide needed technical assistance.

Study Design

The design of SN-OPS combines elements of cross-sectional and longitudinal research with the goal of maximizing the utility of data while conserving resources and reducing burden on states and SFAs. The surveys use a modular format with core elements repeating annually and other modules being replaced with topics of current interest to minimize the burden or disruption to state administrative offices and SFAs.

SN-OPS consists of two core surveys: one targets directors of state CN programs and the other targets directors of local SFAs. Each round of data collection attempted to gain a full census of the 50 states, the District of Columbia, and five U.S. territories. Since the variability among state policies was unknown, FNS felt a complete accounting from all states and territories was warranted. For the base year (Year 1), the survey of SFA directors used a stratified sample of SFAs serving at least one school participating in NSLP from the entire list of 14,797 public school SFAs (as of 2010). For the Year 2 SFA director survey, the Year 1 sample was supplemented with a small sample of SFAs selected from an updated list of public school SFAs (as of 2011).

A third source, also conducted for SY 2012-13 consisted of on-site visits to a sample of SFAs and schools. The purpose of these visits, and the subject of a separate report, was to gain more depth of understanding of SFA operations by observing breakfast and lunch service and collect information about the availability of non-program foods.

The following sections describe the various dimensions of the SN-OPS design. The first section describes the State CN Director and SFA Director Surveys, including their focus, content, and key variables. The next sections elaborate the sample design for the SFA Director Survey and the data collection procedures for both surveys. The final section provides information on the analyses conducted, including significance tests performed.

Data Sources

This report of SN-OPS second year activities comprises data collected from the survey of all state CN directors and data collected from a stratified sample of SFA directors. The two surveys provide a cross-sectional snapshot of state and local program characteristics and longitudinal estimates for year-to-year changes in operations with implementation of the HHFKA. Data collected from the same samples during Year 1 of the study provide a basis for assessing change. Both surveys focus on three general topic areas, including: (1) descriptive characteristics of CN programs, (2) program administration, and (3) program operations.

State Child Nutrition Director Survey

FNS sets policies for federally supported school meals programs. However, each state identifies an agency that is accountable to the Federal government for administering the programs. A state CN director who is responsible for applying Federal policies administers the state agency,

developing supplementary state policies where needed, ensuring program implementation, and filing required reports with FNS. It is the state, rather than FNS, that has a direct connection with SFAs.⁹

States report to the Federal government (i.e., FNS) basic characteristics of their ongoing implementation of CN programs, including such data as numbers of students eligible and numbers of meals served under the F/RP lunch categories. However, with recent Federal policy developments (e.g., the Community Eligibility Provision) and new developments for CN programs over the next several years stemming from the HHFKA, FNS requires a more involved understanding of evolving state policies, practices, and local implementation of the nutrition programs. Such information will assist FNS in understanding the facilitators and barriers to efficient and effective program implementation and identifying state training and technical assistance needs.

The SY 2012-13 State CN Director Survey consisted of 4 sections and 33 questions. Table II-1 provides an overview of these topics, component subsections, and the number of items associated with each component. The four sections included policy, resources and finances, operational procedures, and training and technical assistances. Each section and its components addressed issues of particular interest to FNS. A copy of the State CN Director Survey is provided in Appendix A.

Table II-1. SY 2012-13 State CN Director Questionnaire Content

Section	Component	Number of items
Policy	State policies and practices	10
Resources and finances	Cash subsidies	1
	Support for food service operations	1
	State level staffing (full-time equivalency (FTEs))	2
	State administrative expense funds	3
	Contracted staff functions	1
Operational procedures	Provision 1, 2, 3, or Community eligibility	2
	Use of Food Service Management Companies	1
	Charter schools	1
	USDA Foods	4
Training and technical assistance (TA)	TA topic areas	4
	Delivery of TA	3
Total		33

SFA Director Survey

The SY 2012-13 SFA Director Survey consisted of 12 sections and 154 questions. The sections included school participation, student participation, food service operations, local school wellness policy, new meal pattern requirements, meal prices, revenues, expenditures, food service equipment, farm to school activities, training and technical assistance, and SFA food service staff background. Table II-2 provides an overview of these topics, component subsections, and the number of items associated with each component. A copy of the SFA Director Survey is provided in Appendix B.

⁹ FNS uses a tiered approach in communicating with states and SFAs. Headquarters first contacts the directors of the seven FNS Regional Offices who then contact the state CN directors in their region. It is the state CN directors who maintain contact with SFA directors within each state.

Table II-2. SY 2012-13 SFA Director Questionnaire Content

Section	Component	Number of items
School participation	Participation in SBP and NSLP	1
	Participation in Afterschool Snack and At-risk Supper programs	1
	Severe-need and high-need schools	2
Student participation	Student access to/participation in meals	1
	Number of serving days for breakfast and lunch (3 years)	2
	Reimbursable breakfasts claimed (3 years)	3
	Reimbursable lunches claimed (3 years)	3
Food service operations	Non-program foods	4
	Payment options	2
	Drinking water availability and quality	4
	Special provision utilization	3
	Universal free breakfast	2
	Foster care children	2
	Use of food service management companies	1
Local school wellness policy	Development, implementation and review	6
	Contents	2
	Assessment and compliance	3
	Notifying parents and public at-large	6
New meal pattern requirements	Implementation and challenges	6
	Plate waste	2
	Scratch cooking	3
	Fruits and vegetables purchases and uses	7
	Grains and whole grains served and challenges	4
	Meats and meat alternates served	3
	Review of food labels	3
	Trans-fat and saturated fat	2
	Sodium levels	3
	Serving correct portion sizes	3
	Meeting needs/wants for additional food	3
	Changes in purchasing practices and challenges	4
	Methods to promote changes	2
	Technical assistance	1
	Certification for additional 6 cents	4
	Student perceptions and access to off campus meals	6
Meal prices	Breakfast prices for 4 years	4
	Lunch prices for 4 years	4
	Factors influencing prices	2
	Paid lunch equity provision	4
	À la carte foods	4
	Financial standing of SFA	4
Revenues	Total income and sources	1
	State and school district subsidies received	1
Expenditures	Categories of expenditures	1
Food service equipment	Equipment assistance grants	5
Farm to school activities	Participation in and organization of activities	3
	Related policies and practices	2
	Evaluation	2
	External grant funding	3
Training and technical assistance	Topical areas covered (20), usefulness and provider	1
	Staff receiving	2
SFA food service staff background	Education and certifications	6
	Language proficiency	1
Total		154

Data Collection Procedures

The following sections describe the data collection procedures for the two surveys. The discussion includes a description of the survey mode, data collection period, and prompting strategies.

State Child Nutrition Director Survey

The data collection period for the State CN Director Survey stretched from a planned 3 months to a total of 4 months, from May 6, 2013, through August 30, 2013. State CN directors in all 50 states, the District of Columbia, and the 5 U.S. territories received a packet of information about the survey. The packet included a letter, Frequently Asked Questions (FAQ) and answers sheet, a copy of the questionnaire, and instructions for its completion. The letter explained the survey, its purpose, and its importance to FNS. The only option for completing the questionnaire was the hard copy, paper/pencil version. There was no availability for completing the questionnaire online.

Throughout the data collection period, a series of communications attempted to improve the number of responding state directors. Nonresponding state directors continued to receive email messages and phone calls periodically throughout the data collection period. The final survey was received on August 30, 2013. Fifty-four state CN directors completed the questionnaire, for a response rate of 96 percent. Survey responses included all 50 states, the District of Columbia, and 3 U.S. territories.

SFA Director Survey

The data collection period for the SFA Director Survey went from April 25, 2013, through October 14, 2013. The SFA Director Survey was a web-enabled, password-protected questionnaire. However, SFA directors had the option to complete the questionnaire on paper. SFA directors could download and print a paper version of the questionnaire or request to have one sent to them by mail.

With contact information provided by FNS, a letter and supplementary materials sent to SFA directors introduced the survey and gave information about its purpose and importance to FNS. The packet of materials included the study's Web address and the SFA's unique *username* and *password*. Also included with the mailing were instructions for *getting started*, FAQs and answers, and an endorsement letter from the School Nutrition Association (SNA).

The initial request gave SFA directors a month to complete the questionnaire. However, to meet minimum response rate requirements set by FNS, several extensions carried the data collection through October 14, 2013, since many of the SFA directors are not available over the summer months particularly in the smaller SFAs. In an effort to assist a few SFA directors, staff completed some questionnaires over the telephone. Throughout the data collection period, SFA directors received a number of contacts to encourage completion of the questionnaire. These contacts included letters, phone calls, emails, and reminder postcards as well as encouragement from the state office.

Table II-3 shows the final disposition of the SFA sample. Of the 1,882 SFAs in the sample, 1,345 completed the survey in its entirety. Another 156 SFA directors completed six or more sections of the questionnaire, enough to consider the questionnaire a partial complete with data included in the analyses. Six SFAs were ineligible for a variety of reasons, however, mainly due to having gone out of business. The remaining 385 (20 percent) SFA directors did not respond at all to the questionnaire, or they opened it but did not complete enough of the survey to consider it a response. The final response rate was 80 percent.

Table II-3. Response Rate for the SFA Survey

Sample disposition	Number
Sample	1,882
Complete (all sections)	1,345
Partial complete (7 or more sections)	156
Total available for analysis	1,491
Incomplete (5 or fewer sections)	153
No response	232
Ineligible	6
Response rate (complete + partial complete) ÷ (total sample – ineligibles)	79.5%

SFA Sample Selection, Weights and Adjustments

Sample Selection

The goal of the 2012-13 SFA Director Survey was to collect data from a representative sample of SFAs from which to generate a nationally representative picture of SFA program characteristics, administrative practices, and food service operations. The 2009-10 Verification Summary Report data (Form FNS-742) provided the data needed to build the base year sample frame from which to select SFAs for the base year survey.

Table II-4 presents an overview of SFAs with at least one school participating in the NSLP in the U.S. during the 2009-10 academic school year. In total, 18,634 SFAs with at least one school participating in the NSLP were reported to FNS on Form FNS-742 during that school year. Of those, 79 percent (14,797) represented public schools participating in the NSLP. Importantly, public school SFAs represent 94 percent of schools participating in the NSLP in the U.S. during that year and 98 percent of the students participating in the program. The public school SFAs with at least one school participating in the NSLP made up the base year sampling frame for the survey.

Table II-4. Sample Frame Coverage of SFAs, Schools, and Students in SY 2009-10

SFA type	SFAs	Schools	Students
All SFAs with at least one school participating in NSLP	18,634	97,274	49,803,000
Public school SFAs with at least one school participating in the NSLP	14,797 (79.4%)	91,066 (93.6%)	48,544,000 (97.5%)

Before sampling, public school SFAs were organized into strata based on enrollment (seven levels), percentage of students eligible for F/RP lunch (three levels), and FNS region (seven levels). The largest SFAs with 100,000 or more students were included in the sample with certainty (i.e., a sampling rate of 1.0). Selection of the remaining SFAs followed rates roughly proportional to the average square root of the enrollment of SFAs in the stratum to which the SFA belonged. This allocation gives large SFAs relatively higher selection probabilities than smaller ones while producing acceptable sampling precision for both prevalence estimates and numeric measures correlated with enrollment. Note that while both poverty level and FNS region defined the detailed sampling strata, the actual sampling rates used to select the sample depended only on the size class of the SFA. Before sample selection, the sampling frame was sorted by selected district-level characteristics available from the 2008-09 National Center for Education Statistics (NCES) Common Core of Data (CCD) LEA universe file. The CCD variables used in the sorting were urbanicity (locale) and categories of percentage minority enrollment. The sorting in effect created implicit strata within each detailed sampling stratum to ensure appropriate representation of the different types of SFAs within strata under systematic sampling.

For the Year 2 survey, the base year sample was augmented with a supplemental sample selected from the 2011-12 Verification Summary Report data. The newly selected SFAs were selected at rates dependent on the current enrollment size class of the SFA. Table II-5 summarizes the sample selection in Year 2.

Table II-5. Sample Frame Coverage of SFAs, Schools, and Students in SY 2009-10

SFA type	SFAs	Schools	Students
All SFAs with at least one school participating in NSLP	19,014	100,961	50,934,403
Public school SFAs with at least one school participating in the NSLP	15,126* (79.6%)	94,683 (93.8%)	49,692,894 (97.6%)

* Number of public SFAs reported in 2011-12 FNS-742. Count does not include a small number of school districts that operate independently under an umbrella SFA.

Table II-6 presents a summary of the sample selection by the seven student enrollment categories. The table shows the number of SFAs in each of the seven enrollment categories, the sampling rate associated with the category, and the number of SFAs sampled. A detailed description of the sampling strategy for selecting the SFAs appears in Appendix C.

Table II-6. SFA Sample by Enrollment

SFA enrollment	Number of SFAs in sampling frame	Sampling rate	Number of SFAs selected for sample ¹
Under 1,000	7,925	0.06	488
1,000 to 2,499	3,341	0.11	387
2,500 to 4,999	1,924	0.17	328
5,000 to 9,999	1,045	0.24	249
10,000 to 24,999	604	0.36	220
25,000 to 99,999	266	0.69	183
100,000 or more	27	1.0000	27
Total	15,132	---	1,882

¹ The numbers sampled only approximate the rate times the number on the frame due to adjustments made by including the two additional sorting variables (type of locale and minority status).

Cross-Sectional Weights

This section describes the procedures for constructing cross-sectional weights for use with the Year 2 survey data only.

Base Weights

A stratified sample design was used to select the SFA sample for the second year of the SN-OPS evaluation. As specified by FNS, all of the (still-existing) SFAs that were sampled in the base year were retained for the Year 2 sample, including SFAs that did not complete the survey in the base year. To offset anticipated sample losses due to attrition and nonresponse, the base year carry-over sample was supplemented with a small sample of SFAs selected from an updated sampling frame constructed from SY 2011-12 FNS-742 verification reports. The newly selected SFAs were selected at rates that depended on the current (2011-12) enrollment size class of the SFA, so that when combined with the carry-over samples, the weights for both the carry-over and supplemental selections were approximately uniform with current size category. Exact uniformity of the weights could not be achieved because of the requirement to retain the base year sample for Year 2 (and consequently their previously- computed probabilities of selection).

Poststratification

Although the base weights are theoretically unbiased weights, it can be seen in Table II-7 that the weighted counts of the sample differ somewhat from the corresponding counts of SFAs in the sampling frame (population). These differences result primarily from sampling variation. To align the weighted sample counts to the corresponding population counts, the base weights of the initially selected sample were ratio-adjusted to known population counts using an algorithm known as ratio-raking or simply “raking.” Under the raking algorithm, the base-weighted counts are successively adjusted to population counts for specified subgroups known as “raking dimensions.” Two raking dimensions were used to adjust the Year 2 base weights: (1) enrollment size category (the size categories specified in Table II-6) and (2) the seven FNS regional offices. Implementation of the raking algorithm essentially involved ratio-adjusting the base weights so that the weighted counts first matched the corresponding population counts by SFA size category and then further

ratio-adjusting the weights from the initial adjustment so that the resulting weighted counts matched the corresponding population counts by FNS region. Because the ratio adjustments were made successively for the two raking dimensions, the second adjustment usually altered the adjustments made in the first step. Therefore, the cycle of adjusting first to size category and then to region was repeated until the resulting weighted counts matched the corresponding population counts for both dimensions. Note that the extra reporting units that were not included in the raking process received the same poststratified weight as the “parent” SFA with which they were associated. Thus, the total poststratified weighted count of SFAs after including the extra cases increased slightly from 15,132 to 15,171. Table II-7 summarizes the weighted counts of the sample based the final post-stratified raked weights for the two raking dimensions.

Table II-7. Weighted Counts of the Sample Based on Poststratified Raked Weights

First raking dimension				Second raking dimension			
SFA enrollment size category ¹	Number of sample SFAs	Weighted count of sample ²	Coefficient of variation (%) of weights	FNS region	Number of sample SFAs	Weighted count of sample ²	Coefficient of variation (%) of weights
Under 1,000	488	7,925	7.08	Northeast (NERO)	215	1,788	54.81
1,000 to 2,499	387	3,357	13.35	Mid Atlantic (MARO)	203	1,516	65.69
2,500 to 4,999	328	1,947	11.89	Southeast (SERO)	249	1,262	77.80
5,000 to 9,999	249	1,045	11.50	Midwest (MWRO)	413	3,814	55.28
10,000 to 24,999	220	604	10.92	Southwest (SWRO)	272	2,257	68.95
25,000 to 99,999	183	266	10.33	Mount/Plains (MPRO)	220	2,382	53.83
100,000 or more	27	27	0	Western (WRO)	310	2,152	80.95
TOTAL	1,882	15,171	—	TOTAL	1,882	15,171	—

¹ Current enrollment reported in 2011-12 SFA sampling frame

² Weights are the poststratified (raked) weights.

Nonresponse Weights

The next step in the weighting process was to adjust the poststratified raked weights, w_i^{PS} , to compensate for nonresponse in the Year 2 survey. For cross-sectional weighting, a responding SFA had to have completed the Year 2 survey regardless of whether a base year survey had also been obtained. Of the 1,876 eligible SFAs, 1,491 completed the Year 2 SFA survey for an overall unweighted response rate of 79.5 percent. The six ineligible SFAs shown in the table were closed or inactive SFAs. The purpose of the adjustment was to compensate for differential nonresponse losses by distributing a portion of the (poststratified) weighted count of the nonresponding cases (excluding the ineligible) to the responding cases in the sample. The nonresponse adjustment had the effect of distributing the weighted count of the cases in response-status group 2 (eligible nonrespondents) to the weighted count of cases in response-status group 1 (respondents). To be effective in reducing potential nonresponse biases, the nonresponse adjustment was made within subsets of SFAs (or “weighting classes”) expected to have similar propensities for responding to the survey. We used a CHAID analysis (Chi-squared Automatic Interaction Detector) to identify subsets of SFAs in which the predicted probabilities of response were similar. The nonresponse bias analysis in Appendix D shows that these weighting adjustments were effective in reducing nonresponse bias.

Variance Estimation

In addition to the full sample weights described above, a series of jackknife replicate weights were created and attached to each data record for variance estimation. Replication methods provide a relatively simple and robust approach to estimating sampling variances for complex survey data (Rust and Rao, 1996). Jackknife replication has some advantages over Taylor series approximation in reflecting statistical adjustments used in weighting such as nonresponse and poststratification. Under the replication approach used, 100 jackknife replicates were formed by deleting selected cases from the full sample and adjusting the base weights of the retained cases accordingly. The entire weighting process developed for the full sample was then applied separately to each jackknife replicate, which produced a series of replicate weights. The replicate weights were imported into variance estimation software (i.e., SAS) to calculate standard errors of the survey-based estimates and to conduct significance tests on key variables.

Longitudinal Weights

This section describes the construction of the longitudinal weights. These weights should be used when analyzing Year 1 and Year 2 survey data. The overall weighted longitudinal response rate was 63.8 percent (= 77.4% x 82.5%).¹⁰

Base Weights

The sample for longitudinal analysis consists of those SFAs in the base year sample that (1) completed the base year SFA survey, (2) were identified as eligible SFAs in the Year 2 sampling frame, and (3) completed the SFA survey in Year 2. Thus, the “base weight” required to derive the longitudinal weights is the final (nonresponse-adjusted) weight from the base year.

Nonresponse Weights

The next step in the weighting process was to adjust the base-year final weights, $w_i^{Year 1}$, to compensate for nonresponse in the Year 2 survey. For longitudinal weighting, a responding SFA had to have completed both the base year and Year 2 surveys. Of the 1,392 SFAs that were retained for the longitudinal sample in Year 2, two were determined to be ineligible; 1,176 completed the Year 2 SFA survey; and 214 were nonrespondents, for an overall unweighted (conditional) response rate of 84.6 percent. This response rate is referred to as a conditional response rate because it applies to the subset of SFAs that completed the base year survey. The overall response rate for the longitudinal sample is the product of the base year and conditional Year 2 response rates, i.e., 67.3 percent (= 79.5% x 84.6%). The two ineligible SFAs were found to be closed or inactive SFAs.

The purpose of the adjustment was to compensate for differential nonresponse losses by distributing a portion of the weighted count of the nonresponding cases (excluding the ineligibles) to the responding cases in the sample. The nonresponse adjustment had the effect of distributing the

¹⁰ 77.4 percent is the weighted response rate from the first year (see Appendix D on Non-Response Bias Analysis in the SNOPS Year 1 report) and 82.5 percent is the weighted conditional response rate corresponding to those SFAs that were eligible for followup in the second year. This is different from the weighted cross-sectional response rate of 77.8 percent because it was computed to include the new samples that were not originally selected during the first year.

weighted count of the cases in response-status group 2 (eligible nonrespondents) to the weighted count of cases in response-status group 1 (respondents). To be effective in reducing potential nonresponse biases, the nonresponse adjustment was made within subsets of SFAs (or “weighting classes”) expected to have similar propensities for responding to the survey. We used a CHAID analysis to identify subsets of SFAs in which the predicted probabilities of response were similar.

Variance Estimation

The average sampling rates used to select the original (base year) SFA samples varied widely by enrollment size. For example, SFAs with 100,000 or more students were selected with certainty (i.e., probability 1), while smaller SFAs were selected at rates ranging from a low of 1 in 16 to a high of 1 in 1.5. For strata in which the sampling rates are relatively high, the impact of the finite population correction (FPC) on sampling variances can be appreciable. For this reason, a form of jackknife replication referred to as the JKN method was used to construct the replicates for variance estimation. The same 100 jackknife replicates that were developed for the base year weighting were retained for longitudinal weighting. The required replicate weights for the longitudinal sample were constructed by applying the entire weighting process described above separately to each replicate, resulting in a set of 100 replicate-specific weights for each responding SFA. Together with the full-sample longitudinal weight, the replicate weights can be used to calculate the sampling errors of survey-based estimates using the grouped jackknife variance estimator described earlier.

Analyses

A majority of the tables in this report contain crosstabs of relevant topical variables by three key characteristics of the SFA. The three variables are SFA size (student enrollment levels in the SFA), urbanicity, and poverty level. Table II-8 provides an overview of the unweighted and weighted sample sizes for the SFA survey cross-sectional estimates for each of the three variables.

Table II-8 shows that for SY 2012-13:

- Just over half of all SFAs (51 percent) are small districts; 35 percent are medium-size districts; 12 percent are large districts; and 2 percent are very large districts. Looked at another way, only 14 percent of SFAs are districts with at least 5,000 students.
- Fifty percent of SFAs are in areas categorized as rural; 38 percent are located in towns and suburban areas; and 12 percent are in cities.¹¹
- Urbanicity and SFA size are strongly related. Cities are large population centers, which tend to have large or very large school districts. Because only 14 percent of SFAs have at least 5,000 students, it is not surprising that 12 percent of SFAs are in cities. Conversely, rural areas have low population densities and relatively small schools. Because 51 percent of SFAs have fewer than 1,000 students, it is not surprising that 50 percent of SFAs are also located in rural areas. Further examination of the cross relationship between urbanicity and size revealed that 68 percent (not shown) of small

¹¹ Urbanicity levels are from the NCES CCD.

SFAs are rural and that 92 percent (not shown) of the very large SFAs are in cities or suburbia.

- In terms of SFAs' poverty level, 20 percent of SFAs are in low-poverty areas; 34 percent are in high-poverty areas; and 46 percent are in medium-poverty areas.

Table II-8. Unweighted and Weighted Sample Sizes for the Base-Year Cross-Sectional Estimates, by SFA Size, Urbanicity, and Poverty Level

SFA characteristics	Percentage of SFAs	Weighted n^1	Unweighted n
All SFAs	100.0%	15,081	1,491
SFA size			
Small (1-999)	51.3	7,735	372
Medium (1,000-4,999)	35.0	5,276	555
Large (5,000-24,999)	11.7	1,759	386
Very large (25,000+)	2.1	310	178
Urbanicity			
City	12.2	1,840	279
Suburban	18.9	2,846	390
Town	19.2	2,900	282
Rural	49.7	7,495	540
Poverty level			
Low (0-29% F/RP)	19.8	2,983	317
Medium (30%-59% F/RP)	46.0	6,938	673
High (60% or more F/RP)	34.2	5,161	501

¹ SFA size group sums to 15,080 rather than 15,081 due to rounding. Poverty level sums to 15,082 rather than 15,081 due to rounding.

This second year report includes both cross-sectional and longitudinal analysis. For longitudinal analysis, three different samples were used:

- All SFAs that participated in Year 1 and/or Year 2;
- Only SFAs that participated in both Year 1 and Year 2; and
- SFAs that participated in the Year 2 data collection.

The first sample includes all SFAs for which valid data was obtained in either of the two years. This includes the 1,401 SFAs that participated in the first year and the 1,491 SFAs in the second year. These longitudinal analyses compare the first and second year cross-sectional estimates. Conducting the longitudinal analysis using cross-sectional estimates has an advantage in that it makes maximum use of the available data by using all SFAs. This approach to longitudinal analysis was used for the majority of longitudinal analyses presented in this report.

The second sample includes only those SFAs for which valid data was obtained in both years (1,176 SFAs). This sample has the advantage of examining change over time for individual SFAs. The sample of SFAs common to both years was only used when it was necessary to examine

individual change since it unnecessarily discards valid data when individual change is not of interest. This sample was used to assess patterns of meal price change including the percentage of SFAs that increased meal prices from year to year.

Finally, some longitudinal analyses relied only on the one of the two cross-sectional samples. This was the case when data was collected retrospectively. For example, data on the number of meals claimed from state administrative data was used to analyze change in the distribution of meals claimed by benefit category from SY 2009-10 to SY 2012-13. This data was linked to the second year cross-sectional sample and weighted to represent the population of SFAs.

Significance Tests

Significance tests were conducted on the crosstabs to determine if SFA characteristics (e.g., SFA size) are associated with the variables of interest (e.g., student participation in NSLP). Most of the variables of interest are proportions. In these cases an omnibus Chi-Square test was used to determine if observed differences were statistically significant or the result of normal sampling error. Using the percentage of students participating in NSLP and SFA size as an example, the Chi-Square test was run to determine whether the student participation percentages were different across the SFA size categories or equal. Similarly, when the variable of interest was a mean (e.g., average meal prices) an F-test¹² was used to determine if observed differences between SFA subgroups were statistically significant or the result of normal sampling error. When the variable of interest was a median (as was the case for financial data), a non-parametric test (Mood's test) was used to determine whether SFA subgroup differences were statistically significant. First, the overall weighted median was calculated. Second, a binary variable was created for each observation that indicated whether the value was at or below the overall median versus above the overall median. Finally, a Chi-square test was used to determine whether differences in the proportion of observations at or below versus above the overall median were statistically significant across SFA characteristics.

Some of the variables analyzed in this report were ratio means. Ratio means are calculated by dividing aggregated totals such as the case for the distribution of meals claimed and average daily student participation rates. For this type of data, pairwise t-tests were used to determine whether the observed differences by SFA characteristics were statistically significant. The ratio mean for each type of SFA was compared to a reference group. The reference groups were as follows: small SFAs (for SFA size); city (for locale), and low poverty (for poverty level). When conducting a large number of pairwise tests, it is important to adjust the tests for the increased possibility of obtaining a significant result simply due to the fact that multiple tests are being conducted. A conservative Bonferroni adjustment was used to correct significance tests for multiple comparisons by setting the critical alpha level to the desired alpha level (.05) divided by the number of possible pairwise comparisons. Using this criterion, adjusted critical values less than .0083 for poverty level and .0042 for SFA size and urbanicity were considered statistically significant. When more than two years of data are presented, significance tests for differences by SFA characteristics are only presented for the most recent school year, which is usually SY 2012-13.

¹² The F-test was obtained from a regression analysis. For example, average meal prices were regressed on SFA size represented by three dummy variables for medium, large, and very large SFAs (base case is small SFAs). The F-test shows whether the variation in average prices among SFAs in these size categories is statistically significant.

This Year 2 report included analysis of some data over time. For these analyses, tests were conducted to determine whether differences from year-to-year were statistically significant. As discussed earlier, most of the year-to-year significance tests focused on differences between the Year 1 and Year 2 cross-sectional samples of SFAs. Such significance tests were accomplished by constructing a pooled data set that included data from both Year 1 and Year 2. A dichotomous variable was created indicating whether the data came from Year 1 or Year 2. For proportions, a chi-square test was conducted to determine whether the difference between the two years was statistically significant. Standard errors were adjusted for the overlap between the two samples using the replicate weights. For tests of differences in means between the two years, a t-test was used. When more than two years of data were examined over time (e.g., distribution of meals claimed and meal prices), pairwise tests were used. Each year was compared to the previous year to determine whether the difference was significant. In addition significance tests for all SFAs, year-to-year differences were tested for significance for each subgroup of SFA separately. For example, whether meal prices change significantly between SY 2011-12 and SY 2012-13 was tested separately by all categories of SFA size, locale, and poverty level. These results of these subgroup tests should be interpreted with caution given that cell sizes are small in some cases and some large differences may not be statistically significant.

Missing Data

There are two sources of missing data. First, not all questions pertained to all respondents and, second, respondents skipped questions or groups of questions. Analyses that only pertain to a subset of respondents are noted in the table or figure title. To address the fact that the sample sizes vary between analyses due to item non-response, the relevant sample sizes have been included as a footnote to all tables and figures.

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Section III: Participation in NLSP, SBP, and Other Child Nutrition Programs

An objective of SN-OPS is to measure and understand participation in school-based CN programs. School and student participation are critical to the economic viability of SFAs because Federal subsidies are tied to the number of reimbursable meals served and for SFAs to meet the goal of improving students' diets and health outcomes (including reducing childhood obesity). The levels of participation and the factors influencing student decisions about eating school meals are therefore important to both FNS and the broader school nutrition community. Of particular interest is whether increases in paid lunch prices and implementation of new meal standards under the HHSFKA are having effects on student participation.

This section presents estimates of SFA, school, and student participation in the NSLP and SBP during SY 2011-12 and SY 2012-13. Examining changes in student participation over time provides insight into the possible effects of implementation of the new regulations stemming from the HHSFKA that are likely to affect NSLP and SBP participation rates. This section examines three measures of student participation: (1) the distribution of reimbursable meals served by benefit category (e.g., free, reduced-price, and paid), (2) the percentage of students certified for F/RP meals, and (3) average daily student participation rates. The average daily student participation rate is the percentage of students who have NSLP or SBP available to them and actually eat a reimbursable meal on an average school day. This section also considers participation among SFAs and schools receiving higher reimbursement rates (e.g., severe need for SBP and high need for NSLP) as well as participation in other nutrition-related programs, including the NSLP Afterschool Snack Program and the Child and Adult Care Food Program (CACFP) At-Risk Afterschool Meals Program.

Background

Student participation data are important for Federal budgeting and planning purposes because NSLP and SBP reimbursements are tied to the number of meals served. Participation rates among children certified for F/RP meals measure the degree to which the school meals programs are successful in reaching low-income students. One issue of interest to FNS is whether the HHSFKA is leading to changes in student participation rates, especially among students who are not certified for meal benefits (those who pay full price for their meals). Specifically, the HHSFKA is intended to improve the nutritional quality of the foods offered and requires SFAs to make significant changes in the pricing structure of all foods sold in schools, both of which could significantly affect participation rates. Participation rates among students who pay full price are likely to be responsive to increases in meal prices, the availability and prices of alternative food sources, and student perceptions about the quality of reimbursable meals. This second year report presents data on SFA, school, and student participation for SY 2011-12 and SY 2012-13 and serves as a first follow-up for assessing changes in student participation rates as implementation of the HHSFKA provisions proceeds.

Participation and Reimbursement Rates

SFAs receive Federal reimbursements based on the number of reimbursable meals served in each meal benefit category. FNS provides an additional reimbursement for schools or SFAs where a high percentage of meals are served as F/RP. For SBP, schools with a high percentage of low-income students may qualify as “severe need” and receive higher reimbursements for the F/RP breakfasts served in their schools. To be eligible for severe-need reimbursement, a school must be currently participating in or initiating the SBP and at least 40 percent of the lunches served 2 years prior to the school’s application must have been counted as F/RP meals.

Similar to severe-need status for breakfast, SFAs that qualify as “high need” may receive a higher reimbursement rate for all lunches served. Unlike severe-need status, however, high-need status is determined at the SFA rather than school level. Specifically, SFAs in which 60 percent or more of the lunches served 2 years earlier were served free or reduced-price receive an additional 2 cents reimbursement for each meal served in the current year.

The growth in the number of charter schools raises new policy questions for FNS about the school meals program. Charter schools are not required to operate under the SBP or NSLP, and many charter schools may choose to opt out of these programs due to their more autonomous nature. As the number of charter schools become substantial, their participation in the SBP and NSLP is important to ensure the programs are available to all students in need. States vary in the number of charter schools they have and how they operate when it comes to school food services. States may grant charter schools (that participate in SBP or NSLP) SFA status or facilitate having them served by a larger SFA. These practices have implications for the future size of SFAs and potentially could lead to further growth of very small SFAs, which has implications for efficiency, training, and oversight.

Participation in Other CN Programs

Other FNS-sponsored school-based nutrition programs expand the benefits of the NSLP to students outside of the regular school day. Through the NSLP Afterschool Snack Program, USDA offers cash reimbursement to help schools serve snacks to students in afterschool activities aimed at promoting the health and well-being of children and youth. To be eligible, a school must provide students with regularly scheduled afterschool activities in an organized, structured, and supervised environment, including educational or enrichment activities. The snacks must meet USDA nutritional requirements and are provided free to children in schools in which 50 percent or more of the children are certified for free or reduced-price meals. In other participating schools that are not low-income, any child may purchase a snack through the NSLP Afterschool Snack Program, and snacks are offered free or at reduced-price to eligible children.

Afterschool snacks and meals are also offered through the Child and Adult Care Food Program (CACFP) At-Risk Afterschool Meals Program (often referred to as the “At-Risk Supper” program). Schools or child care centers that sponsor community-based programs that offer enrichment activities for at-risk children and youth, age 18 years and under, after the regular school day ends, can provide free snacks and meals through CACFP. Programs must be offered in areas where at least 50 percent of the children are eligible for free or reduced-price meals based on the local school attendance area. All afterschool snacks and meals are served in group settings, at no cost

to the child. Before the enactment of the HHFKA, the CACFP At-Risk Supper program was only available in a limited number of states. The HHFKA expanded the program to at-risk children in all 50 states, with retroactive reimbursement available for meals served since October 1, 2010.

Research Questions

The research questions associated with program participation include:

- *What is the level of SFA and public school participation in the NSLP and SBP?*
- *What percentage of SFAs have schools that receive SBP severe-need reimbursement?*
- *What percentage of SFAs receive NSLP high-need reimbursement (additional 2 cents per lunch)?*
- *How many charter schools are participating in the SBP and/or NSLP?*
- *For purposes of school food operations, are charter schools treated as a separate SFA, as part of an existing SFA, or a combination of both? Does this vary by state?*
- *What percentage of students are certified for free and reduced-price meals?*
- *What percentage of meals claimed are free, reduced-price, and paid? Does the distribution of meals served vary by type of SFA?*
- *What is the level of student participation in the NSLP? Does student participation vary by type of SFA?*
- *Do SFAs participate in other programs such as the Afterschool Snack Program and the At-Risk Afterschool Meals Program?*

The first-year SN-OPS report presented data on SFA and school participation in the NSLP and SBP in SY 2011-12. This second-year report includes data from both SY 2011-12 and SY 2012-13 to assess how SFA and school participation has changed over this 2-year period, which corresponds to the implementation of the HHFKA. This second-year report adds data on two new measures over time—the distribution of meals served by benefit category and average daily student participation rates—that were not included in the first-year report. In addition, SFA and student participation rates were tabulated by SFA size, urbanicity, and school district poverty level. Student participation rates varied significantly by SFA characteristics in most cases. These differences are discussed in this section; however, the detailed tables that present student participation data by meal benefit category and SFA characteristics appear in Appendix E. Data on SFA and school participation in the NSLP and SBP are presented first, followed by the number of meals served and average daily student participation rates. This section concludes with data on participation in other CN programs.

Results

SFA and School Participation in the NSLP and the SBP

Although the sample selection criteria for the study only required the SFA have one school participating in the NSLP, the vast majority of SFAs reported that all schools in their districts participated in the program in SY 2011-12 and SY 2012-13. In fact, as Table III-1 shows, the percentage of SFAs that had all their schools participating in the NSLP was 97 percent in SY 2011-12 and 96 percent in SY 2012-13. Translating this to the school level, 99 percent of all public schools participated in the NSLP in SY 2011-12 and 98 percent participated in SY 2012-13 (Appendix Table E-1). No major differences were observed in this measure by grade level, with elementary, middle, and high schools equally likely to have all of their schools participating in the NSLP. However, SFA participation rates for other schools, those with a non-traditional grade structure, were somewhat lower than for elementary, middle, and high schools. In both years, 93 to 94 percent of SFAs had all of their other schools participating in the NSLP whereas 98 to 99 percent of SFAs had all of their elementary, middle, and high schools participating. Given the near universal participation of schools in the NSLP, it is not surprising that there were no statistically significant changes overall or by grade level in the percentage of SFAs with all schools participating in the NSLP between SY 2011-12 and SY 2012-13.

Table III-1. Percentage of SFAs With All Schools Within Each Grade Level Participating in the NSLP and SBP, SY 2011-12 and SY 2012-13

Grade level	Percentage of SFAs with all schools in each grade level participating in the NSLP and SBP					
	SY 2011-12			SY 2012-13		
	Percent of SFAs	Wgtd <i>n</i>	Unwgtd <i>n</i>	Percent of SFAs	Wgtd <i>n</i>	Unwgtd <i>n</i>
NSLP						
Elementary	99.1%	12,495	1,281 ¹	98.5%	12,332	1,335 ²
Middle	99.7	9,410	1,097 ¹	99.0	9,225	1,145 ²
High	99.0	10,828	1,182 ¹	98.3	10,622	1,225 ²
Other	92.7	4,569	547 ¹	94.3	5,024	552 ²
All schools	96.6	14,533	1,389 ¹	96.3	15,070	1,490 ²
SBP						
Elementary	85.9	12,495	1,281 ¹	86.4	12,332	1,335 ²
Middle	88.2	9,410	1,097 ¹	88.5	9,225	1,145 ²
High	88.1	10,828	1,182 ¹	88.8	10,622	1,225 ²
Other	77.8	4,569	547 ¹	79.6	5,024	552 ²
All schools	78.8	14,533	1,389 ¹	80.3	15,070	1,490 ²

¹ *n* is less than 1,401 because not all SFAs have each type of school, and 12 SFAs provided implausible school count data.

² *n* is less than 1,491 because not all SFAs have each type of school, and 1 SFA provided implausible school count data.

There were no significant differences in the percentage of SFAs with all schools participating in the NSLP or SBP between SY 2011-12 and SY 2012-13.

Data Source: SFA Director Survey SY 2011-12, question 2.1; SFA Director Survey SY 2012-13, question 1.1.

Table III-1 also shows that participation in the SBP was high, but it was not as high as participation in NSLP. Specifically, 79 and 80 percent of SFAs reported that all of their schools participated in SBP in SY 2011-12 and SY 2012-13, respectively. In contrast, 10 and 9 percent (not shown) of SFAs reported having no schools participating in SBP in SY 2011-12 and SY 2012-13, respectively.¹⁵ Similarly, at the school level, 90 percent of all schools participated in the SBP in SY 2011-12 and 91 percent of all schools participated in SY 2012-13 (Appendix Table E-1).

There were few differences in SBP participation by grade level. In both years, 86 to 89 percent of SFAs reported having all of their elementary, middle, and high schools participating. Other schools had a slightly lower participation rate of 78 percent. There was no significant change in SFA participation in the SBP between SY 2011-12 and SY 2012-13.

Prior research indicated that participation in the SBP expanded considerably during the early 1990s and grew modestly during the 2000s. For example, data from the School Nutrition and Dietary Assessment (SNDA) studies show that at the school level, SBP participation increased from 44 percent in SY 1991-92 to 85 percent in SY 2004-05 and 90 percent in SY 2009-10 (SNDA IV: Volume I, 2012). Data from this study suggest that at the school level, current participation in the SBP remains around 90 percent while participation in the NSLP remains about 98 percent.

Severe-Need Schools

Table III-2 shows that there has been an increase in the percentage of SFAs with schools that received severe-need reimbursement. Among the SFAs that participated in the SBP, the percentage of SFAs that reported that one or more of their schools received SBP severe-need reimbursement increased significantly from 73 percent in SY 2011-12 to 83 percent in SY 2012-13. Similar increases were observed for elementary, middle, and high schools. Receipt of severe-need reimbursement was related to grade level. The percentage of SFAs that reported the presence of severe-need elementary schools was higher than the percentage that had middle or high schools that received severe-need reimbursement. In SY 2012-13, 81 percent of SFAs had at least one elementary school that received severe-need reimbursement, compared with 68 percent for middle schools and 66 percent for high schools.

¹⁵ SFAs with no schools participating in SBP tended to be small and low poverty SFAs. They were also more likely to have only one school than SFAs that participated in SBP.

Table III-2. Among SFAs That Participate in the SBP, Percentage of SFAs With Schools That Receive SBP Severe-Need Reimbursement, SY 2011-12 and SY 2012-13

Grade level	Percentage of SFAs with schools that received SBP severe-need reimbursement					
	SY 2011-12			SY 2012-13		
	Percent of SFAs	Wgtd <i>n</i>	Unwgted <i>n</i>	Percent of SFAs	Wgtd <i>n</i>	Unwgted <i>n</i>
Elementary	72.0%	11,349	1,203 ¹	80.6% ^a	11,443	1,271 ¹
Middle	64.9	8,495	1,023 ¹	68.3 ^a	8,581	1,093 ¹
High	61.0	9,803	1,105 ¹	66.3 ^a	10,071	1,182 ¹
Other	67.6	3,854	474 ¹	60.5	4,651	532 ¹
All schools	73.2	13,227	1,315 ¹	82.5 ^a	13,775	1,406 ¹

¹ *n* equals the number of SFAs that participated in the SBP for each school type for a particular school year.

^a Percentage is significantly different from SY 2011-12 at the .05 level.

Note: Table includes only SFAs that participated in the SBP in SY 2011-12 or SY 2012-13.

Data Source: SFA Director Survey SY 2011-12, question 2.2; SFA Director Survey SY 2012-13, question 1.3.

At the school level, a similar increase was observed in the percentage of schools that received severe-need reimbursement. Appendix Table E-2 shows that among schools that participated in SBP, the percentage of severe-need schools increased from 73 percent in SY 2011-12 to 77 percent in SY 2012-13. The growth in severe-need schools occurred across all grade levels: the percentage of severe-need elementary schools grew from 76 percent in SY 2011-12 to 79 percent in SY 2012-13; middle schools grew from 70 percent to 72 percent (not shown); and high schools grew from 66 percent to 72 percent.¹⁴

High-Need (Extra 2 Cents) NSLP Reimbursement

Only the SY 2012-13 SFA Director Survey gathered data on whether the SFA received the high-need reimbursement, so change could not be assessed over time. Table III-3 shows that for SY 2012-13, 43 percent of SFAs reported that they qualified as high need. Looking at SFAs by size of enrollment, high-need status was more common among very large SFAs (55 percent) than among large (48 percent), medium (34 percent), and small (48 percent) SFAs. The percentage of SFAs that received the high-need reimbursement was also related to urbanicity. Two-thirds (66 percent) of SFAs in cities received the high-need reimbursement compared to 43 percent of rural, 37 percent of town, and 34 percent of suburban SFAs. Not surprisingly, high-poverty SFAs (71 percent) were more than twice as likely as medium-poverty SFAs (35 percent) and five times as likely as low-poverty SFAs (14 percent) to qualify as high need. At the school level, 46 percent (not shown) of all schools are in SFAs that received the high-need reimbursement in SY 2012-13. Future data collections could assess whether there are changes over time in the percentage of SFAs receiving the high-need reimbursement.

¹⁴ It is possible that some of the increase in severe-need eligible schools is due to differences in question wording between the Year 1 and Year 2 SFA Director Surveys. Specifically, the Year 1 SFA Director Survey asked for the number of schools that participate as severe-need schools, whereas the Year 2 survey provided additional clarification that 40 percent or more of lunches must have been served at F/RP in the second preceding school year. It is possible that this additional clarification induced more SFA directors to report such schools in Year 2.

Table III-3. Percentage of SFAs That Receive the High-Need (Extra 2 Cents) NSLP Reimbursement Rate by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	43.2%	15,081	1,491
SFA size¹			
Small (1-999)	47.7	7,735	372
Medium (1,000-4,999)	34.4	5,276	555
Large (5,000-24,999)	47.5	1,759	386
Very Large (25,000+)	55.1	310	178
Urbanicity¹			
City	66.4	1,840	279
Suburban	33.6	2,846	390
Town	37.4	2,900	282
Rural	43.3	7,495	540
Poverty level¹			
Low (0-29% F/RP)	14.0	2,983	317
Medium (30-59% F/RP)	35.2	6,938	673
High (60% or more F/RP)	70.9	5,161	501

¹Percentage of SFAs that received extra reimbursement for NSLP differed significantly by SFA size, urbanicity, and poverty level at the .05 level. Data Source: SFA Director Survey SY 2012-13, question 1.4.

Charter Schools

States vary substantially in their policies on charter schools. The number of charter schools, charter school participation in the NSLP and SBP, and whether charter schools operate as a separate SFA have implications for the programs' coverage of students in need and the efficiency of operations. Table IV-7 indicates that in SY 2012-13, 28 percent of states had no charter schools¹⁵; 25 percent of states had more than 100 charter schools; 34 percent of states had between 20 and 100 charter schools, and 13 percent of states had fewer than 20 charter schools.¹⁶

Table III-4 also shows the percentage of states that reported charter school participation in NSLP and SBP. Only 14 percent of states had all (100 percent) charter schools participating in the NSLP; another 32 percent had most (70-99 percent) charter schools participating in NSLP. Another 30 percent of states reported having no charter schools participating in NSLP. Fewer charter schools participated in SBP. Only 8 percent of states had all charter schools participating in the SBP, and 26 percent of states had most (70-99 percent) charter schools participating in SBP. Another 36 percent of states had less than 70 percent of charter schools participating in SBP. Appendix Table E-18 provides the number of charter schools operating in each state and charter school participation in NSLP and SBP for SY 2012-13.

¹⁵ The number of states and territories reporting no charter schools does not agree with other sources of information. For example, according to the website for the National Alliance for Public Charter Schools, for SY 2012-13 only nine states did not have charter schools. Available at: <http://dashboard.publiccharters.org/dashboard/schools/page/overview/state/WA/year/2013>.

¹⁶ In SY 2012-13, 64 percent of all charter schools were concentrated in the seven states with at least 200 charter schools.

Table III-4. Percentage of States That Had Charter Schools and Their NSLP and SBP Participation Levels, SY 2012-13

Number and participation of charter schools	Number of states	Percentage of states
State has (n=53¹)		
No charter schools	15	28.3%
Fewer than 20 charter schools	7	13.2
20-100 charter schools	18	34.0
More than 100 charter schools	13	24.5
Charter school participation in NSLP (n=50¹)		
100 percent	7	14.0
70-99 percent	16	32.0
Less than 70 percent	12	24.0
No charter schools	15	30.0
Charter school participation in SBP (n=50¹)		
100 percent	4	8.0
70-99 percent	13	26.0
Less than 70 percent	18	36.0
No charter schools	15	30.0

¹n is less than 54 due to item nonresponse.

Data Source: State CN Director Survey SY 2012-13, questions C4, C4A, C4B, and C4C.

Table III-5 shows that charter school participation in both NSLP and SBP increased slightly between SY 2011-12 and SY 2012-13. Appendix Table E-19 provides the total number of charter schools and the number of charter schools participating in NSLP and SBP for each state for both years.

Table III-5 further shows an increase in the percentage of charter schools that operate their own separate SFA (from 37 to 47 percent). At the same time, the percentage of charter schools considered as part of a larger SFA decreased from 29 to 24 percent. Appendix Table E-20 provides the number of charter schools in operation in each state and the percentage considered as a separate SFA or part of a larger SFA for SY 2012-13.

Table III-5. Among States With Charter Schools, the Percentage of Charter Schools That Participated in NSLP and SBP and Whether They Operated as a Separate SFA, SY 2011-12 and SY 2012-13

Charter school participation	SY 2011-12		SY 2012-13	
	Number of charter schools	Percentage of charter schools	Number of charter schools	Percentage of charter schools
Participate in NSLP	3,250	65.6%	3,200	72.4%
Participate in SBP	2,830	57.1	2,721	61.6
Total number of charter schools	4,955		4,417	
Number of states reporting	39 ¹		35 ¹	
Charter school considered as a separate SFA	1,804	37.0	2,324	47.3
Charter school considered as part of a larger SFA	1,412	28.9	1,172	23.9
Charter school not considered as a separate SFA or part of larger SFA	1,664	34.1	1,413	28.8
Total number of charter schools	4,880		4,909	
Number of states reporting	38 ²		36 ²	

¹ Includes only states reporting on participation in NSLP or SBP that year. Difference in the number of states across years is due to item nonresponse.

² Includes only states reporting on consideration as separate or part of larger SFA that year. Difference in the number of states across years is due to item nonresponse.

Data Source: State CN Director Survey SY 2011-12, questions C11, C11A, C11B, and C11C; State CN Director Survey SY 2012-13, questions: C4, C4A, C4B, and C4C; and count of the number of charter schools as reported by the National Alliance of Charter Schools for SY 2011-12 and SY 2012-13.

Student Participation in the NSLP and the SBP

Percentage of Students Certified for Meal Benefits

The proportions of students certified for F/RP meals are vital statistics for the school meals programs, as these counts affect reimbursements. Estimates of these statistics for SY 2011-12 and SY 2012-13 were based on the number of students reported by SFAs as approved eligible for F/RP meals and the total number of students reported as enrolled in the school.

Eligibility to participate in the NSLP and the SBP is based on the combination of household size and income. Students living in families earning at or below 130 percent of poverty qualify for free meals. In addition, students are categorically eligible for free school meals if: (1) they, or any member of the household, receives benefits from certain assistance programs (e.g., Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, or the Food Distribution Program on Indian Reservation); (2) they are designated as homeless, migrant, runaway, or foster; or (3) they are enrolled in a federally funded or comparable state-funded Head Start program or pre-K program or an Even Start program. In addition, the HHFKA expanded categorical eligibility for free meals to children in foster care. Students living in families with incomes between 130 percent and 185 percent of poverty qualify for reduced-price meals.

As shown in Table III-6, SFA directors reported that of the nearly 50 million students enrolled in their public schools in SY 2012-13, over half of students were approved for either F/RP meals during SY 2011-12 (51 percent in total). Forty-four percent of students in all schools (49 percent of students in elementary schools, 42 percent in middle schools, 37 percent in high schools, and 42 percent in other schools) were approved to receive free meals during SY 2012-13. Also, SFAs reported that the percentage of students approved to receive reduced-price meals was much smaller than the percentage approved for free meals. Overall, SFAs reported that 7 percent of students were approved for reduced-price meals. This percentage was fairly consistent across school type.

Table III-6. Percentage of Students Approved for Free or Reduced-Price Meals, SY 2011-12 and SY 2012-13

Grade level	Percentage of students									
	SY 2011-12					SY 2012-13				
	Free approvals	Reduced-price approvals	Total students (millions) ¹	Wgt SFAs	Unwgt SFAs	Free approvals	Reduced-price approvals	Total students (millions) ¹	Wgt SFAs	Unwgt SFAs
Elementary	48.8%	7.0%	23.0	12,269	1,247 ²	48.9%	6.9%	22.9	10,534	1,165 ³
Middle	42.6	7.5	9.1	9,158	1,066 ²	42.3	7.5	9.3	8,491	1,058 ³
High	36.9	6.7	13.8	10,488	1,145 ²	37.0	6.8	14.2	9,970	1,144 ³
Other	41.5	6.9	2.1	4,450	528 ²	47.5 ^a	7.0	2.5	4,592	505 ³
All schools	43.9	7.0	48.1	14,281	1,353 ²	44.2	7.0	49.8	1,385	14,034 ³

¹Total students is the number of students enrolled in NSLP public schools.

²n is less than 1,401 unweighted because not all SFAs have each type of school and due to item nonresponse.

³n is less than 1,491 unweighted because not all SFAs have each type of school and due to item nonresponse.

^aPercentage is significantly different from SY 2011-12 at the .05 level.

Note: SFAs were excluded from the analysis if the number of students in a meal benefit category was greater than total enrollment.

Data Source: SFA Director Survey SY 2011-12, question 3.1; SFA Director Survey SY 2012-13, question 2.1.

There was little change in the percentage of students approved to receive F/RP meals between SY 2011-12 and SY 2012-13. The percentages of students approved to receive F/RP meals for elementary, middle, and high schools were statistically similar across both years. Although the percentage of students approved to receive F/RP meals remained the same, total enrollment increased from 48.1 million in SY 2011-12 to 49.8 million in SY 2012-13. This suggests that approximately 1 million more students were approved to receive F/RP meals during this period. The percentage of students in other schools approved for free meals increased significantly from 42 percent in SY 2011-12 to 48 percent in SY 2012-13.

Distribution of NSLP and SBP Meals Served

The number of meals served by benefit category (i.e., free, reduced-price, and paid) is an important measure of student participation in the NSLP and SBP because it affects Federal reimbursements. Data on the number of meals served by SFAs was provided by states from their administrative records on the number of breakfasts and lunches claimed by SFAs.¹⁷ States were able to provide administrative data on the number of breakfasts and lunches claimed by meal benefit category in SY 2009-12 to SY 2012-13 for SFAs in the sample, thus allowing an assessment of change over a longer window of time than for other measures of student participation. State administrative data were linked to each SFA in the sample, and the number of meals claimed in each benefit category was weighted and aggregated to the national level to calculate the percentage of total breakfasts and lunches served that were free, reduced-price, and paid.

Table III-7 shows the number and percentage of meals served to students who were certified free, reduced-price, and who paid full price for their meals nationally in SY 2009-10 through SY 2012-13. Based on the weighted sample, an estimated 5.3 billion lunches were served to students nationally in SY 2012-13. This sample estimate is similar to the number of lunches claimed measured by FNS through its administrative records, which include all SFAs.¹⁸ In SY 2012-13, the majority of lunches were served to students who were certified for free meals. Of the total number of lunches served, 62 percent were free lunches. Nine percent of all lunches served were served to students certified for reduced-price meals and the remaining 30 percent were served to students paying full price for their meals.

¹⁷ The SFA Director Survey also collected data on the number of meals served. However, data on the number of meals served was not collected for SY 2012-13. Moreover, some SFA directors were unable to provide this information. For example, in SY 2011-12, 13 percent of SFAs did not have data on the total number of lunches served, and 11 percent did not have data on the total number of breakfasts served (among those that participated in SBP). For this reason, data on the number of meals served provided by states was used instead of the survey data to provide more accurate estimates of participation. A total of 49 states provided administrative data for use in this report.

¹⁸ FNS administrative data indicate that 5,083.2 million lunches were served in FY 2013. This is about 4 percent less than the estimate of 5,311.0 million lunches in SY 2012-13. One reason for this difference is that some SFAs may have over-reported the number of lunches claimed. SFAs were asked to report regular and high need lunches separately. However, 6 percent of SFAs had the same number of regular and high need lunches, suggesting that they reported the total lunches instead of regular lunches. In these cases, we assumed that the regular lunches were the total. Insofar as SFAs entered a total entered for regular lunches, this would result in overestimating total lunches when regular and high need lunches are summed. Because most of the analyses using the State claiming data focus on proportions, and because the sample estimates are higher than FNS administrative by a fairly constant amount for free, reduced-price, and paid lunches, the results should not be affected. The difference is likely due to sampling variability. Available at <http://www.fns.usda.gov/pd>.

Table III-7. Percentage of Student Breakfasts and Lunches Claimed by Meal Benefit Category, SY 2009-2010 to SY 2012-13

Meal benefit category	Number and percent of breakfasts and lunches claimed							
	SY 2009-10		SY 2010-11		SY 2011-12		SY 2012-13	
	Number of meals (millions)	Percent ¹	Number of meals (millions)	Percent ¹	Number of meals (millions)	Percent ¹	Number of meals (millions)	Percent ¹
Breakfasts								
Total	1942.4	100.0%	2030.0	100.0%	2179.2	100.0%	2201.2	100.0%
Free	1427.9	73.5	1534.5	75.6 ^a	1655.5	76.0	1696.3	77.1 ^c
Reduced-price	188.0	9.7	166.0	8.2 ^a	180.6	8.3	173.3	7.9 ^c
Paid	326.5	16.8	329.5	16.2	343.1	15.7	331.6	15.1
Total SFAs: unwtg	1,367 ²		1,387 ²		1,396 ²		1,399 ²	
Total SFAs: wgt	13,105		13,398		13,536		13,591	
Lunches								
Total	5293.3	100.0%	5409.2	100.0%	5446.5	100.0%	5311.0	100.0%
Free	2940.4	55.6	3121.6	57.7 ^a	3220.1	59.1 ^b	3274.2	61.6 ^c
Reduced-price	515.1	9.7	462.1	8.5 ^a	476.3	8.7	452.1	8.5
Paid	1837.7	34.7	1825.4	33.7	1750.2	32.1 ^b	1584.8	29.8 ^c
Total SFAs: unwtg	1,435 ²		1,477 ²		1,480 ²		1,477 ²	
Total SFAs: wgt	14,289		14,845		14,905		14,859	

¹ Represents the percentage of total breakfasts or lunches claimed.

² State claiming data was received for 1,482 SFAs that responded in Year 2. *n* is less than 1,482 because some SFAs had zero total breakfasts or lunches claimed in a given year.

^a Percentage is significantly different from SY 2009-10 at the .05 level.

^b Percentage is significantly different from SY 2010-11 at the .05 level.

^c Percentage is significantly different from SY 2011-12 at the .05 level.

Data Source: State data on NSLP and SBP meals claimed.

Appendix Tables E-3 through E-5 show that the distribution of lunches served by benefit category differed significantly by SFA characteristics. In SY 2012-13, free lunches accounted for a larger share of the total among the large and very large SFAs than among small SFAs. Seventy percent of lunches served in very large SFAs were free lunches compared to 53 percent of lunches served in small SFAs. Free lunches also accounted for a larger share of the total among SFAs in cities than among those in suburbs, towns, and rural areas and among high and medium-poverty SFAs than among low-poverty SFAs. Not surprisingly, high-poverty SFAs had the highest proportion of free lunches of any type of SFA: 77 percent of all lunches served in high-poverty SFAs were free lunches. Conversely, the frequency of paid lunches was greater among small SFAs compared to large and very large SFAs, SFAs in suburbs, towns and rural areas compared to those in cities, and among SFAs with the lowest level of poverty compared to those with medium- and high-poverty levels.

Between SY 2009-10 and SY 2012-13, the NSLP grew in terms of the number of lunches served over the first 3 years and contracted slightly in SY 2012-13, primarily due to a drop in paid lunches served. Over that time period, the share of free lunches increased and the share of paid lunches fell. Specifically, the percentage of lunches served to children who were certified for free meals increased from 56 percent in SY 2009-10 to 58 percent in SY 2010-11, to 59 percent in SY 2011-12, and to 62 percent in SY 2012-13. Although these year-to-year differences were not very large, they were all statistically significant, and the total number of free lunches served over this

period rose by 334 million. This is consistent with USDA administrative data which show an increase in the share of free lunches between 2012 and 2013. The share of lunches that were paid lunches decreased from 35 percent to 30 percent between SY 2009-10 and SY 2012-13 with 253 million fewer paid lunches served. The largest decrease was between SY 2011-12 and SY 2012-13—a decrease of 2 percentage points. The share of reduced-price lunches has not changed much over the 3-year period. The total number of lunches served also decreased between SY 2011-12 and SY 2012-13, a finding which is in line with trends observed in FNS administrative data.

Table III-7 also shows that in SY 2012-13, an estimated 2.2 billion breakfasts were served to students nationwide. This estimate is very similar to the number of breakfasts served in FNS administrative data based on all SFAs.¹⁹ Of the total number of breakfasts served, 77 percent were free, 8 percent were reduced-price, and 15 percent were paid.

As was found for lunches, Appendix Tables E-6 through E-8 show that for SY 2012-13, the share of free breakfasts served was higher in medium, large, and very large SFAs than in small SFAs and in SFAs in cities than in SFAs in suburbs, towns, and rural areas, and in medium- and high-poverty SFAs than in low-poverty SFAs. The percentage of paid breakfasts that were served followed the opposite pattern in relation to SFA characteristics. In high-poverty SFAs, 82 percent of all breakfasts were served free and only 11 percent were served paid in SY 2012-13. In low-poverty SFAs, the share served free falls to 64 percent, while the number of full-price breakfasts climbs to 26 percent of the total.

An examination of the distribution of breakfasts served over time shows a small but statistically significant shift away from reduced-price breakfasts toward free breakfasts. The percentage of all breakfasts that were served free increased from 74 percent in SY 2009-10 to 77 percent in SY 2012-13, and the number of free breakfasts served rose by 268 million over this 4-year period. In contrast, the share of reduced-price breakfasts decreased from 10 percent to 8 percent during the same period. This trend is consistent with the introduction of the Community Eligibility Provision (CEP), in which all meals are claimed at the free rate by participating schools. Although the proportion of paid breakfasts served also decreased, the change was not significant. The net effect of the changes was that the total number of breakfasts served increased substantially over this period, a finding that parallels FNS administrative data.

Average Daily Student Participation Rates

A third approach describing student participation is average daily student participation. The average daily student participation rate is the percentage of students who have NSLP or SBP available to them and who actually claimed a reimbursable meal on an average school day. The analysis uses the following ratios to examine daily participation:

- The average daily participation rate for *students certified for free meals* is defined as the ratio of the average number of free meals served per day to the total number of students certified for free meals.

¹⁹ FNS administrative data indicate that 2,212.75 million breakfasts were served in FY 2013, which is about 1 percent higher than the survey estimate of 2,201.2 million. This difference is likely due to sampling variability.

- The participation rate for *students certified for reduced-price meals* is defined as the ratio of the average number of reduced-price meals served per day to the number of students certified for reduced-price meals.
- The participation rate for *students who pay full price for their meals* is the ratio of the average number of paid meals served per day to the total number of students not certified for free or reduced-price meals (e.g., those who pay full price for their meals).²⁰ Students who did not have access to NSLP or SBP (such as those in half-day kindergarten where school meals are not served) were excluded from the calculation of the number of potential participants to arrive at more accurate numbers of students for whom reimbursable meals could have been claimed.

Average daily student participation was adjusted for attendance by multiplying the total number of students in each grade level and meal benefit category by the average daily attendance (ADA) rate for each grade level.²¹ State administrative data on the number of meals claimed was used rather than data on meals served from the SFA Director Survey because the former contained data for SY 2012-13, which allowed change in daily student participation between SY 2011-12 and SY 2012-13 to be assessed.²² Data for each SFA were weighted and aggregated to the national level to calculate participation rates.

Table III-8 shows that the national estimate for overall NSLP participation, summing across free, reduced-price, and paid lunches, was 59 percent in SY 2012-13.²³ That is, on an average school day, 59 percent of students who have the NSLP available to them will eat a reimbursable lunch. Students certified to receive free or reduced-price lunches participated at a higher rate than students who were not certified to receive meal benefits, as shown in Table III-8. In SY 2012-13, the participation rate for free lunches was 81 percent, and the participation rate for reduced-price lunches was 72 percent. In contrast, the participation rate for paid lunches was 37 percent.

²⁰ FNS calculates annual participation using a 9-month average that excludes June, July, and August. In contrast, the estimates from SN-OPS use total number of students and meals claimed for a school year.

²¹ In SY 2012-13, the average ADA for the entire sample was .95 for elementary and middle schools and .94 for high and other schools. Average breakfast serving days were 177 in elementary, middle, and high schools and 185 in other schools. Average lunch serving days were 177 in elementary, middle, and high schools, and 186 in other schools. Some SFAs were unable to provide data or provided implausible data on ADA or the number of serving days. In these cases, ADA or number of serving days was imputed separately for each grade level with the predicted value from a regression that included SFA size, urbanicity, and poverty level. In addition, the number of serving days was not available for SY 2012-13. Data on the number of serving days from SY 2011-12 were used for SY 2012-13.

²² Survey data on the number of students certified for meal benefits was collected for SY 2011-12 and SY 2012-13, while data on the number of meals served was collected for SY 2009-10 through SY 2011-12. If data on the number of meals served from the survey had been used, the study could only examine daily student participation in SY 2011-12. For this reason, the state claiming data rather than the survey data, were used for calculating student participation rates.

²³ Some SFAs had a greater number of meals claimed per day than the number of students certified for free or reduced-price lunches. The number of SFAs with more meals claimed per day than students certified was very small for breakfast. The number of additional breakfasts in these SFAs accounted for less than 1 percent of the breakfasts claimed in each benefit category. The number of lunches per day in excess of the number of students certified was somewhat higher, particularly for free lunches. The number of additional free lunches accounted for about 3 percent of all free lunches claimed. The analysis was conducted with and without SFAs that had a greater number of meals claimed per day than students certified, and there was generally little effect on the results. Therefore, such SFAs were included in the analysis. One possible explanation is that the number of students certified is based on data as of October, whereas students can be certified throughout the year. Alternatively, this finding may represent errors in the state administrative or survey data.

Table III-8. Average Daily Student Participation Rates for Breakfasts and Lunches by Meal Benefit Category, SY 2011–12 and SY 2012–13

Meal benefit category	Percentage of students participating on an average day					
	SY 2011-12			SY 2012-13		
	Average daily participation rate ¹	Number of potential participants (millions) ²	Number of SFAs (unwgt)	Average daily participation rate ¹	Number of potential participants (millions) ²	Number of SFAs (unwgt)
Breakfasts						
Total	26.2%	42.1	1,197 ³	25.5%	44.5	1,240 ⁴
Free	42.9	19.4	1,188 ³	42.3	20.5	1,231 ⁴
Reduced-price	29.5	3.1	1,164 ³	27.7 ^a	3.2	1,183 ⁴
Paid	8.9	19.2	1,114 ³	8.2 ^a	20.5	1,136 ⁴
Lunches						
Total	62.5	45.2	1,284 ³	59.0 ^a	47.5	1,324 ⁴
Free	82.6	20.0	1,275 ³	81.0	21.0	1,315 ⁴
Reduced-price	76.6	3.2	1,250 ³	71.4 ^a	3.3	1,269 ⁴
Paid	40.9	22.0	1,246 ³	36.5 ^a	23.2	1,272 ⁴

¹ The average daily participation rate for students certified for free meals equals the number of free meals claimed per day divided by the number of students certified for free meals. The participation rate for students certified for reduced-price meals equals the number of reduced-price meals claimed per day divided by the number of students certified for reduced-price meals. The participation rate for paid meals equals the number of paid meals served per day divided by the number of students not certified for free or reduced-price meals and who had access to the NSLP or SBP. Participation rates are adjusted for average daily attendance (ADA) and exclude students who do not have access to the NSLP and SBP, such as those in half-day kindergarten.

² Millions of students that have SBP or NSLP available to them.

³ State claiming data were received for 1,375 SFAs that responded in Year 1. *n* is less than 1,375 because not all SFAs have students certified in each benefit category and missing/conflicting data. SFAs were excluded from the analysis if they had missing/conflicting data on the number of students certified for each meal benefit category, if they reported students certified in a meal benefit category but had zero meals claimed, or if they had meals claimed but reported zero students certified in a benefit category.

⁴ State claiming data were received for 1,482 SFAs that responded in Year 2. *n* is less than 1,482 because not all SFAs have students certified in each benefit category and missing/conflicting data.

^a Percentage is significantly different from SY 2011-12 at the .05 level.

Missing or implausible data on ADA and serving days was imputed using a regression based on grade level, SFA size, urbanicity, and poverty level.

Data Source: SFA Director Survey SY 2011-12, question 3.1; SFA Director Survey SY 2012-13, questions 2.1, 2.2, and 2.6; and state data on NSLP and SBP meals claimed.

Appendix Tables E-9 through E-12 show that overall NSLP participation rates varied significantly by SFA characteristics. In SY 2012-13, overall participation rates were higher for SFAs in towns and rural areas than for SFAs in cities but lower for SFAs in suburbs. Overall participation was also higher for medium- and high-poverty SFAs than for low-poverty SFAs. Free and reduced-price participation rates did not vary much across SFA characteristics and were higher than paid participation rates in all types of SFAs. Paid participation rates were inversely related to SFA size, with small SFAs having higher participation rates than medium, large, and very large SFAs. Paid lunch participation rates were higher for SFAs located in towns and rural areas than for SFAs located in cities. SFAs in medium- poverty districts had higher paid lunch participation rates than those in low-poverty districts.

Examining participation rates for NSLP over time indicates that there was a statistically significant decrease in overall participation rate between SY 2011-12 and SY 2012-13. The overall participation rate was 63 percent in SY 2011-12 and 59 percent in SY 2012-13, a decrease of 4 percentage points. It appears that the decrease in overall lunch participation rates was driven by a

decline in reduced-price and paid student participation rates. The participation rate for paid meals dropped from 41 percent in SY 2011-12 to 37 percent in SY 2012-13, a statistically significant difference. The participation rate for reduced-price meals dropped 5 percentage points from 77 percent to 71 percent during the same period. There was no significant change in participation rates among free lunch students over time.

Overall rates of student participation were notably lower for the SBP than for the NSLP, as shown in Table III-8. On an average day in SY 2012-13, 26 percent of all students in schools offering SBP participated in the program. General patterns of participation by meal benefit category were similar to those observed for the NSLP, although student participation rates in each category were lower. For example, for the SBP, the rate of participation among students certified to receive free meals was 42 percent and 28 percent among those certified to receive reduced-price meals. Participation among students who paid full-price for their meals was the lowest, with only 8 percent of these students participating on an average day.

Appendix Tables E-13 through E-16 show that overall, free, reduced-price, and paid breakfast participation rates are all higher in high- and medium-poverty SFAs than in low-poverty SFAs and that SFAs in cities generally had higher breakfast participation rates than SFAs in the suburbs. Small SFAs also generally had higher paid breakfast participation rates than larger SFAs.

Results indicate no significant changes in overall or free breakfast participation rates SY 2011-12 and SY 2012-13 and small decreases in reduced-price and paid breakfast participation rates.

SFA Participation in Other CN Programs

SFA directors were asked about their participation in two other FNS-administered programs during SY 2012-13 that extend meal service beyond lunch and breakfast: the NSLP Afterschool Snack Program and the At-Risk Afterschool Meals component of the CACFP.

Afterschool Snack Program

Table III-9 shows that during SY 2012-13, 35 percent of SFAs had schools that participated in the Afterschool Snack Program.²⁴ The percentage of SFAs that reported schools participating in the Afterschool Snack Program was higher among large and very large SFAs than among small and medium SFAs. For example, 59 percent of large SFAs and 79 percent of very large SFAs reported the presence of schools participating versus only 29 percent of small SFAs and 32 percent of medium SFAs. SFAs were more likely to have elementary and middle schools participating than high schools. For example, about one-third (34 percent) of SFAs had elementary schools participating in the Afterschool Snack Program; 21 percent had middle schools participating; and only 12 percent had high schools participating.

²⁴ The SY 2011-12 SFA Director Survey also asked about participation in the NSLP Afterschool Snack Program. However, the data could not be compared to data from the SY 2012-13 SFA Director Survey because the question was asked differently in the two years, making any differences difficult to interpret. Specifically, the SY 2011-12 SFA Director Survey asked whether any schools participated in the “NSLP Afterschool Snack Program.” In SY 2012-13, SFA directors were asked to report the number of schools that participated in the “Afterschool Snack Program.” Because afterschool snacks may be provided under either NSLP or CACFP, some SFAs that responded positively in Year 2 could have had schools that participated in either afterschool snack program.

Appendix Table E-17 shows that at the school level, 26 percent of all public schools participated in the Afterschool Snack Program during SY 2012-13. Participation was higher among elementary and middle schools compared to high schools. Thirty-three percent of all elementary schools, 22 percent of all middle schools (not shown), and 11 percent of all high schools participated in the Afterschool Snack Program. SNDA was the first study to collect nationally representative data on the percentage of schools participating in the Afterschool Snack Program. Looking at those data reveals that there has been little change since SY 2009-10 in school participation. According to SNDA, 27 percent of all schools, 33 percent of elementary schools, 23 percent of middle schools, and 13 percent of high schools participated in the Afterschool Snack Program (SNDA IV: Volume I, 2012).

At-Risk Supper Program

Table III-10 shows that during SY 2012-13, only 4 percent of SFAs reported schools participating in the At-Risk Supper Program during SY 2012-13.²⁵ The percentage of SFAs that reported schools participating in the At-Risk Supper Program was higher among large and very large SFAs than among small and medium SFAs. For example, 9 percent of large SFAs and 23 percent of very large SFAs reported schools participating versus only 3 percent each of small and medium SFAs. SFAs were more likely to have elementary and middle schools participating than high schools.

At the school level, 5 percent of all public schools participated in the At-Risk Supper Program during SY 2012-13 (Appendix Table E-17). Participation was higher among elementary and middle schools compared to high schools. Seven percent of all elementary schools, 5 percent of all middle schools, 3 percent of all high schools (not shown) participated in the At-Risk Supper Program.

²⁵ The 2011 SFA Director Survey collected data on whether SFAs had any schools that participated in the “CACFP At-Risk Snack and Supper Program.” The 2012 survey asked for the number of schools that participated in the “At-Risk Supper Program.” Because of this difference in the way the questions were asked, data from the 2 years could not be compared.

Table III-9. Percentage of SFAs With Schools Participating in the Afterschool Snack Program by SFA Characteristics, SY 2012–13

SFA characteristics	Percentage of SFAs with schools participating in the Afterschool Snack Program														
	Elementary			Middle			High			Other			All schools		
	Percent of SFAs	Wgtd <i>n</i>	Unwgted <i>n</i>	Percent of SFAs	Wgtd <i>n</i>	Unwgted <i>n</i>	Percent of SFAs	Wgtd <i>n</i>	Unwgted <i>n</i>	Percent of SFAs	Wgtd <i>n</i>	Unwgted <i>n</i>	Percent of SFAs	Wgtd <i>n</i>	Unwgted <i>n</i>
All SFAs	33.9%	12,326	1,334 ¹	20.6%	9,219	1,144 ²	11.5%	10,616	1,224 ³	19.1%	4,997	551 ⁴	34.5%	15,081	1,491
SFA size⁵															
Small (1-999)	27.9	5,346	264	11.2	2,945	147	9.1	4,097	201	21.8	2,617	125	29.1	7,735	372
Medium (1,000-4,999)	30.0	4,994	527	18.6	4,347	468	9.5	4,568	486	14.6	1,505	157	31.7	5,276	555
Large (5,000-24,999)	56.8	1,686	370	34.7	1,637	361	16.5	1,641	360	15.9	692	162	58.5	1,759	386
Very large (25,000+)	79.3	300	173	66.5	291	168	47.0	309	177	30.9	183	107	79.4	310	178
Urbanicity⁵															
City	60.5	1,271	243	41.9	981	221	26.8	881	220	38.7	697	128	56.4	1,840	279
Suburban	25.4	2,443	360	15.7	2,133	338	8.7	2,229	340	17.4	632	124	25.4	2,846	390
Town	41.3	2,428	260	22.1	2,153	240	10.1	2,332	250	17.3	1,075	101	41.9	2,900	282
Rural	29.0	6,184	471	17.1	3,952	345	10.8	5,175	414	15.1	2,593	198	29.7	7,495	540
Poverty level⁵															
Low (0-29% F/RP)	7.9	2,454	282	3.7	1,929	251	1.7	2,283	271	1.7	678	82	7.5	2,983	317
Medium (30%-59% F/RP)	32.5	6,041	621	16.5	4,494	527	8.7	5,245	570	15.4	2,520	269	32.7	6,938	673
High (60% or more F/RP)	53.0	3,831	431	38.7	2,797	366	23.5	3,088	383	30.9	1,799	200	52.4	5,161	501

¹ *n* is less than the 1,335 SFAs that reported having elementary schools due to item nonresponse.

² *n* is less than the 1,145 SFAs that reported having middle schools due to item nonresponse.

³ *n* is less than the 1,125 SFAs that reported having high schools due to item nonresponse.

⁴ *n* is less than the 552 SFAs that reported having other schools due to item nonresponse.

⁵ Percentage of SFAs that had elementary, middle, high, other, and all schools participating in the Afterschool Snack Program differed significantly by SFA size, urbanicity, and poverty at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 1.2.

Table III-10. Percentage of SFAs With Schools Participating in the At-Risk Supper Program by SFA Characteristics, SY 2012–13

SFA characteristics	Percentage of SFAs with schools participating in the At-Risk Supper Program														
	Elementary			Middle			High			Other			All schools		
	Percent of SFAs	Wgtd <i>n</i>	Unwgtd <i>n</i>	Percent of SFAs	Wgtd <i>n</i>	Unwgtd <i>n</i>	Percent of SFAs	Wgtd <i>n</i>	Unwgtd <i>n</i>	Percent of SFAs	Wgtd <i>n</i>	Unwgtd <i>n</i>	Percent of SFAs	Wgtd <i>n</i>	Unwgtd <i>n</i>
All SFAs	3.6%	12,323	1,334 ¹	2.6%	9,225	1,145	1.9%	10,622	1,225	1.6%	5,015	551 ²	3.9	15,081	1,491
SFA size³															
Small (1-999)	2.5	5,346	264	0.6	2,945	147	0.9	4,097	201	1.1	2,645	126	2.7	7,735	372
Medium (1,000-4,999)	2.4	4,985	526	1.7	4,347	468	1.6	4,568	486	1.8	1,495	156	3.1	5,276	555
Large (5,000-24,999)	7.2	1,692	371	5.5	1,643	362	3.1	1,647	361	1.4	692	162	8.7	1,759	386
Very large (25,000+)	21.0	300	173	18.8	291	168	13.8	309	177	7.1	183	107	22.6	310	178
Urbanicity⁴															
City	11.6	1,277	244	8.7	987	222	7.1	887	221	7.7	697	128	11.4	1,840	279
Suburban	4.7	2,443	360	2.7	2,133	338	1.7	2,229	340	2.8	632	124	4.8	2,846	390
Town	0.9	2,419	259	0.6	2,153	240	0.7	2,332	250	0.7	1,093	101	2.2	2,900	282
Rural	2.5	6,184	471	2.0	3,952	345	1.7	5,175	414	0.0	2,593	198	2.4	7,495	540
Poverty level⁴															
Low (0-29% F/RP)	1.1	2,454	282	0.5	1,929	251	0.3	2,283	271	1.7	678	82	1.3	2,983	317
Medium (30%-59% F/RP)	2.6	6,031	620	2.4	4,494	527	1.9	5,245	570	0.3	2,510	268	3.0	6,938	673
High (60% or more F/RP)	6.7	3,837	432	4.3	2,803	367	3.3	3,094	384	3.3	1,827	201	6.8	5,161	501

¹ *n* is less than the 1,335 SFAs that reported having elementary schools due to item nonresponse.

² *n* is less than the 552 SFAs that reported having other schools due to item nonresponse.

³ Percentage of SFAs that had elementary, middle, high, and all schools participating in the At-Risk Supper Program differed significantly by SFA size at the .05 level.

⁴ Percentage of SFAs that had elementary, middle, high, other, and all schools participating in the At-Risk Supper Program differed significantly by urbanicity and poverty at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 1.2.

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Section IV: Special Provisions and Categorical Eligibility

Background

Prior to the enactment of the 1962 Child Nutrition Act (CNA), the NSLP was a grant-in aid program administered by the states with general requirements established by USDA. Individual states established their own criteria for allocating their NSLP grant to school districts and schools within their state. Similarly, individual school districts established their own eligibility criteria for receiving free and reduced-price lunches. Nor was there any requirement to provide free or reduced-price meals to all eligible children within a school district or school. The 1962 CNA established uniform Federal eligibility criteria for receiving free and reduced-price lunches and also guaranteed reimbursement to school districts based on the number of lunches served children in each of three income eligibility categories.

Each district's SFA was required to distribute paper applications for free and reduced-price lunches to all children in the district at the beginning (or before the start) of each school year. Districts were then required to review each application received, apply the Federal income eligibility criteria, and notify parents of their children's eligibility or ineligibility for free or reduced-price lunches. This new process imposed new burdens on both school districts and parents. It also created some confusion; many parents of children approved for free or reduced-price meals in one school year were unaware that their child's eligibility was good only for that school year; a new application had to be submitted each school year. Parents were often surprised when their children were denied free or reduced-price lunches shortly after the start of a new school year. And, parents of many eligible children simply did not apply for free or reduced-price lunches. In a national survey of nearly 800 eligible non-applicants, St. Pierre et al. (1990) reported that nearly 60 percent of these households did not apply because they thought they were ineligible or found the application too hard to understand, and the remainder of these non-applicants did not remember receiving an application. On the other hand, there was serious concern that many ineligible children were being erroneously certified for school meal benefits.

Over the years, USDA has implemented several regulatory and legislative changes designed both to improve program access for low-income children and to reduce the burden of the application process on parents and SFAs. These include special assistance alternatives, categorical eligibility of foster care children, and universal free school breakfast.

Use of Special Assistance Alternatives

Under the NSLP and SBP, children belonging to households meeting nationwide income eligibility requirements may receive meals at no charge or at reduced-price. States oversee the eligibility determination process for receiving free or reduced-price meals and approve the use of alternative eligibility provisions. Children can be certified for NSLP and SBP through either an application or direct certification (confirmation that their household is receiving specific benefits (e.g., Supplemental Nutrition Assistance Program (SNAP) or Head Start)). In an effort to reduce

paperwork and other administrative burdens, four alternatives—known as Provisions 1, 2, 3, and the Community Eligibility Provision (CEP)—are available as substitutes for the traditional annual determinations of eligibility and daily meal counts.

Provision 1 may be used in schools where at least 80 percent of the children enrolled are eligible for free or reduced-price meals. Under Provision 1, eligibility determinations for free meals under the School Nutrition Programs must be made once every 2 consecutive school years. Children who qualify for reduced-price meals are certified annually. This provision has been available to school districts since 1980.

Provision 2 requires schools to serve meals to participating children at no charge but reduces the application burden to once every 4 years and simplifies meal counting and claiming procedures. Claiming percentages are established for each month of the first year of the 4-year cycle and applied to the total meal counts for the claiming month in subsequent years. Schools can obtain additional 4-year extensions if the SFA documents that the economic conditions of the district have not changed significantly. Schools must pay the difference between the Federal reimbursement and the cost of providing all meals at no charge. This provision has been available to school districts since 1980.

Provision 3 similarly requires schools to serve meals to participating children at no charge and simplifies meal counting and claiming procedures. It allows a school to receive a comparable level of Federal cash and commodity assistance as it received in the last year in which free and reduced-price meal eligibility determinations were made, for a period up to 4 years, adjusted to reflect changes in enrollment and inflation. The school may be approved for a 4-year extension if the income level of the school's population remains stable. Under this provision, school districts agree to pay the meal cost not covered by program income from a source other than Federal funds. This provision has been available to school districts since 1995.

In 2007, research on the accuracy of certification for free and reduced-price meals indicated that Provisions 2 and 3 base year schools had larger erroneous payment rates than schools not using these provisions.²⁶ The number of SFAs and schools utilizing these provisions is therefore of interest both for their implications for certification accuracy and ability to reduce burdens on schools and families.

Section 104 of HHHFKA provides for the elimination of individual applications through the CEP in high-need communities. Under this provision, schools are reimbursed through a formula based on the number of identified students who are certified for free meals through means other than individual household applications (e.g., students directly certified through documentation provided by SNAP, Temporary Assistance for Needy Families (TANF), Food Distribution Program on Indian Reservations (FDPIR), children enrolled in a federally funded Head Start or Even Start Program, or students defined as foster children, homeless, migrant, or runaways). The percentage of meals reimbursed at the free rate (not to exceed 100 percent) is determined by multiplying the percentage of identified students by a factor of 1.6, as established by law. The remaining meals are reimbursed at the Federal “paid” reimbursement rate. Participating schools must meet a threshold of

²⁶ NSLP/SBP Access, Participation, Eligibility, and Certification Study—Erroneous Payments in the NSLP and SBP. November 2007, http://www.fns.usda.gov/sites/default/files/apecvol1_0.pdf.

identified students (initially 40 percent) and agree to serve all meals for free. CEP is being phased in nationally and has been available in Illinois, Kentucky, and Michigan since the start of SY 2011-12. The District of Columbia, New York, Ohio, and West Virginia began offering the option to school districts in SY 2012-13 and Florida, Georgia, Maryland, and Massachusetts began in SY 2013-14. By SY 2014-15, all LEAs nationwide with some or all schools that meet the 40 percent identified student threshold will be eligible to participate in the CEP.

Other Policies Related to Reducing Burden and Improving Access

Categorical Eligibility for Foster Children

Categorical eligibility for children in foster care and universal free school breakfast are two other policies designed to reduce burden and improve access. In FY 2011, there were approximately 400,000 children in foster care in the United States.²⁷ The HHFKA allows certification of all children placed into foster care for free meals, without application, if the LEA obtains documentation from an appropriate state or local agency indicating the status of the child as a child in foster care. All children who are placed in foster care by a child welfare agency or court, where the state retains legal custody, are categorically eligible for free meals under the HHFKA. No further application is required, and any personal income received by the foster child is not taken into account. This provision went into effect on October 1, 2010. Previously, a foster child was considered to be a household of one, and a separate application had to be completed on behalf of each foster child. Expanding categorical eligibility to all foster children helps to reduce administrative burden on states, schools, and families by certifying foster children directly without the need for an application.

In order for foster care children to be directly certified for meal benefits, the LEA must obtain documentation from state or local foster care agencies or courts indicating the foster care status of children. If such documentation is not initially provided to the LEA, an application identifying the child as a foster child must be completed. In addition, state CN agencies must work with state and local child welfare agencies to understand the various foster care placement arrangements and make appropriate eligibility determinations. Therefore, FNS has encouraged strong communication among state and local child welfare agencies, state CN agencies, and LEAs to facilitate implementation of this provision locally.²⁸

27 Child Welfare Information Gateway. Foster Care Statistics 2011. Washington, DC: U.S. Department of Health and Human Services, Children's Bureau, 2013. <https://www.childwelfare.gov/pubs/factsheets/foster.pdf>

28 http://www.fns.usda.gov/sites/default/files/SP17_CACFP08_SFSP05-2011os.pdf

Universal Free School Breakfast

Universal free school breakfast is a local policy where breakfast is available at no charge to all students in a school or district, regardless of their household income. Breakfast is offered at no charge to any student and the school claims the Federal reimbursement at the correct benefit category for each student (e.g., free, reduced-price, or paid). Universal free school breakfast can be offered with any serving method (e.g., traditional breakfast in the cafeteria, breakfast in the classroom, Grab n' Go, etc.), but the breakfasts must meet the nutritional criteria for reimbursable meals. Universal free school breakfast programs have been shown to reduce the stigma of eating school breakfast for low-income children and increase participation.²⁹ For example, results from the Evaluation of the School Breakfast Program Pilot Project indicated that offering universal free school breakfast nearly doubled participation from 19 to 36 percent. Increases in participation were greater among paid than among free and reduced-price participants.³⁰

Schools with a high percentage of low-income children are usually able to offer universal free school breakfast and break even. This is because the increase in paid breakfast participation leads to additional revenue to cover the cost. In addition, the latest review indicated that nine states provide special funding for universal free school breakfast in schools with a high percentage of low-income children or in certain grades (e.g., kindergarten).³¹ However, if costs exceed revenue, the difference must be made up for using non-Federal funds. Some schools offer universal free school breakfast in combination with Provision 2 or 3, which only requires paperwork to be updated every 4 years and thereby decreases the administrative burden associated with offering free breakfast to all children.

Research Questions

This chapter addresses the following topics and research questions:

- *How many SFAs and schools are operating under Provisions 1, 2, 3 and the CEP?*
- *Is there a formal process for communicating about foster care children? How do SFAs identify foster care children?*
- *How many SFAs and schools are offering universal free school breakfast?*

²³ Leos-Urbel, J., A. E. Schwartz, M. Weinstein, and S. Corcoran, S. "Not Just For Poor Kids: The Impact of Universal Free School Breakfast on Meal Participation and Student Outcomes." *Economics of Education Review*, Vol. 36, 2013, pp. 88-107. Available at http://steinhardt.nyu.edu/scmsAdmin/media/users/ggg5/Leos-Urbel_et_al_Not_Just_for_Poor_Kids_The_Impact_of_Universal_Free_School_Breakfast_on_Meal_Participation_and_Student_Outcomes.pdf

³⁰ Bernstein L. S., J. E. McLaughlin, M. K. Crepinsek, L. M. Daft, and J. M. Murphy. "Evaluation of the School Breakfast Program Pilot Project: Summary of Findings from the First Year of Implementation," *Nutrition Assistance Program Report Series*, No. CN-02-SBP, Project Officer: Anita Singh. U.S. Department of Agriculture, Food and Nutrition Service, Office of Analysis, Nutrition, and Evaluation, Alexandria, VA: 2002.

³¹ http://frac.org/wp-content/uploads/2009/09/universal_sbp.pdf

Results

Use of Special Assistance Alternatives

Data on the number of SFAs and schools operating Provisions 1, 2, and 3 or CEP were obtained from the State CN Director Survey. Some state CN directors reported having SFAs in their state with schools operating NSLP, SBP, or both programs under Provisions 1, 2, and 3 or CEP to lessen the administrative burden associated with determining students' program eligibility. Some SFAs have schools that participate only in the NSLP or only in the SBP, and other SFAs have schools that participate in both. Given that participation in the programs varies by school, a state can have SFAs with all three types of participation and therefore be included in all the rows of Table IV-1. Table IV-1 shows that Provision 2 was used most extensively, and 67 percent of states reported they had one or more SFAs operating both programs under Provision 2. Provision 1 was used the least with only two states reporting that they had SFAs with schools operating under this provision. CEP was used by SFAs in seven states, consistent with the incremental implementation over 3 years.³² Appendix Tables E-21 through E-26 present the number of SFAs and schools by state that operated under NSLP only, SBP only, and both programs and by each type of provision during SY 2012-13.

Table IV-1. Number and Percentage of States That Had SFAs With Schools Operating Under Provisions 1, 2, or 3 or Community Eligibility, SY 2012-13

States have SFAs with:	Provision 1 (n=53 ¹)		Provision 2 (n=54)		Provision 3 (n=53 ¹)		Community eligibility (n=54)	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
At least 1 school operating:								
NSLP only	1	1.9%	14	25.9%	4	7.5%	1	1.9%
SBP only	0	0.0	25	46.3	0	0.0	0	0.0
Both NSLP and SBP	1	1.9	36	66.7	16	30.2	7	13.0
Total number of unduplicated states	2	3.8	40	74.1	16	30.2	7	13.0

¹ n is less than 54 due to item nonresponse.

Data Source: State CN Director Survey SY 2012-13; question C1.

³² Although CEP requires participation participate in both NSLP and SBP, one state reported that 4 SFAs and 5 schools participated in NSLP only.

Although numerous states have at least one SFA and school participating in Provisions 1, 2, 3, and CEP, the number of participating SFAs and schools is relatively small.³³ Table IV-2 shows the percentage of SFAs with schools operating NSLP and/or SBP under Provisions 1, 2, and 3 or CEP. The largest percentage of SFAs is for those with schools that operated both NSLP and SBP under Provision 2 (5 percent). Similarly, the largest percentage for schools was for the schools that operated both NSLP and SBP under Provision 2 (6 percent).

Table IV-2. Number and Percentage of SFAs and Schools That Operated Under Provisions 1, 2, or 3 or Community Eligibility as Reported by State Directors, SY 2012-13

	Provision 1 (n=53 ¹)		Provision 2 (n=54)		Provision 3 (n=53 ¹)		Community eligibility (n=54)	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
SFAs with schools operating								
NSLP only	4	<0.1%	67	0.4%	16	<0.1%	4	<0.1%
SBP only	0	0.0	274	1.4	0	0.0	0	0.0
Both NSLP and SBP	2	<0.1	926	4.9	67	0.3	433	2.3
Total SFAs	6	<0.1	1267	6.7	83	0.4	437	2.3
Schools operating								
NSLP only	4	<0.1	144	0.1	10	<0.1	5	<0.1
SBP only	0	0.0	2516	2.5	0	0.0	0	0.0
Both NSLP and SBP	67	0.1	6407	6.4	256	0.3	2663	2.6
Total schools	71	0.1	9067	9.0	266	0.3	2668	2.7

¹ n is less than 54 states due to item nonresponse.

Data Source: State CN Director Survey SY 2012-13, questions C1 and C2.

³³ According to *The Condition of Education 2013*, Table 116, for SY 2010-11, 21.3 percent of public schools were considered high poverty with more than 75 percent of their students eligible for free or reduced-price lunches. Available at: http://nces.ed.gov/programs/digest/d12/tables/dt12_116.asp

Table IV-3 compares the number and percentage of SFAs and schools operating under Provisions 2 and 3 in SY 2011-12 and SY 2012-13. The number and percentages of schools operating under Provision 2 increased over time. For Provision 3, the number of schools rose slightly but was so small it did not affect the percentage participating and may be due to different states responding.³⁴

Table IV-3. Number and Percentage of SFAs and Schools That Operated Under Provisions 1, 2, or 3 or Community Eligibility as Reported by State Directors for SY 2011-12 and SY 2012-13

Provision	SFAs				Schools			
	SY 2011-12		SY 2012-13		SY 2011-12		SY 2012-13	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Provision 1 (SY 2011-12 n=0; SY 2012-13 n=54)	na	--	6	<0.1%	na	--	71	0.1%
Provision 2 (SY 2011-12 n=54; SY 2012-13 n=54)	1,097	5.8%	1,267	6.7	6,922	6.9%	9,067	9.1
Provision 3 (SY 2011-12 n=53; SY 2012-13 n=54)	69	0.4	83	0.4	254	0.3	266	0.3
Community eligibility provision (SY 2011-12 n=0; SY 2012-13 n=54)	na	--	437	2.3	na	--	2,668	2.7

"na" = information on the number of SFAs and schools participating in Provision 1 and CEP in SY 2011-12 was not asked.
Data Source: State CN Director Survey questions C1 and C2 for SY 2012-13 and questions D1 and D2 for SY 2011-12.

Table IV-4 provides information about the use of special provisions by the seven states that used the CEP during SY 2012-13. Information on the number of SFAs and schools participating in the CEP in SY 2011-12 was not asked. Overall, it shows a large decrease in the number and percentage of schools participating in Provision 2 as the CEP was implemented. Specifically, there was a substantial decrease in the number and percentage of schools in the District of Columbia, New York, and Ohio using Provision 2 from SY 2011-12 to SY 2012-13. In contrast, the number of schools in Kentucky that used Provision 2 increased from 21 to 38. Use of the CEP by SFAs in SY 2012-13 was highest in West Virginia (48 percent), the District of Columbia (38 percent) and Kentucky (28 percent). Use of the CEP by schools was highest in the District of Columbia (54 percent) and West Virginia (37 percent). Because only Illinois had schools operating under Provision 3, there was virtually no change in use of this provision.

³⁴ SFA directors were also asked about the number of schools in their district operating under Provisions 1, 2, and 3 or CEP. These data were also used to calculate percentages of SFAs and schools operating under each type of provision nationwide. The percentages of SFAs operating under each type of provision calculated from data provided by SFA directors and state CN directors were very similar. However, the percentages of schools calculated from data provided by SFA directors were not in agreement with data provided by state CN directors in some cases. In most cases, the differences between the two data sources were small. The largest difference was for the percentage of schools operating both NSLP and SBP under Provision 2. Although state CN directors reported that 6.4 percent of schools operated both programs under Provision 2, SFA directors reported that 12.0 percent of schools operated both programs under Provision 2. These differences may be explained by the low prevalence of school participation in these alternatives. The estimates of school participation from the SFA Director Survey are likely to depend on which SFAs were sampled and exhibit a great deal of variability, leading to an imprecise estimate. For this reason, the calculations based on data from the State CN Director Survey are viewed as more reliable.

Table IV-4. Among States Participating in the Community Eligibility Provision, the Number and Percentage of SFAs and Schools Operating Under Provisions 2 and 3 and Community Eligibility, SY 2011-12 and SY 2012-13

Initial seven CEP states	Number of SFAs	Number of schools	Provision 2				Provision 3				Community eligibility provision			
			SFA		School		SFA		School		SFA		School	
			Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
SY 2011-12														
District of Columbia	61	231	1	1.6%	66	28.6%	0	0.0%	0	0.0%	na	na	na	na
Illinois	1,132	4,389	2	0.2	26	0.6	2	0.2	3	<0.1	na	na	na	na
Kentucky	189	1,471	3	1.6	21	1.4	0	0.0	0	0.0	na	na	na	na
Michigan	882	3,584	0	0.0	0	0.0	0	0.0	0	0.0	na	na	na	na
New York	1,105	5,872	125	11.3	750	12.8	0	0.0	0	0.0	na	na	na	na
Ohio	1,222	3,904	46	3.8	344	8.8	0	0.0	0	0.0	na	na	na	na
West Virginia	73	766	0	0.0	0	0.0	0	0.0	0	0.0	na	na	na	na
Total number of SFAs and schools ¹	4,664	20,217	177	3.8	1207	6.0	2	<0.1	3	<0.1				
SY 2012-13														
District of Columbia	61	230	1	1.6%	4	1.7%	0	0.0%	0	0.0%	23	37.7%	123	53.5%
Illinois	1,132	4,276	3	0.3	27	0.6	2	0.2	4	<0.1	60	5.3	478	11.2
Kentucky	189	1,439	4	2.1	38	2.6	0	0.0	0	0.0	52	27.5	267	18.62
Michigan	882	3,538	0	0.0	0	0.0	0	0.0	0	0.0	116	13.2	546	15.4
New York	1,105	6,100	109	9.9	499	8.2	0	0.0	0	0.0	73	6.6	667	10.9
Ohio	1,222	3,831	38	3.1	156	4.1	0	0.0	0	0.0	78	6.4	304	7.9
West Virginia	73	766	0	0.0	0	0.0	0	0.0	0	0.0	35	47.9	283	37.0
Total number of SFAs and schools ¹	4,664	20,180	155	3.3	724	3.6	2	<0.1	4	<0.1	437	9.4	2,668	13.2

Across the seven states, the total number of SFAs (*n*) is 4,664, and the total number of schools (*n*) is 19,292.

"na" = information on the number of SFAs and schools participating in CEP in SY 2011-12 was not asked.

Data Source: State CN Director Survey SY 2011-12, questions D1 and D2; State CN Director Survey SY 2012-13, questions C1 and C2; and USDA administrative data.

Categorical Eligibility for Foster Children

SFA directors are supposed to receive documentation directly from state or local child welfare agencies about the status of foster children and certify foster children for free meals. The ability of SFAs to receive this information and implement this provision depends on strong communication between state CN agencies and state or local child welfare agencies. SFA directors were asked about whether they were receiving documentation from courts or other responsible agencies (e.g., state and local foster care agencies) showing the status of children as foster children. Table IV-5 shows that 60 percent of SFAs indicated that they were receiving documentation from courts or other responsible agencies showing the status of children as foster children. Such documentation is required to certify foster children as eligible for free meals without application. The percentage of SFAs that reported receiving this information was unrelated to SFA size, urbanicity, and poverty level. This suggests that 3 years after implementing categorical eligibility for foster children, a large number of LEAs may not be receiving documentation necessary for direct certification of foster children and may be requiring guardians to complete applications for foster children.

Table IV-5. Percentage of SFAs That Receive Documentation From Courts or Responsible Agencies Showing the Status of Children as Foster Children by SFA Characteristics, SY 2012–13

SFA characteristics	Percentage of SFAs	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	60.2%	14,748	1,463 ¹
SFA size			
Small (1-999)	60.5	7,550	363
Medium (1,000-4,999)	60.5	5,167	543
Large (5,000-24,999)	58.2	1,722	380
Very Large (25,000+)	59.1	309	177
Urbanicity			
City	58.4	1,824	277
Suburban	64.0	2,779	381
Town	61.0	2,814	275
Rural	58.9	7,330	530
Poverty level			
Low (0-29% F/RP)	59.5	2,878	307
Medium (30-59% F/RP)	62.2	6,785	661
High (60% or more F/RP)	58.0	5,085	495

¹ *n* is less than 1,491 because of item nonresponse.

Data Source: SFA Director Survey SY 2012-13, question 3.17.

Universal Free School Breakfast

Although states may provide special funding for and administer universal free school breakfast, in most cases it is SFAs and schools that must apply for this funding and operate this program locally. SFA directors were asked whether any schools in their districts offered universal free school breakfast. Table IV-6 shows that among SFAs that participate in the SBP, 21 percent

have one or more schools that offer universal free school breakfast.³⁵ The presence of schools offering a universal free school breakfast was significantly related to SFA size, urbanicity, and poverty level. Very large SFAs (46 percent) were more likely to offer universal free school breakfast in one or more schools compared to large (27 percent), medium (15 percent), and small (23 percent) SFAs. SFAs offering universal free school breakfast were most likely to be found in cities (42 percent) and least likely to be found in rural locations (17 percent). Not surprisingly, universal free school breakfast was more common in high-poverty SFAs than lower poverty SFAs. Thirty-seven percent of high-poverty SFAs offered universal free school breakfast in one or more schools compared to only 14 percent of medium-poverty and only 7 percent of low-poverty SFAs.

At the school level, 17 percent of all public schools (not shown) offered universal free school breakfast during SY 2012-13. Universal free school breakfast may not be offered at all schools in an SFA. SFAs were somewhat more likely to offer universal free school breakfast in all schools during SY 2012-13. Twelve percent (not shown) of SFAs offered universal free school breakfast in all their schools, whereas 8 percent (not shown) offered universal free school breakfast in some but not all their schools.

Table IV-6. Among SFAs That Participate in the SBP, Percentage of SFAs With Schools Operating a Universal Free School Breakfast Program by SFA Characteristics, SY 2012–13

SFA characteristics	Percentage of SFAs	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	21.0%	13,651	1,396 ¹
SFA size²			
Small (1-999)	22.7	6,759	326
Medium (1,000-4,999)	15.1	4,843	511
Large (5,000-24,999)	26.8	1,743	383
Very Large (25,000+)	46.4	307	176
Urbanicity²			
City	42.2	1,683	272
Suburban	20.3	2,495	357
Town	19.5	2,678	265
Rural	16.7	6,795	502
Poverty level²			
Low (0-29% F/RP)	6.5	2,245	263
Medium (30%-59%F/RP)	14.1	6,443	644
High (60% or more F/RP)	36.6	4,963	489

¹ *n* is less than the 1,406 SFAs that participate in the SBP because of item nonresponse.

² Percentage of SFAs with schools that operated a universal free breakfast program differed significantly by SFA size, urbanicity, and poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 3.14.

³⁵ It is possible SFA Directors included schools participating in Provisions 2 and 3 when reporting the number of SFAs operating a universal free breakfast program.

Section V: Nutrition and Wellness

Schools play a critical role in promoting student health and combating health problems associated with poor nutrition and lack of physical activity. The HHFKA focuses on improving CN and wellbeing and includes provisions for implementation of updated nutrition standards for school meals and local school wellness policies.³⁶

While already under development, the HHFKA set forth a timeline for updating meal pattern requirements and nutrition standards for school meals. The new rules are intended to ensure more nutritious school meals that improve the dietary habits of school children and protect their health. The updated meal pattern requirements and nutrition standards affect both the quantity and types of foods served at both lunch and breakfast. Specifically, the changes increase the availability of fruits, vegetables, whole grains, and fat-free and low-fat fluid milk in school meals and reduce the levels of sodium, saturated fat, and calories in meals. Starting in SY 2012-13, implementation of the new meal patterns and standards is being phased in over several years.

Local wellness policies are another set of important tools for promoting student wellness, preventing and reducing childhood obesity, and providing assurance that the quality of foods sold in school meals meet or exceed the minimum Federal school standards. As of SY 2006-07, all LEAs were required to establish a local school wellness policy. The HHFKA added new provisions for local school wellness policies related to implementation, evaluation, and publicly reporting on progress of local school wellness policies. Going forward, LEAs will continue to review and assess their local wellness policies, implement the new requirements, and provide public updates.

This section examines the initial implementation of the updated meal pattern requirements and nutrition standards and the challenges that have occurred. It provides a picture of the status of implementation that is being phased in over several years. This discussion is followed by an examination of the changes and challenges that have occurred to date associated with implementing local school wellness programs.

³⁶ Healthy Hunger-Free Kids Act of 2010. http://www.fns.usda.gov/cnd/governance/legislation/CNR_2010.htm

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V-1. New Meal Pattern Requirements

Background

The new meal patterns and nutrition standards for school meals specify changes to the amount and type of foods in all of the five food components served at lunch (fruits, vegetables, meats and meat alternates, grains, and milk) and the four components served at breakfast (fruits, meats and meat alternates, grains, and fluid milk). While the new meal patterns were proposed by USDA in January 2011, implementation of most lunch requirements began in SY 2012-13, and implementation of breakfast requirements were required to begin gradually in SY2013-14.³⁷ While guidance from USDA may ease the implementation process, changing several food components may cause initial or ongoing challenges for SFAs. Implementing these standards may require changes to food and labor costs, staff training, equipment purchase, and maintaining or improving participation rates. In response to challenges encountered by SFAs and to ease meal pattern implementation, Federal mandates were introduced in November 2013 so that menus that exceed the weekly maximums for proteins and grains are considered compliant. These weekly maximum flexibilities were incorporated to allow SFAs to offer more menu options and develop products that fit the NSLP meal pattern requirements and to help facilitate student adjustment to the changes.³⁸ The findings presented below provide an understanding of the changes made by SFAs in implementing the new meal patterns and the challenges in initial and ongoing implementation.

Research Questions

This chapter addresses the following topics and research questions:

Certification of Compliance with the New Meal Pattern Requirements

- *What percent of SFAs/schools have submitted certification materials for the additional 6 cents per lunch reimbursement? How many have been certified? How many are receiving? Which option?*

General Implementation

- *How many SFAs use the USDA sharing website?*
- *How many SFAs use technical assistance resources and training?*
- *How many SFAs have made changes to their scratch cooking practices?*
- *What strategies are used by SFAs to ensure correct meals and portion sizes are served to students in each grade level? Are servers trained in portion control?*
- *What adjustments have SFAs made to meet student requests for additional food?*
- *For high schools with off-campus lunch policies, are more students staying on campus for lunch since the new meal patterns were implemented?*

³⁷ *Implementation Timeline for Final Rule. Nutrition Standards in the National School Lunch and School Breakfast Programs.*

http://www.fns.usda.gov/cnd/Governance/Legislation/implementation_timeline.pdf

³⁸ <http://www.fns.usda.gov/cnd/governance/legislation/Mealpatternppt.pdf>

- *How challenging was it to initially implement the meal patterns? How challenging has it been to continue to implement the meal patterns?*

Initial and Ongoing Implementation Changes and Challenges for Lunch Requirements

- *What changes have taken place in serving fruit and vegetable products, grains and whole grains, and meat/meat alternates because of the new meal patterns?*
- *How many SFAs believe students are eating more fruits and vegetables as a result of the new meal patterns? Which vegetables are least liked?*
- *What percent of SFAs report challenges in meeting the minimum or not exceeding the maximum required calorie requirements?*
- *What proportion of SFAs review labels for trans-fat? Have SFAs changed how they review labels? If so, how?*
- *Have SFAs changed the foods served to meet trans-fat requirements?*
- *What proportion of SFAs faced challenges in meeting the saturated fat requirements?*
- *What is the current average daily sodium content served? If unknown, what practices will be used to reduce the sodium levels?*

Implementation of New Breakfast Requirements

- *How many SFAs have implemented the new breakfast requirements?*
- *How challenging has it been to meet these new breakfast requirements?*

Promotion and Acceptance

- *What methods do SFAs use to promote the new school meals to students and their families?*
- *Has plate waste changed as a result of the new patterns? What are the reasons for the change?*
- *How many SFAs report student, parent and community member acceptance of new meal pattern requirements?*

Results

Certification of Compliance With the New Meal Pattern Requirements

SFAs that comply with the new meal patterns are eligible to get an additional 6-cents reimbursement. To apply for certification, SFAs are required to submit a 1-week menu by grade level, menu certification worksheet for each menu, and nutrient analysis or simplified nutrient assessment for each menu certification worksheet. SFAs may submit the certification documents using one of three options: they may submit a detailed menu worksheet and nutrient analysis (option 1), detailed menu worksheet with simplified nutrient assessment (option 2), or work through an onsite state agency certification (option 3).

As seen in Table V-1.1, about three quarters (76 percent) of SFAs had been certified to receive and were receiving the 6-cent reimbursement during SY 2012-13. Conversely, about 13 percent of SFAs had not yet submitted the necessary materials for certification. The proportion of SFAs certified to receive the additional reimbursement differed significantly by SFA size and urbanicity. About 91 percent of very large SFAs were receiving the additional reimbursement, compared to only 72 percent of small SFAs. Further analysis reveals a statistically significant association between SFAs that have successfully implemented the new meal pattern requirements and those that use an FSMC. Among SFAs that use an FSMC, 88 percent (not shown) have been certified and only 12 percent (not shown) have not been certified.

Table V-1.1. Percentage of SFAs That Are Certified to Receive Additional Reimbursement by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs that:				Total SFAs	
	Have not yet submitted certification materials	Submitted certification materials but not yet certified	Have been certified but not yet receiving reimbursement	Currently receiving reimbursement	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	12.7%	6.9%	4.5%	75.9%	14,785	1,472 ¹
SFA size²						
Small (1-999)	17.4	6.1	4.8	71.6	7,519	362
Medium (1,000-4,999)	8.9	8.3	5.2	77.6	5,203	548
Large (5,000-24,999)	5.4	6.2	2.2	86.1	1,754	385
Very large (25,000+)	0.4	6.7	1.9	91.1	309	177
Urbanicity²						
City	10.7	12.0	4.4	72.9	1,797	277
Suburban	6.6	7.2	1.9	84.3	2,772	384
Town	11.2	7.6	6.0	75.2	2,841	278
Rural	16.0	5.3	5.0	73.7	7,374	533
Poverty level						
Low (0-29% F/RP)	12.3	4.8	4.5	78.4	2,900	311
Medium (30-59% F/RP)	13.0	7.3	2.4	77.3	6,826	666
High (60% or more F/RP)	12.4	7.6	7.5	72.5	3,668	394

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs certified to receive additional reimbursement differed significantly by SFA size and urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, questions 5.47, 5.48, and 5.49.

Most SFAs that applied for certification used option 1 or 2 and provided a detailed menu worksheet with nutrient analysis or with simplified nutrient assessment, respectively. As seen in Table V-1.2, about 46 percent of SFAs submitted the additional reimbursement certification materials using option 1 (i.e., detailed menu worksheet and nutrient analysis); 42 percent used option 2 (i.e., detailed menu worksheet and simplified nutrient assessment); and 12 percent used option 3 (i.e., onsite state agency certification). The proportion of SFAs using various options to submit certification documentation varied significantly by SFA size; only 43 percent of small size SFAs used option 1, compared to over half (57 percent) of very large SFAs that used option 1.

Table V-1.2. Among SFAs Currently Receiving Additional Reimbursement, the Percentage of SFAs That Submitted Certification Documentation Using Various Options, by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs that submitted certification documentation under the following options:			Total SFAs	
	Option 1	Option 2	Option 3	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	46.3%	42.0%	11.7%	10,196	1,111 ¹
SFA size²					
Small (1-999)	43.4	43.1	13.5	4,703	228
Medium (1,000-4,999)	46.1	43.4	10.6	3,756	397
Large (5,000-24,999)	53.9	37.8	8.4	1,459	324
Very large (25,000+)	57.2	27.5	15.3	278	162
Urbanicity					
City	51.2	38.8	10.0	1,167	225
Suburban	42.7	48.1	9.2	2,186	316
Town	50.7	40.7	8.7	1,971	199
Rural	44.9	40.6	14.5	4,873	371
Poverty level					
Low (0-29% F/RP)	48.0	44.4	7.6	2,087	238
Medium (30-59% F/RP)	46.2	43.1	10.8	4,826	511
High (60% or more F/RP)	45.3	39.0	15.7	3,283	362

¹ *n* is less than the 1,187 SFAs currently receiving additional reimbursement due to item nonresponse.

² Percentage of SFAs using various options to submit certification documentation differed significantly by SFA size at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 5.50.

General Implementation

In addition to requiring new meal pattern requirements and updated nutrition standards, implementation of the new HHSFKA legislation involves changes in other SFA operations as well. For instance, in order to comply with the new meal pattern requirements, SFAs may change the extent to which they cook meals from scratch. Because the new meal pattern requirements differ by grade levels, SFAs that serve various grade levels at the same time may have to implement new or different strategies in the way students are served to ensure compliance with grade-level portions. To help facilitate successful transition to the new meal pattern requirements, USDA and the National Food Service Management Institute offer a variety of technical assistance and training resources to SFAs and schools regarding these HHSFKA implementation issues.

Technical Assistance Resources and Training

The final rule specifying updates to the meal pattern and nutrition standards for the NSLP and SBP were published in the *Federal Register* on January 26, 2012. The HHFKA-mandated compliance with the new rule began July 1, 2012.³⁹ To successfully transition to the new meal patterns, USDA and National Food Service Management Institute developed technical assistance resources and training that were provided to schools through a variety of methods, including webinars and online learning modules. The USDA facilitates States sharing resources, such as food service training and nutrition education materials, through its website (<http://healthymeals.nal.usda.gov/state-sharing-center-0>). This website also includes links to recipes, menu planning, best practices to serve meals that are compliant with school meal regulations, as well as other resources. As seen in Table V-1.3, to assist them with the menu changes, about 33 percent of SFAs used the USDA sharing website. About 37 percent of small SFAs and 15 percent of very large SFAs used the USDA sharing website. While approximately 25 percent of SFAs in the city and suburbs used the USDA sharing website, about 38 percent of SFAs in towns and 36 percent in rural areas did so.

Table V-1.3. Percentage of SFAs That Used the USDA Sharing Website to Assist With Menu Changes by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	32.9%	10,792	1,160 ¹
SFA size²			
Small (1-999)	37.4	4,858	233
Medium (1,000-4,999)	31.9	4,156	443
Large (5,000-24,999)	24.6	1,520	336
Very Large (25,000+)	15.2	259	148
Urbanicity²			
City	25.7	1,304	230
Suburban	24.7	2,160	316
Town	37.9	2,209	227
Rural	36.1	5,120	387
Poverty level			
Low (0-29% F/RP)	31.3	2,190	250
Medium (30-59% F/RP)	33.2	5,169	527
High (60% or more F/RP)	33.6	3,433	383

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs with districts that used the USDA sharing website to assist with menu changes differed significantly by SFA size and urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 5.44.

³⁹ Food and Nutrition Service, USDA. Nutrition Standards in the National School Lunch and School Breakfast Programs. 7 CFR Parts 210 and 220 [FNS-2007-0038]. *Federal Register*, vol. 17, # 17 2012. Rules and Regulations. <http://www.gpo.gov/fdsys/pkg/FR-2012-01-26/pdf/2012-1010.pdf>

As seen in Table V-1.4, the majority of SFAs used technical assistance materials to plan meal patterns that would comply with the requirements. Overall, 80 percent or more of SFAs participated in the state agency training and relied on the web to obtain assistance in meeting the new meal pattern requirements. About one-half of SFAs used nutrient analysis software (57 percent) and simplified nutrient assessment tools (46 percent) as resources to meet the new meal pattern requirements. The proportion of SFAs using state agency training, nutrient analysis software, web information, and other technical assistance resources differed significantly by SFA size with smaller SFAs generally not utilizing the various technical assistance resources as often. The proportion of SFAs that used nutrient analysis software also differed significantly by urbanicity with fewer rural SFAs using nutrient analysis software.

Table V-1.4. Percentage of SFAs That Used Technical Assistance Resources to Meet New Meal Pattern Requirements by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs that used the following technical assistance resources:					Total SFAs	
	State agency training	Nutrient analysis software	Simplified nutrient assessment	Web information	Other	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	89.8%	56.5%	46.2%	80.1%	7.4%	14,646	1,464 ¹
SFA size²							
Small (1-999)	87.0	44.6	42.0	74.2	5.6	7,404	357
Medium (1,000-4,999)	91.3	63.0	52.4	85.6	8.8	5,183	546
Large (5,000-24,999)	95.8	82.1	47.0	87.3	9.8	1,751	384
Very large (25,000+)	95.9	87.8	40.2	90.2	13.2	309	177
Urbanicity³							
City	87.7	64.7	44.9	76.0	10.2	1,790	277
Suburban	89.4	64.8	45.9	81.4	10.1	2,743	381
Town	91.0	62.1	47.8	84.3	8.2	2,812	277
Rural	89.9	49.3	46.1	79.0	5.4	7,301	529
Poverty level							
Low (0-29% F/RP)	90.1	60.7	45.6	87.2	6.9	2,843	307
Medium (30%-59% F/RP)	89.6	53.8	48.0	77.6	8.0	6,789	665
High (60% or more F/RP)	89.8	57.8	44.3	79.5	6.9	5,014	492

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs that used state agency training, nutrient analysis software, simplified nutrient assessment, web information, and other technical assistance resources differed significantly by SFA size at the .05 level.

³ Percentage of SFAs that used nutrient analysis software differed significantly by urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 5.46.

Changes in Scratch Cooking Practices

To be in compliance with the new meal pattern requirements, SFAs may opt to move toward all or some scratch cooking because cooking meals onsite offers the opportunity to have more control over the ingredients used (e.g., lower sodium and fat products; more vegetables, fruits, and whole grains). As seen in Table V-1.5, almost three-quarters (73 percent) of SFAs reported cooking from scratch prior to implementing the new meal. About 30 percent of SFAs initiated or increased scratch cooking after implementing the new meal patterns. The proportion of SFAs reporting changes in scratch cooking before and after the implementation of new meal patterns was significantly different by SFA size and urbanicity. Further analyses were conducted to examine a possible association between changes in scratch cooking and purchasing changes or difficulties. There was no statistically significant association between SFAs that changed their scratch cooking practices and those that required material changes in purchasing. In addition, when comparing SFAs that changed scratch cooking practices with those that reported difficulty with purchasing specific food products, no significant trends or patterns were observed to suggest that SFAs that initiated or increased scratch cooking did so because of difficulty purchasing specific food products.

Table V-1.5. Percentage of SFAs Observing Changes in Scratch Cooking by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs that:				Total SFAs	
	Did scratch cooking before the new meal patterns and:		Did not do scratch cooking before the new meal patterns and:		Weighted <i>n</i>	Unweighted <i>n</i>
	Increased scratch cooking after new meal patterns	Did not increase scratch cooking after new meal patterns	Started scratch cooking after new meal patterns	Did not start scratch cooking after new meal patterns		
All SFAs	23.8%	49.0%	6.1%	21.1%	14,737	1,469 ¹
SFA size²						
Small (1-999)	20.2	51.4	7.2	21.2	7,495	361
Medium (1,000-4,999)	28.2	46.9	4.6	20.2	5,183	547
Large (5,000-24,999)	27.1	45.5	6.0	21.3	1,750	384
Very large (25,000+)	18.1	45.7	4.9	31.3	309	177
Urbanicity²						
City	21.3	30.8	9.0	38.8	1,840	279
Suburban	26.3	38.2	7.0	28.5	2,790	384
Town	25.5	52.9	4.9	16.7	2,870	280
Rural	22.8	56.3	5.5	15.4	7,236	526
Poverty level						
Low (0-29% F/RP)	23.1	47.9	5.6	23.4	2,878	310
Medium (30-59% F/RP)	24.8	52.3	5.5	17.3	6,801	664
High (60% or more F/RP)	22.8	45.2	7.2	24.8	5,058	495

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs observing changes in scratch cooking differed significantly by SFA size and urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, questions 5.5, 5.6, and 5.7.

Strategies to Ensure Portion Control When Serving Grades 6 to 12 at the Same Time

The new meal pattern requirements differ by grade levels (K-5, 6-8, and 9-12), which can make serving a mixture of grades within a school complicated as dual serving size standards must be maintained. As seen in Table V-1.6, 24 percent of SFAs reported serving lunch to grades 6 to 8 and 9 to 12 in the same cafeteria at the same time. The practice of serving meals to students across middle and high school grade levels in the same cafeteria at the same time differed significantly by SFA size, urbanicity, and poverty level.

Table V-1.6. Percentage of SFAs With Schools That Serve Grades 6-8 and 9-12 in the Same Cafeteria at the Same Time by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	24.0%	14,752	1,469 ¹
SFA size²			
Small (1-999)	31.0	7,490	361
Medium (1,000-4,999)	15.4	5,205	548
Large (5,000-24,999)	16.4	1,748	383
Very Large (25,000+)	41.8	309	177
Urbanicity²			
City	14.9	1,818	278
Suburban	15.8	2,772	384
Town	19.9	2,832	277
Rural	30.9	7,330	530
Poverty level²			
Low (0-29% F/RP)	11.1	2,862	309
Medium (30-59% F/RP)	27.3	6,813	665
High (60% or more F/RP)	26.8	5,077	495

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs that served grades 6-8 and 9-12 at the same time differed significantly by SFA size, urbanicity, and poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 5.34.

As seen in Table V-1.7, SFAs that served lunch to grades 6 through 12 at the same time used various strategies to ensure grade-level portion control. Almost half (49 percent) of SFAs that served lunch to grades 6 through 12 at the same time changed the line schedule for each grade level. About 36 percent implemented separate lines by grade levels, and 11 percent used separate trays or labels to designate grade levels. Use of separate lines by grade levels was more prevalent at SFAs in medium- and high-poverty areas (almost 40 percent) than in low-poverty areas (12 percent).

Table V-1.7. Among SFAs That Serve Grades 6-8 and 9-12 at the Same Time, the Percentage of SFAs Using Various Strategies to Ensure Grade-Level Portion Control by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs using the following strategies to ensure grade-level portion control:				Total SFAs	
	Use separate trays or labels to designate grade levels	Separate the lines for different grade levels	Change the line schedule for each grade level	Other strategy	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	10.6%	35.9%	48.8%	18.2%	3,429	336 ¹
SFA size						
Small (1-999)	10.8	36.4	51.6	16.5	2,228	110
Medium (1,000-4,999)	10.5	37.5	42.5	20.3	786	81
Large (5,000-24,999)	9.7	29.8	43.8	22.5	286	66
Very large (25,000+)	10.8	31.0	49.9	24.1	129	79
Urbanicity						
City	8.4	25.7	34.1	26.0	243	69
Suburban	5.2	18.4	34.5	20.4	410	66
Town	8.8	33.6	46.0	25.7	564	49
Rural	12.3	40.9	53.7	15.0	2,213	152
Poverty level²						
Low (0-29% F/RP)	11.0	12.2	42.8	21.6	318	36
Medium (30-59% F/RP)	9.6	37.3	44.2	16.7	1,821	168
High (60% or more F/RP)	11.9	39.9	56.7	19.4	1,291	132

¹ *n* is less than the 342 SFAs that serve grades 6-8 and 9-12 at the same time due to item nonresponse.

² Percentage of SFAs that separated the lines for different grade-levels differed significantly by poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 5.35.

Table V-1.8 shows that among SFAs that served grades 6 through 12 at the same time, 93 percent provided training to food servers on portion control by grade level. Fewer SFAs in the city (76 percent) and suburban (78 percent) areas than in town (93 percent) or rural (97 percent) areas trained servers on portion control. The proportion of SFA directors that reported providing grade-level portion control training to food servers also differed significantly by poverty level: 88 percent of SFAs from low-poverty areas, 94 percent from medium-poverty areas, and 92 percent from high-poverty areas trained food servers.

Table V-1.8. Among SFAs That Serve Grades 6-8 and 9-12 at the Same Time, the Percentage of SFAs With Servers Who Have Been Trained on Grade-Level Portion Control by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	92.5%	3,532	342 ¹
SFA size²			
Small (1-999)	90.9	2,310	113
Medium (1,000-4,999)	96.7	804	83
Large (5,000-24,999)	92.2	289	67
Very Large (25,000+)	96.2	129	79
Urbanicity			
City	76.2	270	70
Suburban	77.7	417	67
Town	92.8	564	49
Rural	97.1	2,280	156
Poverty level²			
Low (0-29% F/RP)	88.1	352	37
Medium (30-59% F/RP)	93.9	1,838	170
High (60% or more F/RP)	91.8	1,342	135

¹ *n* is less than the 342 SFAs that serve grades 6-8 and 9-12 at the same time due to item nonresponse.

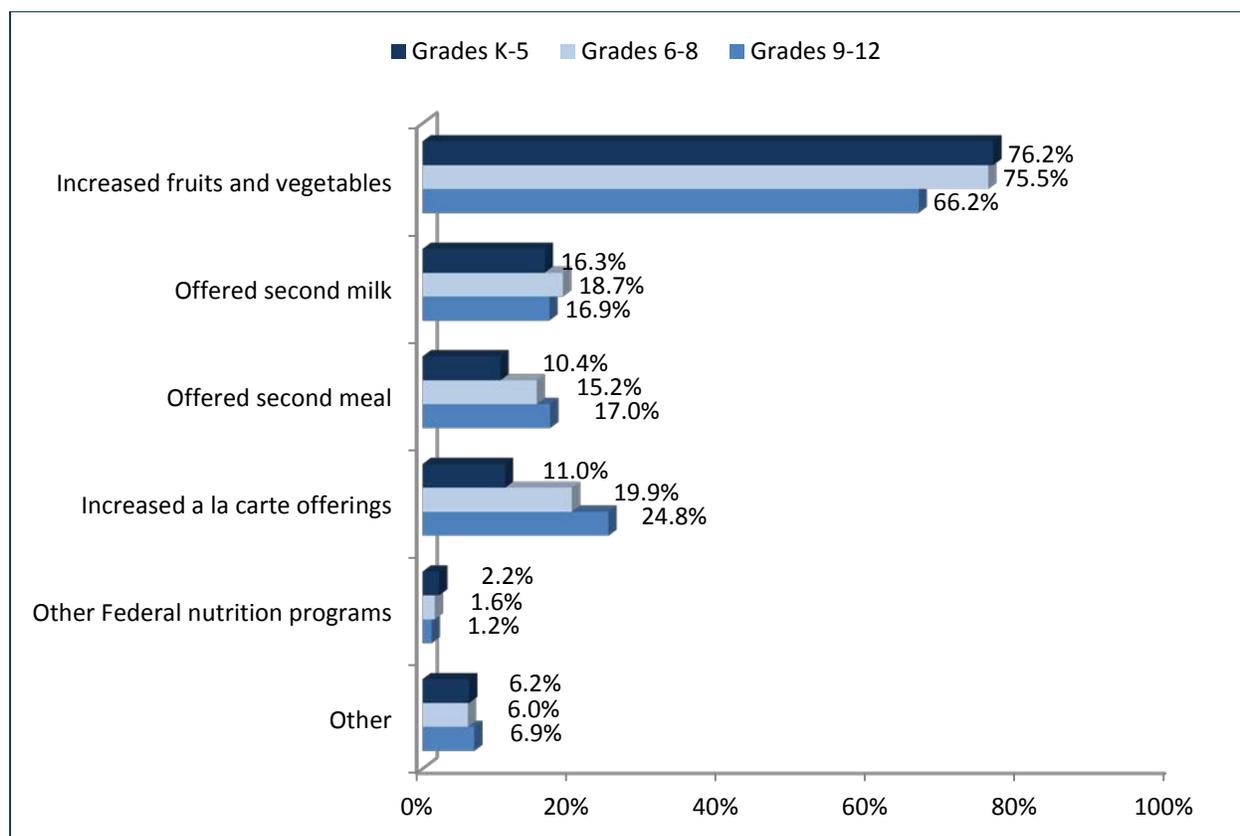
² Percentage of SFAs with servers who have been trained on grade-level portion control differed significantly by urbanicity at the .05 level. Data Source: SFA Director Survey SY 2012-13, question 5.36.

Serving Students Who Request Additional Food

School meals are sometimes the only source of food for low-income children, and these children may request additional food. In addition, students who may participate in athletic activities may also request additional foods. SFAs vary in their approach to meeting additional food needs of students or groups of students.

As seen in Figure V-1.1, in over 60 percent of SFAs, additional food needs are addressed by providing more fruits and vegetables to students. Less than 20 percent of schools offer additional milk or a second meal. More high schools than elementary or middle schools respond to additional food needs by increasing à la carte food offerings to their students or offering a second meal. Further analysis reveals no statistically significant pattern of association between SFAs that made adjustments to meet additional food needs and those already certified for being compliant with the new meal patterns.

Figure V-1.1. Percentage of SFAs That Have Made Adjustments to Meet Students' Needs and Wants for Additional Foods by Age-Grade Groups, SY 2012-13



For grades K-5, *n* is less than the 1,433 SFAs that reported having grades K-5 due to item nonresponse. Percentages based on a weighted response of 13,762 (unweighted 1,401). For grades 6-8, *n* is less than the 1,437 SFAs that reported having grades 6-8 due to item nonresponse. Percentages based on a weighted response of 13,685 (unweighted 1,401). For grades 9-12, *n* is less than the 1,354 SFAs that reported having grades 9-12 due to item nonresponse. Percentages based on a weighted response of 12,206 (unweighted 1,309).

Data Source: SFA Director Survey SY 2012-13, question 5.37.

Initial and Ongoing Implementation Challenges for Lunch Requirements

After the publication of the final rule for the new meal patterns and updated nutrition standards, SFA directors had 6 months to become familiar with and implement the new requirements. Implementing the new meal patterns requires schools to make changes in the type and amount of foods served. Such changes may require SFAs to alter their purchasing practices discussed previously in section V-3 in addition to their menu planning and cooking practices. SFAs may encounter challenges in serving meals that are well accepted by students (i.e., does not adversely affect plate waste) and also comply with the new meal pattern requirements.

In a survey of 410 SFA directors conducted by the SNA in September 2012,⁴⁰ cost and student acceptance were reported as the two main challenges in meeting the fruit, vegetable, and whole grain requirements for school lunches. In addition, eight SFA directors participating in an ongoing GAO study on implementation of new meal patterns expressed concerns with high cost, meal planning, food procurement, and pace of implementation as they implemented the new meal patterns.⁴¹ The 2012 Kitchen Infrastructure and Training for Schools study also assessed SFAs' readiness and initial barriers to implementing the new meal requirements and found that challenges to fully implementing the new lunch requirements included the cost and availability of appropriate foods, need for staff training, understanding new lunch requirements, need for additional staff or labor hours, need for additional equipment, and need to remodel or upgrade kitchens.⁴²

The 2012 SFA Director Survey asked SFAs if they encountered both initial and ongoing challenges when implementing the new meal patterns in four common areas: availability of products that met the standards, increased food costs, student acceptance, and community/parent acceptance. Additionally, SFAs were asked if they encountered initial challenges in staff training and new storage/equipment needs as well as ongoing challenges with maintaining student participation and separating portions for age-grade groups (Figures F-1 and F-2 in Appendix F). Questions about difficulties in meeting meal pattern requirements were asked separately for breakfast and lunch. For each of the 7 breakfast nutrition standards, SFAs were asked if they were able to meet the requirements easily (i.e., not a challenge), if they experienced difficulties in meeting the minimum requirements, or if they experienced difficulties not exceeding the maximum requirements. For the lunch nutrition standards, similar questions about difficulties in meeting meal pattern requirements were asked for grains, whole grains, meats/meat alternates, and calories. It is important to note that data collection for the 2012 SFA Director Survey began early in SY 2012-13, prior to the temporary lift of the maximum requirements for grains and meat/meat alternates that USDA authorized in SY 2011-12 (and later extended through SY 2013-14).

SFAs were also asked how challenging it has been in meeting the saturated fat requirements. Instead of asking about perceived difficulty in meeting sodium targets, SFA directors that knew the sodium levels of their meals were asked to report those levels separately for breakfast and lunch.

Overall, about 76 percent (not shown) of SFAs encountered five to six of the six challenges specifically asked about during initial implementation and 83 percent (not shown) of SFAs expected

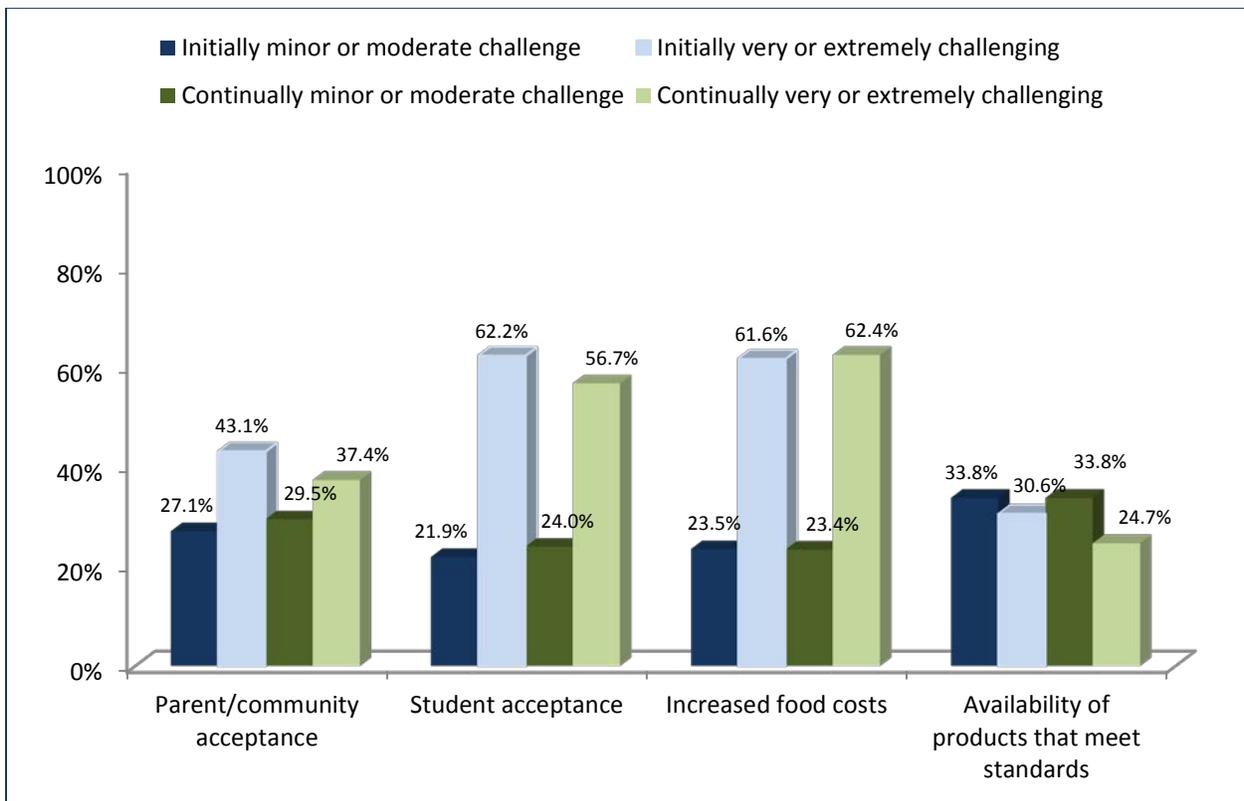
⁴⁰[http://www.schoolnutrition.org/uploadedFiles/School_Nutrition/102_ResourceCenter/MealPattern_\(members_only\)/Research/School%20Nutrition%20In%20Focussummary.pdf?n=6977](http://www.schoolnutrition.org/uploadedFiles/School_Nutrition/102_ResourceCenter/MealPattern_(members_only)/Research/School%20Nutrition%20In%20Focussummary.pdf?n=6977)

⁴¹ <http://www.gao.gov/assets/660/655543.pdf>

⁴² <http://www.rwjf.org/content/dam/farm/reports/reports/2013/rwjf407899>

five to six of the specific ongoing challenges included in the survey in reference to continuing implementation. The proportion of SFAs reporting various counts of initial and ongoing challenges differed significantly by SFA size (data not shown). As seen in Figure V-1.2, the most frequently cited initial and ongoing implementation challenges were both increased food costs and student acceptance. In addition to these challenges, the majority of SFA directors also reported that maintaining student participation and separating portions for age-grade groups are continual challenges (see Figure F-2 in Appendix F).

Figure V-1.2. Percentage of SFAs Observing Various Challenges When Initially Implementing Versus Continuing to Implement the New Meal Patterns, SY 2012-13



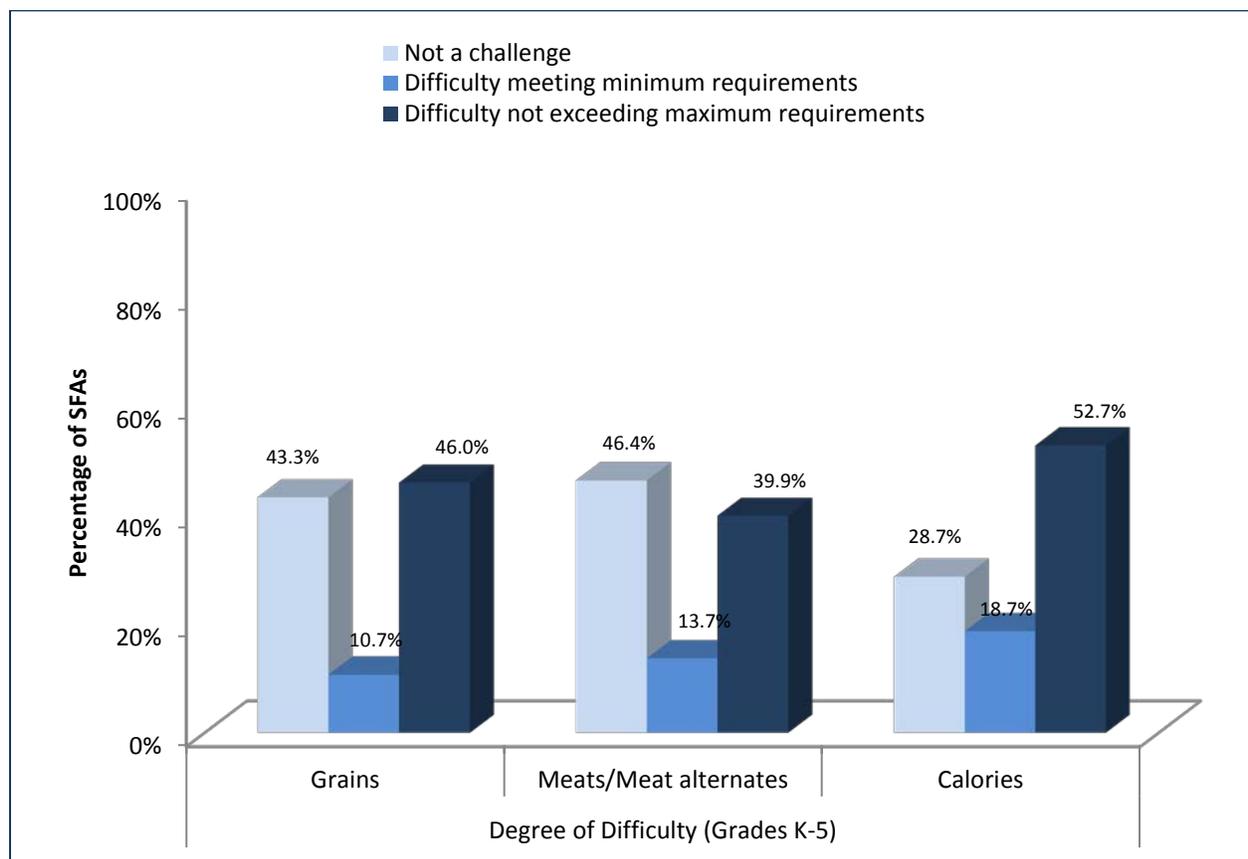
n is less than 1,491 due to item nonresponse. For availability of products that meet standards, percentages based on a weighted response of 14,203 (unweighted 1,438) when SFA initially implemented meal patterns and a weighted response of 14,306 (unweighted 1,446) as SFA continues to implement meal patterns. For increased food costs, percentages based on a weighted response of 14,213 (unweighted 1,436) when SFA initially implemented meal patterns and a weighted response of 14,368 (unweighted 1,449) as SFA continues to implement meal patterns. For student acceptance, percentages based on a weighted response of 14,416 (unweighted 1,448) when SFA initially implemented meal patterns and a weighted response of 14,512 (unweighted 1,457) as SFA continues to implement meal patterns. For parent/community acceptance, percentages based on a weighted response of 13,674 (unweighted 1,392) when SFA initially implemented meal patterns and a weighted response of 13,517 (unweighted 1,385) as SFA continues to implement meal patterns.

Data Source: SFA Director Survey SY 2012-13, questions 5.1a, 5.1d, 5.1e, 5.1f, 5.2a, 5.2d, 5.2e, 5.2f.

The 2012 SFA Director Survey included specific questions on the types of changes and challenges experienced in implementing specific food components and nutrient requirements under the new meal patterns. While specific food components and nutrient requirements will be discussed in more detail in the next few sections, Figure V-1.3 provides some general insight in to how difficult it has been for SFAs to meet the meal pattern requirements for lunch. The figure reveals that for those components with both minimum and maximum standards, SFAs had much more difficulty implementing the maximum requirements versus the minimum requirements.

Various challenges that SFAs experienced while implementing the new requirements for each of the lunch components are discussed in more detail in the next several sections.

Figure V-1.3. Percentage of SFAs That Reported Meeting All or Some of the Requirements for Grains, Meats/Meat Alternates, and Calories Was Not a Challenge, SY 2012-13



n is less than the 1,433 SFAs that reported having grades K-5 due to item nonresponse. Percentages based on a weighted response of 13,132 (unweighted 1,355).

Data Source: SFA Director Survey SY 2012-13, questions 5.19, 5.21, 5.23, 5.25, and 5.30.

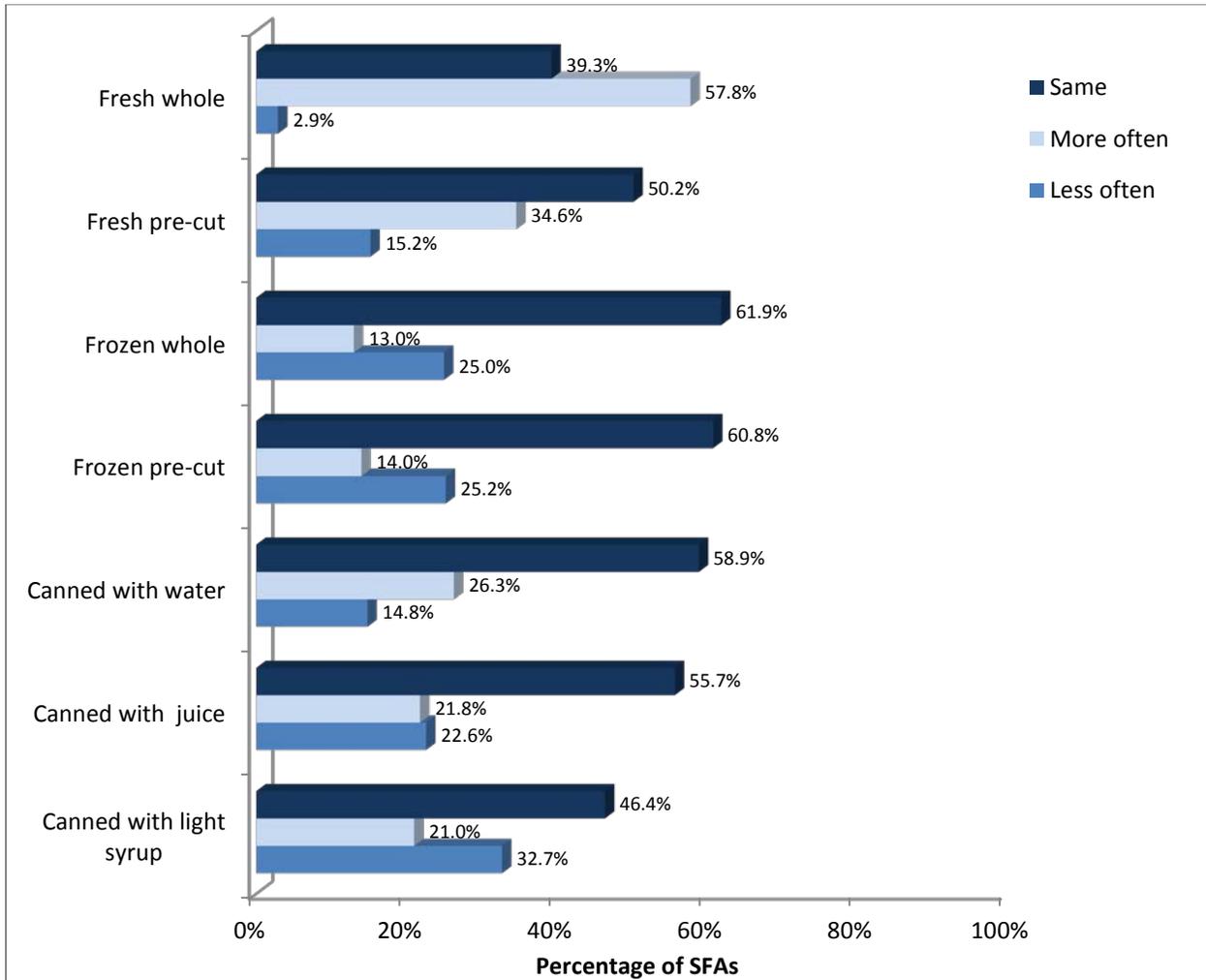
Fruit and Vegetable Requirements

Prior to the new meal patterns, SFAs were required to include $\frac{1}{2}$ to $\frac{3}{4}$ cup of fruit and vegetables combined per lunch. Under the new regulatory requirements, schools are required to serve $\frac{1}{2}$ cup to 1 cup of fruit and $\frac{3}{4}$ to 1 cup of vegetables at lunch depending on the age group served in the school, with set weekly requirements for specific vegetable subgroups (i.e., dark green, red/orange, beans/peas, starchy, and other vegetables). The types of fruit variety allowed include fresh; frozen⁴³; canned in light syrup; water or fruit juice; and dried fruits. Thus, the major changes in fruit and vegetable requirements relate to separate guidance for fruits and vegetables and a specification in the amount to be served from each group. In response to these new requirements, schools may change the frequency and product types purchased for fruits and vegetables, as discussed previously in section V-3. Additionally, SFA directors were asked in the survey if they changed the frequency of use for each type of fruit and vegetable product to meet the additional fruit and vegetable requirements.

As seen in Figure V-1.4, changes in frequency of use were noted in all types of fruits used to meet the new meal pattern requirements. To implement the new meal patterns, 58 percent of SFAs used fresh fruits more often and 35 percent used fresh pre-cut fruits more often. While about 60 percent of SFAs reported that they did not change the frequency of use for frozen whole or frozen pre-cut fruits, about 25 percent reported that they used these frozen fruits less often. About 33 percent of SFAs used canned fruit with light syrup less often. Further analysis of these data do not reveal that SFAs reporting more use of fresh fruits (compared to those that used more frozen or canned fruits) also report cost issues when ordering these fresh fruit products. When comparing SFAs that changed the frequency in which they used specific fruit products with those that reported difficulty with purchasing fruit, no consistent patterns were revealed to suggest an association between difficulty purchasing fruit and changes in the use of specific fruit products.

⁴³ While the final nutrition standards proposed in January 2012 specified that only frozen fruits without added sugar would be allowed (77 FR 4 4088), USDA temporarily provided SFAs flexibility to continue to offer frozen fruits with added sugar through SY 2013-14 (<http://www.fns.usda.gov/cnd/governance/Policy-Memos/2012/SP20-2012osr.pdf>) as well as in both lunch and breakfast through SY 2014-15 (<http://www.fns.usda.gov/sites/default/files/SP49-2013os.pdf>). Furthermore, USDA made this flexibility permanent in the final certification rule published on January 3, 2014 (7 CFR 210.7(d)(1)(iii)(B)).

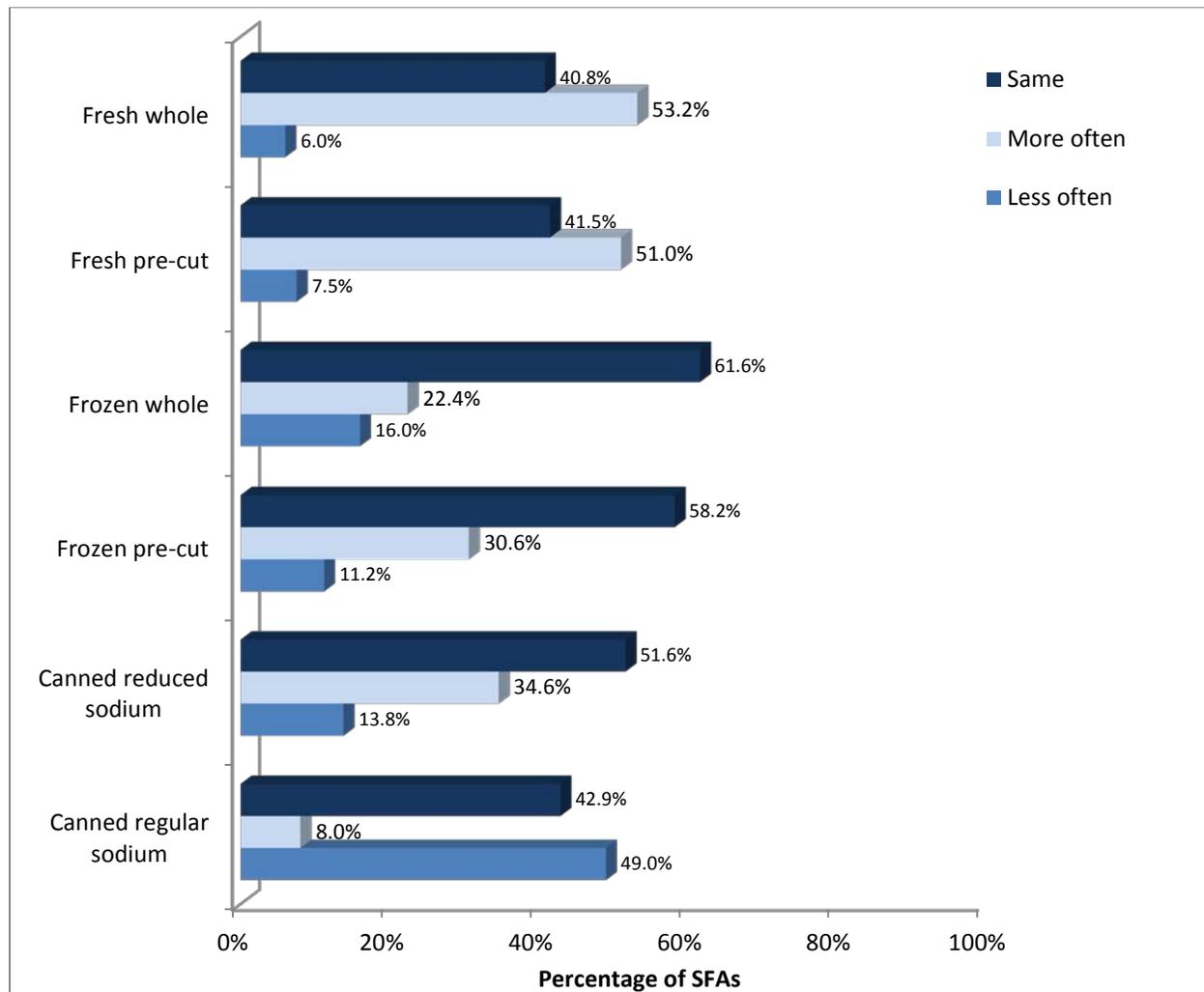
Figure V-1.4. Percentage of SFAs Observing Changes in the Frequency With Which Fruit Products Are Used, SY 2012-13



n is less than 1,491 due to item nonresponse. For fresh whole, percentages based on a weighted response of 14,730 (unweighted 1,468). For fresh pre-cut, percentages based on a weighted response of 14,609 (unweighted 1,460). For frozen whole, percentages based on a weighted response of 14,612 (unweighted 1,458). For frozen pre-cut, percentages based on a weighted response of 14,582 (unweighted 1,454). For canned with water, percentages based on a weighted response of 14,640 (unweighted 1,457). For canned with juice, percentages based on a weighted response of 14,661 (unweighted 1,461). For canned with light syrup, percentages based on a weighted response of 14,682 (unweighted 1,464). Data Source: SFA Director Survey SY 2012-13, question 5.13.

As seen in Figure V-1.5, SFA directors reported changes in the frequency in which different vegetable products were used. Over 50 percent of SFAs reported increases in the frequency in which they used fresh whole and fresh pre-cut vegetables. Slightly more than 30 percent of SFAs used frozen pre-cut and canned reduced sodium vegetables more often. While 43 percent of SFAs did not change the use of canned regular sodium vegetables, 8 percent reported an increase in the frequency of use, and 49 percent reported a decline in the frequency of use of canned regular sodium vegetables. Further analysis of SFAs that changed the frequency in which they used specific vegetable products with those that reported difficulty with purchasing vegetables revealed no association between difficulty purchasing vegetables and changes in the use of specific vegetable products.

Figure V-1.5. Percentage of SFAs Observing Changes in the Frequency With Which Vegetable Products Are Used, SY 2012-13

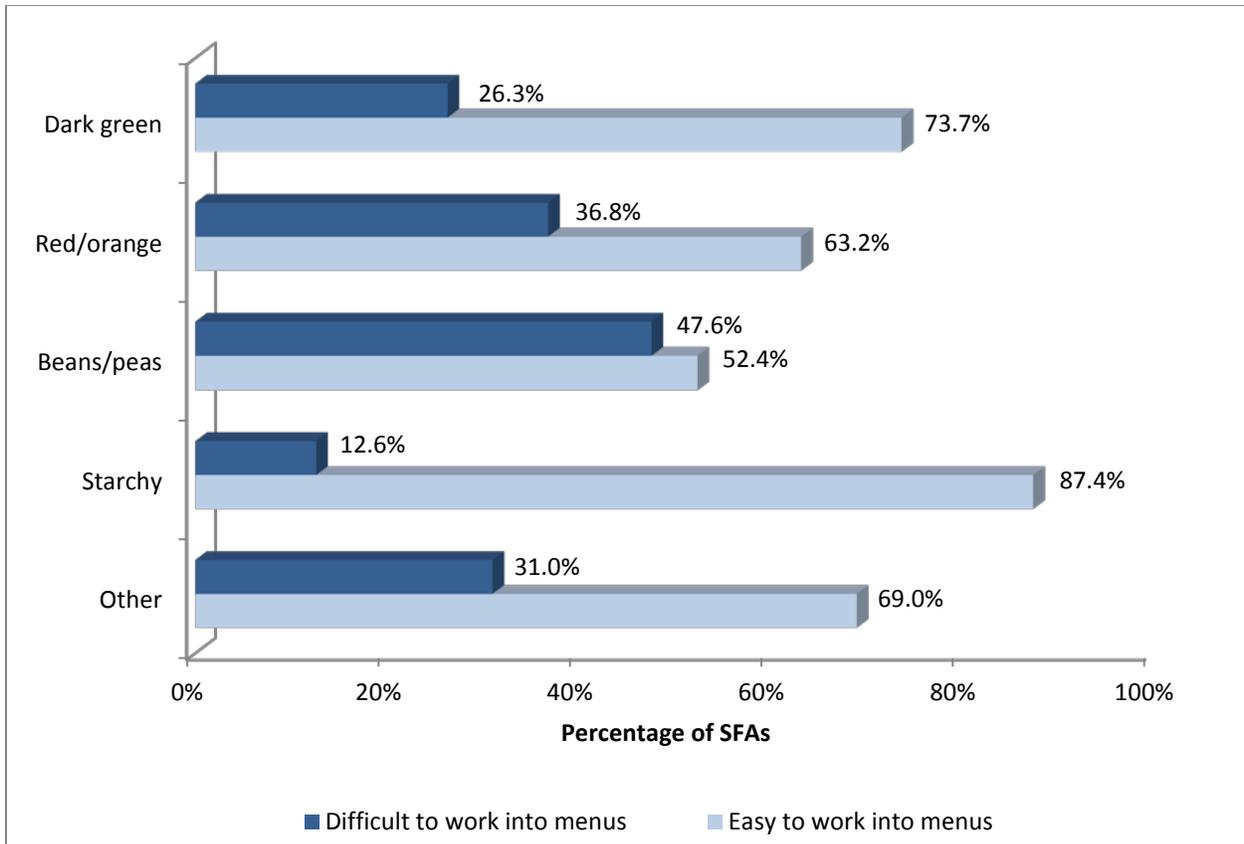


n is less than 1,491 due to item nonresponse. For fresh whole, percentages based on a weighted response of 14,698 (unweighted 1,465). For fresh pre-cut, percentages based on a weighted response of 14,685 (unweighted 1,465). For frozen whole, percentages based on a weighted response of 14,596 (unweighted 1,451). For frozen pre-cut, percentages based on a weighted response of 14,631 (unweighted 1,460). For canned reduced sodium, percentages based on a weighted response of 14,676 (unweighted 1,461). For canned regular sodium, percentages based on a weighted response of 14,616 (unweighted 1,457).

Data Source: SFA Director Survey SY 2012-13, question 5.16.

As seen in Figure V-1.6, the majority of SFAs found it easy to incorporate all vegetable subgroups into school menus. Specifically, SFAs found it easiest to include starchy vegetables, with 87 percent of directors reporting it was easy to integrate these vegetables into the menus. In contrast, SFA directors found it most difficult to include beans/peas, with 48 percent finding these vegetables difficult to work into the menus.

Figure V-1.6. Percentage of SFAs Finding It Easy to Work Vegetable Subgroups Into Menus, SY 2012-13



n is less than 1,491 due to item nonresponse. For dark green, percentages based on a weighted response of 13,648 (unweighted 1,403). For red/orange, percentages based on a weighted response of 13,575 (unweighted 1,398). For beans/peas, percentages based on a weighted response of 13,709 (unweighted 1,406). For starchy, percentages based on a weighted response of 13,328 (unweighted 1,383). For other vegetable products, percentages based on a weighted response of 986 (unweighted 130).

Data Source: SFA Director Survey SY 2012-13, question 5.17.

Generally, among vegetables, starchy vegetables are most liked by students and beans/peas are least liked by students. Table V-1.9 shows that only 1 percent of SFA directors reported that starchy vegetables were the least liked vegetable group while 59 percent reported that beans/peas were the least liked vegetable subgroup. Thus, the difficulty in integrating these into the menus may be related to promoting acceptance of least-liked vegetable subgroups.

Table V-1.9. Percentage of SFAs Reporting Vegetable Subgroups Least Liked by Students by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs reporting the following vegetable subgroups are least liked:					Total SFAs	
	Dark green	Red/orange	Beans/peas	Starchy	Other	Weighted n	Unweighted n
All SFAs	22.1%	16.4%	58.8%	1.0%	1.6%	14,636	1,461 ¹
SFA size²							
Small (1-999)	25.3	15.3	55.7	1.5	2.2	7,396	356
Medium (1,000-4,999)	18.2	18.4	62.2	0.4	0.9	5,784	545
Large (5,000-24,999)	20.8	14.8	62.4	0.5	1.4	1,748	383
Very large (25,000+)	21.6	20.5	56.0	0.6	1.4	309	177
Urbanicity²							
City	24.6	15.9	58.3	0.4	0.9	1,787	276
Suburban	18.2	8.1	72.4	0.2	1.1	2,747	381
Town	23.4	17.1	55.3	1.7	2.6	2,812	276
Rural	22.5	19.5	55.1	1.2	1.6	7,289	528
Poverty level²							
Low (0-29% F/RP)	12.2	12.6	73.8	0.8	0.6	2,865	308
Medium (30%-59% F/RP)	18.3	13.4	66.5	0.2	1.7	6,771	663
High (60% or more F/RP)	33.1	22.7	39.9	2.3	2.1	5,001	490

¹ n is less than 1,491 due to item nonresponse.

² Percentage of SFAs reporting vegetable subgroups least liked by student differed significantly by SFA size, urbanicity, and poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 5.54.

Grain/Whole Grain Requirements

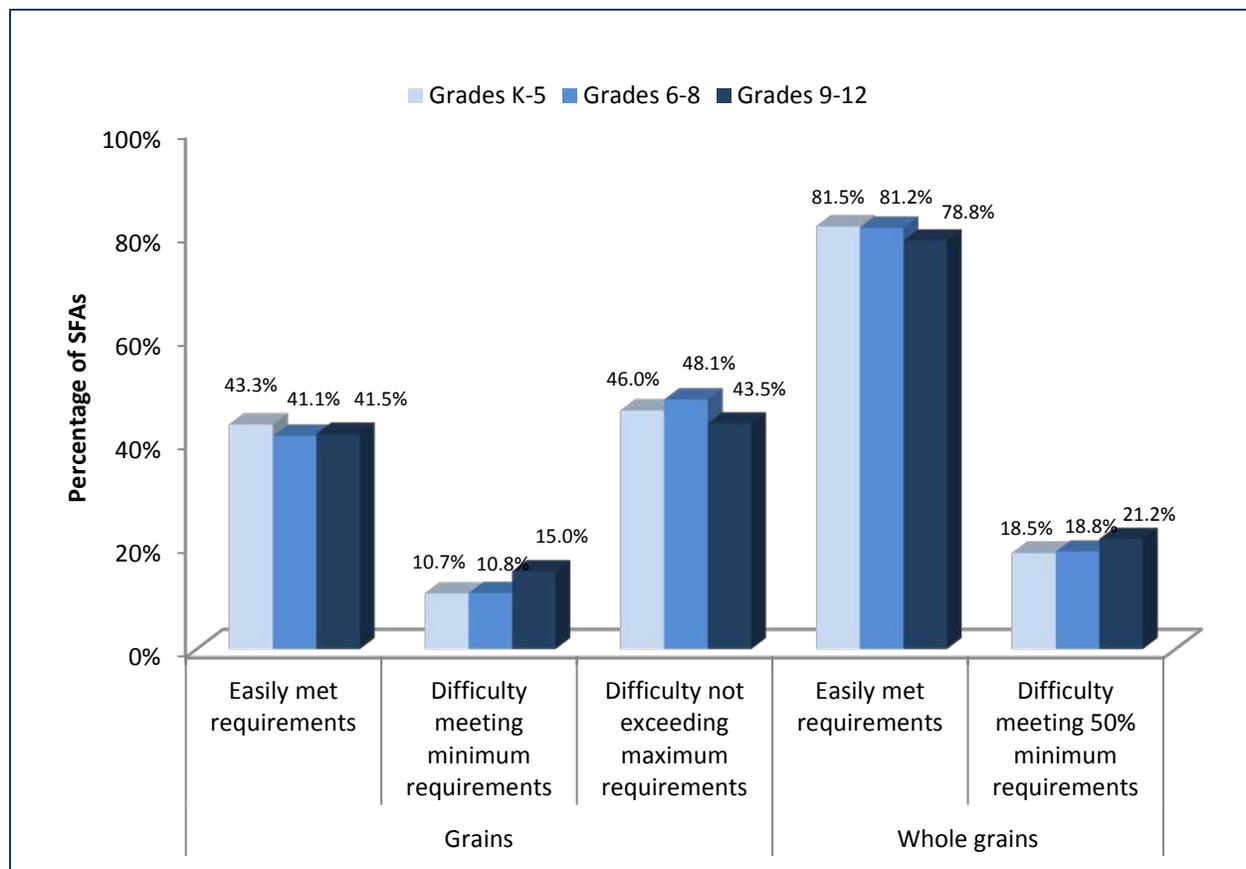
Prior to the new meal patterns, schools were encouraged to include whole grains in meals and were required to serve eight servings of grains per week, with a minimum of one serving per day. The new meal patterns specify that at least one-half of the grains served must be whole grain, and beginning July 2014, all grains must be whole grain-rich. In addition, grade-specific daily minimum and weekly ranges specify the ounce equivalent of grains that should be served with each meal; for example for grades K-5, lunch should include 1 ounce equivalent minimum of grain per day with a weekly requirement of 8 to 9 ounces. However, meeting the weekly maximum requirement resulted in several operational challenges for many SFAs.⁴⁴ In order to comply with the weekly ranges, some SFAs had to standardize their grain serving sizes which in turn limited flexibility in menu planning. Furthermore, some of the frequently used grain products are not available from suppliers in a wide range of serving sizes, compounding menu planning challenges even more. To help address these challenges, in December 2012, USDA relaxed the maximum requirement for the remainder of the

⁴⁴ <http://www.fns.usda.gov/sites/default/files/SP11-2013os.pdf>

school year, allowing SFAs that are compliant with the daily and weekly minimums for grains to be considered compliant, regardless of whether they exceeded the weekly maximum.

Few SFAs reported having difficulty meeting the minimum grain requirements. Furthermore, most SFAs were able to meet the 50-percent whole grain requirements with relative ease as well. As seen in Figure V-1.7, about 11 to 15 percent of SFAs across all grade levels had difficulty meeting the minimum grain requirements, and only 18 to 21 percent had difficulty meeting the 50-percent minimum whole grain requirements. Meeting the weekly maximum grain requirements were perceived to be much more difficult for SFAs than meeting the weekly minimum requirements, keeping in mind the fact that these data were collected from SFA directors prior to USDA lifting this maximum. Almost half of SFAs across all grade levels reported difficulty not exceeding the maximum grain requirements.

Figure V-1.7. Percentage of SFAs That Reported Having Difficulty Meeting the Grain and Whole Grain Requirements, by Age-Grade Group, SY 2012-13



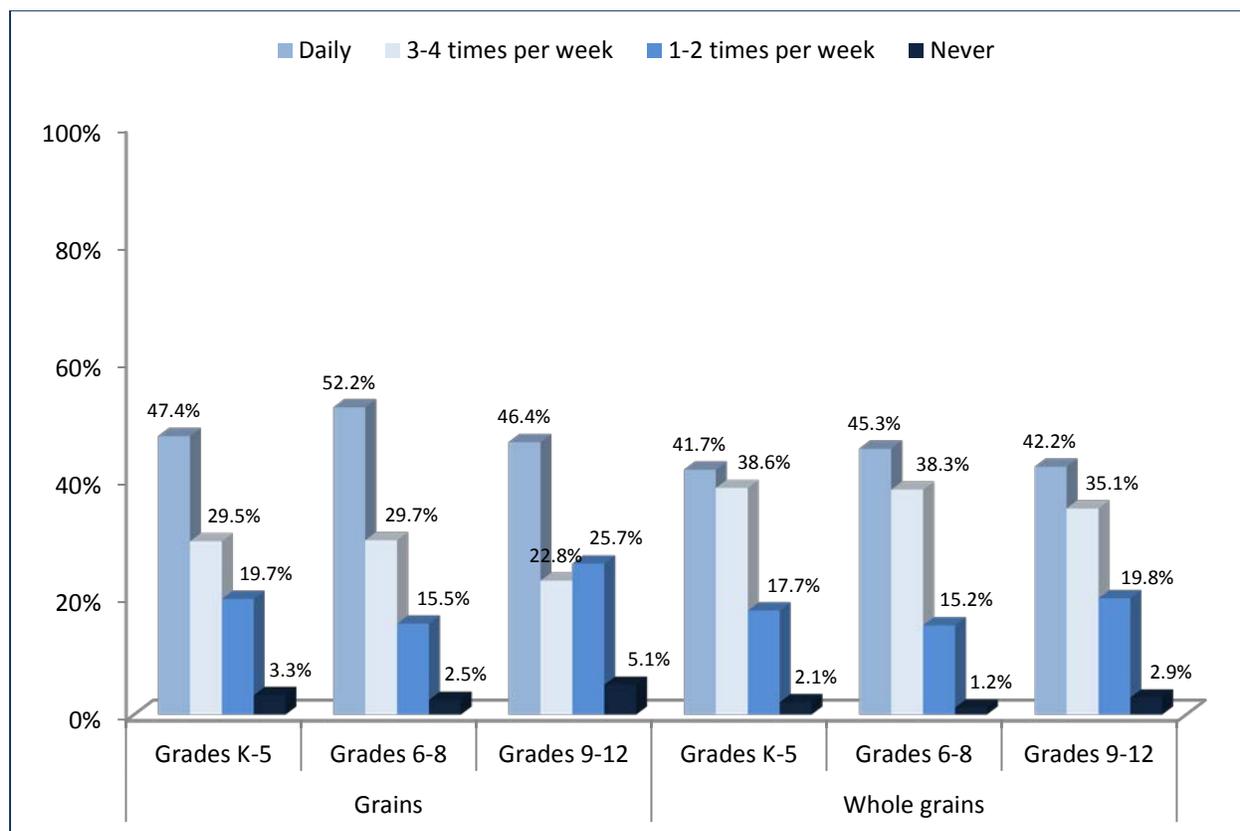
For grades K-5, *n* is less than the 1,433 SFAs that reported having grades K-5 due to item nonresponse. Percentages based on a weighted response of 13,132 (unweighted 1,355) for grains, and a weighted response of 13,132 (unweighted 1,355) for whole grains. For grades 6-8, *n* is less than the 1,437 SFAs that reported having grades 6-8 due to item nonresponse. Percentages based on a weighted response of 12,891 (unweighted 1,342) for grains, and a weighted response of 13,633 (unweighted 1,378) for whole grains. For grades 9-12, *n* is less than the 1,354 SFAs that reported having grades 9-12 due to item nonresponse. Percentages based on a weighted response of 10,847 (unweighted 1,213) for grains, and a weighted response of 12,148 (unweighted 1,307) for whole grains.

Data Source: SFA Director Survey SY 2012-13, questions 5.19 and 5.21.

Further analysis also indicates that SFAs that used an FSMC tended to have less challenges in meeting the grain requirements. However, this statistically significant association did not hold true for the 50-percent whole grain requirements. For grades K-5, 52 percent (not shown) of SFAs that used an FSMC reported they easily met the grain requirements compared to 41 percent (not shown) of SFAs that did not use an FSMC. A similar trend was observed for grades 6-8, with 49 percent (not shown) of SFAs using an FSMC reporting no challenges versus 39 percent (not shown) of SFAs not using an FSMC reporting no challenges. Although SFAs with grades 9-12 reported similar differences suggesting those using FSMCs had less difficulty, this difference was not statistically significant.

In terms of actually meeting the grain requirements, Figure V-1.8 shows that across all grade levels, about half of SFAs exceeded the daily minimum requirements for grains. SFAs are required to serve a daily minimum of 1 ounce equivalent for grades K-8 and 2 ounces equivalent for grades 9-12. However, the survey items asked SFA directors how often (daily, 3-4 times per week, 1-2 times per week, or never) they served items *greater* than the daily minimum requirements. Similarly, more than 40 percent of SFAs exceeded the required daily whole grain requirement by serving whole grains that met the entire grain amount (1 ounce equivalent minimum daily for grades K-8 and 2 ounces equivalent minimum daily for grades 9-12), and more than 70 percent serving whole grains in this quantity daily or three to four times per week. Use of FSMCs was positively related to exceeding both the daily grain and daily whole grain requirements for all grade levels. For grades K-5, 58 percent (not shown) of SFAs that used FSMCs and 45 percent (not shown) of SFAs that did not use FSMCs exceeded the daily grain requirements; similarly 56 percent (not shown) of SFAs that used FSMCs and 39 percent (not shown) of SFAs that did not use FSMCs exceeded the daily whole grain requirement. This statistically significant association also held true for grades 6-8, but not for grades 9-12 (data not shown).

Figure V-1.8. Percentage of SFAs That Report Exceeding Required Daily Grain Quantities by Frequency and Age-Grade Groups, SY 2012-13



For grades K-5, *n* is less than the 1,433 SFAs that reported having grades K-5 due to item nonresponse. Percentages based on a weighted response of 13,132 (unweighted 1,355) for grains, and a weighted response of 13,132 (unweighted 1,355) for whole grains. For grades 6-8, *n* is less than the 1,437 SFAs that reported having grades 6-8 due to item nonresponse. Percentages based on a weighted response of 12,884 (unweighted 1,341) for grains, and a weighted response of 12,891 (unweighted 1,342) for whole grains. For grades 9-12, *n* is less than the 1,354 SFAs that reported having grades 9-12 due to item nonresponse. Percentages based on a weighted response of 10,828 (unweighted 1,212) for grains, and a weighted response of 10,847 (unweighted 1,213) for whole grains.

Data Source: SFA Director Survey SY 2012-13, questions 5.18 and 5.20.

Meats/Meat Alternates Requirements

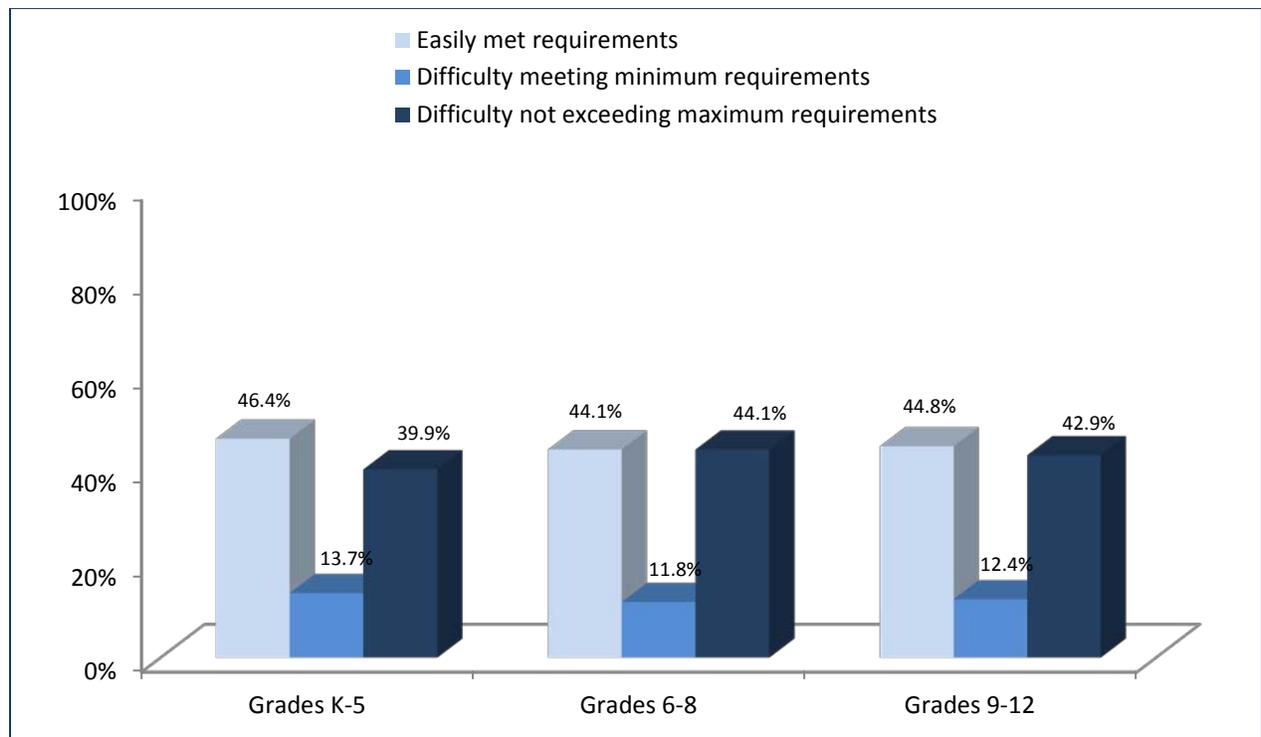
Schools were required to serve a minimum of 1.5 to 2 ounces equivalent daily of meats/meat alternates; the new meal pattern established grade-specific minimum and weekly ranges for meats and meat alternates. The daily minimum and weekly ranges are 1 ounce equivalent minimum daily (8 to 10 ounces weekly) for grades K-5, 1 ounce equivalent minimum daily (9 to 10 ounces weekly) for grades 6-8, and 2 ounces equivalent minimum daily (10-12 ounces weekly) for grades 9-12. Similar to the grain component, weekly maximums for meats/meat alternates were lifted by USDA due to the similar operational challenges SFAs faced in meeting the weekly maximum requirement for meats/meat alternates.⁴⁵ However, the SFA Director Survey was implemented before the requirement was lifted; hence SFA directors were asked about difficulty not exceeding the maximum requirements. While the daily minimum requirements are the same for grades K-5 and grades 6-8, the weekly requirements are slightly higher for grades 6-8. Under the new meal pattern, the daily minimum of

⁴⁵ <http://www.fns.usda.gov/sites/default/files/SP11-2013os.pdf>

meats/meat alternates is a smaller portion for elementary and middle schools than previous requirements. SFAs are encouraged to serve a variety of meats and meat alternates, including tofu and soy yogurt.

As seen in Figure V-1.9, slightly less than 50 percent of SFAs across all grade levels reported that they easily met the meats/meat alternates requirements. Similar to the grain component, of those that reported difficulty, the majority had difficulty not exceeding the weekly maximum requirement. Only 12 to 14 percent of SFAs had difficulty meeting the minimum requirements across the grade levels, while 40 to 44 percent reported difficulty in not exceeding the maximum weekly requirements. Similar to grains, further analysis indicates that SFAs that used an FSMC tended to have less challenges in meeting the weekly meats/meat alternates requirements. For grades K-5, 55 percent (not shown) of SFAs that used an FSMC reported they easily met the meats/meat alternates requirements compared to 44 percent (not shown) of SFAs that did not use an FSMC. Although SFAs with grades 6-8 and 9-12 reported similar differences suggesting those using an FSMC had less difficulty, the difference for these grade levels was not statistically significant.

Figure V-1.9. Percentage of SFAs That Reported Having Difficulty Meeting the Meats/Meat Alternates Requirements by Age-Grade Group, SY 2012-13



For grades K-5, *n* is less than the 1,433 SFAs that reported having grades K-5 due to item nonresponse. Percentages based on a weighted response of 13,132 (unweighted 1,355). For grades 6-8, *n* is less than the 1,437 SFAs that reported having grades 6-8 due to item nonresponse. Percentages based on a weighted response of 12,889 (unweighted 1,342). For grades 9-12, *n* is less than the 1,354 SFAs that reported having grades 9-12 due to item nonresponse. Percentages based on a weighted response of 10,854 (unweighted 1,214).

Data Source: SFA Director Survey SY 2012-13, question 5.23.

As noted in Table V-1.10, about 60 percent of SFA directors reported difficulty in finding smaller sized portions of meats/meat alternates. It is likely that the difficulty in not exceeding the weekly requirements SFAs reported in the survey prior to the lift of the maximum requirement is related to the difficulty in finding smaller sized portions of meats/meat alternates, which is congruous with FNS' report that SFAs had difficulty finding popular meat/ meat alternate products in a range of sizes.⁴⁶ The proportion of SFA directors that reported difficulty in finding smaller sized portions of meats/meat alternates was significantly associated with SFA size and urbanicity. More SFAs had difficulty as SFA size increased. Additionally, SFAs in cities were less likely to have difficulty compared to SFAs in towns or rural or suburban areas. Further analysis reveals that a statistically significant larger proportion of SFAs (36 percent, not shown) that reported difficulty in finding smaller sized portions of meats/meat alternates also reported requiring material changes in purchasing from food distributors, compared to SFAs that did not report a difficulty in finding smaller sized portions of meats/meat alternates (22 percent, not shown). Furthermore, 34 percent of SFAs that reported difficulty in finding smaller sized portions of meats/meat alternates also reported difficulty with purchasing meats, while only 8 percent of SFAs that did not report difficulty in finding smaller sized portions also reported difficulty with purchasing meats.

Table V-1.10. Percentage of SFAs Having Difficulty Finding Smaller Sized Portions of Meats/Meat Alternates by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	59.8%	14,747	1,469 ¹
SFA size²			
Small (1-999)	54.9	7,493	361
Medium (1,000-4,999)	64.0	5,194	547
Large (5,000-24,999)	66.9	1,751	384
Very Large (25,000+)	67.3	309	177
Urbanicity²			
City	42.3	1,818	278
Suburban	58.4	2,788	384
Town	65.6	2,828	277
Rural	62.3	7,312	530
Poverty level			
Low (0-29% F/RP)	61.9	2,879	310
Medium (30-59% F/RP)	61.8	6,821	665
High (60% or more F/RP)	55.8	5,046	494

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs having difficulty finding smaller sized portions of meats/meat alternates differed significantly by SFA size and urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 5.22.

⁴⁶ <http://www.fns.usda.gov/sites/default/files/SP11-2013os.pdf>

As seen in Table V-1.11, on lower meat days, cheese (54 percent) was the most frequently used meat alternate followed by mixed meat dish (25 percent) and yogurt (13 percent). The proportion of SFAs using various types of meat alternates differed significantly by SFA size and poverty level.

Table V-1.11. Percentage of SFAs Using Various Meat Alternates by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs that reported using the following meat alternates most often on lower meat days:					Total SFAs	
	Nut butter	Cheese	Yogurt	Mixed meat dish	Other	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	2.6%	53.5%	13.1%	25.3%	5.6%	14,597	1,454 ¹
SFA size²							
Small (1-999)	2.0	57.1	10.2	26.6	4.1	7,423	357
Medium (1,000-4,999)	3.2	48.2	16.5	26.3	5.8	5,127	539
Large (5,000-24,999)	2.7	54.1	14.9	18.4	10.0	1,739	381
Very large (25,000+)	5.2	50.7	13.9	18.5	11.7	309	177
Urbanicity							
City	3.9	57.2	11.4	22.1	5.5	1,815	277
Suburban	2.3	54.2	16.4	20.3	6.8	2,745	378
Town	2.0	51.6	12.1	28.1	6.2	2,783	274
Rural	2.5	53.0	12.6	27.0	4.9	7,253	525
Poverty level²							
Low (0-29% F/RP)	3.2	53.4	15.1	22.5	5.8	2,814	304
Medium (30%-59% F/RP)	1.2	53.0	14.9	24.2	6.7	6,748	659
High (60% or more F/RP)	4.0	54.1	9.6	28.3	3.9	5,035	491

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs using various meat alternates differed significantly by SFA size and poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 5.24.

Calorie Specifications

The new meal patterns require the use of food-based menu planning, and therefore grade-specific calorie ranges are provided, which differs from the recommendations under the traditional menu planning, enhanced menu planning, or nutrient-based menu planning approaches that specified a minimum number of calories by grade level. For example, the traditional menu planning system specified a minimum of 633 calories for children in grades K-3 and 785 calories for children in grades 4-12, and the enhanced menu planning and nutrient-based menu planning systems specified a minimum of 664 calories for grades K-6. In contrast, the food-based menu planning system used to plan menus to meet the new meal pattern requirements specifies a range of 550 to 650 calories for children in grades K-5, 600 to 700 calories for grades 6-8, and 750 to 800 calories for grades 9-12.

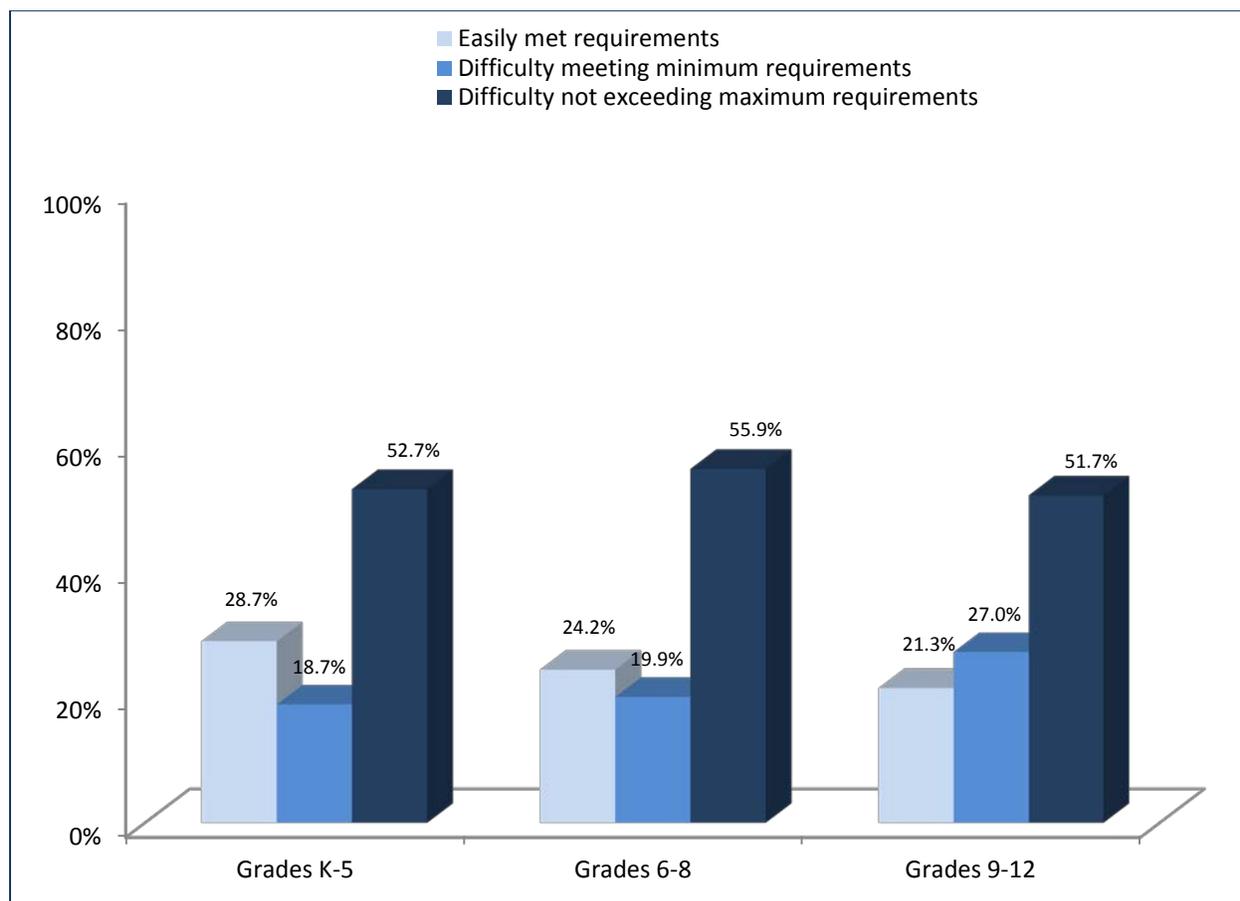
At any given grade level, the minimum calorie requirements specified under the new meal patterns are lower than the earlier requirements and the maximum calorie requirements are slightly higher than the earlier requirements. The weekly maximums for grains and meats/meat alternates that were initially included in the final rule were intended to assist menu planners meet the weekly caloric specification.⁴⁷ However, as previously mentioned, these component maximums were lifted. While the maximums for grains and meats/meat alternates were lifted, SFAs have still been able to meet the weekly calorie requirements, as evidenced by the high percentage of SFAs that have been certified (refer back to Table V-1.1). In fact, results of the School Nutrition Dietary Assessment study (SNDA IV⁴⁸) reveal that in SY 2009-10, before the final rule was in place, the average NSLP lunch offered to high school students had 843 calories, which is within the current guideline of 750 to 850 calories for high schools.

As seen in Figure V-1.10, only 21 to 29 percent of SFA directors reported across grade levels that it was not a challenge to meet the calorie requirements. Of those having difficulty meeting the requirements, 19 to 27 percent of SFA directors had challenges with meeting the minimum calorie requirements across grade levels, and 52 to 56 percent reported challenges with not exceeding the maximum requirements. SFAs that used an FSMC had less challenges in meeting the weekly calorie requirements compared to SFAs that did not use an FSMC. For grades K-5, 40 percent (not shown) of SFAs that used an FSMC reported they easily met the calorie requirements compared to 26 percent (not shown) of SFAs that did not use an FSMC. A similar trend was observed for grades 6-8 and 9-12, with 34 percent (not shown) of SFAs with grades 6-8 that used an FSMC reporting no challenges versus 22 percent (not shown) of those that did not use an FSMC, and 28 percent (not shown) versus 20 percent (not shown) for SFAs with grades 9-12.

⁴⁷ <http://www.fns.usda.gov/sites/default/files/SP26-2013os.pdf>

⁴⁸ U.S. Department of Agriculture, Food and Nutrition Service, Office of Research and Analysis, *School Nutrition Dietary Assessment Study IV, Vol. I: School Foodservice Operations, School Environments, and Meals Offered and Served*, by Mary Kay Fox, Elizabeth Condon, Mary Kay Crepinsek, et al. Project Officer, Fred Lesnett Alexandria, VA: November 2012.

Figure V-1.10. Percentage of SFAs That Reported Having Difficulty Meeting the Calorie Requirements by Age-Grade Group, SY 2012-13



For grades K-5, *n* is less than the 1,433 SFAs that reported having grades K-5 due to item nonresponse. Percentages based on a weighted response of 13,132 (unweighted 1,355). For grades 6-8, *n* is less than the 1,437 SFAs that reported having grades 6-8 due to item nonresponse. Percentages based on a weighted response of 12,875 (unweighted 1,341). For grades 9-12, *n* is less than the 1,354 SFAs that reported having grades 9-12 due to item nonresponse. Percentages based on a weighted response of 10,835 (unweighted 1,213).
 Data Source: SFA Director Survey SY 2012-13, question 5.25.

Trans-fat Specifications

The new meal patterns require that SFA directors purchase food products with zero grams of trans-fat per serving; there was no limit set on trans-fat prior to the new meal patterns. While there were no limits on trans-fats, several SFAs were proactively reducing or eliminating trans-fat from school meals, so as to align the school meals with the 2005 Dietary Guidelines for Americans (choose foods that limit the intake of trans-fat). Several schools had also implemented wellness policies that limited trans-fat to no more than 1 gram per serving.

As seen in Table V-1.12, a vast majority (93 percent) of SFA directors reported reviewing nutrition labels for trans-fat content of food products, and 71 percent reported that in order to be compliant with the trans-fat requirements under the new meal patterns, they changed procedures to review nutrition labels for trans-fat content. The proportion of SFAs that changed their label review procedures differed significantly by SFA size and urbanicity. While 62 percent (not shown) of SFAs using FSMCs had changed the way they reviewed labels, about 73 percent (not shown) of those not using FSMCs had done so.

Table V-1.12. Percentage of SFAs That Review Labels for Trans Fat and Have Changed These Procedures to Meet the New Meal Pattern Requirements by SFA Characteristics, SY 2012-13

SFA characteristics	Review labels for trans-fat consent			Changed procedures for reviewing labels		
	Percentage of SFAs	Total SFAs		Percentage of SFAs	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	92.9%	14,729	1,465 ¹	71.0%	14,691	1,463 ¹
SFA size ^{2,3}						
Small (1-999)	90.8	7,504	361	72.8	7,466	359
Medium (1,000-4,999)	94.3	5,166	543	71.1	5,166	543
Large (5,000-24,999)	96.7	1,751	384	66.2	1,751	384
Very Large (25,000+)	100.0	309	177	54.9	309	177
Urbanicity						
City	88.8	1,810	277	61.0	1,810	277
Suburban	95.1	2,771	382	65.9	2,763	381
Town	92.6	2,832	277	73.1	2,812	276
Rural	93.2	7,316	529	74.7	7,305	529
Poverty level						
Low (0-29% F/RP)	91.7	2,873	308	70.9	2,828	305
Medium (30-59% F/RP)	93.9	6,806	664	72.1	6,813	665
High (60% or more F/RP)	92.2	5,050	493	69.7	5,050	493

¹ *n* is less than 1,491 due to item nonresponse.

² Because some of the categories contain zero values, no significance tests were conducted to determine differences in percentage of SFAs reviewing labels for trans-fat content.

³ Percentage of SFAs that have changed procedures for reviewing labels on products differed significantly by SFA size and urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, questions 5.26 and 5-27.

As seen in Table V-1.13, to meet the trans-fat requirements, about 62 percent of SFA directors changed food items for margarine and vegetable shortening and about 42 percent did so for pre-mixed products. The proportion of SFAs that changed food items (e.g., cookies, pastries, etc.; hard margarine; pre-mixed products; fried foods; or snack foods) to meet the trans-fat requirements differed significantly by SFA size and urbanicity.

Table V-1.13. Percentage of SFAs That Changed Food Items to Meet Trans-Fat Requirements by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs that reported changing the following food items to meet the trans-fat requirements:					Total SFAs	
	Cookies, pastries, crackers, cakes, muffins, pie crusts, pizza dough, breads	Hard margarine and vegetable shortening	Pre-mixed products	Fried foods	Snack foods	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	58.7%	62.0%	41.6%	53.3%	54.0%	14,314	1,437 ¹
SFA size²							
Small (1-999)	63.2	66.1	46.5	58.4	56.7	7,194	346
Medium (1,000-4,999)	57.6	60.5	39.5	52.8	54.8	5,075	534
Large (5,000-24,999)	46.5	51.7	30.5	38.5	43.4	1,738	381
Very large (25,000+)	41.8	49.1	25.0	28.2	38.4	307	176
Urbanicity²							
City	49.3	45.7	31.8	42.7	44.4	1,784	275
Suburban	47.9	53.5	32.3	42.9	45.0	2,688	375
Town	57.4	65.5	41.6	54.7	56.7	2,725	270
Rural	65.7	68.7	47.6	59.4	58.9	7,118	517
Poverty level							
Low (0-29% F/RP)	56.7	59.5	40.4	50.0	55.4	2,798	302
Medium (30%-59% F/RP)	58.2	63.1	40.0	52.8	51.9	6,630	655
High (60% or more F/RP)	60.7	62.0	44.5	56.0	56.2	4,886	480

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs that changed cookies, pastries, etc.; hard margarine; pre-mixed products; fried foods; and snack foods to meet trans-fat requirements differed significantly by SFA size and urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 5.29.

Saturated Fat Specifications

Under the new meal patterns, across all grade levels, saturated fat should provide no more than 10 percent of total calories. As seen in Table V-1.14, about 16 percent of SFA directors reported that meeting the saturated fat requirement for lunch was not a challenge, 64 percent reported that it was a minor or moderate challenge and only 20 percent reported that it was very or extremely challenging. The proportion of SFAs that experienced challenges in meeting the saturated fat requirements differed significantly by SFA size and urbanicity. While 12 percent of small SFAs compared to 28 percent of very large SFAs reported that it was not a challenge to meet the sodium requirements, about 7 percent of small SFAs compared to 2 percent of very large SFAs reported it to be very challenging. About 12 percent of rural SFAs compared to 33 percent of SFAs in the city reported that meeting the saturated fat requirements was not a challenge. Additionally, 23 percent (not shown) of SFAs that used an FSMC reported that meeting the saturated fat requirements was not a challenge, compared to only 14 percent (not shown) of SFAs that did not use an FSMC.

Table V-1.14. Percentage of SFAs Reporting Challenges Meeting the Saturated Fat Requirements by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs that observed challenges in meeting the saturated fat requirements:					Total SFAs	
	Extremely challenging	Very challenging	Moderately challenging	Minor challenge	Not a challenge	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	5.1%	14.8%	37.8%	26.4%	15.9%	13,623	1,401 ¹
SFA size²							
Small (1-999)	7.4	16.7	39.2	24.4	12.3	6,618	321
Medium (1,000-4,999)	3.0	14.5	37.7	28.1	16.7	4,969	524
Large (5,000-24,999)	3.4	9.5	24.7	27.5	24.9	1,729	380
Very large (25,000+)	1.8	7.7	27.6	34.6	28.4	307	176
Urbanicity²							
City	3.0	10.1	28.0	26.0	32.9	1,539	265
Suburban	4.6	11.6	39.7	28.2	15.9	2,527	366
Town	3.6	17.4	39.0	23.4	16.6	2,588	263
Rural	6.4	16.0	38.9	26.9	11.8	6,968	507
Poverty level							
Low (0-29% F/RP)	3.7	10.2	40.7	28.8	16.6	2,557	287
Medium (30%-59% F/RP)	4.5	14.8	37.4	28.0	15.2	6,472	646
High (60% or more F/RP)	6.8	17.3	36.8	22.7	16.4	4,594	468

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs differed significantly by SFA size and urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 5.30.

Sodium

The new meal pattern requirements outline grade-level-specific intermediate and final sodium specifications. The intermediate sodium specifications are established for SY 2014-15 (target 1) and 2017-18 (target 2), with the final specifications to be reached by SY 2022-23. For example, for grades K-5, the sodium levels for target 1, target 2, and the final target are less than 1,230, 935, and 640 milligrams respectively. For each grade level, the final sodium target specifications are about half of the target 1 specifications. Effective July 1 2012, schools were required to gradually reduce the sodium levels of school meals so they could meet the target 1 sodium levels in SY 2014-15.

As seen in Table V-1.15, when asked if they knew the sodium levels of school meals, 30 percent of SFA directors responded affirmatively; significant differences were noted by SFA size in the proportion of SFA directors who were knowledgeable about the sodium content of school meals. About 27 percent of SFA directors from small districts compared to 57 percent of SFA directors from very large SFA districts reported knowing the sodium content of school meals. More SFAs that used FSMCs (38 percent, not shown) were able to report the current sodium levels of their meals as compared to SFAs that did not use FSMCs (28 percent, not shown).

Table V-1.15. Percentage of SFAs That Can Report Sodium Levels of Meals by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	30.1%	14,640	1,461 ¹
SFA size²			
Small (1-999)	26.5	7,413	357
Medium (1,000-4,999)	30.5	5,171	544
Large (5,000-24,999)	39.2	1,748	383
Very Large (25,000+)	56.5	309	177
Urbanicity			
City	35.3	1,818	278
Suburban	29.9	2,755	382
Town	28.2	2,783	274
Rural	29.6	7,284	527
Poverty level			
Low (0-29% F/RP)	31.5	2,866	308
Medium (30-59% F/RP)	31.1	6,790	664
High (60% or more F/RP)	27.9	4,984	489

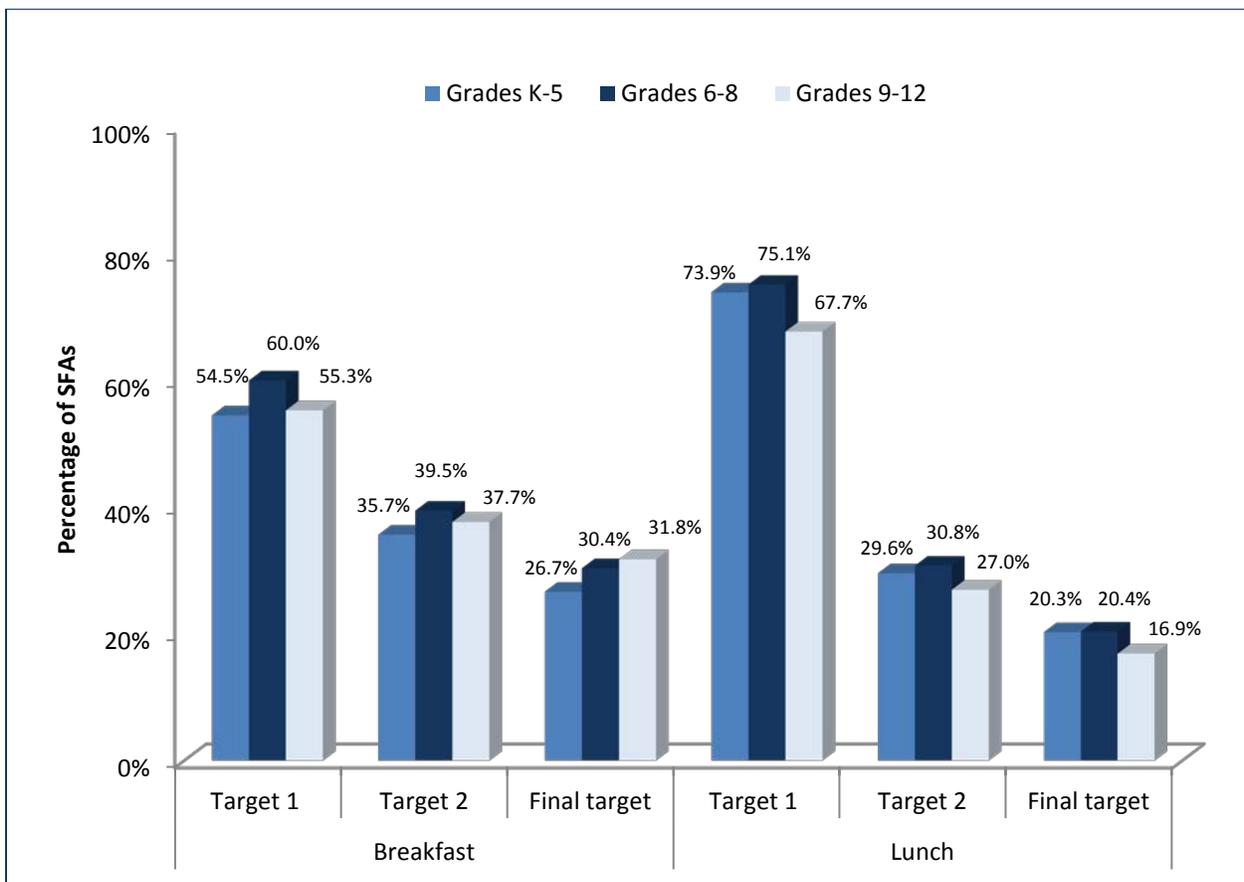
¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs that know the sodium level of their meals differed significantly by SFA size at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 5.31.

SFA directors who were knowledgeable about the sodium content of school meals were asked to provide the sodium content of both school breakfast and lunch, and these values were compared with target 1, target 2, and the final sodium targets set for NSLP and SBP. As seen in Figure V-1.11, more than two-thirds of SFAs served lunches that met the target 1 sodium levels, and about 20 percent served school lunches that met the final sodium target levels. Similarly, over 50 percent of SFAs served breakfasts that met target 1 sodium levels, and over one-quarter met the final target levels for breakfast. However, it is plausible to infer that the SFA directors who were knowledgeable about the sodium content of school meals are the ones who were proactive in moving toward meeting these future target levels. Hence, while the findings presented in Figure V-1.11 only include SFAs that knew their sodium levels (30 percent as shown in Table V-1.15); it is encouraging to find that some SFAs have been able to meet the sodium targets early.

Figure V-1.11. Among SFAs That Reported the Sodium Levels of Meals, the Percentage of SFAs Meeting Intermediate and Final Sodium Targets by Age-Grade Group, SY 2012-13



n is less than the 527 SFAs that reported knowing the sodium levels of meals due to item nonresponse. For grades K-5, percentages based on a weighted response of 2,269 (unweighted 306) for breakfast, and a weighted response of 2,711 (unweighted 362) for lunch. For grades 6-8, percentages based on a weighted response of 2,108 (unweighted 292) for breakfast, and a weighted response of 2,642 (unweighted 356) for lunch. For grades 9-12, percentages based on a weighted response of 2,067 (unweighted 289) for breakfast, and a weighted response of 2,546 (unweighted 348) for lunch.

Data Source: SFA Director Survey SY 2012-13, question 5.32.

Overall, about 38 percent (not shown) of SFAs anticipated implementing all practices (limit condiment use, alter recipes, purchase low-sodium products, and other practices) to reduce sodium content of foods and 7 percent (not shown) anticipated not implementing any of these practices. As seen in Table V-1.16, to reduce sodium content of school meals, 85 percent of SFA directors anticipated purchasing lower sodium products; 67 percent anticipated altering recipes; and 58 percent anticipated limiting condiment use. The proportion of SFAs who planned to alter condiment use and other approaches to reduce the sodium content of school meals differed by poverty level of the SFA.

Table V-1.16. Percentage of SFAs That Anticipate Implementing Future Practices to Reduce Sodium Levels by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs that anticipate implementing the following practices to reduce sodium levels:				Total SFAs	
	Limit condiment use	Alter recipes	Purchase lower sodium products	Other	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	57.5%	66.5%	85.3%	2.8%	14,743	1,466 ¹
SFA size²						
Small (1-999)	59.5	64.5	79.7	1.6	7504	361
Medium (1,000-4,999)	57.3	67.7	90.0	3.5	5189	546
Large (5,000-24,999)	51.1	70.1	93.3	5.2	1742	382
Very large (25,000+)	50.4	73.9	96.8	5.3	309	177
Urbanicity²						
City	53.8	60.0	77.5	6.2	1818	278
Suburban	54.6	62.5	86.9	3.6	2766	383
Town	52.1	65.9	89.7	2.6	2815	275
Rural	61.6	69.8	85.0	1.7	7344	530
Poverty level³						
Low (0-29% F/RP)	48.8	64.4	82.4	1.5	2889	309
Medium (30-59% F/RP)	57.8	67.5	88.0	2.1	6803	664
High (60% or more F/RP)	62.2	66.3	83.3	4.4	5051	493

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs that anticipate purchasing lower sodium products and implementing other practices to reduce sodium levels differed significantly by SFA size and urbanicity at the .05 level.

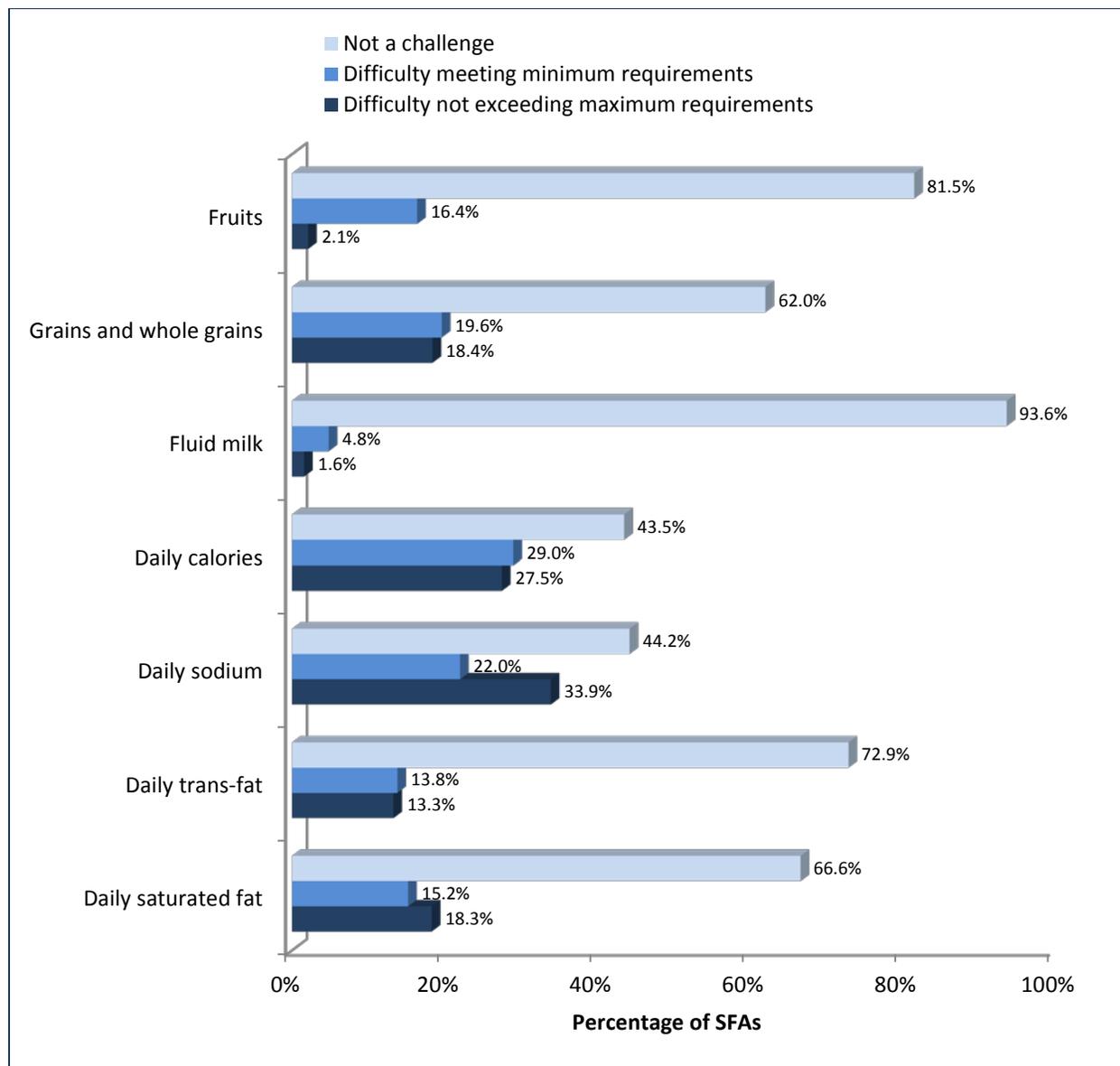
³ Percentage of SFAs that anticipate limiting condiment use and implementing other practices to reduce sodium levels differed significantly by poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 5.33.

Implementation of New Breakfast Requirements

Although not yet required to implement the new breakfast standards, 52 percent of SFAs (Appendix Table E-27) that have an SBP began implementing these new requirements in SY 2012-13 and 15 percent (not shown) implemented all seven breakfast requirements (fruits, grains and whole grains, fluid milk, calories, sodium, trans-fat, and saturated fat) without any difficulties. SFA directors who reported they began to implement the new SBP requirements were asked if they had any difficulties in meeting each of the seven breakfast requirements. As seen in Figure V-1.12, the two most difficult breakfast requirements to meet were the daily calorie and sodium levels, with over 50 percent of SFA directors that began implementing the new breakfast requirements in SY 2012-13 reporting difficulty meeting these two requirements. However it is important to note that the survey data on which this finding is based was collected in SY 2012-13 and the daily calorie requirement for breakfast does not take effect until SY 2013-14 and the first intermediate sodium specification for breakfast does not take effect until SY 2014-15. The next most challenging requirements to meet were the grain/whole grain and saturated fat requirements, with 38 percent of SFAs reporting challenges meeting the grain requirements and 33 percent finding the daily saturated fat requirement difficult to meet. The easiest requirement to meet was for fluid milk, with only 6 percent of SFA directors reporting difficulty meeting this requirement.

Figure V-1.12. Among SFAs That Began Implementing the New Breakfast Requirements, the Percentage of SFAs Having Difficulty Versus Easily Meeting the Requirements by Type of Requirement, SY 2012-13

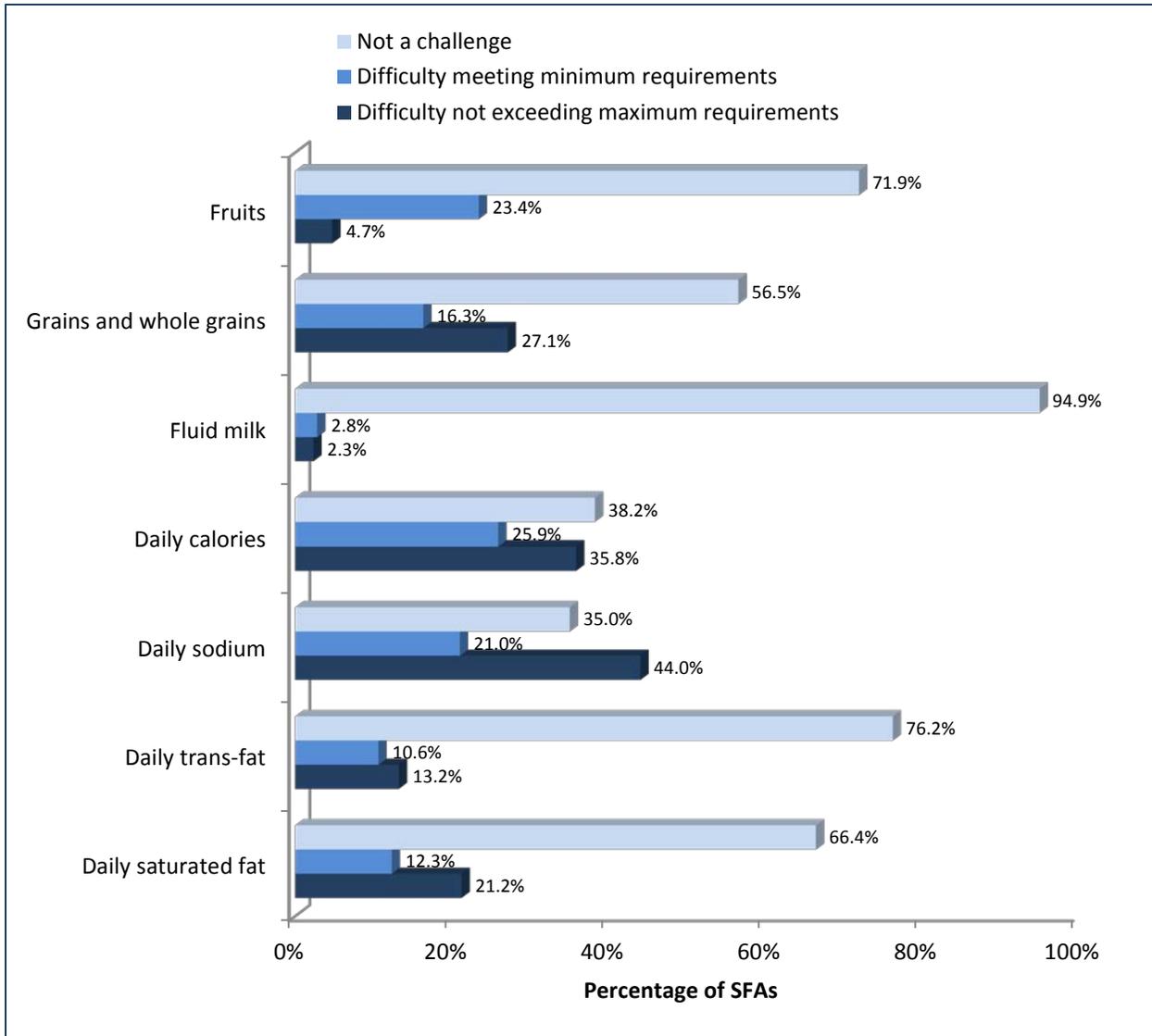


n is less than the 659 SFAs that implemented the new breakfast requirements due to item nonresponse. For fruits, percentages based on a weighted response of 7,051 (unweighted 648). For grains and whole grains, percentages based on a weighted response of 7,054 (unweighted 648). For fluid milk, percentages based on a weighted response of 7,073 (unweighted 649). For daily calories, percentages based on a weighted response of 7,054 (unweighted 648). For daily sodium, percentages based on a weighted response of 7,008 (unweighted 643). For daily trans-fat, percentages based on a weighted response of 7,052 (unweighted 647). For daily saturated fat, percentages based on a weighted response of 7,014 (unweighted 644).

Data Source: SFA Director Survey SY 2012-13, question 5.9.

All SFA directors, regardless of whether they had begun implementing the new breakfast requirements, were asked if they foresaw difficulties in meeting these requirements. As seen in Figure V-1.13, over 60 percent of all SFA directors reported foreseeing difficulties in meeting or not exceeding calorie and sodium requirements going forward. In general, SFA directors as a whole foresee more challenges in implementing the new requirements going forward than the early implementers experienced (Figure V-1.12 compared to Figure V-1.13).

Figure V-1.13. Percentage of SFAs That Foresee Having Future Challenges in Meeting the Nutritional Requirements for Breakfast by Type of Requirement, SY 2012-13



n is less than the 1,491 due to item nonresponse. For fruits, percentages based on a weighted response of 7,244 (unweighted 790). For grains and whole grains, percentages based on a weighted response of 7,250 (unweighted 791). For fluid milk, percentages based on a weighted response of 7,223 (unweighted 789). For daily calories, percentages based on a weighted response of 7,244 (unweighted 790). For daily sodium, percentages based on a weighted response of 7,221 (unweighted 787). For daily trans-fat, percentages based on a weighted response of 7,244 (unweighted 790). For daily saturated fat, percentages based on a weighted response of 7,239 (unweighted 789).

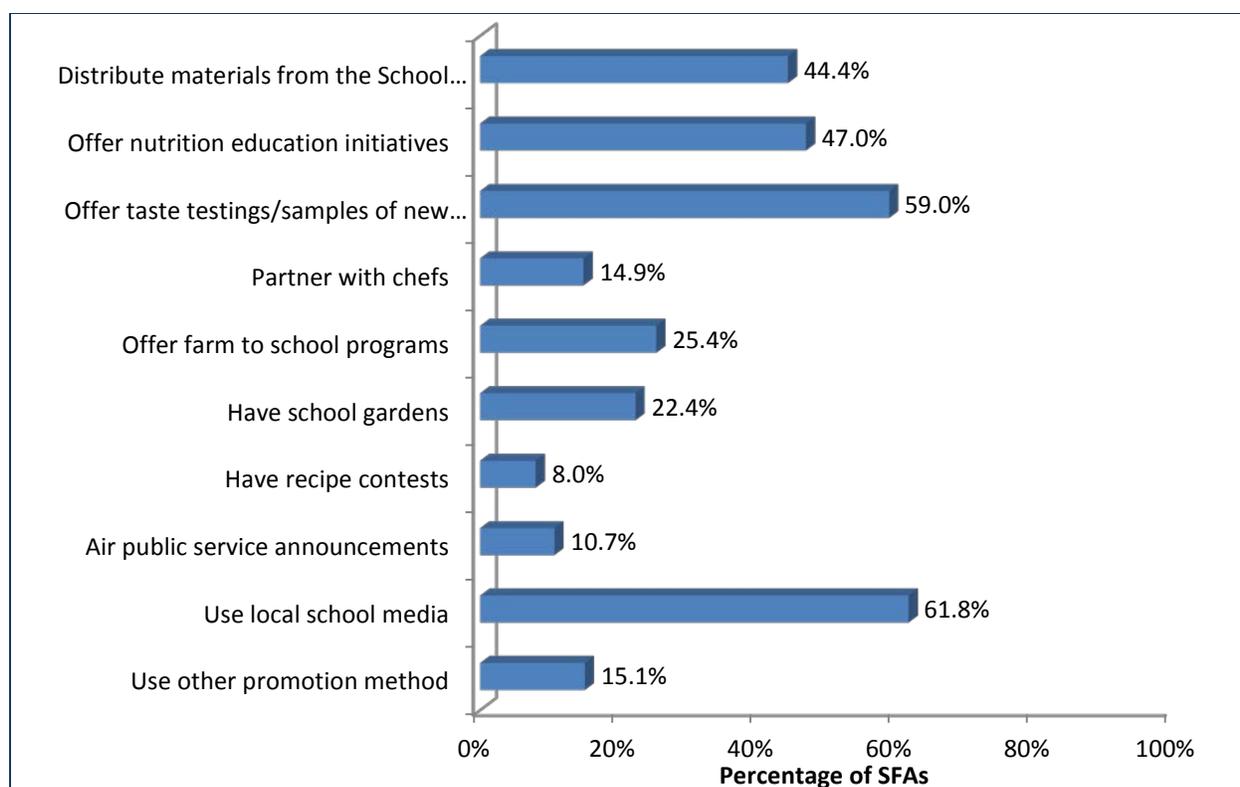
Data Source: SFA Director Survey SY 2012-13, question 5.10.

Promotion and Acceptance of New Meal Patterns

The final rule on meal patterns and nutrition standards for the NSLP and SBP discussed comments and concerns expressed by various stakeholders, including a concern for increased plate waste due to the palatability and increased portion size for fruits, vegetables, and whole grains.⁴⁹ To assist SFAs and schools in promoting the new meal patterns to students, parents, and the community, the USDA has made available several sample communication tools.⁵⁰ In addition to these tools, SFAs and schools may use other communication tools to disseminate information about the new meal patterns and how they are implementing the new requirements.

As seen in Figure V-1.14, about 60 percent of SFAs used local school media and offered taste testings/samples of new items to promote the new school meals. More than 40 percent of SFAs also offered classroom- or cafeteria-based nutrition education initiatives or distributed materials from the SNA. Fewer than 15 percent of SFAs partnered with chefs, had recipe contests, or aired public service announcements to promote the new school meals to students and their families.

Figure V-1.14. Percentage of SFAs Using Various Methods to Promote New School Meals to Students and Their Families, SY 2012-13



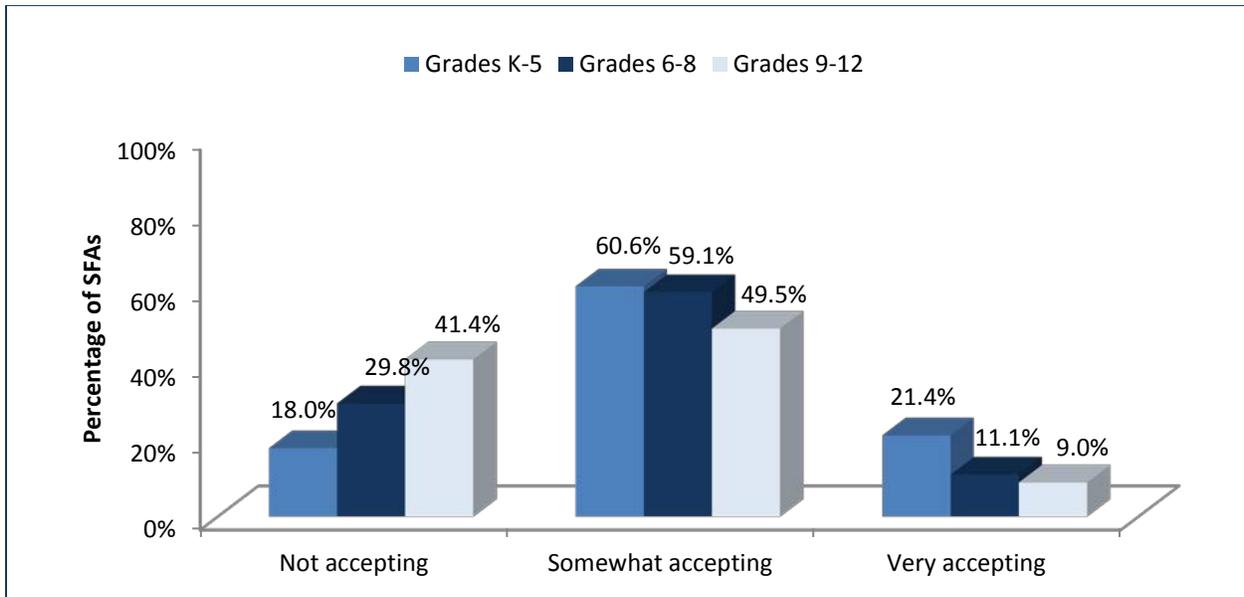
n is less than 1,491 due to item nonresponse. Percentages based on a weighted response of 14,561 (unweighted 1,458).
Data Source: SFA Director Survey SY 2012-13, question 5.45.

⁴⁹ <http://www.gpo.gov/fdsys/pkg/FR-2012-01-26/pdf/2012-1010.pdf>

⁵⁰ <http://healthymeals.nal.usda.gov/state-resources/new-school-meal-pattern-communication-tools>

As seen in Figures V-1.15 and V-1.16, in general, acceptance of the new meal patterns was relatively high among students, parents, and the community. Acceptance among elementary students was relatively high, but a much larger percentage of older students were unaccepting of the new meal patterns, which may be due in part to the portion size limitations. Over 85 percent of parents and the community were somewhat or very accepting of the new meal patterns.

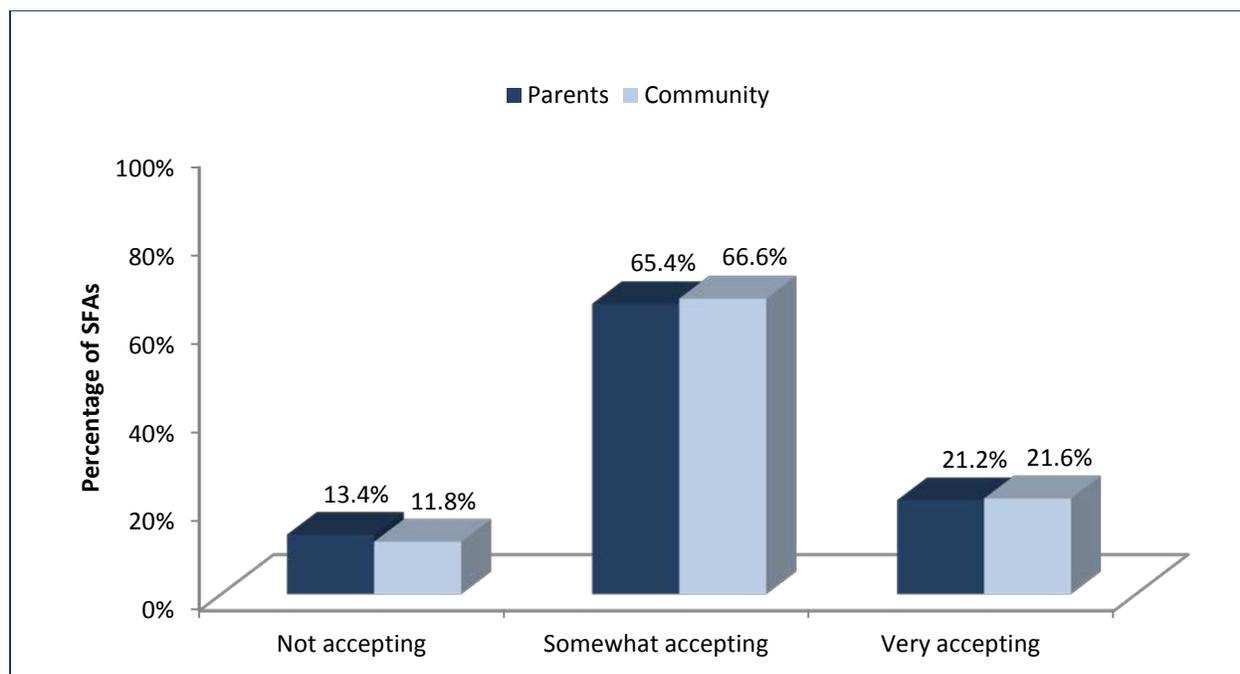
Figure V-1.15. Percentage of SFAs Reporting Student Acceptance of New Meal Patterns, SY 2012-2013



For grades K-5, *n* is less than the 1,433 SFAs that reported having grades K-5 due to item nonresponse. Percentages based on a weighted response of 13,762 (unweighted 1,401). For grades 6-8, *n* is less than the 1,437 SFAs that reported having grades 6-8 due to item nonresponse. Percentages based on a weighted response of 13,685 (unweighted 1,401). For grades 9-12, *n* is less than the 1,354 SFAs that reported having grades 9-12 due to item nonresponse. Percentages based on a weighted response of 12,206 (unweighted 1,309).

Data Source: SFA Director Survey SY 2012-13, question 5.52.

Figure V-1.16. Percentage of SFAs Reporting Parent and Community Acceptance of New Meal Patterns, SY 2012-13



n is less than 1,491 due to item nonresponse. For parents, percentages based on a weighted response of 14,527 (unweighted 1,451). For the community, percentages based on a weighted response of 14,477 (unweighted 1,447).
 Data Source: SFA Director Survey SY 2012-13, question 5.53.

Plate waste provides potentially another measure of students’ acceptance of the new meal patterns. The survey asked SFA directors to report any changes (i.e., students waste more, students waste less, or no change) in the amount of food students throw away at lunchtime in comparison to how much was thrown away before implementation of the new meal pattern requirements for the following specific types of food: fluid milk, main dish/entrée, bread/bread alternate, salad/raw vegetables, cooked vegetables, fruit, desserts, or some other food type. In addition to examining patterns in plate waste changes by specific food type, responses were examined across all food types for each SFA to establish an overall measure of plate waste. Looking across all food types, responses indicating that students wasted more for at least one food type and did not waste less for any food type were classified as “students waste more;” responses indicating that students wasted less for at least one food type and did not waste more for any food type were classified as “students waste less;” and responses indicating that students wasted more for at least one food type and that students wasted less for another food type were classified as “students waste more and less (depending on type of food).”

Table V-1.17 shows that about two-thirds of SFA directors reported that they believed students wasted more food at lunchtime since implementation of the new meal patterns, and only 7 percent of SFA directors believed students wasted less food. About one-quarter of SFA directors reported a mix, indicating that students wasted more of some food types and wasted less of others. Further analysis reveals a statistically significant association between overall plate waste and SFA size and poverty level. Overall plate waste increases as the size of the SFA increases and decreases as the poverty level increases suggesting that students waste more the larger the SFA and more affluent the

student population. Further analysis reveals a larger proportion of SFAs that use an FSMC also report that students waste less, compared to SFAs that do not use an FSMC, however this finding was not statistically significant. In addition, although a higher percentage of SFAs with stricter local wellness policies also reported that students waste more, compared to SFAs not reporting stricter local wellness policies, there was no difference (see Appendix F, Figure F-3).

Table V-1.17. Percentage of SFAs that Reported Changes in the Amount of Plate Waste After Implementing New Meal Pattern Requirements by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs that reported ¹ :			Total SFAs	
	Students waste more	Students waste less	Students waste more and less (depending on type of food)	Weighted n	Unweighted n
All SFAs	66.4%	7.4%	26.2%	12,978	1,330 ²
SFA size³					
Small (1-999)	58.0	11.5	30.5	6,235	301
Medium (1,000-4,999)	73.4	3.6	22.9	4,798	504
Large (5,000-24,999)	75.9	3.4	20.8	1,664	363
Very large (25,000+)	77.2	2.7	20.1	281	162
Urbanicity					
City	56.2	7.5	36.3	1,512	248
Suburban	72.5	8.2	19.3	2,508	353
Town	70.8	4.9	24.3	2,459	251
Rural	64.8	7.9	27.3	6,499	478
Poverty level³					
Low (0-29% F/RP)	72.8	5.1	22.1	2,567	281
Medium (30-59% F/RP)	68.8	6.2	25.1	5,997	606
High (60% or more F/RP)	59.5	10.3	30.2	4,414	443

¹ The survey item on which this table is based asked about plate waste changes for specific types of foods: fluid milk, main dish/entrée, bread/bread alternate, salad/raw vegetables, cooked vegetables, fruit, desserts, or some other food type. Looking across all food types, responses indicating that students wasted more for at least one food type and did waste less for any food type were classified as “students waste more”; responses indicating that students wasted less for at least one food type and did not waste more for any food type were classified as “students waste less”; and responses indicating that students wasted more for at least one food type and that students wasted less for another food type were classified as “students waste more and less (depending on type of food)”.

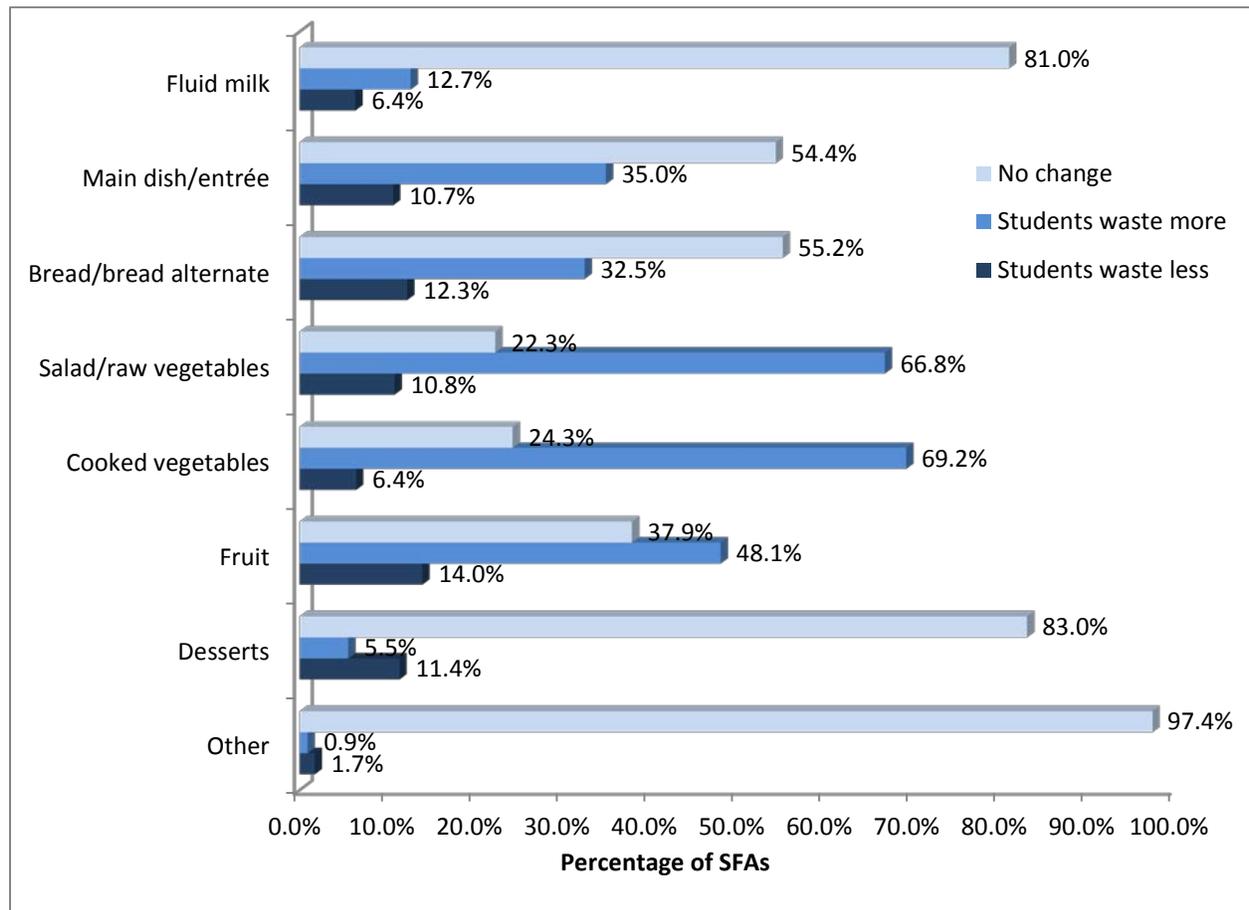
² n is less than the 1,491 due to item nonresponse.

³ Percentage of SFAs reporting changes in the amount of plate waste differed significantly by SFA size and poverty level at the .05 level. Data Source: SFA Director Survey SY 2012-13, question 5.3.

As seen in Figure V-1.17, 80 percent or more of SFA directors reported that there was no change in the amount that students threw away of fluid milk, desserts, and other food products. Almost 70 percent of SFA directors reported that students wasted more salad/raw vegetables or cooked vegetables, and almost 50 percent of SFA directors reported that students wasted more fruits, after implementation of the new meal patterns. Consistent with this finding, further analysis of fruit and vegetable plate waste reveals that among SFAs that reported using fruits and vegetables more to meet the additional requirements, a much larger proportion reported that students waste more fruits and vegetables, compared to reports of students wasting less or no change in the amount of fruit and vegetable plate waste. About 48 to 62 percent (not shown) of SFAs that reported increases in using specific fruit products (fresh whole, fresh pre-cut, frozen whole, frozen pre-cut, canned with water, canned with juice, and canned with light syrup) also reported that students waste more, compared to only 12 to 17 percent (not shown) reporting that students waste less. Over 70 percent (not shown) of

SFAs that reported increases in the use of specific vegetable products (fresh whole, fresh pre-cut, frozen whole, frozen pre-cut, canned reduced sodium, and canned regular sodium) also reported increases in plate waste, compared to about 10 percent or less (not shown) reporting decreases in plate waste.

Figure V-1.17. Percentage of SFAs Observing Changes in the Amount of Plate Waste at Lunch Time, SY 2012-13



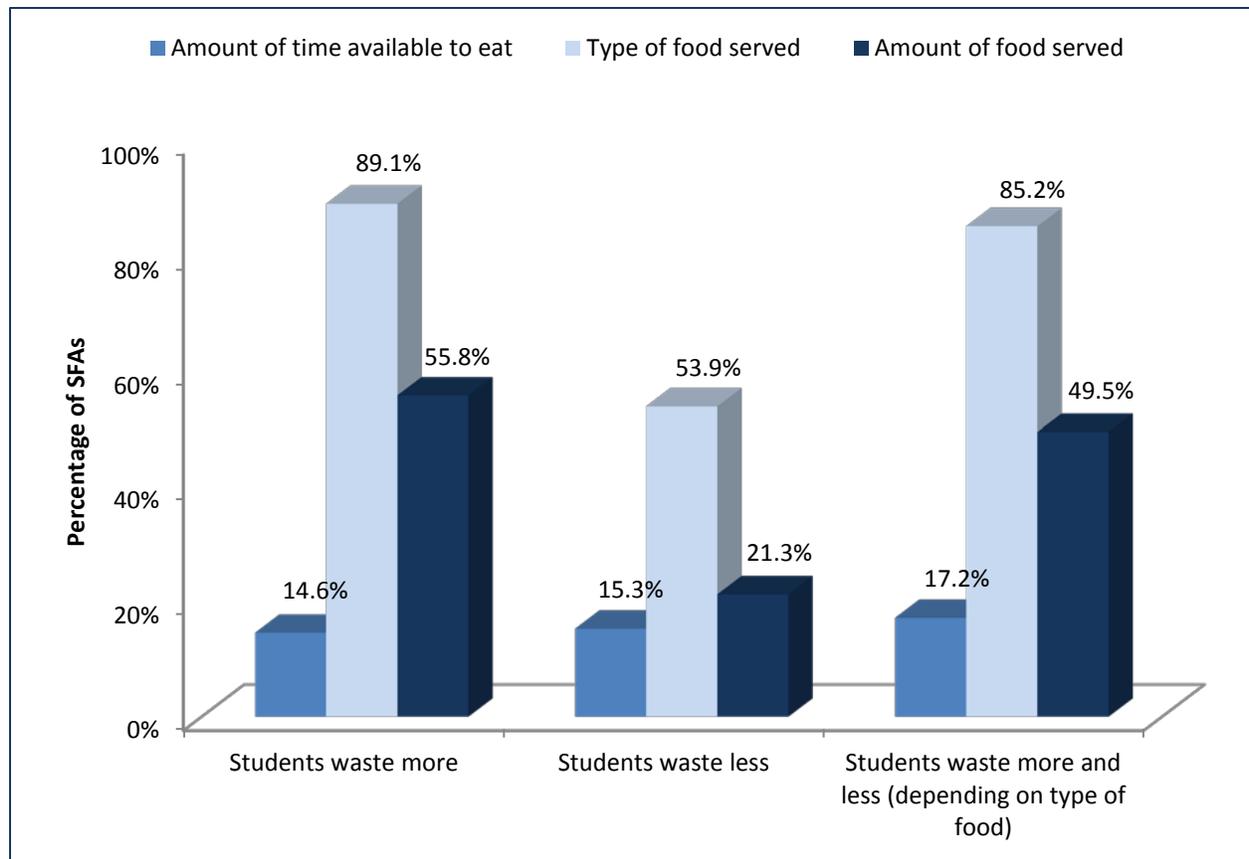
n is less than 1,491 due to item nonresponse. For fluid milk, percentages based on a weighted response of 13,881 (unweighted 1,400). For main dish/entrée, percentages based on a weighted response of 13,812 (unweighted 1,394). For bread/bread alternate, percentages based on a weighted response of 13,810 (unweighted 1,394). For salad/raw vegetables, percentages based on a weighted response of 13,931 (unweighted 1,408). For cooked vegetables, percentages based on a weighted response of 14,008 (unweighted 1,408). For fruit, percentages based on a weighted response of 13,810 (unweighted 1,394). For desserts, percentages based on a weighted response of 11,607 (unweighted 1,153). For other types of food, percentages based on a weighted response of 5,548 (unweighted 581).
 Data Source: SFA Director Survey SY 2012-13, question 5.3.

More than 30 percent of SFA directors reported that students wasted more of the main dish/entrée or bread/bread alternate. However, SFAs that used an FSMC experienced less plate waste for the main dish/entrée. Seventeen percent (not shown) of SFAs that used an FSMC reported that students wasted less of the main dish/entrée compared to only 9 percent (not shown) of SFAs that did not use an FSMC. Comparisons of SFAs that reported changes in scratch cooking since implementation of the new meal pattern requirements with SFAs that reported changes in plate waste revealed no patterns of association between scratch cooking and plate waste (overall or by specific food type). Further analysis also reveals no statistically significant association between the type of

kitchen used to prepare school meals (i.e., onsite kitchen only, off-site site kitchen only, or combination) and changes in plate waste (overall or by food type).

Figure V-1.18 reveals that increases in plate waste were largely due to the type of food served, followed by the amount of food served. The type of food served was also the main reason for decreases in plate waste.

Figure V-1.18. Among SFAs That Reported Changes in Plate Waste, the Percentage of SFAs That Reported Various Reasons for the Plate Waste, SY 2012-13



n is less than 1,491 due to item nonresponse. Percentages based on a weighted response of 12,968 (unweighted 1,329).
Data Source: SFA Director Survey SY 2012-13, questions 5.3 and 5.4.

In some SFAs an alternative to eating school meals is to go off campus, and changes in how frequently students eat lunch outside of school may reflect their acceptance of the new meal patterns. About one-fourth of SFAs had an off-campus lunch policy for high schools, however the survey did not assess whether or not this policy was new since implementation of the new requirements; off-campus lunch policies were more prevalent in SFAs that were larger in size, located in towns, and in low- or medium-poverty areas (Appendix Table E-29). As seen in Table V-1.18, since the implementation of the new meal pattern, among those SFAs with off-campus lunch policies, about 50 percent of SFA directors reported no change in the number of students going off campus for lunch; 47 percent said more students were going off campus; and 3 percent reported that more students were staying on campus for lunch. There was no statistically significant association between scratch cooking and the tendency to go off campus for lunch. However, further analysis indicates that SFAs that use an FSMC tend to have fewer students go off campus for lunch. Among SFAs using an FSMC, 72

percent (not shown) reported that more students were staying on campus for lunch or that there was no change in the number of students going off campus, compared to only 28 percent (not shown) that reported more students were going off campus for lunch.

Further analysis also indicates a pattern of association between the level of stakeholder acceptance of the new meal patterns and the tendency to go off campus for lunch. Sixty-one percent (not shown) of SFAs that reported more high school students go off campus for lunch also reported that their high school students were not accepting of the new meal patterns, compared to 26 percent (not shown) of SFAs that reported more high school students stayed on campus for lunch or no change in the number that went off campus. A similar trend was observed for parent and community acceptance of the new meal patterns. SFAs that reported more high school students go off campus for lunch also reported that a larger proportion of parents (20 percent versus 12 percent, not shown) and the community (16 percent versus 1 percent, not shown) were not accepting of the new meal patterns, compared to SFAs that reported more high school students stayed on campus or no change.

Table V-1.18. Among SFAs With Off-Campus Lunch Policies for High Schools, the Percentage of SFAs Observing Changes in the Number of Students Going Off Campus by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs observing:			Total SFAs	
	More students staying on campus for lunch	More students going off campus for lunch	No change in the number of students going off campus for lunch	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	3.5%	47.0%	49.4%	3458	390 ¹
SFA size					
Small (1-999)	4.9	48.5	46.7	1,657	81
Medium (1,000-4,999)	2.3	45.9	51.8	1,202	131
Large (5,000-24,999)	2.4	45.9	51.6	485	109
Very large (25,000+)	0.9	43.3	55.8	115	69
Urbanicity²					
City	3.8	57.5	44.6	336	90
Suburban	0.0	53.9	46.1	549	97
Town	3.2	48.7	48.1	886	86
Rural	4.8	43.0	52.2	1,687	117
Poverty level					
Low (0-29% F/RP)	1.5	50.9	47.6	668	78
Medium (30-59% F/RP)	2.7	51.1	46.2	1,780	195
High (60% or more F/RP)	6.3	37.4	56.3	1,010	117

¹ *n* is less than the 398 SFAs with off-campus lunch policies due to item nonresponse.

² Because some of the categories contain zero values, no significance tests were conducted.

Data Source: SFA Director Survey SY 2012-13, question 5.56.

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V-2. Local School Wellness Policy

Background

Local school wellness policies were mandated in the Child Nutrition and WIC Reauthorization Act of 2004 as a way to urge school districts to make child health a priority in the areas of food, nutrition, nutrition education and physical activity, but in a way that retained local autonomy, while bringing together a diverse coalition representing different segments of the community.

The HHSFKA strengthened the initial local school wellness policy provision, requiring USDA to develop regulations that provide a framework and guidelines for local wellness policies that, at a minimum, include goals for nutrition and physical education, as well as nutrition guidelines for all foods available on campus during the school day. In addition to involving parents, students, and all stakeholders in the development of the local school wellness policy, the school district is required to update and inform the public about the content and implementation of the policy.

State agencies do not have a specific role outlined in the legislation, but they can provide help by adopting guidelines that school districts could follow and providing technical assistance and resources to support district-level implementation of state and district policies. A recent study indicated that 99 percent of public school students nationwide in SY 2010-11 were enrolled in a school district with a wellness policy, but only 46 percent were in a district with a wellness policy that included all of the required policy elements: nutrition education, school meals, physical activity, implementation and evaluation, and non-program foods.⁵¹ The wide gap in compliance among the mandatory policy provisions was primarily because many districts did not adopt non-program food and beverage guidelines.

Research Questions

This chapter addresses the following research questions:

- *How many states have model school wellness policies for SFAs to use in developing local wellness policies that meet the Federal requirements? Are any local wellness policies stricter than the Federal requirements?*
- *How many states have a statewide priority for establishing healthy school environments and implementing local wellness policies?*
- *How many states have developed a communication plan to ensure consistent communication and updates around local school wellness policy requirements?*
- *How many states established a method of accountability so that LEAs/ districts follow through with local school wellness policy implementation?*

⁵¹ *School District Wellness Policies: Evaluating Progress and Potential for Improving Children's Health Five Years After the Federal Mandate* (Volume 3). Bridging the Gap Research Organization, February 2013.

- *How many states provide technical assistance to LEAs/districts on local school wellness policies?*
- *What partnerships do states have to help deliver consistent messages, provide resources, and support local school wellness policies?*
- *What standards and guidelines have states provided to implement local school wellness policies?*
- *What methods do states use for reporting on school nutrition environment and making information available to the public?*
- *Has the development of a local school wellness policy been perceived to have affected nutrition quality, physical activity, and other school-based activities in promoting student wellness?*

Results

State Agency School Wellness Policy

Table V-2.1 indicates that in SY 2012-13, more than 70 percent of states had model wellness policies that SFAs could use to develop local school wellness policies that meet Federal requirements. Only about a third of state directors (36 percent) said that the local school wellness policies in their state were stricter than the Federal requirements. About two-thirds of states had set a statewide priority for establishing healthy school environments and implementing local school wellness policies.

States are expected to ensure consistent communication and updates around local school wellness policy requirements and to establish a method of accountability to ensure that LEAs and school districts implement local school wellness policies. The states are also expected to provide training and technical assistance to LEAs and school districts. As Table V-2.1 shows, 74 percent of states developed a communication plan to ensure consistent communication and updates around local school wellness policy requirements. Two-thirds of states committed resources to providing technical assistance to LEAs on local school wellness policies. Sixty-one percent of states had established a method of accountability to ensure implementation of local school wellness policies.

One role of states in promoting wellness is to assist in connecting schools to other community entities engaged in wellness activities. One way to do this is through the establishment of partnerships. Tables V-2.2 shows that most states (91 percent) had partnerships to help deliver consistent messages, provide resources, and support local school wellness policies. Among those states with partnerships, many have partnered with the state health department (90 percent). More than half of the states partnered with state community-based health organizations (63 percent) and with cooperative extensions (59 percent). Only 12 percent partnered with hospitals.

Table V-2.1. Percentage of States That Had Various School Wellness Policies That SFAs Could Use in Developing Local Wellness Policies, SY 2012-13

Types of wellness policies (n=54)	Percentage of states
Have developed a communication plan to ensure consistent communication and updates around local school wellness policy requirements	74.1%
Have wellness policies that SFAs can use to develop local wellness policies that meet the Federal requirements	72.2
Have set a statewide priority for establishing healthy school environments and implementing local wellness policy	66.7
Have committed resources to providing technical assistance to LEAs/districts on local school wellness policies	66.7
Have established a method of accountability so that LEAs/districts follow through with local school wellness policy implementation	61.1
Have local school wellness policies that are more strict than the Federal requirements	35.9 ¹

¹ 9.4% of all 54 state agencies responded that they did not know if local wellness policies were more strict than the Federal requirements. So, about 55 percent of states had policies as strict as or less strict than Federal requirements.
Data Source: State CN Director Survey SY 2012-13, questions A1-A6.

Table V-2.2. Percentage of States That Partnered With Other Organizations to Support Local School Wellness Policies, SY 2012-13

Types of partnerships	Percentage of states
States that had any partnerships (n=54)	90.7%
Among states with any partnerships (n=49)	
Partner with state health departments	89.8
Partner with state community-based health organizations	63.3
Partner with cooperative extensions	59.2
Partner with hospitals	12.2

Data Source: State CN Director Survey SY 2012-13, questions A7A-A7D.

States also facilitated the implementation of local school wellness policies by providing standards and guidelines. In addition to providing general guidance, some wellness policies promoted the sale of non-food items or healthy foods in all school-related activities. This can reflect a commitment to promoting healthy behavior among students, parents, and the community and reinforce positive health messages and nutrition lessons taught in the schools. Table V-2.3 shows that 61 percent of states provided standards and guidelines in SY 2012-13 on the sale or provision of items for school activities, and among those states, all provided standards and guidelines on healthy, food-based fundraisers; 97 percent on healthy, non-food fundraisers; and about 61 percent on incentives.

Table V-2.3. Percentage of States That Provided Standards and Guidelines to Implement Local School Wellness Policies, SY 2012-13

Type of standards and guidelines provided	Percentage of states
States that provided standards and guidelines on the sale or provision of health-related items in schools (n=54)	61.1%
Among states that provided standards and guidelines (n=33)	
Provided standards and guidelines on healthy, food fundraisers	100.0
Provided standards and guidelines on healthy, non-food fundraisers (e.g., walk-a-thons)	97.0
Provided standards and guidelines on incentives	60.6

Data Source: State CN Director Survey SY 2012-13, questions A8A-A8C.

Regarding the perceived impact of local school wellness policies, only about half (51-58 percent) of state CN directors reported knowing the impact of the types of policies listed in Table V-2.4. The table indicates that among all directors, 55 percent believed there was an increase in nutritional quality; 43 percent believed there was an increase in physical activity; and 47 percent believed there was an increase in other school-based activities to promote student wellness. No directors reported a decrease. Limiting the analysis to only those directors that reported knowing the impact, 94 percent believed there was an increase in nutritional quality; 85 percent believed there was an increase in physical activity; and 93 percent believed there was an increase in other school-based activities to promote student wellness (not shown the table).

Table V-2.4. Percentage of States That Reported on Impact of Local School Wellness Policy, SY 2012-13

Impact of local school wellness policy on (n=53 ¹)	Percentage of states with a perceived positive impact	Percentage of states with a perceived negative impact	Percentage of states with no perceived impact	Percentage of states that don't know impacts
Nutritional quality	54.7%	0.0%	3.8%	41.5%
Physical activity	43.4	0.0	7.6	49.1
Other school-based activities to promote student wellness	47.2	0.0	3.8	49.1

¹ n is less than 54 due to item nonresponse.

Data Source: State CN Director Survey SY 2012-13, questions A10A-A10C.

State CN directors typically report information on the school nutrition program to the public. Table V-2.5 shows the types of information made available by states. About 49 percent of states provided information on local school wellness policies. In addition, states reported on other aspects of the CN programs. About 81 percent of states reported providing information on meal program participation, 64 percent on food safety inspections, and 38 percent on nutritional quality of program meals.

Table V-2.5. Percentage of States That Made Information Available to the Public on School Nutrition, SY 2012-13

Types of information made available (<i>n</i> =53 ¹)	Percentage of states
Meal program participation	81.1%
Food safety inspections	64.2
Local school wellness policies	49.1
Nutritional quality of program meals	37.7

¹ *n* is less than 54 due to item nonresponse.

Data Source: State CN Director Survey SY 2012-13, questions A9A-A9D.

Local Education Agency School Wellness Policy

The SFA Director Survey provides further information about school wellness policies. Table V-2.6 indicates that in SY 2012-13, 89 percent of SFAs had a local wellness policy for all schools. The percentage differs by SFA size, with 99 percent of very large SFAs having a local wellness policy compared to 84 percent for small SFAs. Suburban SFAs were most likely (97 percent) to have a local wellness policy for all schools.

Table V-2.6. Percentage of SFAs With a Local Wellness Policy for All Schools by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs with a local wellness policy for all schools	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	89.1%	15,027	1,485 ¹
SFA size²			
Small (1-999)	84.0	7,714	371
Medium (1,000-4,999)	93.3	5,247	552
Large (5,000-24,999)	97.5	1,757	385
Very Large (25,000+)	98.5	309	177
Urbanicity²			
City	84.5	1,819	278
Suburban	97.0	2,833	388
Town	90.3	2,890	280
Rural	86.8	7,485	539
Poverty level			
Low (0-29% F/RP)	88.4	2,972	316
Medium (30-59% F/RP)	91.4	6,936	672
High (60% or more F/RP)	86.4	5,119	497

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs with a local wellness policy differed significantly by SFA size and urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 4.1.

Table V-2.7 indicates that among SFAs with a local wellness policy for all schools in SY 2012-13, 41 percent of SFAs had the local wellness policy revised within the last year. The policy was more likely to be revised among larger than smaller SFAs and among city SFAs.

Table V-2.7. Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs That Had the Policy Revised Within the Last Year, SY 2012-13

SFA characteristics	Percentage of SFAs that had the local wellness policy revised within the last year	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	41.1%	13,360	1,376 ^{1,2}
SFA size			
Small (1-999)	39.0	6,456	311
Medium (1,000-4,999)	43.1	4,888	516
Large (5,000-24,999)	42.3	1,712	375
Very Large (25,000+)	48.8	304	174
Urbanicity			
City	51.7	1,537	260
Suburban	42.5	2,749	380
Town	37.6	2,600	255
Rural	39.5	6,474	481
Poverty level			
Low (0-29% F/RP)	40.0	2,626	295
Medium (30-59% F/RP)	40.6	6,320	627
High (60% or more F/RP)	42.6	4,414	454

¹ *n* includes 11 percent that reported not knowing if the local wellness policy was revised within the last year.

² *n* is less than the 1,378 SFAs with a local wellness policy for all schools due to item nonresponse.

Data Source: SFA Director Survey SY 2012-13, question 4.5.

Among SFAs with a local wellness policy for all schools in SY 2012-13, Table V-2.8 indicates that 8 percent of SFAs had individual schools that implemented stricter policies than Federal-, state-, or district-level rules or regulations. This occurred much more among larger SFAs than smaller SFAs and in city and suburban SFAs than in town and rural SFAs.

Table V-2.8. Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs With Individual Schools That Have Implemented Stricter Policies by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs in which individual schools have implemented stricter local wellness policies than Federal-, state-, or district-level rules or regulations	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	8.4%	13,299	1,371 ¹
SFA size²			
Small (1-999)	5.4	6,414	309
Medium (1,000-4,999)	7.9	4,877	515
Large (5,000-24,999)	17.9	1,704	373
Very Large (25,000+)	27.9	304	174
Urbanicity²			
City	19.4	1,534	259
Suburban	12.1	2,744	379
Town	4.8	2,601	255
Rural	5.7	6,421	478
Poverty level			
Low (0-29% F/RP)	8.7	2,610	293
Medium (30-59% F/RP)	7.9	6,265	623
High (60% or more F/RP)	9.0	4,424	455

¹ *n* is less than the 1,378 SFAs with a local wellness policy for all schools due to item nonresponse.

² Percentage of SFAs with individual schools that implemented stricter local wellness policies differed significantly by SFA size and urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 4.15.

The rest of this section is organized around the Federal requirements for school district wellness policies. Table V-2.9 indicates whether specific required elements were included in the local wellness policy among SFAs with a local wellness policy for all schools. Although the percentages exceed 80 percent, they are not near 100 percent. About 93 percent included goals for physical activity; 91 percent included goals for nutrition education; 88 percent included goals for nutrition promotion; 87 percent included nutrition guidelines for all foods; and 81 percent included goals for other school-based activities. There were some differences by SFA characteristics. Goals for nutrition promotion were more likely to be included in the local wellness policies of rural SFAs. Goals for other school-based activities were less likely to be included in policies for low-poverty SFAs and SFAs located in cities or suburban areas.

Table V-2.9. Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs That Have Various Elements Included in the Policy, SY 2012-13

SFA characteristics	Percentage of SFAs that have the following elements included in their local wellness policy:					Total SFAs	
	Nutrition guidelines for all foods	Goals for nutrition promotion	Goals for nutrition education	Goals for physical activity	Goals for other school-based activities	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	86.6%	87.7%	90.6%	92.7%	80.6%	13,189	1,362 ¹
SFA size²							
Small (1-999)	86.4	89.0	91.0	93.7	78.6	6,353	306
Medium (1,000-4,999)	86.9	88.3	91.8	93.2	83.2	4,830	509
Large (5,000-24,999)	86.1	81.4	86.1	87.4	79.2	1,702	373
Very large (25,000+)	87.9	86.2	91.1	92.8	86.8	174	304
Urbanicity³							
City	86.4	80.5	87.2	89.1	77.4	1,526	259
Suburban	83.0	83.5	90.4	89.1	78.1	2,708	376
Town	89.4	85.5	88.4	93.8	81.5	2,585	253
Rural	86.9	92.1	92.5	94.6	82.0	6,370	474
Poverty level⁴							
Low (0-29% F/RP)	83.6	83.2	88.3	90.3	75.8	2,582	291
Medium (30-59% F/RP)	85.2	88.2	90.9	92.8	81.1	6,208	619
High (60% or more F/RP)	90.1	89.7	91.6	93.9	82.6	4,399	452

¹ *n* is less than the 1,378 SFAs with a local wellness policy for all schools due to item nonresponse.

² Percentage of SFAs that included goals for nutrition promotion and goals for physical activity in their local wellness policy differed significantly by SFA size and urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 4.6.

Table V-2.10 indicates that among SFAs with a local wellness policy for all schools in SY 2012-13, only 9 percent had a policy that addressed which USDA Foods could be ordered. Small- and medium-sized SFAs were more likely than larger SFAs to address which USDA Foods could be ordered. Similarly, SFAs located in cities and towns were more likely than those located in rural and suburban areas to address which USDA Foods could be ordered.

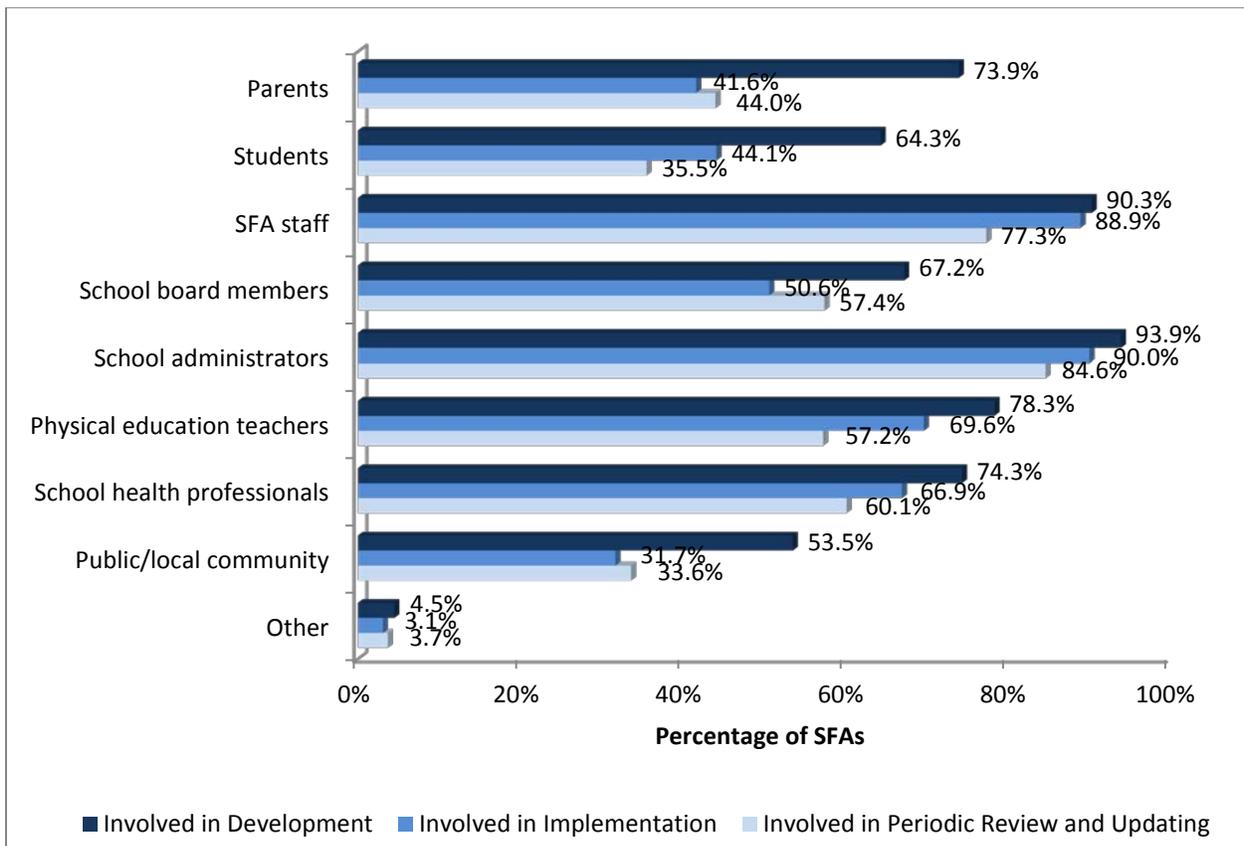
Table V-2.10. Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs With a Policy That Addressed Which USDA Foods Can Be Ordered by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs where the policy addresses which USDA foods can be ordered	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	9.1%	13,219	1,365 ¹
SFA size			
Small (1-999)	9.9	6,374	307
Medium (1,000-4,999)	9.6	4,840	511
Large (5,000-24,999)	5.1	1,701	373
Very Large (25,000+)	6.1	304	174
Urbanicity			
City	11.7	1,537	260
Suburban	7.5	2,714	377
Town	10.9	2,601	255
Rural	8.4	6,367	473
Poverty level			
Low (0-29% F/RP)	6.8	2,588	292
Medium (30-59% F/RP)	9.7	6,214	619
High (60% or more F/RP)	9.6	4,417	454

¹ *n* is less than the 1,378 SFAs with a local wellness policy for all schools due to item nonresponse.
Data Source: SFA Director Survey SY 2012-13, question 4.7.

Figure V-2.1 shows the percentage of SFAs with stakeholder involvement in the development, implementation, and periodic review and updating of the local wellness policy among SFAs with a local wellness policy for all schools. Stakeholders most involved in development, implementation, and periodic review and updating were SFA staff and school administrators. Physical education teachers and school health professionals also participated in all three elements for more than half of SFAs. Parents were involved in local wellness policy development in 74 percent of SFAs, but involved in implementation for only 42 percent of SFAs and periodic review and updating for 44 percent of SFAs. Appendix Tables E-30, E-31, and E-32 provide more detail about stakeholder involvement by SFA characteristics.

Figure V-2.1. Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs With Various Stakeholder Involvement by Stakeholder Group, SY 2012-13



n is less than the 1,378 SFAs with a local wellness policy for all schools due to item nonresponse. For development, percentages based on a weighted response of 13,357 (unweighted 1,375). For implementation, percentages based on a weighted response of 13,333 (unweighted 1,372). For periodic review and updating, percentages based on a weighted response of 13,319 (unweighted 1,372).
 Data Source: SFA Director Survey SY 2012-13, questions 4.2, 4.3, and 4.4.

Table V-2.11 indicates that among SFAs with a local wellness policy for all schools in SY 2012-13, 53 percent of SFAs had LEAs that informed the public about the content and implementation of the policy. This occurred more often in larger than smaller SFAs and in lower poverty level SFAs.

Table V-2.11. Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs in Which the LEA Informs the Public About the Content and Implementation of the Policy by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs in which the LEA informs the public about content and implementation of the local wellness policy	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	52.5%	13,306	1,372 ¹
SFA size²			
Small (1-999)	42.7	6,414	309
Medium (1,000-4,999)	59.6	4,881	515
Large (5,000-24,999)	64.8	1,707	374
Very Large (25,000+)	77.0	304	174
Urbanicity			
City	58.6	1,537	260
Suburban	57.7	2,744	379
Town	49.5	2,601	255
Rural	50.1	6,425	478
Poverty level²			
Low (0-29% F/RP)	57.6	2,621	294
Medium (30-59% F/RP)	54.0	6,268	624
High (60% or more F/RP)	47.5	4,417	454

¹ *n* is less than the 1,378 SFAs with a local wellness policy for all schools due to item nonresponse.

² Percentage of SFAs in which the LEA informs the public about content and implementation differed significantly by SFA size and poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 4.11.

Table V-2.12 provides information on the way in which the LEA informed the public about the content and implementation of the local wellness policy. Only about half of SFAs had an LEA that provided an information package at the beginning of the school year. In 74 percent of SFAs, the LEA provided information through its website. Additional methods included periodic newsletters (44 percent), and articles or stories in the local newspaper or media (25 percent).

The percentages differed by SFA size. Larger SFAs were more likely to use the LEA website and less likely to use an information package at the beginning of the school year. High-poverty-level SFAs were more likely to use information package and less likely to use the website.

Table V-2.12. Among SFAs in Which the LEA Informs the Public About the Content and Implementation of the Local Wellness Policy, the Percentage of SFAs That Used Various Dissemination Methods by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs in which the LEA provided information about the content and implementation of the local wellness policy in the following ways:					Total SFAs	
	Information package at beginning of school year	LEA website	Local paper article/local media	Periodic newsletters	Other	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	49.7%	73.9%	25.2%	44.0%	12.4%	6,959	811 ¹
SFA size²							
Small (1-999)	59.3	59.9	21.8	51.5	13.5	2,741	134
Medium (1,000-4,999)	48.9	78.2	28.1	39.1	10.8	2,882	306
Large (5,000-24,999)	32.6	93.0	26.4	40.5	12.5	1,103	238
Very Large (25,000+)	29.1	94.1	23.9	32.6	19.2	233	133
Urbanicity³							
City	47.7	78.4	22.9	44.1	18.4	897	172
Suburban	35.3	86.0	17.9	37.6	13.9	1,575	248
Town	51.7	75.7	27.3	40.8	7.5	1,280	132
Rural	56.7	65.9	28.6	48.4	11.9	3,207	259
Poverty level⁴							
Low (0-29% F/RP)	41.1	87.6	17.7	37.7	13.8	1,508	186
Medium (30-59% F/RP)	51.2	73.5	27.3	48.9	11.1	3,353	368
High (60% or more F/RP)	53.5	64.6	27.2	40.6	13.5	2,097	257

¹ *n* is less than the 816 SFAs in which the LEA informs the public about the content and implementation of the local wellness policy due to item nonresponse.

² Percentage of SFAs that provided information in a package at the beginning of the school year, through the LEA website, or in periodic newsletters differed significantly by SFA size at the .05 level.

³ Percentage of SFAs that provided information in a package at the beginning of the school year and through the LEA website differed significantly by urbanicity at the .05 level.

⁴ Percentage of SFAs that provided information through the LEA website differed significantly by poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 4.12.

Table V-2.13 indicates that among SFAs with a local wellness policy for all schools in SY 2012-13, 39 percent conducted an assessment of their local wellness policy within the last year. However, there were substantial differences by SFA size, urbanicity, and poverty level. Very large, high-poverty, and city SFAs were more likely to have assessed their local wellness policy within the last year.

Table V-2.13. Among SFAs With a Local Wellness Policy for All Schools, the Percentage That Conducted an Assessment of the Policy Within the Last Year, SY 2012-13

SFA characteristics	Percentage of SFAs that conducted an assessment of their local wellness policy within the last year	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	39.0%	13,295	1,371 ¹
SFA size²			
Small (1-999)	36.1	6,414	309
Medium (1,000-4,999)	40.6	4,870	514
Large (5,000-24,999)	42.6	1,707	374
Very Large (25,000+)	53.9	304	174
Urbanicity			
City	46.2	1,537	260
Suburban	37.1	2,744	379
Town	38.4	2,601	255
Rural	38.3	6,414	477
Poverty level			
Low (0-29% F/RP)	39.8	2,610	293
Medium (30-59% F/RP)	35.9	6,268	624
High (60% or more F/RP)	42.9	4,417	454

¹ *n* is less than the 1,378 SFAs with a local wellness policy for all schools due to item nonresponse.

² Percentage of SFAs that conducted an assessment of the local wellness policy within the last year differed significantly by SFA size at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 4.8.

Table V-2.14 provides the percentage of SFAs that conducted an assessment of their local wellness policy within the last year by the revision status of the policy. Among SFAs with a local wellness for all schools in SY 2012-13, 43 percent did not conduct an assessment of their local wellness policy within the last year, and 18 percent of SFA directors did not know if an assessment was conducted. About 41 percent of SFAs revised their local wellness policy within the last year, and among them, 66 percent conducted an assessment of their local wellness policy within the past year. Forty-eight percent of SFAs did not revise their policy within the last year, of which 22 percent conducted an assessment of their local wellness policy within the past year and 67 percent did not. Among the SFAs that did not know if the local wellness policy was revised in the last year, 9 percent conducted an assessment of their local wellness policy within the past year, 29 percent did not revise their policy within the last year, and 62 percent did not know if an assessment was conducted.

Table V-2.14. Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs That Revised the Policy and Conducted an Assessment of the Policy Within the Last Year, SY 2012-13

Status of local wellness policy	Percentage of SFAs that:			Percentage of all SFAs
	Conducted an assessment of their local wellness policy within the last year	Did not conduct an assessment of their local wellness policy within the last year	Didn't know if an assessment was conducted	
Local wellness policy revised within the last year	66.3%	18.0%	15.7%	41.4%
Local wellness policy not revised within the last year	21.8	67.3	10.9	48.3
Didn't know if local wellness policy was revised in the last year	9.3	29.1	61.6	10.3
All SFAs	38.9	42.9	18.1	100.0
Total SFAs: Weighted <i>n</i>	13,285			
Total SFAs: Unweighted <i>n</i>	1,370 ¹			

¹ *n* is less than the 1,378 SFAs with a local wellness policy for all schools due to item nonresponse.
Data Source: SFA Director Survey SY 2012-13, questions 4.5 and 4.8.

Among SFAs that conducted an assessment of the local wellness policy within the last year, Table V-2.15 provides the percentage of SFAs whose assessment evaluated compliance and progress toward goals. Overall, 82 percent of SFAs that conducted assessments within the last year assessed progress in attaining goals of the policy, and 80 percent assessed the extent to which schools were in compliance with the policy.

Table V-2.15. Among SFAs That Conducted an Assessment of the Local Wellness Policy Within the Last Year, the Percentage of SFAs Whose Assessments Evaluated Compliance and Progress Toward Goals, SY 2012-13

SFA characteristics	Percentage of SFAs whose assessments included:			Total SFAs	
	The extent to which schools are in compliance	The progress made in attaining the goals of the policy	Other topics	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	80.4%	81.9%	2.2%	5,175	579 ¹
SFA size²					
Small (1-999)	77.1	81.0	0.0	2,316	113
Medium (1,000-4,999)	84.8	84.3	2.3	1,969	208
Large (5,000-24,999)	80.7	77.7	7.2	726	162
Very Large (25,000+)	73.7	85.9	10.4	164	96
Urbanicity³					
City	84.3	84.6	2.6	710	123
Suburban	82.9	78.8	6.3	1,018	160
Town	77.0	80.4	2.9	989	97
Rural	79.7	83.1	0.1	2,458	199
Poverty level					
Low (0-29% F/RP)	80.3	78.2	3.0	1,031	118
Medium (30-59% F/RP)	81.0	87.0	1.2	2,251	250
High (60% or more F/RP)	79.8	78.0	2.9	1,894	211

¹ *n* is less than the 580 SFAs that conducted an assessment of the local wellness policy within the last year due to item nonresponse.

² Because some of the categories contain zero values, no significance tests were conducted for other topics.

³ Percentage of SFAs that included other topics in their local wellness policy assessments differed significantly by urbanicity at the .05 level.
Data Source: SFA Director Survey SY 2012-13, question 4.9.

Table V-2.16 indicates that among SFAs with a local wellness policy for all schools in SY 2012-13, 18 percent of SFAs had the LEA inform the public on whether each school complied with the local wellness policy. This occurred more often among smaller SFAs than larger SFAs.

Table V-2.16. Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs With LEAs That Inform the Public on School Compliance With the Policy by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs where the LEA informs the public whether each school is complying with the local wellness policy	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	17.7%	13,299	1,371 ¹
SFA size			
Small (1-999)	18.3	6,414	309
Medium (1,000-4,999)	19.1	4,877	515
Large (5,000-24,999)	13.2	1,704	373
Very Large (25,000+)	9.4	304	174
Urbanicity			
City	21.8	1,534	259
Suburban	12.8	2,744	379
Town	18.8	2,601	255
Rural	18.4	6,421	478
Poverty level			
Low (0-29% F/RP)	16.2	2,610	293
Medium (30-59% F/RP)	17.3	6,265	623
High (60% or more F/RP)	19.3	4,424	455

¹ *n* is less than the 1,378 SFAs with a local wellness policy for all schools due to item nonresponse.
Data Source: SFA Director Survey SY 2012-13, question 4.13.

Among SFAs with a local wellness policy for all schools in SY 2012-13, Table V-2.17 indicates the percentage of SFAs with LEAs that informed the public about school compliance by their general local wellness policy communication protocol. Forty-four percent of SFAs did not know if the public was informed on each school's compliance with the local wellness policy.

Fifty-two percent of SFAs reported that their LEA informed the public about the content and implementation of the local wellness policy. Among those, 30 percent of the SFAs said their LEAs informed the public about each school's compliance with the local wellness policy; 42 percent did not inform the public about school compliance; and 29 percent did not know if the public was informed on school compliance. About 14 percent of the SFAs said their LEAs did not inform the public about each school's compliance with the local wellness policy and 33 percent of SFAs did not know if the LEA informed the public about the content and implementation of the local wellness policy.

Table V-2.17. Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs That Informed the Public About School Compliance by Their General Local Wellness Policy Communication Protocol, SY 2012-13

Local wellness policy communication protocol	Percentage of SFAs with LEAs that:			Percentage of All SFAs
	Inform the public whether each school is complying with the local wellness policy	Do not inform the public whether each school is complying with the local wellness policy	Didn't know if the public was informed on whether each school is complying with the local wellness policy	
LEA informs the public about the content and implementation of the local wellness policy	29.6%	41.9%	28.5%	52.4%
LEA does not inform the public about the content and implementation of the local wellness policy	3.6	93.0	3.4	14.2
Didn't know if LEA informs the public about the content and implementation of the local wellness policy	4.9	10.3	84.8	33.3
All SFAs	17.7	38.7	43.6	100.0
Total SFAs: Weighted <i>n</i>	13,292			
Total SFAs: Unweighted <i>n</i>	1,370 ¹			

¹ *n* is less than the 1,378 SFAs with a local wellness policy for all schools due to item nonresponse.
Data Source: SFA Director Survey SY 2012-13, questions 4.11 and 4.13.

Among SFAs with LEAs that informed the public on school compliance with the local wellness policy, Table V-2.18 provides information on the way in which the LEA informed the public about school compliance with the local wellness policy. Sixty percent of SFAs had an LEA that provided an information package at the beginning of the school year and provided information through its website. Additional methods included periodic newsletters (51 percent) and articles or stories in the local newspaper or media (31 percent).

The percentages differed by SFA size. Larger SFAs were more likely to use the LEA website and less likely to use information package at the beginning of the school year. High-poverty-level SFAs were less likely to use the website.

Table V-2.18. Among SFAs With LEAs That Inform the Public on School Compliance With the Local Wellness Policy, the Percentage of SFAs That Used Various Dissemination Methods by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs in which the LEA provided information in the following ways about whether each school is complying with the local wellness policy:					Total SFAs	
	Information package at beginning of school year	LEA website	Local paper article/local media	Periodic newsletters	Other	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	60.3%	59.8%	31.4%	50.9%	11.2%	2,349	219 ¹
SFA size²							
Small (1-999)	66.7	52.3	32.3	56.1	8.3	1,175	58
Medium (1,000-4,999)	60.5	63.0	32.4	50.0	12.1	924	98
Large (5,000-24,999)	28.2	83.6	21.4	28.0	20.3	221	46
Very Large (25,000+)	36.6	75.2	40.9	42.3	32.9	29	17
Urbanicity³							
City	65.7	60.3	16.1	37.1	10.8	331	35
Suburban	55.9	75.6	21.1	39.6	20.8	352	55
Town	66.5	63.0	23.5	57.5	5.7	489	44
Rural	57.5	53.5	42.1	55.3	10.8	1,177	85
Poverty level⁴							
Low (0-29% F/RP)	68.0	81.1	24.9	52.8	9.4	416	42
Medium (30-59% F/RP)	57.1	59.5	34.3	49.8	9.4	1,082	102
High (60% or more F/RP)	60.5	49.6	30.9	51.3	14.4	850	75

¹ *n* is less than the 221 SFAs in which the LEA informs the public whether each school is complying with the local wellness policy due to item nonresponse.

² Percentage of SFAs that provided information in a package at the beginning of the school year, through the LEA website, or in periodic newsletters differed significantly by SFA size at the .05 level.

³ Percentage of SFAs that provided information in local paper articles/local media differed significantly by urbanicity at the .05 level.

⁴ Percentage of SFAs that provided information through the LEA website differed significantly by poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 4.14.

Typically, SFAs designate one or more district and/or school officials responsible for ensuring school-level compliance with the wellness policy. For SFAs with a local wellness policy for all schools, Table V-2.19 provides the percentage of SFAs with specific individuals designated to ensure that each school complies with the policy. It was possible that more than one person was designated. School administrators were designated by 79 percent of SFAs, and SFA staff by 64 percent of SFAs. In addition, 41 percent of SFAs designated school health professionals; 34 percent designated physical education teachers; and 23 percent designated school board members.

Table V-2.19. Among SFAs With a Local Wellness Policy for All Schools, the Percentage of SFAs With Various Individuals Designated to Ensure Compliance With the Policy by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs with the following individuals designated to ensure that each school complies with the policy:						Total SFAs	
	SFA staff	School board members	School administrators	Physical education teachers	School health professionals	Other	Wgt n	Unwgt n
All SFAs	63.8%	22.6%	78.7%	33.6%	40.5%	4.4%	13,274	1,370 ¹
SFA size²								
Small (1-999)	62.1	26.7	83.6	29.9	34.5	2.6	6,393	308
Medium (1,000-4,999)	65.3	20.9	76.4	40.2	48.4	4.5	4,870	514
Large (5,000-24,999)	64.7	12.3	67.9	25.6	38.9	9.6	1,707	374
Very Large (25,000+)	67.9	18.1	71.9	34.4	46.7	11.0	304	174
Urbanicity³								
City	70.5	25.5	73.7	30.3	35.0	8.2	1,537	260
Suburban	66.4	19.4	78.2	36.6	40.6	4.6	2,744	379
Town	61.7	20.3	74.5	33.1	45.8	5.2	2,601	255
Rural	61.9	24.1	81.8	33.3	39.5	3.1	6,393	476
Poverty level								
Low (0-29% F/RP)	65.1	23.9	81.1	37.1	43.8	3.7	2,610	293
Medium (30-59% F/RP)	61.9	21.0	77.5	32.5	40.9	3.8	6,247	623
High (60% or more F/RP)	65.7	24.0	78.9	33.2	37.9	5.5	4,417	454

¹ n is less than the 1,378 SFAs with a local wellness policy for all schools due to item nonresponse.

² Percentage of SFAs that included school board members, school administrators, physical education teachers, school health professionals, and other professionals differed significantly by SFA size at the .05 level.

³ Percentage of SFAs that included other professionals differed significantly by urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 4.10.

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Section VI: SFA Operations

Working under the supervision of their respective states, SFAs operate their local school-meal programs. Running the school meal programs entails determining what foods and services are offered, the purchasing and preparation of foods, maintaining the food service equipment, and training food service staff. How SFAs go about these activities likely affects the nutritional quality and appeal of the meals as well as production costs and efficiency.

There is significant variation in the quantity and diversity of foods provided by SFAs and how they go about producing these foods. In addition to providing reimbursable meals, most SFAs offer non-program foods that are alternative food items, resulting in differences in food selections among SFAs. In parallel, on the production side, SFAs use a range of approaches, including outsourcing preparation to food service management companies, maximizing the use of USDA Foods, emphasizing farm to school activities, utilizing food service equipment grants, and providing select training to staff. Also, an SFA's socio-economic characteristics (size, urbanicity, etc.) are likely to affect the feasibility of production options and therefore affect their staffing, equipment, and purchasing choices. Exploring SFA operations provides insights into how SFAs are currently conducting business as well as how rapidly they are implementing the required changes stemming from the HHFKA.

This section examines the different attributes of SFA operations, including the variation in foods and services offered, the use of food service management companies, the purchasing of USDA Foods, participation in farm to school activities, the use of kitchen equipment grants, and the training of staff. In addition to describing the variation of these attributes in SFAs across the country, this section also considers, when data are available, how behaviors have been changing overtime and in response to the new regulations and policies stemming from the HHFKA.

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VI-1. Availability of Food Sources and Services

Background

The school food environment encompasses reimbursable meals available through the NSLP and the SBP; other foods sold as à la carte items and through vending machines, snack bars, school stores; as well as foods offered in fund raisers/bake sales and in-class (i.e., class parties). The foods offered outside of the NSLP and the SBP are generally referred to as non-program foods (aka *competitive foods*) because they compete with the sale of reimbursable school meals. Besides offering non-program foods on campus, some schools and districts may permit students to leave the school campus during meal service to purchase foods elsewhere.

Before passage of the HHFKA, the USDA did not have the authority to regulate all other non-program foods such as chips, cookies, ice cream, and sports drinks. However, several states and localities implemented policies to limit the sale of less healthy options by setting limits on certain nutrients such as fat, saturated fat, sugar, and/or calories for foods and beverages sold à la carte and in school stores and vending machines. Section 208 of the HHFKA, which directed USDA to establish science-based nutrition standards for foods and beverages sold in schools outside of the school meals program. In February 2013, USDA issued a proposed regulation specifying minimum standards for foods and beverages sold as non-program foods. The USDA proposal emphasized foods to encourage, such as fruits, vegetables, whole grains, and low-fat dairy products, and placed limits on calories, saturated fat, sodium, and sugar. In addition, the regulation codified previously issued guidance on the need for schools to make available free drinking water during the lunch meal service. In June 2013, USDA issued the interim final regulation updating standards for non-program foods, and schools will have at least a year to fully implement the updated standards (NSLP and SBP: Nutrition Standards for All Foods Sold in School as Required by the Healthy, Hunger-Free Kids Act of 2010). Until then, schools can continue to sell a range of non-program foods and beverages throughout the school campus. Additionally, as part of encouraging healthy eating, the HHFKA dictated that schools need to make potable water available at lunch time. This provision was to be implemented no later than SY 2011-12.

In addition to the offerings available, how easy it is for students to buy various types of food can affect what they select. SFAs use a wide variety of payment systems, and USDA does not specify the use of any particular payment system for reimbursable meal or non-program foods at the point of service. Payment methods are local decisions, and SFAs must consider the cost-effectiveness of the various types of available technologies and what is right for each of their schools. One advantage of electronic technologies and tickets are they typically offer parents the ability to limit what types of foods their children can purchase and these systems must prevent the identification of students receiving free or reduced-price meals.

Research Questions

This chapter addresses the following topics and research questions:

- *What percent of SFAs sell non-program foods?*
- *When and where (e.g., à la carte lines, snack bars, food carts, school stores, vending machines) are non-program foods sold?*
- *What are typical non-program foods that are offered?*
- *How do students pay for non-program foods? How do students pay for reimbursable meals? What percent of students pay for lunch electronically?*
- *Is free potable water available where school meals are served? What are the sources?*
- *If tap water is available for drinking, is it tested for contaminants?*

Results

Availability of Non-Program Foods

For SY 2012-13, 31 percent of SFAs reported having schools that sold non-program foods during lunch. Based on information from the First Year SNOPS report and the Second Year On-Site observations the survey responses appear to underreport the extent of non-program foods sales in schools during SY 2012-13.⁵² During SY 2011-12, 71 percent of SFAs reported selling non-program foods and 52 percent of SFAs were observed selling à la carte items during on-site visits to a small sample of schools during the spring 2013. It is possible that some SFA directors interpreted “competitive foods” as distinct from à la carte items. Appendix Table E-33 indicates that the percentage of SFAs selling non-program foods was lower among small SFAs, among city and rural SFAs, and among high-poverty SFAs.

Among SFAs in which non-program foods were sold during lunch, the most frequent locations for selling non-program foods were in the same location as NSLP, with 33 percent in separate cashier lines and 44 percent in the same cashier lines. Twenty-eight percent of SFAs sold non-program foods in a different location from NSLP meals.⁵³ Vending machines were common non-program food locations; 33 percent of SFAs said their schools had vending machines inside the cafeteria; and 42 percent said they had them outside of the cafeteria. Appendix Table E-34 provides details by SFA characteristics.

Table VI-1.1 also shows the percentage of SFAs that sold different types of non-program foods at lunch time. Slightly more than half (53 percent) sold alternative entrees to the NSLP meal. However, this was more likely among low-poverty SFAs than high-poverty areas. About 67 percent sold a second helping of the NSLP offering of the day. Again, this occurred more often in low-poverty SFAs. Other types of non-program foods sold included snack foods (93 percent) water (92

⁵² The percentage of SFAs that sold non-program foods during lunchtime during SY 2012-13 appears to be underreported when compared to findings in the SNOPS First Year Report and the SNOPS Second Year (SY 2012-13) On-Site Report that asked this question at a more granular level. Table IV-7.1 of the SNOPS First Year Report indicates that 71 percent of SFAs sold à la carte items during lunch in SY 2011-12, and Table 3-2 of the SNOPS Second Year On-Site Report indicates that 52 percent of SFAs were observed selling à la carte items in SY 2012-13.

⁵³ These first three rows of the table (Table VI-1.1) do not represent mutually exclusive categories. It is possible for an SFA to report selling non-program foods in the same location and in a different location as NSLP meals.

percent), drinks other than water (88 percent), fruit (71 percent) and desserts (57 percent). Fruit and alternative entrées were less likely to be sold in high-poverty SFAs. Appendix Table E-35 provides details by SFA characteristics.

Table VI-1.1. Percentage of SFAs With Schools That Sold Non-Program Foods During Lunch, and Among Those, the Location and the Type of Foods Sold, SY 2012-13

Sale of non-program foods	Percentage of SFAs
Sold non-program foods during lunch	31.0%
Total SFAs: Weighted <i>n</i>	15,016
Total SFAs: Unweighted <i>n</i>	1,486 ¹
Of those selling non-program foods, where they were sold	
Same location as NSLP but separate cashier line	32.8%
Same location as NSLP and same cashier line	43.6
Different location from NSLP meals	28.4
Vending machines inside the cafeteria	32.8
Vending machines outside the cafeteria	42.4
School stores	30.7
Snack bars	20.2
Other	11.7
Total SFAs: Weighted <i>n</i>	4,640
Total SFAs: Unweighted <i>n</i>	640 ²
Of those selling non-program foods, the types sold	
Alternative entrées to the NSLP meal	52.7%
Snack foods	93.1
Fruit	71.1
Desserts	56.8
Water	91.8
Drinks other than water	87.7
Second helping of the NSLP offering that day	66.8
Total SFAs: Weighted <i>n</i>	4,640
Total SFAs: Unweighted <i>n</i>	640 ²

¹ *n* is less than 1,491 due to item nonresponse.

² *n* is less than the 641 SFAs in which non-program foods were sold during lunch due to item nonresponse.

Data Source: SFA Director Survey SY 2012-13, questions 3.1, 3.2, and 3.3.

Payment Options

Appendix Table E-36 indicates the predominant payment method that students used to purchase non-program foods was cash. In SY 2012-13, among SFAs in which non-program foods were sold during lunch, almost 95 percent (Appendix Table E-30) of SFAs had some students paying for non-program foods with cash, compared to 69 percent (Appendix Table E-30) of SFAs that had some students paying electronically. Table VI-1.2 provides the percentage of SFAs in which students purchased reimbursable lunches using different payment methods for reduced-price lunches and for paid lunches. Although cash was the most used method for reduced-price lunches (80 percent) and for paid lunches (82 percent), most SFAs had more than one means available to students purchasing reimbursable meals. Electronic payments from pre-paid accounts were used in more than half of the SFAs, 57 percent of SFAs for reduced-price lunches and 58 percent for paid lunches. Only about 9 percent of SFAs used meal tickets as a method of payment. Small, rural, and

medium-poverty level SFAs were more likely to use meal tickets. Electronic payments were used more in low-poverty and larger SFAs. High-poverty SFAs were less likely to use cash and more likely to use other payment methods such as personal checks.

Table VI-1.2. Percentage of SFAs in Which Students Used Various Payment Methods to Purchase Reimbursable Lunches by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs in which students purchase reimbursable lunches using the following available payment methods:				Total SFAs	
	Electronic payments from pre-paid accounts	Cash	Meal tickets	Other	Weighted <i>n</i>	Unweighted <i>n</i>
Reduced-price lunches						
All SFAs	57.3%	80.3%	9.1%	20.4%	14,907	1,480 ¹
SFA size²						
Small (1-999)	38.1	72.4	11.4	25.4	7,591	365
Medium (1,000-4,999)	74.3	87.8	7.0	15.2	5,247	552
Large (5,000-24,999)	85.5	90.9	5.9	14.5	1,759	386
Very large (25,000+)	82.6	84.9	5.2	17.0	309	177
Urbanicity³						
City	52.2	69.6	4.5	24.4	1,821	278
Suburban	77.5	88.3	5.1	17.6	2,812	387
Town	60.0	81.7	9.0	19.6	2,863	279
Rural	49.9	79.3	11.8	20.8	7,411	536
Poverty level²						
Low (0-29% F/RP)	80.6	84.6	5.9	16.7	2,947	315
Medium (30-59% F/RP)	64.5	86.2	11.6	15.2	6,884	669
High (60% or more F/RP)	34.2	69.7	7.5	29.5	5,076	496
Paid lunches						
All SFAs	58.2%	82.1%	9.2%	18.9%	14,848	1,474 ¹
SFA size²						
Small (1-999)	38.3	73.8	11.5	22.7	7,554	363
Medium (1,000-4,999)	74.9	89.0	6.9	15.4	5,238	551
Large (5,000-24,999)	88.3	95.1	6.4	13.4	1,748	384
Very large (25,000+)	91.8	94.0	4.9	16.9	307	176
Urbanicity³						
City	54.2	71.4	4.9	20.5	1,817	277
Suburban	79.7	91.0	5.0	17.4	2,801	385
Town	61.6	84.1	9.0	19.9	2,863	279
Rural	49.7	80.6	11.8	18.7	7,366	533
Poverty level²						
Low (0-29% F/RP)	81.1	86.1	4.8	16.4	2,938	314
Medium (30-59% F/RP)	65.1	88.0	12.0	14.8	6,881	668
High (60% or more F/RP)	35.4	71.7	7.8	26.0	5,029	492

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs in which students purchase NSLP lunches using electronic payments, cash, meal tickets, and other methods differed significantly by SFA size and poverty level at the .05 level.

³ Percentage of SFAs in which students purchase NSLP lunches using electronic payments, cash, and meal tickets differed significantly by urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 3.5.

Table VI-1.3 indicates that SFAs differed in the percentage of students paying for reimbursable breakfast or lunch electronically. About 43 percent of SFAs had no students pay electronically, most of which were small SFAs and high-poverty SFAs. About 24 percent of SFAs had only 1 to 25 percent of students paying electronically; 13 percent of SFAs had 26 to 50 percent of students paying electronically; 9 percent had 51 to 75 percent of students paying electronically; and 12 percent of SFAs had more than 75 percent of students paying electronically. Suburban SFAs were more likely to have students paying electronically and higher percentage of students paying electronically. Similarly, low-poverty SFAs were more likely to have students paying electronically and higher percentages of students paying electronically.

Table VI-1.3. Percentage of SFAs With Varying Percentages of Students Using Electronic Payments to Purchase School Meals by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs with varying percentages of students paying for reimbursable breakfast or lunch electronically:					Total SFAs	
	0%	1-25%	26-50%	51-75%	76-100%	Weighted n	Unweighted n
All SFAs	42.7%	23.6%	12.8%	8.8%	12.1%	14,603	1,445 ¹
SFA size²							
Small (1-999)	61.6	18.3	5.2	3.8	11.1	7,486	360
Medium (1,000-4,999)	26.3	27.3	19.9	11.9	14.6	5,105	537
Large (5,000-24,999)	14.6	34.1	22.6	18.5	10.2	1,710	375
Very large (25,000+)	10.9	35.2	24.7	22.9	6.3	302	173
Urbanicity²							
City	48.2	22.4	10.2	9.0	10.2	1,774	271
Suburban	23.2	29.7	19.5	17.5	10.1	2,725	374
Town	39.7	26.4	14.4	7.2	12.4	2,777	270
Rural	49.8	20.6	10.3	6.0	13.3	7,328	530
Poverty level²							
Low (0-29% F/RP)	20.8	20.7	21.8	18.6	18.1	2,869	306
Medium (30%-59% F/RP)	36.0	27.6	13.4	8.8	14.2	6,729	653
High (60% or more F/RP)	64.3	20.0	6.8	3.1	5.9	5,005	486

¹ n is less than 1,491 due to item nonresponse.

² Percentage of SFAs with different percentages of students using electronic payments to purchase school meals differed significantly by SFA size, urbanicity, and poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 3.6.

Availability of Potable Water

As the HHFKA requires, Table VI-1.4 indicates that free potable water was available in SY 2012-13 to students where school meals were served in nearly all SFAs: 98 percent for elementary and secondary schools; 99 percent for high schools; and 95 percent for other types of schools. The percentage of SFAs in which free drinking water was available was less for elementary schools in cities (96 percent) compared to those in towns (100 percent) and rural areas (99 percent).

Table VI-1.4 Percentage of SFAs in Which Free Drinking Water Was Available to Students Where School Meals Were Served, by School Type and SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs in which free drinking water was available to students where school meals were served:											
	Elementary			Middle			High			Other		
	Percent of SFAs	Weighted <i>n</i>	Unweighted <i>n</i>	Percent of SFAs	Weighted <i>n</i>	Unweighted <i>n</i>	Percent of SFAs	Weighted <i>n</i>	Unweighted <i>n</i>	Percent of SFAs	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	98.4%	12,086	1,316 ¹	98.4%	9,118	1,131 ²	98.7	10,427	1,205 ³	94.6	4,398	490 ⁴
SFA size⁵												
Small (1-999)	98.0	5,198	257	96.6	2,923	146	98.2	4,008	197	94.2	2,372	112
Medium (1,000-4,999)	98.3	4,911	519	98.6	4,281	461	98.6	4,489	478	94.1	1,223	130
Large (5,000-24,999)	99.6	1,680	369	99.8	1,628	359	99.8	1,629	357	96.2	639	151
Very large (25,000+)	99.4	297	171	100.0	286	165	100.0	300	173	98.2	164	97
Urbanicity⁶												
City	96.1	1,245	241	98.7	974	219	98.6	867	216	95.8	634	117
Suburban	96.8	2,408	356	97.1	2,109	334	98.3	2,214	337	93.5	534	109
Town	99.5	2,389	256	100.0	2,114	236	100.0	2,285	245	94.4	948	87
Rural	99.0	6,043	463	98.1	3,921	342	98.3	5,060	407	94.6	2,282	177
Poverty level												
Low (0-29% F/RP)	97.8	2,396	278	98.4	1,909	249	98.0	2,232	267	88.5	543	68
Medium (30-59% F/RP)	98.9	5,911	611	98.4	4,431	519	99.4	5,121	558	94.5	2,188	238
High (60% or more F/RP)	98.0	3,778	427	98.3	2,779	363	97.9	3,074	380	96.8	1,668	184

¹ *n* is less than the 1,335 SFAs that have elementary schools due to item nonresponse.

² *n* is less than the 1,145 SFAs that have middle schools due to item nonresponse.

³ *n* is less than the 1,225 SFAs that have high schools due to item nonresponse.

⁴ *n* is less than the 552 SFAs that have other schools due to item nonresponse.

⁵ Because some of the categories contain zero values, no significance testing was conducted for middle schools.

⁶ Percentage of SFAs in which free drinking water is available to students where school meals are served in elementary schools differed significantly by urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 3.7.

Table E-37 in Appendix E shows that the most common available source for free drinking water in SY 2012-13 was water fountains (90 percent). Other sources included insulated containers (27 percent); pitchers or jugs (19 percent); and bottled water (16 percent). Only 3 percent of SFAs had electronic water hydration stations. Larger SFAs were more likely to provide insulated containers and pitchers or jugs. High-poverty SFAs were less likely to provide water fountains (83 percent) and more likely to provide insulated containers (32 percent).

Among SFAs that provided free drinking water where meals were served, a public or municipal source of tap water was most prevalent (89 percent), but less so among small SFAs and rural SFAs (see Table E-38 in Appendix E). Tap water was not available in 10 percent of SFAs, particularly for rural and high-poverty SFAs. Among SFAs that provided free drinking water where meals were served, 3 percent of SFAs never tested tap water for common contaminants, and another 3 percent of SFAs did not rely on the water supply for free drinking water (see Appendix Table E-39). About 4 percent of SFAs tested fewer than once a year; 29 percent tested annually; 16 percent tested twice a year; and 46 percent tested more than twice a year. Testing drinking water more than twice a year occurred most often among smaller SFAs, rural SFAs, and lower poverty SFAs.

Figure F-4 in Appendix F compares the testing of free drinking water for contaminants in public or municipal sources and well or spring water sources. SFAs that rely on wells or spring water were more likely to test more than twice a year (68 percent versus 40 percent). The finding that SFAs that rely on wells were more likely to test their water and more did so frequently is consistent with the USDA Pesticide Data Program that monitors selected school and childcare facility wells for pesticide residues. School and childcare facilities with wells are subject to the Safe Drinking Water Act, and their water is routinely tested for chemical and biological contaminants.

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VI-2. Food Service Management Companies

Background

Rising operating costs can put pressure on school districts to increase efficiency in food service operations. The use of FSMCs is an approach to increase efficiency because of the increased purchasing power of an FSMC (particularly national and regional FSMCs) and the potential for lower personnel costs. When SFAs contract with FSMCs to assist with meal service operations in school districts, states often play a critical role in contract oversight and management with the FSMCs. As part of the HHFKA new meal pattern requirements, states and SFAs using FSMCs in SY 2012-13 had to ensure that the terms of existing contracts were in compliance with the new meal standards, as discussed in more detail in the next subsection (V-3, Food Purchasing).⁵⁴ In addition to contract oversight responsibilities, states also develop new policies for school meal operations that SFAs and FSMCs are expected to follow.

Using data from both the State CN Director Survey and SFA Director Survey, this subsection examines the number of SFAs and schools using FSMCs and the proportion of FSMCs that are national, regional, or local companies. Changes in the use of FSMCs are also examined over time between SY 2011-2012 and SY 2012-2013, which is the period in which the new reimbursable meal pattern went into effect.

Research Questions

This chapter addresses the following research questions:

- *How many SFAs/schools are using FSMCs?*
- *How many of these are national, regional, or local companies?*

Results

Table VI-2.1 indicates that in both SY 2011-12 and SY 2012-13 about 21 percent of SFA directors reported using FSMCs. In both years, usage was reported less often by very large SFAs, rural SFAs, and medium-poverty level SFAs. In contrast, while SFA directors reported that 21 percent used FSMCs in SY 2012-13, state CN directors reported overall only 16 percent (not shown) of SFAs and 14 percent (not shown) of schools used FSMCs.⁵⁵ Nearly all of the states, 85 percent (not shown) or 46 states indicated that some SFAs in their states used FSMCs. Appendix Tables E-40 and E-41 present the percentage of SFAs and of schools by state using FSMCs during SY 2012-13.

⁵⁴ “Procurement Questions and Answers to Assist in the Implementation of the Final Rule Titled *Nutrition Standards in the National School Lunch and School Breakfast Programs*,” USDA SP-17-2012, February 23, 2012.

⁵⁵ While consistent with the numbers reported by states in the prior year it is unclear if states reported for all schools or only public schools.

Table VI-2.1. Percentage of SFAs That Used FSMCs by SFA Characteristics, SY 2011-12 and SY 2012-13

SFA characteristics	Percentage of SFAs using FSMCs in:		Total SFAs			
	SY 2011-12	SY 2012-13	Weighted <i>n</i>		Unweighted <i>n</i>	
			SY 2011-12	SY 2012-13	SY 2011-12	SY 2012-13
All SFAs	20.8%	20.7%	14,494	14,949	1,389 ¹	1,481 ²
SFA size²						
Small (1-999)	20.1	19.9	7,255	7,652	327	368
Medium (1,000-4,999)	22.1	22.3	5,329	5,230	530	550
Large (5,000-24,999)	21.2	20.9	1,625	1,759	363	386
Very Large (25,000+)	12.9	13.1	284	309	169	177
Urbanicity²						
City	34.5	40.5	1,577	1,840	253	279
Suburban	31.3	29.4	2,841	2,833	377	388
Town	21.2	19.9	2,777	2,845	264	277
Rural	13.6	12.9	7,298	7,431	495	537
Poverty level²						
Low (0-29% F/RP)	24.9	27.6	3,335	2,938	344	314
Medium (30-59% F/RP)	17.1	17.5	6,758	6,905	645	670
High (60% or more F/RP)	23.4	21.0	4,401	5,107	400	497

¹ *n* is less than 1,401 due to item nonresponse.

² *n* is less than 1,491 due to item nonresponse.

Data Source: SFA Director Survey SY 2011-12, question 10.12; SFA Director Survey SY 2012-13, question 3.18.

Tables VI-2.2 and 2.3 show additional information about the use of FSMCs as reported by state CN directors. As shown in Table V-2.2, among states that reported SFA use of FSMCs during SY 2012-13, 57 percent of SFAs used national FSMCs; 29 percent used regional FSMCs; and 14 percent used local FSMCs. The percentages reported for schools' use of FSMCs were different. About 82 percent of schools used national FSMCs; 13 percent used regional FSMCs; and 5 percent used local FSMCs. The greater percentage of schools using national FSMCs than the percentage of SFAs using national FSMCs suggests that larger SFAs with multiple schools are using national FSMCs.

Table VI-2.2 also provides additional information on use of FSMCs, looking at the change from SY 2011-12 to SY 2012-13. As Table VI-2.2 shows, according to state CN directors, a total of 2,697 SFAs used FSMCs in SY 2011-12, and a total of 2,944 SFAs used FSMCs in SY 2012-13, an increase of about 8 percent. The number of schools using FSMCs increased only about 2 percent, from 9,903 schools in SY 2011-12 to 10,111 schools in SY 2012-13. Additionally, Table VI-2.2 shows an increase in the percentage of SFAs (from 51 to 57 percent) and schools (from 77 to 82 percent) that used national FSMCs from SY 2011-12 to SY 2012-13. While there was a slight increase in the percentage of SFAs (from 26 to 29 percent) using regional FSMCs, the percentage of schools using regional FSMCs decreased slightly from 15 to 13 percent. There was a decrease in both the percentage of SFAs (from 23 to 14 percent) and schools (from 8 to 5 percent) using local FSMCs from SY 2011-12 to SY 2012-13.

Table VI-2.2. Among SFAs That Used FSMCs, the Percentage of SFAs and Schools by the Type of FSMC Used as Reported by State CN Directors, SY 2011-12 and SY 2012-13

Type of FSMC	Percentage of SFAs				Percentage of schools			
	SY 2011-12		SY 2012-13		SY 2011-12		SY 2012-13	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
National companies	1,365	50.6%	1,649	57.0%	7,645	77.2%	8,323	82.3%
Regional companies	713	26.4	864	29.3	1,481	15.0	1,317	13.0
Local companies	619	22.9	401	13.6	777	7.8	471	4.7
Total SFAs and schools: <i>n</i>	Total SFAs = 2,697		Total SFAs = 2,944		Total schools = 9,903		Total schools = 10,111	
Total states: <i>n</i> ¹	49		52		41		42	

¹*n* is less than the 53 states that responded to both the 2011 and 2012 State CN Directory Survey due to item nonresponse. The analysis for SFAs is restricted to states that provided complete information regarding the number of SFAs using national, regional, or local companies, and the analysis for schools is restricted to states that provided complete information regarding schools.

Data Source: State CN Director Survey SY 2011-12, question D3; State CN Director Survey SY 2012-13, questions C3A- C3D.

Table VI-2.3 indicates that among states that reported SFA use of national FSMCs during SY 2012-13, Chartwells was used by 30 percent, Sodexo by 24 percent, Aramark by 22 percent, and Preferred Meals Systems by about 10 percent of SFAs. Not surprisingly, the distribution was similar for schools using national companies: Chartwells was used by 32 percent, Sodexo by 27 percent, Aramark by 26 percent, and Preferred Meals Systems by 7 percent of schools.

Table VI-2.3 also shows that among states that reported SFA use of national FSMCs (49 states in SY 2011-12 and 52 states in SY 2012-13), the percentage of SFAs that used a particular company changed only slightly. Aramark, Chartwells, and Sodexo continued to be most prevalent in the school FSMC market. While the percentage of SFAs that used Aramark and Chartwells decreased slightly, the percentage of schools using these two FSMCs increased slightly. The percentage of SFAs that used Sodexo decreased 4 percentage points, and the percentage of schools that used Sodexo decreased 8 percentage points from SY 2011-12 to SY 2012-13. Preferred Meals Systems increased over these 2 years by about 3 percentage points for SFAs and schools, and use of other national companies increased about 11 percentage points among SFAs and 3 percentage points among schools.

Table VI-2.3. Among SFAs That Used National FSMCs, the Percentage of SFAs and Schools That Used Specific Companies as Reported by State CN Directors, SY 2011-12 and SY 2012-13

Type of FSMC	Percentage of SFAs				Percentage of schools			
	SY 2011-12		SY 2012-13		SY 2011-12		SY 2012-13	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Aramark	318	23.3%	369	22.0%	1,932	25.3%	2,120	25.5%
Chartwells	470	34.4	496	29.5	2,293	30.0	2,693	32.4
Preferred Meal Systems	91	6.7	163	9.7	236	3.1	544	6.5
Sodexo	391	28.7	405	24.1	2,785	36.4	2,262	27.2
Other national companies ¹	95	7.0	246	14.7	399	5.2	704	8.5
Total SFAs and schools: <i>n</i>	Total SFAs = 1,365		Total SFAs = 1,679		Total schools = 7,645		Total schools = 8,323	
Total states: <i>n</i> ²	49		52		41		42	

¹For SY 2011-12, the number of SFAs/schools using other companies is the difference between the total number using national companies and the number using the four national companies listed in the questionnaire. For SY 2012-13, an “other” category was listed in the questionnaire in addition to the four national companies named above.

²*n* is less than the 53 states that responded to both the 2011 and 2012 State CN Directory Survey due to item nonresponse. The analysis for SFAs was restricted to states that provided complete information regarding the number of SFAs using national, regional, or local companies and the analysis for schools was restricted to states that provided complete information regarding schools.

Data Source: State CN Director Survey SY 2011-12, question D3; State CN Director Survey SY 2012-13, question C3A.

VI-3. Food Purchasing

Background

The process for ordering and purchasing school foods is influenced by a number of factors, including the nutritional standards and meal pattern requirements set by USDA at the Federal level, as well as those set by state and local agencies that oversee the CN programs. The HHFKA directed USDA to update the NSLP and SBP meal pattern and nutrition standards and to base the updates on the latest *Dietary Guidelines for Americans* (Schneider et al., 2012). USDA issued a final rule titled *Nutrition Standards in the National School Lunch and School Breakfast Programs* on January 26, 2012.⁵⁶ The updated standards increase the offering of fruits, vegetables, and whole grains, ensuring students are offered these every day of the week.

SFAs and their schools have opportunities to participate in several other FNS-administered programs and initiatives that are intended to complement the NSLP and SBP. The USDA Foods program and the DoD Fresh Program provide access to nutritious food items, including a wide variety of fruits and vegetables, which can be incorporated into the meals and snacks offered to students during the school day. The USDA Foods program is the primary food distribution program offered by FNS that provides food and nutrition assistance to students and also supports American agriculture by distributing high-quality, American-grown USDA Foods.⁵⁷ State CN directors have control over the ordering of USDA Foods for their SFAs, including which USDA Foods they allow SFAs to order, the procedures and systems they use to order, and the frequency of ordering. The DoD Fresh Program allows schools to use USDA Foods entitlement dollars to buy fresh produce. This program is available to all schools and is operated by the Defense Logistics Agency at DoD.

Although meal patterns have been updated to reflect current dietary guidelines, decisions about what specific foods to serve, and therefore procure, and how they are prepared and presented continue to be made at the school and SFA levels. As discussed previously, some SFAs contract with FSMCs but are still required to comply with the Federal, state, and local nutritional requirements and standards. Hence, “material changes” in contracts with FSMCs or food distributors may be required if current contracts are inconsistent with the new nutrition standards of the final rule. Material changes are changes that are substantial enough that had other bidders been aware of the change during the bidding process they might have bid differently. If it appears that an SFA’s implementation of the final rule will create a material change, the SFA must either conduct a separate procurement to obtain the deliverable or conduct a new solicitation for an FSMC that includes the deliverable. SFAs may conduct contract competitions at the earliest feasible juncture but must ensure that all new procurements are completed by SY 2013-14.⁵⁸

⁵⁶ <http://www.gpo.gov/fdsys/pkg/FR-2012-01-26/pdf/2012-1010.pdf>

⁵⁷ <http://www.fns.usda.gov/food-distribution/food-distribution-programs>

⁵⁸ <http://www.fns.usda.gov/sites/default/files/SP17-2012os.pdf>

Research Questions

This chapter answers the research questions listed below related to ordering and purchasing foods to meet the new meal pattern requirements. Questions relate to state policies on ordering USDA Foods, SFAs' use of USDA Foods or DoD Fresh to satisfy the new meal pattern requirements and food purchasing changes resulting from the new meal pattern requirements.

- *Do states allow SFAs to order from the full list of USDA Foods? How do states obtain feedback from SFAs regarding which USDA Foods to offer?*
- *How do SFAs submit their requests for specific quantities of USDA Foods?*
- *How often can SFAs order USDA Foods?*
- *What proportion of SFAs use either USDA Foods or DoD Fresh for additional fruit and vegetable purchases?*
- *Have types and amounts of USDA Foods ordered changed to meet new requirements?*
- *Are material changes in purchasing from food distributors required due to the new meal patterns? Which products have SFAs had difficulty purchasing?*

Results

USDA Foods

State Policies on Ordering USDA Foods

As Table VI-3.1 shows, states used different procedures for ordering food. One-third of states allowed SFAs to order from the full list of USDA Foods. The two main methods used by SFAs to submit their requests for specific quantities of USDA Foods were an SFA ordering food system (45 percent) and a web-based supply-chain management system food requisition (38 percent).⁵⁹ Among states that did not allow SFAs to order from the full list of USDA Foods, the states obtained feedback from the SFAs about which foods to offer through surveys of all SFA directors (77 percent), through an advisory council of SFA directors (65 percent), and from directors at annual state distribution meetings (59 percent).⁶⁰

About 72 percent of states allowed SFAs to order USDA Foods at least twice per year. While about 9 percent reported allowing SFAs to order twice per year, almost 64 percent of states allow them to order more than twice per year. Another 28 percent of states said that ordering was

⁵⁹ Included among the 27 percent of “other” methods SFAs used to submit their requests for specific quantities of USDA Foods were: using a state-based website or system (such as CNIPS), using a computer software program, or submitting an email request.

⁶⁰ Included among the 32 percent of “other” methods states used to obtain feedback from SFAs regarding which USDA Foods to offer (if the state does not allow SFAs to order from the full list of USDA Foods) were: using historical trends or analysis of data (i.e., data from prior years or data on actual usage), obtaining feedback at CN meetings, obtaining feedback during the annual USDA Foods showcase or other food shows, or obtaining feedback via the state’s partnership with the department of social services.

allowed only once per year. States varied in how they reallocated unused entitlement funds at the end of the year. Some reallocated to SFAs by request (38 percent) and others reallocated based on a percentage of total meals (29 percent). About one-fourth (24 percent) did not reallocate or carry forward funds into the next school year.

Table VI-3.1. State Report on SFAs That Used USDA Foods, SY 2012-13

USDA Food activities reported by states	Percentage of states
State allows SFA to order from the full list of USDA Foods (n=51¹)	33.3%
Methods states used to obtain feedback from SFAs regarding which USDA Foods to offer if state does not allow SFAs to order from the full list of USDA Foods (n=34)	
Survey of all SFA directors	76.5
Utilize advisory council consisting of SFA directors	64.7
Obtain feedback from SFA directors at annual state distribution meetings	58.8
Other	32.4
Methods SFAs used to submit their requests for specific quantities of USDA Foods (n=54)	
Web-based supply chain management system food requisition	38.0
SFA ordering food system	44.9
Allocation dumping system	6.1
Other	26.5
Frequency with which SFAs could order USDA Foods (n=47¹)	
Once a year	27.7
Twice a year	8.5
More than twice a year	63.8
State reallocation of unused entitlement at the end of the school year (n=45¹)	
Reallocate to SFAs by request	37.8
Reallocate to all SFAs based on percentage of total meals	28.9
No reallocation or carry forward into the next school year	24.4
Other	8.9

¹ n is less than 54 due to item nonresponse.

Data Source: State CN Director Survey SY 2012-13, questions C5, C5A, C6, C7, and C8.

Use of USDA Foods or DoD Fresh to Satisfy the New Meal Pattern Requirements

In SY 2012-13, 61 percent of SFAs used USDA Foods or DoD Fresh for additional fruit purchases, and 57 percent of SFAs used either or both program(s) for additional vegetable purchases. More specifically, as shown in Table VI-3.2, 24 percent of SFAs used both programs for additional fruit purchases, while 26 percent of SFAs used USDA Foods only and 11 percent used DoD Fresh only. For additional vegetable purchases, 21 percent of SFAs used USDA Foods and DoD Fresh, while 26 percent used USDA Foods only, and 10 percent used DoD Fresh only. Participation in the DoD Fresh program has increased from SY 2011-12 to SY 2012-13. In the fielding of the previous 2011 SFA Director Survey, about one-quarter of SFAs (26 percent⁶¹)

⁶¹ Table III-7 of the SNOPS First Year Report

reported purchasing fruits and vegetables through the DoD Fresh Program in SY 2011-12. However, Table VI-3.2 indicates that 36 percent of SFAs used the DoD Fresh Program in SY 2012-13 to purchase additional fruits, and 31 percent used the program to purchase additional vegetables.

Table VI-3.2. Percentage of SFAs That Used USDA Foods or DoD Fresh for Additional Fruit and Vegetable Purchases by SFAs Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs that reported:				Total SFAs	
	Not using USDA Foods or DoD Fresh	Using USDA Foods only	Using DoD Fresh only	Using both USDA Foods and DoD Fresh	Weighted <i>n</i>	Unweighted <i>n</i>
Additional fruit purchases						
All SFAs	38.6%	25.8%	11.3%	24.3%	14,745	1,466 ¹
SFA size²						
Small (1-999)	47.4	25.7	7.1	19.8	7,517	362
Medium (1,000-4,999)	31.6	26.6	15.2	26.6	5,167	543
Large (5,000-24,999)	24.6	22.7	16.9	35.7	1,751	384
Very large (25,000+)	20.8	31.0	15.7	32.5	309	177
Urbanicity²						
City	46.7	22.3	11.4	19.6	1,796	275
Suburban	34.7	26.2	14.0	25.1	2,758	382
Town	30.0	29.0	14.0	27.0	2,860	279
Rural	41.4	25.2	9.1	24.2	7,331	530
Poverty level						
Low (0-29% F/RP)	37.9	26.9	11.7	23.5	2,906	310
Medium (30-59% F/RP)	37.9	25.8	11.2	25.1	6,799	664
High (60% or more F/RP)	39.9	25.2	11.2	23.8	5,040	492
Additional vegetable purchases						
All SFAs	43.1	25.9	9.8	21.2	14,744	1,466 ¹
SFA size²						
Small (1-999)	50.9	26.9	5.7	16.4	7,509	361
Medium (1,000-4,999)	36.8	25.7	14.2	23.3	5,181	545
Large (5,000-24,999)	31.0	21.3	13.4	34.3	1,745	383
Very large (25,000+)	25.2	29.9	16.4	28.5	309	177
Urbanicity²						
City	50.8	23.0	10.3	16.0	1,837	278
Suburban	41.7	23.9	12.7	21.7	2,775	382
Town	36.3	26.5	11.2	26.1	2,841	278
Rural	44.3	27.1	8.1	20.4	7,291	528
Poverty level						
Low (0-29% F/RP)	42.1	26.1	10.6	21.3	2,869	308
Medium (30-59% F/RP)	41.0	27.5	9.7	21.8	6,803	664
High (60% or more F/RP)	46.4	23.7	9.5	20.3	5,072	494

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs that used USDA Foods only, DoD Fresh only, or both programs differed significantly by SFA size and urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, questions 5.11, 5.12, 5.14, and 5.15.

The table also indicates that participation in both the USDA Foods program and DoD Fresh varied by SFA size and urbanicity. Participation in both programs tends to increase with SFA size. For example, about half of small SFAs (47 percent for additional fruit purchases and 51 percent for additional vegetable purchases) reported not participating in either program, compared to about one-quarter of large (25 percent for additional fruit purchases) and very large SFAs (25 percent for additional vegetable purchases) reporting not participating in either program. Additionally, a lower percentage of small SFAs reported using the DoD Fresh Program only for additional fruit and vegetable purchases. Participation also varied by urbanicity. A larger proportion of SFAs in cities reported not participating in either program compared to SFAs in towns.

Almost three-quarters of SFAs (74 percent) reported changing the types and amounts of USDA Foods ordered in SY 2012-13 to meet the updated nutrition standards and meal pattern requirements (see Table VI-3.3). A lower percentage of SFAs in cities (62 percent) reported having to change their USDA Foods orders compared to SFAs in towns (75 percent) or rural areas (78 percent).

Table VI-3.3. Percentage of SFAs That Changed Their USDA Foods Orders to Meet Updated Nutrition Standards and Meal Patterns by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	73.5%	13,449	1,378 ¹
SFA size			
Small (1-999)	71.9	6,565	315
Medium (1,000-4,999)	75.8	4,885	513
Large (5,000-24,999)	73.6	1,690	373
Very Large (25,000+)	70.0	309	177
Urbanicity²			
City	61.5	1,649	266
Suburban	68.9	2,568	363
Town	75.0	2,599	261
Rural	77.6	1,634	488
Poverty level			
Low (0-29% F/RP)	72.8	2,677	293
Medium (30-59% F/RP)	74.6	6,168	621
High (60% or more F/RP)	72.2	4,603	464

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs that changed the types and amounts of USDA Foods ordered differed significantly by urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 5.43.

Food Purchasing Changes Under the New Meal Pattern Requirements

Almost 31 percent of SFAs reported having to make material changes in food procurements in SY 2012-13 due to the updated nutrition standards and meal pattern requirements. Contracts between SFAs and FSMCs and food distributors all have initial solicitation documents and contract terms, and many of these became outdated. A modification is a material change that requires a new bid if the change would have caused bidders to bid differently or materially affects the scope of the contract (e.g., scope of services, types of food products, volume of food products). As shown in Table VI-3.4, of the 31 percent of SFAs that reported making material changes, 9 percent reported that changes were required for half of their purchases, and 7 percent reported that changes were required for more than half of their purchases.

Per Federal regulations listed at 7 CFR Parts 3016.36 and 3019.40, contracts between SFAs and FSMCs (and other contractors like food distributors) must be no longer than 1 year (with 4 optional renewal years) and thus should be reviewed annually with no expectation of contract renewal. When reviewing annual renewals for such contracts, SFAs may have determined their contracts were consistent with the new nutrition standards of the final rule, which might explain the fact that in SY 2012-13 70 percent of SFAs reported that no material changes were required as shown in Table VI-3.4. It should be noted that as SFAs have been given until SY 2013-14 to complete all material changes, there may be some additional contracting changes to come.

Table VI-3.4. Percentage of SFAs Requiring Material Changes in Purchasing by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs making:					Total SFAs	
	Required material changes in:				No required material changes	Weighted n	Unweighted n
	All purchases	More than half of purchases	Half of purchases	Less than half of purchases			
All SFAs	1.8%	6.5%	9.4%	13.0%	69.5%	14,364	1,442 ¹
SFA size							
Small (1-999)	1.3	5.6	7.7	13.3	72.1	7,225	348
Medium (1,000-4,999)	2.4	7.6	11.3	12.1	66.6	5,102	538
Large (5,000-24,999)	1.8	6.9	11.0	13.8	66.5	1,728	379
Very large (25,000+)	1.7	5.1	8.2	14.7	70.4	309	177
Urbanicity							
City	0.8	5.5	15.0	13.0	65.6	1,174	182
Suburban	1.6	5.8	9.2	13.5	69.9	2,700	378
Town	2.2	7.4	10.6	14.4	65.4	2,751	273
Rural	1.9	6.6	7.5	12.2	71.8	7,122	513
Poverty level²							
Low (0-29% F/RP)	1.0	10.2	9.0	11.8	68.0	2,808	304
Medium (30-59% F/RP)	2.4	5.1	8.0	11.6	72.9	6,613	651
High (60% or more F/RP)	1.3	6.1	11.5	15.4	65.7	4,942	487

¹ n is less than 1,491 due to item nonresponse.

² Percentage of SFAs requiring material changes in purchasing differed significantly by poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 5.41.

The new meal patterns require daily servings of fruits, vegetables, grains or whole grains, meats or meat alternates, and fluid milk. For SY 2012-13, Table VI-3.5 shows of these required meal patterns, SFAs had the most difficulty purchasing grains or whole grains (38 percent), especially so for larger SFAs. Of the required vegetable subgroups (dark green, red/orange, beans/peas, starchy, and other), 27 percent of SFAs reported having difficulty purchasing at least one of them, followed by 24 percent of SFAs having difficulty purchasing meats or meat alternates. A smaller percentage of SFAs reported having difficulty purchasing fruits (14 percent). The vast majority of SFAs did not have difficulty purchasing fluid milk in SY 2012-13, with only 2 percent reporting difficulty.

Table VI-3.5. Percentage of SFAs That Had Difficulty Purchasing Required Meal Pattern Products by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs that had difficulty purchasing the following meal pattern required products:					Total SFAs	
	Fruits	At least 1 vegetable subgroup	Grains or whole grains	Meats/meat alternatives	Fluid milk ¹	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	13.8%	26.6%	37.6%	23.8%	1.9%	14,432	1,447 ²
SFA size³							
Small (1-999)	12.4	25.2	32.7	21.0	2.4	7,253	350
Medium (1,000-4,999)	14.6	27.6	40.2	24.9	1.8	5,143	541
Large (5,000-24,999)	16.5	28.7	48.4	31.3	0.0	1,727	379
Very large (25,000+)	18.8	34.4	47.3	29.2	0.6	309	177
Urbanicity							
City	9.4	25.8	39.7	23.6	1.7	1,731	272
Suburban	11.3	29.5	40.3	25.1	1.3	2,698	375
Town	14.7	25.5	38.0	24.1	2.6	2,794	275
Rural	15.5	26.2	35.9	23.2	1.9	7,209	525
Poverty level							
Low (0-29% F/RP)	12.1	23.6	38.0	24.9	1.2	2,803	302
Medium (30%-59% F/RP)	16.0	27.2	37.1	24.0	2.3	6,718	658
High (60% or more F/RP)	11.8	27.5	38.0	22.8	1.7	4,911	487

¹ Because some of the categories contain zero values, no significance tests were conducted.

² *n* is less than 1,491 due to item nonresponse.

³ Percentage of SFAs that had difficulty purchasing grains or whole grains and meats/meat alternates differed significantly by SFA size at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 5.42.

Table VI-3.6 shows the specific vegetable subgroups that SFAs had difficulty purchasing and Table VI-3.7 specifies the proportion of SFAs that had difficulty purchasing grains versus whole grains. Fifteen percent of SFAs had difficulty purchasing dark green and red/orange vegetables, and 11 percent had difficulty purchasing beans/peas in SY 2012-13. A relatively low percentage of SFAs reported having difficulty purchasing starchy vegetables (4 percent) or other vegetables (3 percent). Compared to the 14 percent of SFAs that had difficulty purchasing grains, a much higher proportion of SFAs had difficulty purchasing whole grains (36 percent).

The extent of difficulty SFAs had purchasing various vegetable subgroups varied by poverty level. As shown in Table VI-3.6, the proportion of SFAs in high-poverty areas (19 percent) reporting difficulty in purchasing red/orange vegetables in SY 2012-13 was almost double that of SFAs in low-poverty areas (10 percent). Conversely, a smaller proportion of SFAs in high-poverty areas (7 percent) had difficulty purchasing beans/peas compared to SFAs in low-poverty areas (13 percent). Table VI-3.7 indicates that the extent of difficulty purchasing whole grains in SY 2012-13 varied by SFA size. While 32 percent of small SFAs reported having difficulty purchasing whole grains, almost half of large (47 percent) and very large (46 percent) SFAs reported having difficulty.

Table VI-3.6. Percentage of SFAs That Had Difficulty Purchasing Vegetable Subgroups by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs that had difficulty purchasing the following vegetables:					Total SFAs	
	Dark green	Red/orange	Beans/peas	Starchy	Other	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	14.8%	15.3%	10.6%	4.3%	3.0%	14,432	1,447 ¹
SFA size							
Small (1-999)	14.3	16.0	9.0	5.2	2.6	7,253	350
Medium (1,000-4,999)	15.4	14.1	12.2	3.3	3.4	5,143	541
Large (5,000-24,999)	15.6	15.0	11.7	2.1	3.4	1,727	379
Very large (25,000+)	13.5	19.9	14.8	3.6	1.8	309	177
Urbanicity							
City	15.8	15.0	11.3	6.8	2.7	1,731	272
Suburban	14.9	15.2	14.8	3.3	3.1	2,698	375
Town	16.2	13.9	11.1	3.1	3.6	2,794	275
Rural	14.0	15.9	8.7	4.2	2.7	7,209	525
Poverty level²							
Low (0-29% F/RP)	11.3	10.2	13.0	4.4	3.4	2,803	302
Medium (30%-59% F/RP)	15.5	14.5	12.0	3.8	3.0	6,718	658
High (60% or more F/RP)	15.8	19.3	7.4	4.5	2.7	4,911	487

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs that had difficulty purchasing red/orange vegetables and beans/peas differed significantly by poverty level at the .05 level. Data Source: SFA Director Survey SY 2012-13, question 5.42.

Table VI-3.7. Percentage of SFAs That Had Difficulty Purchasing Grains and Whole Grains by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs that had difficulty purchasing the following:		Total SFAs	
	Grains	Whole grains	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	14.3%	36.4%	14,432	1,447 ¹
SFA size²				
Small (1-999)	12.5	31.6	7,253	350
Medium (1,000-4,999)	15.2	39.0	5,143	541
Large (5,000-24,999)	18.6	47.0	1,727	379
Very large (25,000+)	15.8	46.1	309	177
Urbanicity				
City	11.7	38.3	1,731	272
Suburban	17.0	38.7	2,698	375
Town	14.5	37.5	2,794	275
Rural	13.8	34.6	7,209	525
Poverty level				
Low (0-29% F/RP)	17.1	35.9	2,803	302
Medium (30%-59% F/RP)	14.0	36.7	6,718	658
High (60% or more F/RP)	13.1	36.2	4,911	487

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs that had difficulty purchasing whole grains differed significantly by SFA size at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 5.42.

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VI-4. Farm to School Activities

Background

The USDA Farm to School Program is operated by FNS with the goal of increasing the use of local foods in school meal programs. The USDA Farm to School Program is managed by six national office staff including a national director and seven regional office staff. Regional leads are located throughout the U.S. in each of FNS's seven regional offices. Regional leads are available to provide farm to school-related support to state agencies and other entities within that region. USDA awards up to \$5 million in grants annually for training, supporting operations, planning, purchasing equipment, developing school gardens, developing partnerships and implementing farm to school programs.

Farm to school activities can be varied, ranging from culinary classes to visits to farms. Farm to school activities generally center on the procurement of local or regional foods and food, agriculture, or nutrition-based educational activities such as but not limited to:

- Serving local food products in school meals and snacks;
- Serving local food products in classrooms (snacks, taste tests, educational tools);
- Conducting educational activities related to local foods such as farmers in the classroom and culinary education focused on local foods; field trips to farms, farmers' markets, or food processing facilities; and educational sessions for parents and community members; and
- Creating and tending school gardens (growing edible fruits and vegetables).

Research Questions

This subsection presents data on several issues related to participation in farm to school activities, including the extent of participation, who plans such activities, the extent to which local policies support farm to school activities, local evaluation of the activities, and the use of external grant funding to support activities. Specifically, this section addresses the research questions listed below.

- *What percent of SFAs have schools that participated in or plan to participate in farm to school activities? When did LEAs start implementing farm to school activities?*
- *Who plans the activities?*
- *Do LEAs have policies that support farm to school activities?*
- *How many districts have evaluated farm to school activities? What was the focus of the evaluation?*
- *How many districts/schools have received external grant funding specifically for farm to school activities? How were funds used? How much was used during the previous year (SY 2011-12)?*

Results

Farm to School Participation

The 2012 SFA Director Survey asked a series of questions on farm to school activities for the previous year (SY 2011-12) and the current year (SY 2012-13). As shown in Table VI-4.1, almost 26 percent of SFA directors reported that schools within their district participated in farm to school activities during SY 2011-12. Five percent of SFA directors reported that although no schools within their district participated in farm to school activities in SY 2011-12, participation in farm to school activities did begin in SY 2012-13. Another 16 percent reported plans to start activities in future school years. A little more than half of SFA directors (53 percent) reported that their districts have not participated in farm to school activities thus far, nor do they have any plans to participate in the future.

The extent of participation in farm to school activities varied depending on the characteristics of the SFA. As indicated in Table VI-4.1, level of participation increased with SFA size. Compared with other SFA size categories, a lower percentage of small SFAs reported participating in activities previously in SY 2011-12 (16 percent), and a higher percentage of small SFAs reported no participation in activities nor any future plans to participate in activities (65 percent). Table VI-4.1 shows that compared to SFAs in other areas, a lower proportion of SFAs in rural areas participated in activities in SY 2011-12 (22 percent), and a higher percentage of SFAs in rural areas have not participated in activities nor have any future plans to participate in activities (58 percent). Additionally, a greater proportion of SFAs in more affluent areas (i.e., low poverty) reported participation in farm to school activities previously in SY 2011-12 compared to SFAs in less affluent areas.

In the fielding of the previous 2011 SFA Director Survey, which asked the directors about their participation in farm to school activities in SY 2011-12 (the current at the time), only 20 percent⁶² indicated their involvement in this initiative. This percentage was considerably below the 51 percent⁶³ of SFAs that reported giving geographic preference to purchasing locally grown foods—a farm to school activity. These discrepant findings from the 2011 survey suggested that SFA directors underreported their level of participation in farm to school activities because they perceived buying local food a procurement issue rather than an element of farm to school. As a result, the questions on participation in farm to school activities included in the subsequent 2012 SFA Director Survey stated that farm to school activities generally center on procurement of local or regional foods and food. Despite this clarification, only 26 percent of SFAs reported participating in farm to school activities during SY 2011-12, suggesting that, similar to the findings in the first year report, SFA directors may have again underreported their level of participation, not considering procurement of local food as a farm to school activity.

⁶² Table III-10 of the SNOPS First Year Report.

⁶³ Table IV-4.1 of the SNOPS First Year Report.

Table VI-4.1. Percentage of SFAs With Schools That Participated or Plan to Participate in Farm to School Activities by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs with schools that:				Total SFAs	
	Participated previously in SY 2011-12	Did not participate in SY 2011-12 but:		Have no activities currently and no future plans	Weighted <i>n</i>	Unweighted <i>n</i>
		Started activities in SY 2012-13	Plan to start activities in the future			
All SFAs	25.9% ¹	5.4%	15.6%	53.1%	13,566	1,356 ²
SFA size³						
Small (1-999)	16.1	4.2	15.0	64.8	6,823	327
Medium (1,000-4,999)	31.9	6.8	16.4	44.9	4,842	509
Large (5,000-24,999)	43.4	5.6	16.0	35.0	1,612	354
Very large (25,000+)	58.8	8.6	14.1	18.6	289	166
Urbanicity³						
City	30.9	4.3	18.0	46.9	1,605	255
Suburban	33.0	6.4	13.2	47.4	2,546	353
Town	25.7	7.2	17.8	49.3	2,680	259
Rural	22.1	4.5	15.0	58.3	6,735	489
Poverty level³						
Low (0-29% F/RP)	35.3	8.8	10.9	45.0	2,683	286
Medium (30-59% F/RP)	26.1	4.3	13.9	55.7	6,256	615
High (60% or more F/RP)	20.1	4.9	20.6	54.4	4,627	455

¹ Although the description of farm to school activities included in the beginning of this section of the survey states that farm to school activities generally center around procurement of local or regional foods and food, only 26 percent of SFAs reported participating in farm to school activities. In the 2011 survey, 51 percent of SFA directors reported giving geographic preference to locally grown food, which is considered a farm to school activity.

² *n* is less than 1,491 due to item nonresponse.

³ Percentage of SFAs that participate or plan to participate in farm to school activities differed significantly by SFA size, urbanicity, and poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 10.1 (asked retrospectively).

For those SFA directors who reported having schools within their district that participated in farm to school activities in SY 2011-12, the survey also asked them to report the year in which farm to school activities began within their district. Almost one-fifth of SFAs (19 percent, not shown) began farm to school activities prior to 2008, and 81 percent (not shown) of SFAs began farm to school activities in 2008 or later. About 21 percent (not shown) of SFAs began activities in 2009; 22 percent (not shown) of SFAs began activities in 2010 and 2011; and 10 percent (not shown) of began activities in 2012.

Similar to the questions asked about farm to school engagement in this study, in 2013 the USDA Farm to School Program completed the Farm to School Census (i.e., the Census) (www.fns.usda.gov/farmentoschool/census). The Census surveyed over 13,000 school districts and included questions about their level of engagement in farm to school. Results of the Census indicate that school districts are more engaged in farm to school compared to this study. The Census found that 39% of school districts were engaged in farm to school during the 2011-12 SY and that another 4% of school districts started farm to school activities during the 2012-13 SY. The Census also found that slightly fewer school districts had plans to start farm to school in the future (13% in the Census compared to 16% in this study). We attribute these differences to the lack of knowledge that school food service directors have about what activities are included as part of participating in farm

to school and what farm to school activities are taking place within the SFA or district. Census findings also suggest that SFA directors underreported their level of participation in farm to school activities in both the 2011 and 2012 SFA Directors survey.

Table VI-4.2 shows that among SFAs that participated in farm to school activities, 40 percent of SFA directors reported that individual schools within their districts plan their own farm to school activities in SY 2012-13. Additionally, 37 percent of SFA directors reported that within their district, both the district and individual schools plan activities. In 23 percent of SFAs, the district plans common farm to school activities for all the schools within that district. The table also indicates that larger school districts tend to organize their activities where both the district and individual schools plan activities, whereas smaller districts tend to allow individual schools to plan their own activities.

Table VI-4.2. Among SFAs With Schools That Participated in Farm to School Activities, the Percentage of SFAs With Differing Approaches to Organizing These Activities by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs that organize farm to school activities in the following way:			Total SFAs	
	District plans common activities for all schools	Individual schools plan their own activities	Combination of district and individual schools plan activities	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	23.3%	40.1%	36.6%	2,968	422 ¹
SFA size²					
Small (1-999)	26.1	48.6	25.3	814	40
Medium (1,000-4,999)	21.3	44.7	34.0	1,345	139
Large (5,000-24,999)	24.8	24.2	50.9	645	149
Very large (25,000+)	20.5	22.8	56.7	165	94
Urbanicity					
City	24.4	27.6	48.0	452	114
Suburban	28.3	37.8	33.9	736	137
Town	22.8	45.2	32.0	501	51
Rural	20.3	43.8	35.9	1,279	120
Poverty level					
Low (0-29% F/RP)	22.8	39.6	37.6	811	101
Medium (30-59% F/RP)	24.3	40.6	35.1	1,425	194
High (60% or more F/RP)	22.0	39.7	38.4	733	127

¹ *n* is less than the 469 SFAs with districts or schools that participated in farm to school activities in SY 2011-12 due to item nonresponse.

² Percentage of SFAs with various approaches to organizing farm to school activities differed significantly by SFA size at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 10.2.

Of those SFAs that participated in farm to school activities, more than half (54 percent) of SFAs have district-level policies, such as wellness policies, that support farm to school activities, as shown in Table VI-4.3. The extent to which SFAs have local policies that support these activities is significantly associated with SFA size and urbanicity. While 37 percent of large SFAs and 40 percent of very large SFAs have district-level policies that support farm to school activities, 67 percent of small SFAs have district-level policies that support such activities. Only 39 percent of SFAs located in cities have local policies that support activities compared to 69 percent of SFAs in rural areas that have local policies that support farm to school activities.

Table VI-4.3. Among SFAs With Schools That Participated in Farm to School Activities, the Percentage of SFAs With Supporting District-Level Policies by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs with district-level policies that support farm to school activities	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	53.8%	2,488	363 ¹
SFA size²			
Small (1-999)	67.1	743	37
Medium (1,000-4,999)	55.7	1,040	108
Large (5,000-24,999)	36.5	557	133
Very Large (25,000+)	39.6	147	85
Urbanicity²			
City	39.3	426	109
Suburban	43.7	632	119
Town	47.9	435	42
Rural	69.1	994	93
Poverty level			
Low (0-29% F/RP)	50.9	651	85
Medium (30-59% F/RP)	55.8	1,139	163
High (60% or more F/RP)	53.3	698	115

¹ *n* is less than the 469 SFAs with districts or schools that participated in farm to school activities in SY 2011-12 due to item nonresponse.

² Percentage of SFAs with district-level policies that support farm to school activities differed significantly by SFA size and urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 10.4.

Table VI-4.4 displays the proportion of SFAs that took various steps to ensure food safety for local food purchased during the previous year (SY 2011-12). The table indicates that the most frequently reported step taken by SFAs was to inspect local food products upon arrival (82 percent). Relying on the distributor to ensure local food product safety was a very close second at 79 percent. Almost half (43 percent) of SFAs reported talking with the farmer or supplier about agricultural practices, and 27 percent of SFAs reported conducting actual visits to local farms. Around 20 percent of SFAs reported they required farmers to: maintain product liability insurance at a certain amount (20 percent), maintain a third-party Good Agriculture Practice (GAP) audit (19 percent), or submit a self-assessment food safety checklist (16 percent).

The various steps taken by SFAs to ensure food safety for local food purchases varied depending on the characteristics of the SFA. As indicated in Table VI-4.4, compared with other SFA size categories, a significantly lower percentage of small SFAs reported relying on the distributor to ensure local food product safety and requiring farmers to maintain product liability insurance, maintain a third-party GAP audit, and submit a self-assessment food safety checklist. A lower percentage of SFAs located in towns and rural areas required farmers to maintain product liability insurance, compared to SFAs located in suburban areas and cities. A lower percentage of SFAs located in towns required farmers to submit a self-assessment food safety checklist. A higher percentage of SFAs in more affluent areas also required farmers to maintain product liability insurance, compared to SFAs in less affluent areas.

Table VI-4.4. Among SFAs With Schools That Participated in Farm to School Activities, the Percentage of SFAs That Took Various Steps to Ensure Food Safety for Local Food Purchases by SFA Characteristics, SY 2011-12

SFA characteristics	Percentage of SFAs that took the following steps to ensure food safety for local food purchases								Total SFAs	
	Conducted farm visits	Distributor ensured local food product safety	Inspected local food products upon arrival	Required farmers to:			Talked with farmer or supplier about agricultural practices	Other	Weighted <i>n</i>	Unweighted <i>n</i>
				Maintain product liability insurance	Maintain a third-party Good Agriculture Practice audit	Submit a self-assessment food safety checklist				
All SFAs	27.4%	79.0%	82.0%	20.5%	19.3%	15.7%	43.4%	12.2%	3,434	464 ¹
SFA size²										
Small (1-999)	24.1	70.9	82.4	6.7	7.5	8.6	36.9	17.0	1,043	51
Medium (1,000-4,999)	31.3	80.8	82.5	24.3	24.8	20.6	48.2	9.7	1,521	155
Large (5,000-24,999)	25.0	83.6	79.4	28.7	21.0	16.6	42.0	10.7	700	161
Very large (25,000+)	23.2	93.2	87.1	37.3	35.9	13.3	45.4	11.0	170	97
Urbanicity³										
City	27.9	88.7	81.9	44.0	27.6	28.1	43.5	10.3	495	121
Suburban	22.0	82.3	81.5	24.0	21.0	15.1	38.2	15.2	833	147
Town	33.6	75.8	76.5	9.8	10.9	10.8	44.2	13.7	668	65
Rural	27.5	75.2	85.0	15.3	19.4	14.1	46.0	10.3	1,437	131
Poverty level⁴										
Low (0-29% F/RP)	23.5	81.0	87.9	21.3	20.0	21.2	41.4	10.1	919	111
Medium (30%-59% F/RP)	33.2	77.7	78.3	15.2	17.4	13.4	44.3	11.1	1,586	210
High (60% or more F/RP)	21.4	79.1	82.5	28.8	21.8	14.4	43.7	16.2	929	143

¹ *n* is less than the 469 SFAs with districts or schools that participated in farm to school activities in SY 2011-12 due to item nonresponse.

² Percentage of SFAs where distributors ensured local food product safety, farmers were required to maintain product liability insurance, farmers were required to maintain a third-party GAP audit, and farmers were required to submit a self-assessment food safety checklist differed significantly by SFA size at the .05 level.

³ Percentage of SFAs where farmers were required to maintain product liability insurance and submit a self-assessment food safety checklist differed significantly by urbanicity at the .05 level.

⁴ Percentage of SFAs where farmers were required to maintain product liability insurance differed significantly by poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 10.5 (asked retrospectively).

Evaluation of Farm to School Activities

Table VI-4.5 indicates that among SFAs that participated in farm to school activities, one-quarter have had farm to school activities evaluated. Figure F-5 in Appendix F displays the various aspects of farm to school activities that were evaluated, including food service purchasing, student knowledge and attitudes, student eating behaviors, food service staff attitudes and morale, and food service finances, to name a few.

Table VI-4.5. Among SFAs With Schools That Participated in Farm to School Activities, the Percentage of SFAs That Have Had Farm to School Activities Evaluated, by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs that have had farm to school activities evaluated	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	25.3%	2,335	347 ¹
SFA size			
Small (1-999)	26.8	520	26
Medium (1,000-4,999)	24.4	1,135	115
Large (5,000-24,999)	24.7	536	123
Very Large (25,000+)	29.8	144	83
Urbanicity			
City	27.4	371	94
Suburban	23.4	622	118
Town	32.6	383	42
Rural	23.0	959	93
Poverty level			
Low (0-29% F/RP)	24.9	640	87
Medium (30-59% F/RP)	22.1	1,092	153
High (60% or more F/RP)	31.7	603	107

¹ *n* is less than the 469 SFAs with districts or schools that participated in farm to school activities in SY 2011-12 due to item nonresponse.
Data Source: SFA Director Survey SY 2012-13, question 10.6.

Receipt of External Grants for Farm to School Activities

Table VI-4.6 displays the proportion of SFAs that reported ever receiving external grant funding specifically for farm to school-related efforts (among SFAs with schools that participated in farm to school activities in SY 2011-12). About 28 percent of SFA directors reported ever receiving external grant funding. A much larger proportion of small SFAs (50 percent) received this funding, and a smaller proportion of large SFAs (16 percent) ever received external grant funding. Additionally, a much smaller percentage of SFAs in cities (19 percent) and suburban areas (14 percent) received external grant funding, compared to SFAs located in towns (40 percent) or rural areas (33 percent). Figure F-6 in Appendix F indicates that external grant funding was used for a wide variety of farm to school activities, including school gardens, education and curriculum development, local food purchases, promotional materials, and out of classroom experiential learning activities. As shown in Figure F-7 in Appendix F, the amount of external grant funding that was used specifically in SY 2011-12 varied from very small amounts ranging from under \$1,000 to larger amounts of \$5,000 and above. Some SFAs reported not using any external grant funding in SY 2011-12.

Table VI-4.6. Among SFAs With Schools That Participated in Farm to School Activities, the Percentage of SFAs With Schools That Have Ever Received External Grant Funding, by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs with schools that have received external grant funding	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	27.6%	2,626	374 ¹
SFA size²			
Small (1-999)	50.1	699	35
Medium (1,000-4,999)	20.0	1,227	127
Large (5,000-24,999)	16.1	563	130
Very Large (25,000+)	28.6	137	82
Urbanicity²			
City	19.4	392	98
Suburban	13.6	644	119
Town	39.8	517	52
Rural	33.2	1,073	105
Poverty level			
Low (0-29% F/RP)	20.6	703	94
Medium (30-59% F/RP)	30.4	1,284	172
High (60% or more F/RP)	29.8	639	108

¹ *n* is less than the 469 SFAs with districts or schools that participated in farm to school activities in SY 2011-12 due to item nonresponse.

² Percentage of SFAs with districts or schools that received external grant funding for farm to school activities differed significantly by SFA size and urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 10.8.

VI-5. Food Service Equipment Grants

Background

HHFKA provides critical reforms to the NSLP and SBP by requiring the promulgation of new dietary guidelines for school meals and new rules for non-program foods. As they implement the updated nutrition standards and new meal pattern requirements, SFAs are serving healthier meals despite some challenges, such as limitations in existing kitchen equipment and infrastructure.⁶⁴ Since the beginning of the NSLP, the Federal government has provided funding for school kitchen equipment; however, until 2009, nearly 30 years had passed without funding for this priority.¹ The intent of the American Recovery and Reinvestment Act 2009 (ARRA) equipment assistance grant funds was to improve the infrastructure in the NSLP, within the context of the overall effort to stimulate activity within the American economy.⁶⁵ In 2009, the USDA received \$100 million in grants for SFAs participating in the NSLP to purchase, renovate, or replace food service equipment.⁶⁶

ARRA mandated that grants be competitively awarded on the basis of need, with priority given to schools in which at least half the students are eligible for free or reduced-price meals.² These ARRA grant funds were to be used to upgrade equipment to help support nutritious meals, ensure food safety, improve energy efficiency in the cafeteria, and expand participation in school nutrition programs. Examples of approved use of grant funds include purchasing food service equipment that improved the quality of meals and met new dietary guidelines under HHFKA (e.g., purchasing an oven to bake food as opposed to a deep fryer), purchasing equipment that improved food safety (e.g., dish washing equipment, equipment for refrigeration), and purchasing equipment that improves overall energy efficiency (e.g., purchasing an energy-efficient walk-in freezer to replace an outdated freezer demanding a lot of energy).⁶⁷ Any equipment purchased with grant funds must have supported federally assisted school food service operations of the SFA.⁴

In addition to the cost of equipment, ARRA grant funds could be used for labor and procurement costs associated with delivery, installation, renovation, and/or disposal of old equipment.⁴ However, funds were not approved for the installation of vending machines or other equipment providing non-program foods or foods with minimal nutritional value.⁴ Funds also may not have been used for kitchen renovations, as these are considered building construction costs.⁴

Research Questions

This section presents findings related to the receipt of equipment assistance grants during FY 2009-FY 2011, as well as the use and impact of such funding. More specifically, this section answers the research questions listed below.

⁶⁴ http://www.pewhealth.org/uploadedFiles/PHG/Content_Level_Pages/Reports/KITS_Equipment_Report.pdf

⁶⁵ http://www.fns.usda.gov/cnd/Governance/Policy-Memos/2009/SP_18-2009_os.pdf

⁶⁶ <http://www.usda.gov/oig/webdocs/27703-0001-HQ.pdf>

⁶⁷ http://www.fns.usda.gov/sites/default/files/SP_20-2009_os.pdf

- *Did any schools receive equipment assistance during FY 2009 through FY 2011?*
- *What focus areas did the equipment assistance address?*
- *What types of equipment were purchased?*
- *Did the grant funding meet the needs of the schools to improve their food service operations?*

Results

Receipt of Food Service Equipment Grants

As shown in Table VI-5.1, about 18 percent of SFAs had schools that received equipment assistance grants during fiscal years (FY) 2009-10 and 2010-11. A much larger proportion of very large SFAs (53 percent) received these grants compared to SFAs of smaller size. More than one-quarter (28 percent) of SFAs located in cities received food service equipment assistance grants during FYs 2009-11. Since priority was given to schools where at least 50 percent of students were eligible for free or reduced-price meals it is not surprising that a much lower percentage of SFAs in low-poverty areas (4 percent) received grants, compared to SFAs in high-poverty areas (31 percent).

Table VI-5.1. Percentage of SFAs With Schools That Received Equipment Assistance Grants by SFA Characteristics, FY 2009-11

SFA characteristics	Percentage of SFAs	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	17.8%	14,802	1,469 ¹
SFA size²			
Small (1-999)	13.5	7,573	364
Medium (1,000-4,999)	18.8	5,179	545
Large (5,000-24,999)	27.5	1,740	382
Very Large (25,000+)	53.0	310	178
Urbanicity²			
City	28.2	1,804	275
Suburban	15.3	2,776	385
Town	19.1	2,883	280
Rural	15.7	7,339	529
Poverty level²			
Low (0-29% F/RP)	4.3	2,949	313
Medium (30-59% F/RP)	13.7	6,834	663
High (60% or more F/RP)	31.4	5,020	493

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs with schools that received equipment assistance grants differed significantly by SFA size, urbanicity, and poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 9.1.

Focus Areas and Types of Equipment Purchased

Table VI-5.2 indicates that among SFAs that received equipment assistance grants, grant funds were used primarily to improve the overall energy efficiency of the school foodservice operations (74 percent), improve the safety of food served in the school meal programs (72 percent), and improve the quality of foodservice meals that meet the dietary guidelines (70 percent). About half of SFAs (51 percent) used grant funds to expand NSLP and SBP participation. However, a relatively lower proportion of small SFAs (39 percent) used funds to expand school meal program participation, compared to SFAs of larger sizes, and a relatively lower proportion of SFAs in rural areas (39 percent) used funds for this same purpose compared to SFAs located in cities, towns, or suburban areas.

Table VI-5.2. Among SFAs With Schools That Received Equipment Assistance Grants, the Percentage of SFAs That Used the Grants to Address Specific Issues by SFA Characteristics, FY 2009-11

SFA characteristics	Percentage of SFAs that used the equipment assistance grants to address the following areas					Total SFAs	
	Improving the quality of school foodservice meals that meet the dietary guidelines	Improving safety of food served in the school meal programs	Improving the overall energy efficiency of the school foodservice operations	Expanding participation in the school meal programs	Other	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	70.3%	71.7%	74.2%	51.2%	5.8%	2,635	356 ¹
SFA size²							
Small (1-999)	63.8	72.7	71.3	39.2	1.9	1,020	47
Medium (1,000-4,999)	75.4	76.5	78.7	63.6	6.4	972	108
Large (5,000-24,999)	71.4	59.6	70.8	49.4	10.1	479	107
Very large (25,000+)	76.9	71.8	75.2	58.3	14.5	164	94
Urbanicity³							
City	69.7	79.4	73.5	66.5	3.5	508	100
Suburban	75.1	67.3	74.8	53.2	8.2	426	86
Town	64.7	67.7	72.6	61.6	7.7	550	61
Rural	71.3	71.8	75.0	38.8	5.1	1,151	109
Poverty level							
Low (0-29% F/RP)	88.2	68.3	48.5	82.3	16.2	126	21
Medium (30%-59% F/RP)	67.9	66.1	69.5	47.7	5.7	934	153
High (60% or more F/RP)	70.2	75.2	79.0	50.8	5.1	1,575	182

¹ *n* equals the 356 SFAs with schools that received equipment assistance grants during FY 2009-11.

² Percentage of SFAs that used equipment assistance grants to expand participation in the school meal programs and for other purposes differed significantly by SFA size at the .05 level.

³ Percentage of SFAs that used equipment assistance grants to expand participation in the school meal programs differed significantly by urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 9.2.

Table VI-5.3 indicates that among SFAs that received equipment assistance grants in FY 2009-11, the most frequent type of equipment purchased was convection ovens (34 percent), followed by freezers (26 percent) and refrigerators (26 percent). About one-quarter of SFAs used the funds to purchase steamers (24 percent) and serving counters or carts (23 percent). Sixteen percent of SFAs purchased cooking utensils, and 13 percent of SFAs purchased dishwashers. A relatively larger percentage of SFAs located in cities purchased freezers (42 percent) and refrigerators (46 percent), compared to SFAs located in other areas. Only 3 percent of SFAs in low-poverty areas used grant funds to purchase steamers, compared to SFAs in medium- (29 percent) and high- (22 percent) poverty areas. Almost one-third (29 percent) of SFAs reported purchasing some other type of equipment.⁶⁸

⁶⁸ Some of the more frequently reported types of equipment noted under this “other” category include: blast chillers, combination steam and convection ovens, cabinets for holding hot or cold food items, delivery trucks, and milk coolers.

Table VI-5.3. Among SFAs With Schools That Received Equipment Assistance Grants, the Percentage of SFAs That Purchased Various Types of Equipment by SFA Characteristics, FY 2009-11

SFA characteristics	Percentage of SFAs that purchased the following types of equipment:								Total SFAs	
	Convection ovens	Freezers	Refrigerators	Dishwashers	Steamers	Serving counters/carts	Cooking utensils	Other	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	34.4%	26.2%	26.4%	13.0%	23.6%	23.0%	16.2%	29.1%	2,635	356 ¹
SFA size										
Small (1-999)	28.5	28.1	24.2	15.5	18.0	16.9	21.7	27.1	1,020	47
Medium (1,000-4,999)	37.6	23.8	23.5	10.7	24.7	27.5	14.6	26.2	972	108
Large (5,000-24,999)	35.0	24.8	31.6	12.7	30.5	25.9	10.6	38.6	479	107
Very large (25,000+)	49.8	33.3	42.4	11.3	31.9	25.4	7.4	30.1	164	94
Urbanicity²										
City	33.0	42.2	46.5	7.2	29.1	27.0	19.0	33.0	508	100
Suburban	37.3	19.9	24.5	19.8	21.1	24.3	21.7	28.0	426	86
Town	38.1	19.1	23.8	8.0	32.2	27.7	14.0	22.9	550	61
Rural	32.1	24.9	19.4	11.0	17.9	18.4	14.0	30.7	1,151	109
Poverty level³										
Low (0-29% F/RP)	47.4	20.0	25.4	18.4	2.6	33.4	43.0	40.1	126	21
Medium (30%-59% F/RP)	30.0	26.9	26.8	10.9	29.1	22.7	17.3	30.1	934	153
High (60% or more F/RP)	35.9	26.3	26.2	13.8	22.0	22.3	13.4	27.6	1,575	182

¹ *n* equals the 356 SFAs with schools that received equipment assistance grants during FY 2009-11.

² Percentage of SFAs with schools that used equipment assistance grants to purchase freezers and refrigerators differed significantly by urbanicity at the .05 level.

³ Percentage of SFAs with schools that used equipment assistance grants to purchase steamers differed significantly by poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 9.3.

Impact of Grants

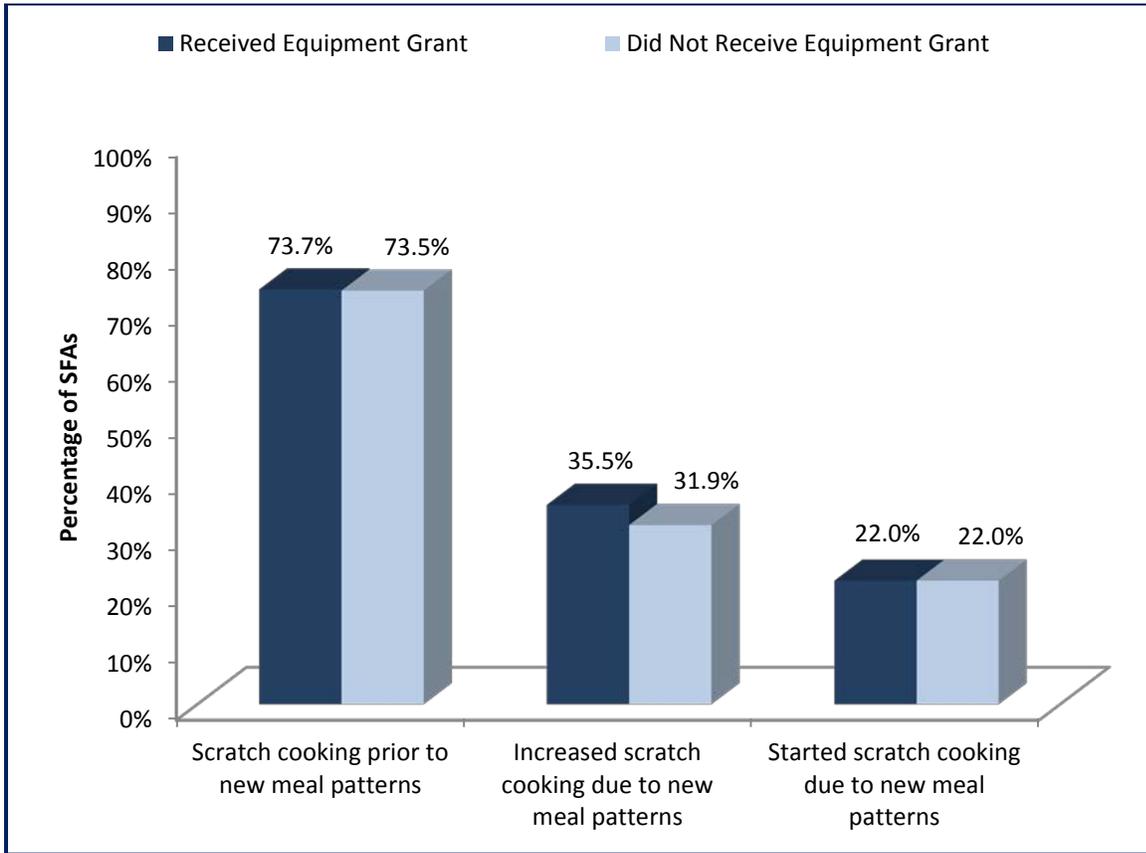
Table VI-5.4 indicates that the vast majority (95 percent) of SFA directors reported that grant funding met the specific needs of the school to improve its foodservice operations. This result does not vary substantially by SFA characteristics. Figure VI-1.1 shows there was no difference in the level of scratch cooking as a result of receiving equipment assistance grants.

Table VI-5.4. Among SFAs With Schools That Received Equipment Assistance Grants, the Percentage of SFAs Whose Grant Funding Helped to Improve Foodservice Operations by SFA Characteristics, FY 2009-11

SFA characteristics	Percentage of SFAs	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	94.7%	2,604	354 ¹
SFA size			
Small (1-999)	93.9	991	46
Medium (1,000-4,999)	94.2	972	108
Large (5,000-24,999)	98.1	479	107
Very Large (25,000+)	93.9	163	93
Urbanicity			
City	96.3	507	99
Suburban	89.8	426	86
Town	93.6	521	60
Rural	96.4	1,151	109
Poverty level			
Low (0-29% F/RP)	97.6	126	21
Medium (30-59% F/RP)	95.2	905	152
High (60% or more F/RP)	94.3	1,574	181

¹ *n* is less than the 356 SFAs with schools that received equipment assistance grants during FY 2009-11 due to item nonresponse.
Data Source: SFA Director Survey SY 2012-13, question 9.4.

Figure VI-1.1. Percentage of SFAs Using Scratch Cooking, FY 2009-11



n is less than 1,491 due to item nonresponse.

Data Source: SFA Director Survey SY 2012-13, questions 5.5, 5.6, 5.7 and 9.1.

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VI-6. SFA Food Service Staff Background

Background

Administering the school-meal programs and delivering high-quality meals on a consistent basis require a skill set covering a range of food service capabilities. Operating a successful school meal program begins with program personnel who are competent in planning, preparing, and serving appealing and cost effective meals that comply with the regulations and meet the nutritional needs of program participants. Thus, staff is needed in varying roles such as district-level program operation, coordination of programs within a district, supervision of staff at a particular site, food preparers, assistants, and temporary kitchen employees.

The findings from SNDA IV indicate that about 45 percent of SFA directors and food service managers (FSMs) had an associate, bachelor's, or graduate degree and that most SFA directors and FSMs had held these positions for 10 and 16 years respectively. While about 60 percent of SFA directors and FSMs had received on-the-job training, other training such as state food service certificate or SNA certification was also noted. Only 25 percent of SFA directors had no other responsibilities; the remaining SFA directors handled two or more responsibilities.⁶⁹

Given the variability in school food service staff experience, roles, and responsibilities, Section 306 of the HHFKA requires USDA to establish professional standards for school nutrition personnel and for each state to provide at least annual training to LEA and school nutrition personnel. For example, for the district directors, the proposed rule specifies minimum education, training, and certification requirements.⁷⁰ For various LEA staff, the proposed rule specifies annual training in administrative procedures, including certification, verification, meal counting, and meal claiming, and in procedures to ensure program compliance and integrity as well as in nutrition, health, food safety standards and methods. To meet this requirement and to ensure that school nutrition personnel are meeting the minimum professional standards to perform their role and responsibilities, the USDA's proposed rule outlines national professional standards for education and training of school nutrition employees.

Research Questions

This chapter addresses the following topics and research questions:

- *What are the minimum educational requirements for a school food service manager?*
- *What are the minimum educational requirements for a non-supervisory school food service staff member?*
- *What percent of school food service staff are limited English proficient?*

⁶⁹ SNDA IV, Volume 1 pages 2-28–2-29.

⁷⁰ Department of Agriculture, Food and Nutrition Service. 7 CFR parts 210 and 235. *Professional Standards for State and Local School Nutrition Programs Personnel as Required by Healthy, Hunger-Free Kids Act of 2010*. Proposed Rule. <http://www.fns.usda.gov/sites/default/files/CN2014-0130.pdf>

Results

School Food Service Managers

Table VI-6.1 indicates that for 76 percent of SFAs, the minimum educational requirement for school FSMs was a high school diploma or less. Another 15 percent of SFAs required some college, but less than a bachelor's degree. About 8 percent of SFAs required at least a bachelor's degree for an FSM. Minimum educational requirements had a slight tendency to be higher among city and suburban SFAs, small and medium size SFAs, and lower poverty SFAs. Minimum educational requirements tended to be lower among town and rural SFAs, very large SFAs, and higher poverty SFAs.

Table VI-6.1. Percentage of SFAs With Differing School Food Service Manager Education Requirements, by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs where districts required the following educational requirements for school food service managers:			Total SFAs	
	High school diploma or less	Some college	At least a bachelor's degree	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	76.4%	15.3%	8.4%	14,627	1,459 ¹
SFA size²					
Small (1-999)	74.2	19.8	6.0	7,459	360
Medium (1,000-4,999)	76.4	11.8	11.8	5,113	539
Large (5,000-24,999)	82.5	8.0	9.5	1,744	382
Very large (25,000+)	93.8	2.9	3.3	310	178
Urbanicity²					
City	68.0	16.0	16.0	1,812	274
Suburban	69.6	14.3	16.0	2,686	378
Town	78.6	14.4	7.1	2,783	276
Rural	80.0	15.8	4.2	7,345	531
Poverty level²					
Low (0-29% F/RP)	71.4	14.1	14.4	2,879	309
Medium (30-59% F/RP)	77.2	16.3	6.5	6,809	662
High (60% or more F/RP)	78.1	14.5	7.4	4,939	488

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs with differing school food service manager education requirements differed significantly by SFA size, urbanicity, and poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 12.1.

Table VI-6.2 compares the percentage of SFAs with specific licensure requirements with the percentage of SFAs that had school FSMs that met those requirements. For each type of educational requirement, the percentage of SFAs with FSMs who met the requirement is the same or larger than the percentage of SFAs that had the specific type of requirement. The most common requirement was Certified ServSafe Food Safety Professional (51 percent) and was met within 56 percent of SFAs. Larger SFAs were more likely to have required Certified ServSafe Food Safety Professional than smaller SFAs.

Table VI-6.2. Percentage of SFAs With Licensure Requirements as Compared to Percentage of SFAs With School Food Service Managers Who Had Those Requirements, by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs with licensure requirements (A) versus percentage of SFAs with school food service managers who have required certification (B)														Total SFAs			
	Licensed dietitian		School nutrition specialist		Certified professional food manager		Certified professionals in food safety		Certified professional food handlers		Certified ServSafe food safety professional		SNA's Serving It Safe		Weighted n		Unweighted n	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
All SFAs	2.0%	2.9%	6.8%	8.4%	19.3%	23.2%	31.8%	34.5%	32.4%	37.1%	50.5%	56.4%	22.1%	22.7%	14,641	1,459 ¹	14,647	1,459 ¹
SFA size^{2,3,4}																		
Small (1-999)	1.9	2.6	7.7	9.9	19.7	25.1	32.1	37.7	35.6	42.2	41.1	47.5	23.1	24.3	7,474	360	7,481	360
Medium (1,000-4,999)	2.6	3.7	6.5	7.4	19.8	22.0	32.1	32.7	28.5	32.2	57.9	64.1	22.7	20.6	5,115	539	5,116	539
Large (5,000-24,999)	1.2	2.1	4.7	6.1	17.1	19.7	30.9	28.2	31.1	30.7	65.8	68.4	18.1	22.7	1,741	382	1,741	382
Very large (25,000+)	0.5	0.0	1.6	1.1	14.2	15.8	22.1	21.3	28.4	29.5	70.6	76.5	7.4	19.1	310	178	310	178
Urbanicity^{5,6}																		
City	3.3	3.3	7.7	11.7	27.8	35.4	32.5	39.6	37.5	48.9	53.3	59.6	13.4	20.1	1,794	274	1,794	274
Suburban	3.1	4.4	8.0	8.6	21.3	24.5	36.4	37.3	34.4	37.2	66.9	70.2	15.7	14.3	2,715	379	2,715	379
Town	3.4	5.0	8.5	11.3	17.3	20.3	30.9	32.9	29.7	32.9	43.3	55.0	24.7	25.9	2,773	275	2,788	276
Rural	0.8	1.4	5.5	6.4	17.2	20.9	30.2	32.7	31.5	35.7	46.5	51.0	25.5	25.2	7,358	531	7,350	530
Poverty level^{7,8}																		
Low (0-29% F/RP)	2.7	3.0	6.2	6.4	19.6	23.8	35.1	36.4	34.4	39.0	58.0	63.5	19.9	23.9	2,919	310	2,931	311
Medium (30%-59% F/RP)	2.1	3.5	6.7	8.3	14.7	19.7	29.9	32.0	30.2	33.3	46.0	52.6	20.4	20.9	6,802	661	6,791	660
High (60% or more F/RP)	1.5	2.0	7.4	9.8	25.4	27.7	32.3	36.7	34.4	41.2	52.3	57.3	25.6	24.5	4,920	488	4,925	488

168

¹ n is less than 1,491 due to item nonresponse.
² Percentage of SFAs requiring school food service managers to be certified professional food handlers, certified ServSafe food safety professionals, and certified in SNA's Serving It Safe differed significantly by SFA size at the .05 level.
³ Percentage of SFAs with school food service managers who are school nutrition specialists, certified professionals in food safety, certified professional food handlers, and certified ServSafe food safety professionals differed significantly by SFA size at the .05 level.
⁴ Because some of the categories contain zero values, no significance tests were conducted for percentage of SFAs with school food service managers who have the required certification.
⁵ Percentage of SFAs requiring school food service managers to be certified professional food managers, certified ServSafe food safety professionals, and certified in SNA's Serving It Safe differed significantly by urbanicity at the .05 level.
⁶ Percentage of SFAs with school food service managers who are licensed dietitians, certified professional food managers, certified professional food handlers, certified ServSafe food safety professionals, and certified in SNA's Serving It Safe differed significantly by urbanicity at the .05 level.
⁷ Percentage of SFAs requiring school food service managers to be certified professional food managers and certified ServSafe food safety professionals differed significantly by poverty level at the .05 level.
⁸ Percentage of SFAs with school food service managers who are certified professional food managers, certified professional food handlers, and certified ServSafe food safety professionals differed significantly by poverty level at the .05 level.
 Data Source: SFA Director Survey SY 2012-13, questions 12.2 and 12.3.

Non-Supervisory School Food Service Staff

Table VI-6.3 indicates that 79 percent of SFAs required a high school diploma or GED as the educational requirement for non-supervisory school food service staff. Another 17 percent of SFAs required less than a high school diploma. Only 3 percent of SFAs required some college. Larger SFAs were less likely to require a high school diploma for non-supervisory school food service staff. Small SFAs were more likely to require a high school diploma or at least some college. Very large SFAs were more likely to require less than a high school diploma. Rural SFAs were more likely to require a high school diploma.

Table VI-6.3. Percentage of SFAs With Differing Non-Supervisory School Food Service Staff Education Requirements, by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs where districts required the following educational requirements for non-supervisory school food service staff:			Total SFAs	
	Less than high school diploma	High school diploma or GED	At least some college	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	17.4%	79.2%	3.4%	14,560	1,451 ¹
SFA size²					
Small (1-999)	11.7	82.9	5.3	7,448	359
Medium (1,000-4,999)	20.1	78.2	1.7	5,064	533
Large (5,000-24,999)	29.2	69.8	1.0	1,737	381
Very large (25,000+)	42.4	57.6	0.0	310	178
Urbanicity³					
City	18.5	74.6	6.9	1,791	273
Suburban	21.7	76.5	1.9	2,665	375
Town	21.2	74.4	4.4	2,747	272
Rural	14.1	83.1	2.8	7,357	531
Poverty level					
Low (0-29% F/RP)	17.9	80.1	2.0	2,883	307
Medium (30-59% F/RP)	16.4	79.6	4.0	6,784	659
High (60% or more F/RP)	18.4	78.1	3.5	4,892	485

¹ *n* is less than 1,491 due to item nonresponse.

² Because some of the categories contain zero values, no significance tests were conducted.

³ Percentage of SFAs with differing non-supervisory school food service staff education requirements differed significantly by urbanicity at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 12.4.

Table VI-6.4 compares the percentage of SFAs with specific licensure requirements with the percentage of SFAs that have non-supervisory school food service staff that meet those requirements. For the types of educational requirement, the percentage of SFAs with non-supervisory food service staff who met the requirement is about the same or larger than the percentage of SFAs that have the specific type of requirement. The most common requirements were Certified ServSafe Food Safety Professional (21 percent of SFAs) and Certified Professional Food Handler (18 percent). City SFAs were more likely to require these two certifications as well as high-poverty SFAs. Smaller SFAs were more likely to require Certified Professional in Food Safety and SNA's Serving It Safe.

Table VI-6.4. Percentage of SFAs With Licensure Requirements as Compared to Percentage of SFAs With Non-Supervisory School Food Service Staff Who Had Those Requirements, by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs with licensure requirements (A) versus percentage of SFAs with non-supervisory school food service staff who had required certification (B)														Total SFAs			
	Licensed dietitian		School nutrition specialist		Certified professional food manager		Certified professionals in food safety		Certified professional food handlers		Certified ServSafe food safety professional		SNA's Serving It Safe		Weighted <i>n</i>		Unweighted <i>n</i>	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
All SFAs	0.3%	0.6%	1.6%	1.4%	3.0%	3.8%	13.4%	15.8%	18.1%	20.8%	20.8%	27.1%	11.2%	10.5%	14,565	1,451 ¹	14,526	1,449 ¹
SFA size^{2,3,4}																		
Small (1-999)	0.5	0.5	2.2	1.7	3.7	4.5	15.8	18.5	18.8	23.1	20.6	23.4	13.1	10.9	7,442	358	7,402	356
Medium (1,000-4,999)	0.2	0.4	1.1	0.8	2.4	3.5	11.7	13.4	16.2	17.1	22.3	32.3	10.0	9.8	5,078	534	5,072	533
Large (5,000-24,999)	0.0	1.2	0.9	2.4	1.3	2.0	8.8	11.9	19.6	20.6	17.4	26.9	6.6	10.4	1,734	381	1,742	382
Very large (25,000+)	0.0	0.6	0.5	1.1	1.6	4.2	7.1	11.1	25.3	27.9	17.9	29.3	7.7	10.8	310	178	310	178
Urbanicity^{5,6}																		
City	0.0	0.5	0.9	1.1	6.6	7.7	15.6	20.0	27.2	31.6	30.6	35.2	10.6	10.4	1,784	273	1,784	273
Suburban	0.0	0.1	1.1	1.5	2.2	2.4	12.6	17.8	18.7	21.5	17.6	30.8	6.1	6.1	2,672	375	2,663	376
Town	1.7	2.1	3.7	3.4	2.7	5.2	13.3	16.4	17.2	19.2	20.1	26.4	17.2	13.9	2,799	275	2,793	274
Rural	0.0	0.1	1.2	0.7	2.4	2.9	13.1	13.7	16.1	18.5	19.8	24.0	10.8	10.7	7,309	528	7,286	524
Poverty level^{7,8}																		
Low (0-29% F/RP)	0.0	0.6	0.2	0.9	2.9	3.6	11.1	13.7	18.2	19.9	21.6	31.1	9.6	10.8	2,897	308	2,870	308
Medium (30%-59% F/RP)	0.0	0.2	1.1	1.0	1.6	2.5	12.7	14.3	16.1	17.4	17.0	23.3	9.4	10.1	6,732	656	6,727	655
High (60% or more F/RP)	1.0	1.0	3.2	2.3	4.8	5.8	15.7	18.9	20.8	26.0	25.4	29.9	14.5	10.7	4,936	487	4,930	486

170

¹ *n* is less than 1,491 due to item nonresponse.
² Because some of the categories contain zero values, no significance tests were conducted for percentage of SFAs with licensure requirements for non-supervisory school food service staff.
³ Percentage of SFAs requiring non-supervisory school food service staff to be certified professionals in food safety and certified in SNA's Serving It Safe differed significantly by SFA size at the .05 level.
⁴ Percentage of SFAs with non-supervisory school food service staff who are certified professionals in food safety, certified professional food handlers, and certified ServSafe food safety professionals differed significantly by SFA size at the .05 level.
⁵ Percentage of SFAs requiring non-supervisory school food service staff to be certified professional food handlers, certified ServSafe food safety professionals, and certified in SNA's Serving It Safe differed significantly by urbanicity at the .05 level.
⁶ Percentage of SFAs with non-supervisory school food service staff who are licensed dietitians, certified professional food managers, certified professional food handlers, and certified ServSafe food safety professionals differed significantly by urbanicity at the .05 level.
⁷ Percentage of SFAs requiring non-supervisory school food service staff to be school nutrition specialists, certified professional food managers, certified ServSafe food safety professionals, and certified in SNA's Serving It Safe differed significantly by poverty level at the .05 level.
⁸ Percentage of SFAs with non-supervisory school food service staff who are certified professional food managers, certified professional food handlers, and certified ServSafe food safety professionals differed significantly by poverty level at the .05 level.
 Data Source: SFA Director Survey SY 2012-13, questions 12.5 and 12.6.

Table VI-6.5 indicates that 31 percent of SFAs had some school food service staff with limited English proficiency. Nine percent of SFAs reported more than 80 percent of school food service staff had limited English proficiency. Large and very large SFAs were more likely to have had staff with limited English proficiency. Among very large SFAs, 64 percent reported 1 to 20 percent of staff with limited proficiency and 26 percent reported 21-80 percent of staff with limited proficiency. City and suburban SFAs and high-poverty SFAs were more likely to have had staff with limited English proficiency.

Table VI-6.5. Percentage of SFAs With School Food Service Staff Who Were Limited English Proficient, by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs reporting the following percentage of their school food service staff who were limited English proficient:				Total SFAs	
	None	1-20%	21-80%	81% or more	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	69.0%	16.6%	5.3%	9.1%	14,681	1,461 ¹
SFA size²						
Small (1-999)	78.7	7.3	4.2	9.8	7,523	362
Medium (1,000-4,999)	70.1	18.4	2.5	9.1	5,113	539
Large (5,000-24,999)	35.1	43.3	14.4	7.2	1,735	382
Very large (25,000+)	7.4	63.6	26.0	2.9	310	178
Urbanicity²						
City	48.8	29.1	12.9	9.3	1,794	274
Suburban	54.3	29.1	9.2	7.4	2,722	380
Town	72.9	15.9	2.6	8.7	2,792	276
Rural	77.9	9.3	3.0	9.8	7,373	531
Poverty level²						
Low (0-29% F/RP)	70.5	16.8	4.4	8.2	2,907	311
Medium (30-59% F/RP)	73.0	14.2	3.1	9.6	6,814	661
High (60% or more F/RP)	62.7	19.8	8.8	8.8	4,960	489

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs with school food service staff who were limited English proficient differed significantly by SFA size, urbanicity, and poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 12.7.

VI-7. Training and Technical Assistance

Background

State agencies provide training and technical assistance to SFAs on numerous topics. State agency directors are responsible for implementing Federal policies and guidelines and ensuring that SFA staff members in their states are appropriately trained on those policies.

Training, technical assistance, and minimum educational requirements are especially important for the ability to comply with the updated nutritional standards. As part of the Section 201 provision of HHKFA, state agencies are required to certify whether participating SFAs are in compliance with meal requirements. The Act provides \$50 million for each of 2 years to help FNS and states implement the new requirements.⁷¹ These funds are available for state-level activities related to training, technical assistance, certification, and oversight activities associated with the implementation of the new meal patterns and nutrient standards and the performance-based reimbursement increase.

This section explores issues related to technical assistance and training offered by state agencies during SY 2011-12 and SY 2012-13.

Research Questions

This chapter addresses the following topics and research questions:

- *What specific topic areas do state agencies include in training and technical assistance programs? How frequently is training provided?*
- *How do state agencies provide training and technical assistance?*
- *Has the level of training changed over the last 2 years? If so, why?*
- *Have the topics changed over the last year? If so, what topics have been added or deleted?*
- *Who receives training and technical assistance?*

⁷¹ The period of performance for the grants was extended to three years even though the funds came from two fiscal years.

Results

State Provision of Training and Technical Assistance

State CN agencies provide training and technical assistance on numerous topics related to school meals, ranging from the safe handling of food to NSLP/SBP regulations and procedures. These trainings can be provided in written documents such as manuals or through various forms of verbal communication. Table VI-7.1⁷² shows that, in SY 2012-13, all states provided training on program regulations and procedures, and at least 90 percent of states provided training on recordkeeping, menu planning, food safety plans, local school wellness policy development and implementation, and nutrition. Training on the other topics was provided by at least two-thirds of the states.⁷³

Table VI-7.1. Percentage of States That Provided Training and Technical Assistance on Various Topics, SY 2012-13

Topic area of state agency provided training and technical assistance (n=54)	Percentage of states
Program regulations and procedures	100.0%
Food safety plans	96.3
Menu planning	98.2
Recordkeeping	98.2
Local school wellness policy development and implementation	92.6
Nutrition	90.7
Contracting procedures	85.2
Ordering and using USDA Foods	85.2
Other food sanitation and safety	83.3
Food purchasing	81.5
Food preparation	79.6
Local school wellness policy monitoring, assessment, and evaluation	79.6
Marketing options for healthy food	68.5
Merchandising	66.7
Other	33.3

Data Source: State CN Director Survey SY 2012-13, questions D1A – D1O.

⁷² Tables VI-7.1 and VI-7.3 provide more topics than given in Table VI-7.2, which is restricted to topics asked in both years.

⁷³ Among the eight states that do not provide training and technical assistance on contracting procedures, six of them have SFAs and schools using FSMCs.

Table VI-7.2 provides the percentage of states providing training and technical assistance on topics asked about in the fielding of both the SY 2011-12 and SY 2012-13 State CN Director Surveys. For topics asked about in the survey in both years, there were only slight differences in the percentage of states that provided a specific topic of technical assistance or training. The largest decreases (5 percent) were for merchandising and for other food sanitation and safety. Other decreases included food preparation (3 percentage points). The percentage of states that provided technical or training assistance on contracting procedures increased slightly from 81 to 85 percent. Program regulations and procedures, menu planning, and recordkeeping were topics provided by nearly all states.

Table VI-7.2. Percentage of States That Provided Training and Technical Assistance on Topics Asked About During Both Years, SY 2011-12 and SY 2012-13

Training and technical assistance topics provided by state agency	SY 2011-12 (n=54)		SY 2012-13 (n=54)	
	Number of states	Percentage of states	Number of states	Percentage of states
Program regulations and procedures	54	100.0%	54	100.0%
Recordkeeping	54	100.0	53	98.2
Menu planning	53	98.2	53	98.2
Food safety plans	52	96.3	52	96.3
Other food sanitation and safety	47	87.0	45	83.3
Food preparation	45	83.3	43	79.6
Contracting procedures	44	81.5	46	85.2
Food purchasing	44	81.5	44	81.5
Merchandising	39	72.2	36	66.7

Data Source: State CN Director Survey SY 2011-12, questions E1A-E1I; State CN Director Survey SY 2012-13, questions D1A-D1I.

Table VI-7.3 presents the percentage of states providing training and technical assistance for various topic areas by frequency of offering in SY 2012-13. The most frequent offering reported by all states for all training and technical assistance topics was at least annually. Program regulations, recordkeeping, and ordering and using USDA Foods were the most frequent training topics provided at least annually. About one-fifth of states provide training and technical assistance only when requested. Less than 10 percent of states reported providing training and technical assistance less than once per year on all topics, with a few exceptions. Almost half (44 percent) of states provided training on menu planning less than annually, and 13 percent of states provided training on food safety plans and food purchasing less than annually. No more than one-third of states reported that they did not provide training or technical assistance at all on a specific topic.

Table VI-7.3. Percentage of States That Provided Training and Technical Assistance on Various Topics by Their Frequency, SY 2012-13

Topic of training or technical assistance	Percentage of states providing training and technical assistance (n=54):			
	At least annually	Less than annually	Only when requested	Not provided
Program regulations and procedures	98.1%	0.0%	1.9%	0.0%
Recordkeeping	88.9	0.0	9.3	1.9
Ordering and using USDA Foods	72.2	3.7	9.3	14.8
Food safety plans	64.8	13.0	18.5	3.7
Local school wellness policy development and implementation	64.8	5.6	22.2	7.4
Nutrition	64.8	3.7	22.2	9.3
Other food sanitation and safety	59.3	3.7	20.4	16.7
Food preparation	53.7	3.7	22.2	20.4
Local school wellness policy monitoring, assessment, and evaluation	53.7	5.6	20.4	20.4
Contracting procedures	51.9	3.7	29.6	14.8
Marketing options for healthy food	46.3	5.6	16.7	31.5
Menu planning	46.3	44.4	7.4	1.9
Food purchasing	44.4	13.0	24.1	18.5
Merchandising	37.0	7.4	22.2	33.3
Other	27.8	1.9	3.7	66.7

Data Source: State CN Director Survey SY 2012-13, questions D1A-D1O.

Given the requirements of section 201 of the HHFKA and the funds available for training, it is not surprising that Table VI-7.4 shows in SY 2012-13, 98 percent of states offered new training topics. About 72 percent of states reported providing more topic areas for training over the past year, and another 25 percent replaced some topic areas with new ones. Four states (Louisiana, Maine, Pennsylvania, and South Dakota) reported that the number of available training sessions decreased.

Table VI-7.4. Percentage of States That Had Various Training and Technical Assistance Characteristics, SY 2012-13

Nature of training and technical assistance delivered by state agencies	Percentage of states
States reporting extent of change in training topics over the last year (n=53¹)	
More topics areas	71.7%
Fewer topic areas	0.0
Replaced some with newer topic areas	24.5
No change in topic areas	1.9
Both more and replaced some	1.9
States reporting that new training topics offered this year (n=54)	98.2
Person within the state agency responsible for providing training and technical assistance to SFA personnel (n=54)	
State child nutrition director only	3.7
Child nutrition office staff only	27.8
Other only	1.9
State child nutrition director and child nutrition office staff	31.5
State child nutrition director, child nutrition office staff, and other	20.4
Child nutrition office staff and other	14.8
Methods used by states to provide training and technical assistance (n=54)	
Workshops or courses	100.0
Discussions during program reviews	100.0
Written materials (e.g., manuals)	98.2
Webinars	90.7
On-line training materials	87.0
National Food Service Management Institute workshops or courses	85.2
Other	37.0

¹ n is less than 54 due to item nonresponse.

Data Source: State CN Director Survey SY 2012-13, questions D3-D6, D7A-D7C, and D2A-D2G.

States typically had more than one individual responsible for providing training and technical assistance, with 32 percent identifying both the CN office staff and the state CN director. The CN office staff alone was cited for 28 percent of the states. Among the “other” persons mentioned as responsible (with number of times mentioned in parenthesis) were:

- School program staff (1)
- Retired CN directors (1)
- HHS staff (on USDA Foods) (1)
- Contracted trainer (vendor) (4)
- Accounting department (1)
- School nutrition consultants (4)
- University extension service staff and instructors (1)
- State School Nutrition Association (1)
- Team nutrition program/coordinator (2)
- CN director of training and field staff (1)
- Education service centers (1)
- National Food Service Management Institute (1)
- Training coordinator (1)
- Public safety inspectors (1)
- Other state in our region (1)

States used a variety of methods to deliver training and technical assistance. The most common methods were through workshops or courses and discussions during program reviews (100 percent) and written materials (98 percent). Online training materials and webinars were also used extensively (87 percent and 91 percent, respectively; an increase of at least 10 percentage points over SY 2011-12).⁷⁴ The National Food Service Management Institute workshops and courses were another important method (85 percent). Among the “other” methods used to provide training and technical assistance were:

- Conference calls (6)
- Emails (4)

⁷⁴ Table VI-4.2 of the SNOPS First Year Report

- On-site consultation as requested (3)
- Regional and/or association meetings or conferences (5)
- One-on-one meetings (3)

There were some training topics that were offered for the first time in SY 2012-13. Table VI-7.5 indicates that “New meal pattern requirements” was a new topic area for nearly all of the states (94 percent). Although menu planning was reported by 62 percent of the states as a new topic it is more likely that the contents of the training was new not the topic itself. These topics are consistent with the recently enacted HHFKA requirements on new meal patterns and menu planning. Other new topics were reported by less than half of the states. Thirteen state CN directors identified new training topics offered for the first time in SY 2012-13 that were not listed in the survey. Among the topics identified were communications/technology use, direct certification training, students with special dietary needs, salad bars, HealthierUS School Challenge (HUSSC), new supervisor training, school gardens, 6 cents certification and validation training, math, crediting food items, performance- based menu of certification, Community Eligibility Provision, farm to school, using new automated system for ordering, coaching, and training on the electronic system.

Table VI-7.5. Among States That Offered New Training, the Percentage of States That Offered Training on Various New Topics Not Provided Previously, SY 2012-13

New training topics the state agency offered in SY 2012-13 (n=53 ¹)	Percentage of states
New meal pattern requirements	94.3%
Menu planning	62.3
Program regulations and procedures	37.7
Nutrition	32.1
Contracting procedures	30.2
Reporting	30.2
Marketing options for healthy food	24.5
Other	24.5
Food purchasing	22.6
Record keeping	22.6
Food preparation	20.8
Local school wellness policy monitoring, assessment, and evaluation	20.8
Merchandising	18.9
Use of USDA Foods	18.9
Local school wellness policy development and implementation	17.0
Food safety plans based on HACCP principles	11.3
Other food sanitation and safety	7.7

¹ n equals the 53 states that offered new training topics.

Data Source: State CN Director Survey SY 2012-13, questions D5AA-D5AQ.

Table VI-7.6 provides the percentage of states in SY 2011-12 and SY 2012-13 that offered new training “this year” that was not previously provided. There was a large increase from SY 2011-12 to SY 2012-13 in the percentage of states that identified menu planning (from 36 to 62 percent) and contracting procedures (from 18 to 30 percent). Although states have been providing training on menu planning and contract procedures in the past, the reported increase in training on this topic is likely related to new content material related to the new requirements for menu planning. In February 2012, FNS provided guidance for SFAs that might have needed to update their contracts with their FSMCs.⁷⁵

Table VI-7.6. Among States That Offered New Training Topics, the Percentage of States That Offered Training on Various New Topics Not Previously Provided, SY 2011-12 and SY 2012-13

States reporting new training topics the state agency offered this year that were not previously provided	Percentage of states	
	SY 2011-12 (n=39 ¹)	SY 2012-13 (n=53 ²)
Program regulations and procedures	46.2%	37.7%
Menu planning	35.5	62.3
Food preparation	30.8	20.8
Other food sanitation and safety	23.1	7.7
Food purchasing	20.5	22.6
Record keeping	20.5	22.6
Contracting procedures	18.0	30.2
Food safety plans based on HACCP principles	12.8	11.3
Merchandising	12.8	18.9

¹ n is less than the 40 states that offered new training topics in SY 2011-12 due to item nonresponse.

² n equals the 53 states that offered new training topics in SY 2012-13.

Data Source: State CN Director Survey SY 2011-12, questions E5AA-D5AI; State CN Director Survey SY 2012-13, questions: D5AB-D5AJ and D5AK.

⁷⁵ <http://www.fns.usda.gov/cnd/governance/Policy-Memos/2012/SP10-2012av7.pdf>

Training and Technical Assistance Received by SFAs

This section is based on the survey of SFA directors. Table VI-7.7 provides the percentage of SFAs that received some type of training or technical assistance on various aspects of food service during SY 2012-13. About two-thirds of SFAs received training on 6 to 15 topics, and another 20 percent of SFAs on 16 to 20 topics. Small SFAs and low-poverty SFAs were more likely to receive training on only one to five topics.

Table VI-7.7. Among SFAs That Received Training or Technical Assistance, the Percentage of SFAs That Received Training and Technical Assistance on Various Numbers of Topics, by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs that received training or technical assistance on the following number of topics:				Total SFAs	
	1-5	6-10	11-15	16-20	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	12.1%	30.4%	37.1%	20.4%	14,728	1,464 ¹
SFA size²						
Small (1-999)	16.0	28.3	36.7	19.0	7,533	362
Medium (1,000-4,999)	8.2	32.4	37.5	21.8	5,144	542
Large (5,000-24,999)	7.1	32.7	38.4	21.8	1,741	382
Very large (25,000+)	9.6	34.2	32.4	23.8	310	178
Urbanicity²						
City	13.3	28.7	31.2	26.8	1,776	274
Suburban	10.7	41.1	31.5	16.7	2,761	382
Town	12.3	32.3	35.6	19.9	2,865	279
Rural	12.3	26.0	41.2	20.5	7,327	529
Poverty level²						
Low (0-29% F/RP)	17.7	29.8	34.2	18.3	2,939	311
Medium (30-59% F/RP)	12.1	31.2	36.0	20.8	6,759	660
High (60% or more F/RP)	8.8	29.6	40.4	21.2	5,030	493

¹ *n* equals the number of SFAs that received some type of training or technical assistance.

² Percentage of SFAs that received training and technical assistance on various numbers of topics differed significantly by SFA size, urbanicity, and poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 11.1.

Table VI-7.8 provides the percentage of SFAs that received training or technical assistance in SY 2012-13, by topic. One percent of SFAs reported receiving no training or technical assistance. As one might expect in light of new meal pattern requirements going into effect, 94 percent of SFAs received training or technical assistance on new meal pattern requirements and 89 percent on defining reimbursable meals. Similarly, other common topics included food sanitation and safety, program regulations and procedures, and record keeping and recording. About 40 percent of SFAs received training on local school wellness policy development and implementation and 31 percent of SFAs on local school wellness program monitoring, assessment, and evaluation.

Table VI-7.8. Percentage of SFAs That Received Training and Technical Assistance on Various Topics, SY 2012-13

Training and technical assistance topic	Percentage of SFAs
New meal pattern requirements	93.6%
Defining reimbursable meals	88.8
Food sanitation/ safety	83.9
Program regulations and procedures	76.8
Record keeping and reporting	75.9
Implementing offer vs. serve	74.8
Controlling portion sizes	73.8
Preparing certification materials for the additional reimbursement (including certification tool training)	72.6
Using standardized recipes	61.2
Documenting use of leftovers	56.3
USDA Foods	51.4
Documenting use of substitute foods	50.2
Developing menu cycles	48.9
Using computer/ software (not certification tool training)	40.6
Local school wellness policy development and implementation	39.6
Food purchasing	39.5
Marketing your food program	36.7
Local school wellness program monitoring, assessment, and evaluation	31.1
Contracting	14.3
Other	8.1
No training or technical assistance received	1.1
Total SFAs: Weighted <i>n</i>	14,893
Total SFAs: Unweighted <i>n</i>	1,476 ¹

¹*n* is less than 1,491 due to item nonresponse.

Data Source: SFA Director Survey SY 2012-13, question 11.1.

Table VI-7.9 indicates the percentage of SFAs that received training or technical assistance by the type of provider for each topic. Looking across topics, state agency was the most frequent provider, followed by SFA staff. It is possible that the large percentage of training received from SFA staff is a transfer of what was learned from the state agency, federally funded program, private sector, or other providers to other SFA staff who did not or could not attend.

Table VI-7.9. Among SFAs That Received Specific Training or Technical Assistance, the Percentage of SFAs That Received That Training or Technical Assistance by Type of Provider, SY 2012-13

Topic	Percentage of SFAs that received training and technical assistance from the following entities:					Total SFAs	
	SFA staff	State agency	Federally funded program	Private sector	Other	Weighted <i>n</i>	Unweighted <i>n</i> ¹
New meal pattern requirements	43.8%	74.5%	20.6%	10.1%	14.8%	13,933	1,413
Defining reimbursable meals	48.8	69.6	14.8	8.0	10.7	13,225	1,361
Food sanitation/ safety	43.4	55.7	11.3	14.8	18.6	12,475	1,237
Program regulations and procedures	40.9	72.3	12.8	6.4	10.6	11,422	1,202
Record keeping and reporting	41.7	67.8	10.3	8.8	10.1	11,276	1,107
Implementing offer vs. serve	47.3	64.9	12.3	7.5	9.4	11,125	1,133
Controlling portion sizes	50.0	57.1	13.3	7.9	10.3	10,971	1,067
Preparing certification materials for the additional reimbursement (including certification tool training)	20.5	82.1	10.2	9.3	7.3	10,780	1,128
Using standardized recipes	42.8	57.3	14.1	12.4	11.0	9,102	895
Documenting use of leftovers	49.3	55.9	8.9	8.2	8.8	8,370	890
USDA Foods	29.1	66.3	21.2	7.9	19.7	7,642	746
Documenting use of substitute foods	47.5	58.7	11.4	8.9	9.4	7,456	781
Developing menu cycles	29.2	70.0	13.8	16.4	12.4	7,275	727
Using computer/ software (not certification tool training)	41.9	38.2	8.5	28.2	10.9	6,043	661
Local school wellness policy development and implementation	33.2	63.6	11.4	6.2	13.8	5,883	561
Food purchasing	38.0	59.8	16.4	10.8	16.6	5,871	590
Marketing your food program	39.7	59.6	14.8	13.5	14.3	5,452	610
Local school wellness program monitoring, assessment, and evaluation	33.0	63.3	10.2	7.2	12.0	4,607	432
Contracting	25.5	67.2	12.1	12.7	13.0	2,121	194
Other	43.9	43.0	8.8	17.7	22.3	1,205	141

¹ *n* equals the number of SFAs that reported receiving training or technical assistance on that specific topic.

Data Source: SFA Director Survey SY 2012-13, question 11.1. (For this item, SFA directors could report obtaining training or technical assistance from more than one provider.)

Table VI-7.10 provides the assessment of SFAs of the usefulness of training or technical assistance received in SY 2012-13, by topic. An assessment of “not useful at all” was very rare (no more than 4 percent) Among the topics most viewed as “very useful” were food safety and sanitation (79 percent), preparing certification materials for the additional reimbursement (70 percent), defining reimbursable meals (70 percent), and record keeping and recording (70 percent). The two topics on local school wellness, policy development and implementation and monitoring, assessment and evaluation were nearly evenly split on the assessment as somewhat useful and very useful.

Table VI-7.10. Among SFAs That Received Specific Training or Technical Assistance, the Percentage of SFAs That Found the Training or Technical Assistance Useful, SY 2012-13

Topic	Percentage of SFAs that found the training or technical assistance to be:			Total SFAs	
	Very useful	Somewhat useful	Not at all useful	Weighted <i>n</i>	Unweighted <i>n</i> ¹
New meal pattern requirements	64.0%	35.4%	0.6%	13,808	1,402
Defining reimbursable meals	69.5	30.2	0.3	12,969	1,337
Food sanitation/ safety	79.1	20.7	0.2	11,948	1,192
Program regulations and procedures	64.8	34.9	0.3	11,098	1,175
Record keeping and reporting	69.5	30.0	0.5	10,912	1,076
Implementing offer vs. serve	64.8	33.8	1.3	10,800	1,098
Controlling portion sizes	64.4	34.4	1.2	10,672	1,036
Preparing certification materials for the additional reimbursement (including certification tool training)	70.4	27.3	2.3	10,562	1,108
Using standardized recipes	58.0	40.4	1.6	8,753	865
Documenting use of leftovers	57.0	41.2	1.8	8,165	870
USDA Foods	55.5	43.4	1.1	7,357	719
Documenting use of substitute foods	57.3	41.4	1.2	7,336	766
Developing menu cycles	58.2	41.1	0.7	7,001	701
Using computer/ software (not certification tool training)	64.0	34.6	1.5	5,947	651
Local school wellness policy development and implementation	49.9	48.3	1.8	5,733	549
Food purchasing	58.6	40.5	0.9	5,643	567
Marketing your food program	48.6	47.3	4.1	5,310	597
Local school wellness program monitoring, assessment, and evaluation	49.8	48.6	1.6	4,529	426
Contracting	69.1	30.0	0.5	2,057	189
Other	72.6	23.1	4.3	1,151	137

¹ *n* is less than the number of SFAs that reported receiving training or technical assistance on that specific topic due to item nonresponse.
Data Source: SFA Director Survey SY 2012-13, question 11.1.

Table VI-7.11 provides the percentage of SFAs that had specific types of staff members receiving training or technical assistance in SY 2012-13. About 88 percent of SFAs had cafeteria managers receive training or technical assistance. About 75 percent of SFAs had other cafeteria workers and SFA directors receive training or technical assistance.

Training of cafeteria managers and other cafeteria workers differed by SFA size. The percentage of SFAs with cafeteria managers and other cafeteria workers receiving training or technical assistance increased with size of the SFA, with 97 percent of very large SFAs having cafeteria managers, and 91 percent of very large SFAs having other cafeteria workers, receive training or technical assistance in SY 2012-13.

The percentage of SFAs with school administrators receiving training or technical assistance was higher for very large SFAs, city SFAs, and high-poverty SFAs. The percentage of SFAs with procurement staff receiving training or technical assistance increased with size of the SFA, with 72 percent of very large SFAs compared to 20 percent of small SFAs having procurement staff receive training and technical assistance.

Table VI-7.11. Percentage of SFAs That Had Various Staff Receive Training and Technical Assistance by SFA Characteristics, SY 2012-13

SFA characteristics	Percentage of SFAs that had the following staff members receive training or technical assistance:						Total SFAs	
	Cafeteria manager	Other cafeteria workers	School administrators	SFA director	Procurement staff	Other	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	87.6%	75.1%	33.0%	74.9%	28.1%	6.1%	14,694	1,462 ¹
SFA size²								
Small (1-999)	83.2	65.7	33.5	60.6	19.6	5.2	7,510	361
Medium (1,000-4,999)	91.5	83.9	30.2	87.1	31.8	4.5	5,130	541
Large (5,000-24,999)	93.4	87.3	36.2	96.3	45.8	11.5	1,747	383
Very large (25,000+)	97.2	91.0	48.9	97.7	71.6	27.1	307	177
Urbanicity²								
City	88.7	76.7	43.2	84.8	34.8	10.4	1,794	274
Suburban	85.4	80.5	35.0	83.0	31.0	6.5	2,770	383
Town	86.2	77.9	31.6	75.5	32.1	5.9	2,825	277
Rural	88.7	71.7	30.3	69.1	23.7	5.1	7,305	528
Poverty level²								
Low (0-29% F/RP)	86.7	77.1	31.9	76.1	27.0	5.1	2,931	311
Medium (30-59% F/RP)	87.9	75.8	31.3	74.7	26.7	6.4	6,763	660
High (60% or more F/RP)	87.6	73.0	36.1	74.4	30.6	6.4	5,000	491

¹ *n* is less than 1,491 due to item nonresponse.

² Percentage of SFAs that received training and technical assistance on various numbers of topics differed significantly by SFA size, urbanicity, and poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, question 11.2.

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Section VII: SFA Financials

SFAs produce reimbursable school meals, for which they receive government subsidization, as well as a variety of non-reimbursable food items (also referred to as non-program foods). An SFA's operating costs include not only the cost of producing reimbursable meals but also the cost of school meals or individual food items that school staff or students may buy instead of, or in addition to, reimbursable meals. In many ways an SFA may be viewed as a nonprofit business that produces several different products and must set the prices for each of its different products so that at the end of the year it breaks even (revenue equals cost).

SFAs operate within the policy and regulatory boundaries that are set by the Federal government, their states, and their LEA. Several factors act together to determine an SFA's financial operations:

- Over time, SFAs must operate on a nonprofit basis.
- They are reimbursed for NSLP and SBP meals at rates set by the Federal government.
- The maximum price they can charge for reduced-price meals is set by Federal regulations.
- The price they can charge for a paid reimbursable meals served to students not approved for free or reduced-price meals (e.g., "paid" meals) is set (or approved) by their LEA and must meet the requirements in the Paid Lunch Equity Provision of the HHFKA.
- The prices charged for non-reimbursable food items sold to students and adults must comply with the Non-Program Revenue Provision of the HHFKA.

In addition to the standard economic relationships, this structure dictates a strong correlation between price and reimbursement rates and reimbursement rates and cost. Furthermore, to operate on a nonprofit basis, revenues (price * quantity "sold") must equal costs, although there may be small deviations from this in any given year.

The HHFKA requires that SFAs make significant changes to prices and the quality of both reimbursable meals and non-program foods offered. To cover the increased costs of the new meal patterns for reimbursable meals, beginning in October 2012 compliant SFAs receive an additional reimbursement of 6 cents per lunch. The reimbursement rate will be adjusted for inflation on an annual basis. Additionally, SFAs must ensure that the prices of non-reimbursable food cover the costs of producing these foods, thus eliminating any subsidization of these that may have occurred in the past. All of these changes could potentially affect the revenue, cost, and break-even status of SFAs. This section assesses how SFAs are responding to the new financial requirements and the impact on revenue, cost, and break-even status over time. It also considers changes in subsidization of the school meal programs by states and LEAs over time and the possible impact that state budgetary constraints may be having on funding. Differences in these financial components and changes over time are considered by SFA characteristics.

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VII-1. Meal Prices

Background

The prices SFAs charge for the foods they serve is heavily regulated and tied to Federal reimbursement rates for school meals. In this chapter, we examine the pricing patterns of SFAs in terms of their relationship to the reimbursement rates and how they have changed in the period between SY 2009-10 and SY 2012-13. This chapter also considers the potential effect of economic factors and policy changes on these pricing patterns.

Reimbursement Rates

During SY 2012-13, students from households with an income at or below 130 percent of the Federal poverty line (FPL) were eligible to receive nutritious school meals free of any charges; children from households with an income between 131 and 185 percent of the FPL were eligible to receive the school lunch for a price not to exceed 40 cents and breakfasts not to exceed 30 cents. All other students were required to pay the price established by their LEA for a full school meal or alternative food item they chose to purchase. The USDA reimburses SFAs based on the number of breakfasts and lunches served within each income-eligibility category that meet the nutritional requirements set by USDA. Table VII-1.1 presents the base reimbursement rates for SY 2009-10 to SY 2012-13 for the continental United States.⁷⁶

Table VII-1.1. Reimbursement Rates for the NSLP and SBP, SY 2009-10 to SY 2012-13

Income-eligibility category	SY 2009-10 reimbursement rates		SY 2010-11 reimbursement rates		SY 2011-12 reimbursement rates		SY 2012-13 reimbursement rates	
	SBP	NSLP	SBP	NSLP	SBP	NSLP	SBP	NSLP
Free	\$1.46	\$2.68	\$1.48	\$2.72	\$1.51	\$2.77	\$1.55	\$2.86
Reduced-price	1.16	2.28	1.18	2.32	1.21	2.37	1.25	2.46
Paid	0.26	0.25	0.26	0.26	0.27	0.26	0.27	0.27

The Potential for Cross-Subsidization and the New HFFKA Provisions

Previous analyses of production costs (SLBCS-I and -II, USDA 1994 and 2008) revealed that, for the average SFA, reimbursable lunches generated substantial surplus revenues. The SLBCSs showed that when an SFA's indirect and overhead costs were properly allocated across the various foods produced, the reimbursement rate for lunches was greater than the cost of producing the meal. The surplus revenues generated by reimbursable lunches were used by SFAs to offset the deficits being generated by reimbursable breakfasts and non-reimbursable food items. Although on average SFAs were operating at a break-even level in SY 2005-06, revenues from reimbursable lunches exceeded the cost of producing these lunches by 16 percent while revenues from reimbursable

⁷⁶ Higher reimbursement rates are provided for Hawaii and Alaska and for SFAs serving a high proportion of school meals to children in the F/RP income-eligibility categories. The complete reimbursement structure is available at <http://www.fns.usda.gov/cnd/governance/notices/naps/naps.htm>.

breakfasts fell short of the cost of producing breakfasts by 4 percent, and revenues from the sale of non-reimbursable food items fell short of their costs by 29 percent (SLBCS-II, 2008).

As a result of this research, a number of changes to meal pricing and accounting procedures were included into several of the provisions of the HHFKA.²

- *The Paid Lunch Equity Provision*, which went into effect on July 1, 2011, requires SFAs to provide the same level of financial support for lunches sold to students who have been approved for F/RP meals as they provide to students who pay full price. This provision is intended to reduce, or eliminate, the implicit subsidization of paid school lunches with revenues derived from Federal reimbursements for F/RP lunches. The regulation requires SFAs to either set the average price of a paid school lunch at no less than the difference between the reimbursement rate for free and paid meals or make up for the revenues lost to the SFA through the “underpricing” of paid lunches with funds from non-Federal sources.

For SFAs that increase the prices of paid lunches, the annual rate of increase is to be 2 percent plus the rate of inflation until the price equity is achieved. The provision allows SFAs to round down the required price increase to the nearest 5 cents for any given school year beginning in SY 2011-12. The maximum that an SFA is required to increase prices in any given year is 10 cents. This allows SFAs to raise prices gradually over the course of several years to minimize the impact. However, an SFA can choose to raise prices by more than 10 cents in a given year, and such increases will count toward meeting the next year’s requirements.

- *The Non-program Food Sale provision* requires SFAs to set the prices of non-program foods basically at levels no less than the cost of these foods. Non-program foods are those other than reimbursable meals that are purchased with funds from the nonprofit school foodservice account and sold at any time or location on the school campus.⁷⁷ Non-program foods include food sold in vending machines, school stores, à la carte items, sales of second entrees, and adult meals. This provision is intended to reduce, or eliminate, the implicit subsidization of non-reimbursable foods sold in schools and charged to the food service account with revenues derived from Federal reimbursements for F/RP lunches. The regulations now require SFAs to set the prices of non-program foods such that the revenue generated from the sale of such foods is no less than the cost of these foods.⁷⁸

These provisions will likely have a profound impact on the pricing structure particularly in some SFAs. Many SFAs will be required to raise prices of both paid lunches and non-program foods. These provisions are likely to have the most impact in more affluent SFAs, which sell more paid lunches and have higher non-program food costs than the lowest poverty districts.⁷⁹

⁷⁷ Non-program foods are different than non-program foods, which are all foods other than reimbursable meals sold to students during the school day. Non-program foods may be purchased with funds from sources other than the nonprofit school foodservice account.

⁷⁸ “National School Lunch Program: School Food Service Account Revenue Amendments Related to the Healthy, Hunger-Free Kids Act of 2010,” 76 *Federal Register*, vol. 117 (June 17, 2011), p. 35301. Available at <http://www.fns.usda.gov/cnd/governance/regulations/2011-06-17.pdf#Revenue>

⁷⁹ Guthrie, Joanne F., Constance Newman, Katherine Ralston, Mark Prell, and Michael Ollinger. *Nutrition Standards for Competitive Foods in Schools: Implications for Foodservice Revenues*, EIB-114. U.S. Department of Agriculture, Economic Research Service, June 2013.

Research Questions

SN-OPS collected data on prices for 4 years: SY 2009-10, SY 2010-11, SY 2011-12, and SY 2012-13. SY 2009-10 was used as the “baseline” for assessing changes in prices. Although the Paid Lunch Equity Provision required SFAs to start raising prices in SY 2011-12, the Year 1 report found that many SFAs began raising prices in SY 2010-11 in anticipation of the Paid Lunch Equity Provision. The research questions for this chapter therefore focus on the prices charged by SFAs for SY 2012-13 and how these prices changed over a 4-year period beginning in SY 2009-10.

- *What were the average prices charged for reduced-price and paid breakfasts and lunches in SY 2012-13? How do they relate to reimbursement rates?*
- *How have meal prices changed over the past 4 years?*
- *What factors influence LEAs’ decisions about meal pricing?*
- *How many SFAs use non-Federal funds to reduce the size of price increases needed to meet the requirements of the Paid Lunch Equity Provision? What were the sources of those funds? Would prices have increased regardless of Paid Lunch Equity Provision?*
- *What is the relationship between increases in prices and student participation rates?*
- *How many SFAs have increased non-program food prices over the past year? For what types of foods have prices increased? How much have prices increased?*
- *What record keeping systems do SFAs use to keep track of non-program food costs and sales?*

Results

Meal Prices From SY 2009-10 to SY 2012-13

Tables VII-1.2 and VII-1.3 present the average prices charged for full-price, paid lunches and paid breakfasts, respectively, from SY 2009-10 through SY 2012-13.⁸⁰ On average SFAs charged \$2.21 for paid lunch and \$1.27 for a paid breakfast in SY 2012-13.⁸¹ SFAs charged considerably more for paid meals purchased by secondary school students than by elementary school students. For example, during SY 2012-13, the average price for a paid lunch in secondary schools was about 11 percent higher than in elementary schools and about 6 to 7 percent higher in secondary schools than in

⁸⁰ The weighted and unweighted numbers of SFAs with data on meal prices by grade level and school year are shown in Appendix E.

⁸¹ The average breakfast or lunch price is the weighted average price based on the number of breakfasts or lunches served at each grade level. The 2012 SFA Directory collected data on the number of breakfasts and lunches served by grade level in SY 2009-10, SY 2010-11, and SY 2011-12 that were used to calculate the weighted average meal prices for those years. Because data on the number of meals served by grade level was not collected for SY 2012-13, data on the number of meals served from SY 2011-12 were used to calculate the weighted average prices for SY 2012-13. There was little change in the distribution of meals served by grade level over time, so there is no reason to believe that using data from the prior year should affect the results. In addition, approximately 30 percent of SFAs were unable to provide data on the number of breakfasts or lunches served by grade level. For these SFAs, the proportion of meals served at each grade level was imputed based on the average proportion of meals served at each grade level from SFAs with non-missing data and the same combination of grade levels. For example, if an SFA with elementary, middle, and high schools but no other schools was missing data on meals served, the proportion was set equal to the proportion for SFAs with elementary, middle, and high schools with non-missing data. Imputation was done only for cases where there was an adequate number of SFAs with the same grade level combination and non-missing data to reliably estimate the proportion of meals served at each grade level.

elementary schools for breakfast. The price differentials between elementary and secondary schools for paid student meals were evident across SFAs of various sizes, urbanicity, and poverty levels. This may reflect the differences in portion sizes, and hence food costs, between elementary and secondary schools.⁸² Appendix E (Tables E-42 through E-81) also shows the median, minimum, and maximum prices charged for paid lunches and breakfasts separately by grade level.

Impetus for the Paid Lunch Equity Provision

Table VII-1.2 reveals that prior to implementing the Paid Lunch Equity Provision in July 2011, SFAs set the price of paid lunches at levels below the difference between the free and paid meal Federal reimbursement rates. For example, in the year just prior to the implementation of the Paid Lunch Equity Provision (SY 2010-11), SFAs on average charged \$2.02 for a paid lunch, while the difference between the free and paid meal reimbursement levels (\$2.72 - \$0.26) was \$2.46. This “underpricing” of paid lunch was observed for schools of all grades levels. This pattern of SFAs earning more revenue per meal on free lunches than on paid lunches was partly the impetus for the Paid Lunch Equity Provision.

In contrast, breakfast prices were such that SFAs typically got about the same per unit revenues on free and paid breakfasts. For every paid breakfast provided in SY 2010-11, SFAs on average charged \$1.18 and received a reimbursement of \$0.26 per meal for total revenue per breakfast of \$1.44. For free breakfasts, they received the reimbursement rate of \$1.48. Thus, the total revenue per paid breakfast was highly similar to the free breakfast reimbursement rate, resulting in basically equal per meal revenues across the reimbursement eligibility categories.

⁸² FNS regulations place a cap of 30 cents on the price that SFAs can charge for reduced-price breakfasts and a cap of 40 cents on the price of reduced-price lunches. Virtually all SFAs charge the maximum permitted by these price caps.

Table VII-1.2. Average Price Charged by SFAs for a Paid Student Lunch by Grade Level and SFA Characteristics, SY 2009-10 to SY 2012-13

SFA characteristics	Average price charged by SFAs by school grade level and year (weighted and unweighted n shown in Appendix E)																			
	Elementary				Middle				High				Other				All schools			
	'09/10	'10/11	'11/12	'12/13	'09/10	'10/11	'11/12	'12/13	'09/10	'10/11	'11/12	'12/13	'09/10	'10/11	'11/12	'12/13	'09/10	'10/11	'11/12	'12/13
All SFAs	\$1.89	\$1.92 ^a	\$2.00 ^b	\$2.10 ^c	\$2.10	\$2.14 ^a	\$2.21 ^b	\$2.30 ^c	\$2.11	\$2.14 ^a	\$2.21 ^b	\$2.32 ^c	\$2.01	\$2.06 ^a	\$2.15 ^b	\$2.20	\$1.98	\$2.02 ^a	\$2.09 ^b	\$2.21 ^c
SFA size¹																				
Small (1-999)	1.85	1.89 ^a	1.96 ^b	2.08 ^c	2.04	2.08 ^a	2.14 ^b	2.23	2.00	2.03 ^a	2.09 ^b	2.23 ^c	2.01	2.11 ^a	2.20 ^b	2.20	1.93	1.98 ^a	2.04 ^b	2.18 ^c
Medium (1,000-4,999)	1.92	1.94 ^a	2.02 ^b	2.12 ^c	2.14	2.16 ^a	2.25 ^b	2.34 ^c	2.17	2.20 ^a	2.29 ^b	2.36 ^c	1.99	2.02 ^a	2.11 ^b	2.18	2.02	2.05 ^a	2.13 ^b	2.24 ^c
Large (5,000-24,999)	1.93	1.96 ^a	2.03 ^b	2.12 ^c	2.15	2.18 ^a	2.25 ^b	2.34 ^c	2.20	2.23 ^a	2.31 ^b	2.40 ^c	2.01	2.04 ^a	2.13 ^b	2.22 ^c	2.04	2.07 ^a	2.14 ^b	2.24 ^c
Very large (25,000+)	1.87	1.90 ^a	1.96 ^b	2.09 ^c	2.12	2.14 ^a	2.21 ^b	2.32 ^c	2.16	2.19 ^a	2.25 ^b	2.38 ^c	2.07	2.10 ^a	2.17 ^b	2.35 ^c	1.98	2.01 ^a	2.07 ^b	2.19 ^c
Urbanicity²																				
City	2.12	2.17 ^a	2.22 ^b	2.37 ^c	2.24	2.27 ^a	2.29	2.46 ^c	2.26	2.30 ^a	2.34	2.51 ^c	2.05	2.33	2.41 ^b	2.42	2.21	2.32	2.35	2.49 ^c
Suburban	2.09	2.13 ^a	2.21 ^b	2.31 ^c	2.33	2.36 ^a	2.44 ^b	2.50	2.38	2.42 ^a	2.51 ^b	2.58 ^c	2.26	2.30 ^a	2.40 ^b	2.41	2.21	2.25 ^a	2.32 ^b	2.43 ^c
Town	1.87	1.88 ^a	1.96 ^b	2.07 ^c	2.07	2.08	2.15 ^b	2.26 ^c	2.13	2.14 ^a	2.21 ^b	2.29 ^c	2.01	2.03 ^a	2.13 ^b	2.22	1.96	1.98 ^a	2.06 ^b	2.18 ^c
Rural	1.78	1.80 ^a	1.88 ^b	1.98 ^c	1.99	2.03 ^a	2.12 ^b	2.18 ^c	1.98	2.00 ^a	2.08 ^b	2.18 ^c	1.90	1.92 ^a	2.01 ^b	2.11 ^c	1.87	1.89 ^a	1.97 ^b	2.08 ^c
Poverty level³																				
Low (0-29% F/RP)	2.11	2.15 ^a	2.22 ^b	2.36 ^c	2.34	2.38 ^a	2.48 ^b	2.58 ^c	2.34	2.38 ^a	2.45 ^b	2.61 ^c	2.14	2.28	2.37 ^b	2.53	2.19	2.25 ^a	2.32 ^b	2.51 ^c
Medium (30%-59% F/RP)	1.88	1.90 ^a	1.98 ^b	2.07 ^c	2.09	2.12 ^a	2.19 ^b	2.29 ^c	2.10	2.13 ^a	2.20 ^b	2.29 ^c	2.01	2.04 ^a	2.13 ^b	2.21	1.96	1.99 ^a	2.07 ^b	2.18 ^c
High (60% or higher F/RP)	1.71	1.73 ^a	1.81 ^b	1.96 ^c	1.90	1.91	1.97 ^b	2.09 ^c	1.91	1.93 ^a	2.01 ^b	2.11 ^c	1.92	1.94 ^a	2.02 ^b	2.03	1.82	1.85 ^a	1.91 ^b	2.04 ^c

Note: Significance tests for differences in average price charged for lunch by SFA characteristics was conducted for the 2012-13 school year only.

¹ The average price charged for lunch in elementary, middle, high, and other schools in the 2012-13 school year differed significantly by SFA size at the .05 level.

² The average price charged for lunch in middle, schools in the 2012-13 school year differed significantly by urbanicity at the .05 level.

³ The average price charged for lunch in elementary, middle, high, other, and all schools in the 2012-13 school years for differed significantly by poverty level at the .05 level.

^a Difference between SY 2009-10 and SY 2010-11 is significantly different from zero at the .05 level.

^b Difference between SY 2010-11 and SY 2011-12 is significantly different from zero at the .05 level.

^c Difference between SY 2011-12 and SY 2012-13 is significantly different from zero at the .05 level.

Note: Average for all schools was weighted based on the number of paid lunches served in each grade level. Missing data on the number of paid lunches served by grade level was imputed based on the proportion of meals served in each grade level by SFAs with similar combinations of school types. Because data on number of paid lunches served was not collected in SY 2012-13, proportions from SY 2011-12 were used to determine the relative contribution of each price.

Data Source: SFA Director Survey SY 2011-12, questions 5.4, 5.5a, and 5.5b; SFA Director Survey SY 2012-13, question 6.6.

Table VII-1.3. Average Price Charged by SFAs for a Paid Student Breakfast by Grade Level and SFA Characteristics, SY 2009-10 to SY 2012-13

SFA characteristics	Average price charged by SFAs by school grade level and year (weighted and unweighted n shown in Appendix E)																			
	Elementary				Middle				High				Other				All schools			
	'09/10	'10/11	'11/12	'12/13	'09/10	'10/11	'11/12	'12/13	'09/10	'10/11	'11/12	'12/13	'09/10	'10/11	'11/12	'12/13	'09/10	'10/11	'11/12	'12/13
All SFAs	\$1.13	\$1.15 ^a	\$1.19 ^b	\$1.24 ^c	\$1.21	\$1.23 ^a	\$1.26 ^b	\$1.32 ^c	\$1.21	\$1.24 ^a	\$1.27 ^b	\$1.32 ^c	\$1.13	\$1.18	\$1.23 ^b	\$1.26	\$1.15	\$1.18 ^a	\$1.21 ^b	\$1.27 ^c
SFA size¹																				
Small (1-999)	1.12	1.14 ^a	1.17 ^b	1.24 ^c	1.20	1.23	1.24	1.34 ^c	1.17	1.20 ^a	1.22 ^b	1.29 ^c	1.09	1.18	1.24 ^b	1.26	1.11	1.15	1.19 ^b	1.25 ^c
Medium (1,000-4,999)	1.15	1.17 ^a	1.21 ^b	1.25 ^c	1.21	1.23 ^a	1.27 ^b	1.31 ^c	1.24	1.25 ^a	1.30 ^b	1.34 ^c	1.18	1.20 ^a	1.26 ^b	1.27	1.19	1.20 ^a	1.24 ^b	1.29 ^c
Large (5,000-24,999)	1.12	1.14 ^a	1.17 ^b	1.22 ^c	1.21	1.24 ^a	1.26 ^b	1.30 ^c	1.24	1.26 ^a	1.28 ^b	1.33 ^c	1.13	1.16 ^a	1.17	1.23	1.17	1.18 ^a	1.21 ^b	1.26 ^c
Very large (25,000+)	1.10	1.13 ^a	1.16 ^b	1.21 ^c	1.19	1.23 ^a	1.25 ^b	1.29 ^c	1.21	1.24 ^a	1.27 ^b	1.32 ^c	1.15	1.18 ^a	1.21 ^b	1.31 ^c	1.14	1.16 ^a	1.19 ^b	1.25 ^c
Urbanicity²																				
City	1.24	1.23	1.31 ^b	1.37	1.26	1.27 ^a	1.29	1.47 ^c	1.27	1.29 ^a	1.32 ^b	1.42 ^c	1.15	1.40	1.46 ^b	1.47	1.28	1.36	1.42	1.48
Suburban	1.16	1.21 ^a	1.23	1.28 ^c	1.27	1.31 ^a	1.32	1.36	1.34	1.39 ^a	1.41 ^b	1.45	1.20	1.24 ^a	1.26	1.29	1.23	1.26 ^a	1.30 ^b	1.34
Town	1.16	1.18 ^a	1.21 ^b	1.21	1.20	1.21	1.25 ^b	1.27	1.21	1.22 ^a	1.26 ^b	1.29	1.16	1.18 ^a	1.24 ^b	1.28	1.16	1.17 ^a	1.20 ^b	1.24
Rural	1.09	1.11 ^a	1.14 ^b	1.21 ^c	1.18	1.20 ^a	1.23 ^b	1.29 ^c	1.16	1.17	1.21 ^b	1.26 ^c	1.09	1.12 ^a	1.16 ^b	1.22	1.10	1.12 ^a	1.16 ^b	1.21 ^c
Poverty level³																				
Low (0-29% F/RP)	1.21	1.26 ^a	1.28 ^b	1.33	1.32	1.36 ^a	1.38	1.46 ^c	1.35	1.39 ^a	1.42 ^b	1.49 ^c	1.29	1.50	1.52	1.52	1.26	1.33 ^a	1.35	1.41
Medium (30%-59% F/RP)	1.13	1.15 ^a	1.19 ^b	1.24 ^c	1.21	1.23 ^a	1.27 ^b	1.30 ^c	1.20	1.23 ^a	1.26 ^b	1.31 ^c	1.12	1.14 ^a	1.20 ^b	1.28 ^c	1.14	1.15 ^a	1.20 ^b	1.26 ^c
High (60% or higher F/RP)	1.07	1.07	1.10	1.18 ^c	1.12	1.12	1.13	1.25 ^c	1.11	1.12	1.13	1.22 ^c	1.07	1.09 ^a	1.11	1.12	1.10	1.10	1.12	1.18 ^c

Note: Significance tests for differences in average price charged for lunch by SFA characteristics was conducted for the 2012-13 school year only.

¹ The average price charged for breakfast in other schools in the 2012-13 school year differed significantly by SFA size at the .05 level.

² The average price charged for breakfast in elementary, middle, high, and all schools in the 2012-13 school year differed significantly by urbanicity at the .05 level.

³ The average price charged for breakfast in elementary, middle, high, other, and all schools in the 2012-13 school years differed significantly by poverty level at the .05 level.

^a Difference between SY 2009-10 and SY 2010-11 is significantly different from zero at the .05 level.

^b Difference between SY 2010-11 and SY 2011-12 is significantly different from zero at the .05 level.

^c Difference between SY 2011-12 and SY 2012-13 is significantly different from zero at the .05 level.

Note: Average for all schools was weighted based on the number of paid breakfasts served in each grade level. Missing data on the number of paid breakfasts served by grade level was imputed based on the proportion of meals served in each grade level by SFAs with similar combinations of school types. Because data on number of paid breakfasts served was not collected in SY 2012-13, proportions from SY 2011-12 were used to determine the relative contribution of each price.

Data Source: SFA Director Survey SY 2011-12, questions 5.1, 5.2a, and 5.2b; SFA Director Survey SY 2012-13, question 6.1.

Table VII-1.4 shows that based on the weighted average price charged for a paid meal in SY 2010-11 (the year just prior to implementing the Paid Lunch Equity Provision), SFAs were going to have to raise average paid lunch prices by 44 cents over time or provide offsetting non-Federal subsidies. SFAs could continue to charge different prices across grade levels so long as the weighted average price of paid lunch was brought in line with the difference in the reimbursement rates. The SY 2010-11 price data suggested that the majority of SFAs were going to be affected by the Paid Lunch Equity Provision because 84 percent (not shown) of SFAs had weighted average paid lunch prices that were below the target price (which was \$2.46).

Table VII-1.4. SFA’s Average Meal Prices, Reimbursement Rates, and Revenues Per Meal for the NSLP and SBP by Grade Level, SY 2010-11

	SFA’s average meal prices, reimbursement rates, and revenues per meal			
	Elementary	Middle	High	All schools
Breakfast				
Paid meal price	\$1.15	\$1.23	\$1.24	\$1.18
Paid meal reimbursement rate	0.26	0.26	0.26	0.26
Paid meal revenues	1.41	1.49	1.50	1.44
Free meal reimbursement rate and revenues	1.48	1.48	1.48	1.48
Difference in revenue	-0.07	0.01	-0.02	-0.04
Weighted n¹	9,792	7,437	8,813	9,351
Lunch				
Paid meal price	\$1.92	\$2.14	\$2.14	\$2.02
Paid meal reimbursement rate	0.26	0.26	0.26	0.26
Paid meal revenues	2.18	2.40	2.40	2.28
Free meal reimbursement rate and revenues	2.72	2.72	2.72	2.72
Difference in revenue	-0.54	-0.32	-0.32	-0.44
Weighted n¹	11,763	8,888	10,314	11,681

Note: Average for all schools was weighted based on the number of paid breakfasts or lunches served in each grade level.

¹ n is less than 14,687 because not all SFAs participate in the SBP or have each type of school and item nonresponse.

Effect of Paid Lunch Equity Provision

Beginning in SY 2011-12, SFAs that were not meeting the conditions of the Paid Lunch Equity Provision were required to either begin increasing paid lunch prices or provide additional non-Federal funds to offset their low prices. As Table VII-1.5 shows, the majority of SFAs raised prices after the implementation of the Paid Lunch Equity Provision, and the typical increase was 10 cents. This suggests that most SFAs that raised prices chose to limit the increases to the 10 cents according to the maximum required increase under the HHFKA. As expected, a higher percentage of SFAs increased paid lunch prices in SY 2011-12 and SY 2012-13 as compared to SY 2010-11. For example, in elementary schools, only 16 percent of SFAs raised prices for SY 2010-11, whereas 55 percent raised prices for SY 2011-12 and 63 percent in SY 2012-13. A similar pattern was observed for middle, high, and other schools. Appendix Tables E-82 through E-87 show the percent of SFAs increasing breakfast and lunch prices by various SFA characteristics. Fewer very large SFAs and those located in cities or suburban areas increased lunch prices between SY 2010-11 and SY 2012-13. Fewer high poverty SFAs increased lunch prices between SY 2009-10 and SY 2011-12. The percentage of high poverty SFAs raising prices for SY 2012-13 increased by 10 to 21 percentage points depending on the type of school.

Table VII-1.5. Summary of Price Increase Data for Paid Student Breakfasts and Lunches, SY 2009-10 to SY 2012-13

	2009-10 to 2010-11				2010-11 to 2011-12				2011-12 to 2012-13			
	Elementary	Middle	High	Other	Elementary	Middle	High	Other	Elementary	Middle	High	Other
Lunch												
Percentage of SFAs that increased prices ¹	15.5%	16.6%	16.1%	15.9%	55.2%	55.4%	55.9%	55.1%	63.3%	60.5%	60.8%	54.5%
Mean increase ²	\$.19	\$.17	\$.18	\$.33	\$.14	\$.14	\$.14	\$.17	\$.14	\$.15	\$.15	\$.26
Median increase ²	.15	.15	.15	.25	.10	.10	.10	.10	.10	.10	.10	.17
Modal increase ²	.25	.25	.25	.25	.10	.10	.10	.10	.10	.10	.10	.10
Breakfast												
Percentage of SFAs that increased prices ¹	12.5%	12.9%	12.9%	13.5%	26.2%	25.8%	24.8%	29.2%	29.2%	29.3%	29.1%	29.4%
Mean increase ²	\$.16	\$.15	\$.17	\$.36	\$.15	\$.14	\$.15	\$.17	\$.15	\$.17	\$.16	\$.23
Median increase ²	.10	.10	.10	.15	.10	.10	.10	.10	.10	.10	.10	.17
Modal increase ²	.25	.25	.25	.25	.05	.05	.05	.25	.05	.05	.05	.25

¹ Based on SFAs that provided price data in a given pair of years.

² Based on SFAs that reported a price increase.

Data Source: SFA Director Survey SY 2011-12, questions 5.1, 5.2a, 5.2b, 5.4, 5.5a, and 5.5b; SFA Director Survey SY 2012-13, questions 6.1 and 6.6.

The required annual price rise is capped at 10 cents, and Table VII-1.5 shows that the modal (or most frequent) price increase was usually 10 cents. However, the average price increases were higher, ranging from \$.14 to \$.26 across grade levels, indicating that some SFAs chose to raise prices more than the required amount. Although not subject to the Paid Lunch Equity Provision, a higher percentage of SFAs also increased breakfast prices in SY2011-12 and SY 2012-13 as compared to SY 2010-11. However, far fewer SFAs increased breakfast prices in SY 2011-12 and SY 2012-13 than increased lunch prices.

If an SFA increases paid lunch prices under the Provision, it is up to the SFA to decide how to distribute the price increases to meet the requirements. An SFA may choose to increase prices across all grade levels, or only to increase prices for some grade levels but not for others (e.g., increase prices for middle and high schools but not elementary schools). Table VII-1.6 shows the percentage of SFAs that followed the same price increase behavior for elementary, middle, and high schools versus those that increased prices for some grade levels but not for others. SFA pricing behavior is consistent across grade levels. That is, whether an SFA decides to raise lunch prices or not, the majority of SFAs (83 percent) apply the direction of the increases consistently across type of school. The table shows the details of price changes for SFAs where all schools followed the same pattern. Not surprisingly, the most common pattern was to increase lunch prices twice in elementary, middle, and high schools from SY 2010-11 to SY 2011-12 and again from SY 2011-12 to SY 2012-13 (27 percent of SFAs).

These SFAs increased prices in both years after the Paid Lunch Equity Provision. Sixteen percent of SFAs increased their lunch prices only in the first year after the provision was implemented (from SY 2010-11 to SY 2011-12), and another 16 percent held prices constant in the first year but increased prices in the second year (from SY 2011-12 to SY 2012-13). Only 11 percent of SFAs did not raise lunch prices in elementary, middle, or high schools in any of the 3 years. Finally, 18 percent of SFAs applied lunch price increases differently across elementary, middle, and high schools, increasing prices for some grade levels but not for others. Price increases for breakfast followed a similar pattern, with SFAs applying the same decisions about the direction of changes across all grade levels. However, where most SFAs increased lunch prices from SY 2010-11 to SY 2011-12 with the implementation of the provision, price increases for breakfast were more evenly distributed across the three periods.

Table VII-1.6. Patterns of Price Change for Paid Student Breakfasts and Lunches Across Three Change Periods Between SY 2009-10 and SY 2012-13

Type of price change	Breakfast	Lunch
All schools follow the same price change behavior	93.9%	82.6%
No change in any of 3 years	49.0	10.6
Increase in 1 of 3 years	28.5	32.9
SY 2009-10 to SY 2010-11 only	3.7	1.6
SY 2010-11 to SY 2011-12 only	12.9	15.6
SY 2011-12 to SY 2012-13 only	11.9	15.7
Increase in 2 of 3 years	13.0	30.8
SY 2009-10 to SY 2010-11 and SY 2010-11 to SY 2011-12	0.7	1.1
SY 2010-11 to SY 2011-12 and SY 2011-12 to SY 2012-13	8.6	26.9
SY 2009-10 to SY 2010-11 and SY 2011-12 to SY 2012-13	3.7	2.8
Increase in all 3 years	3.4	8.3
All schools do not follow the same price change behavior	6.1	17.6
Total SFAs: Weighted <i>n</i>	5,214	6,910
Total SFA: Unweighted <i>n</i>	592	778

Note: *n*'s and percentages are based on SFAs that supplied price data for elementary, middle, and high schools in each year.

Data Source: SFA Director Survey SY 2011-12, questions 5.1, 5.2a, 5.2b, 5.4, 5.5a, and 5.5b; SFA Director Survey SY 2012-13, questions 6.1 and 6.6.

Table VII-1.7 shows the impact that price increases under the Paid Lunch Equity Provision in SY 2011-12 had on closing the gap between the revenue generated by free and paid lunches.⁸³ The price increases in the first 2 years under the provision reduced the price gap by 14 percent overall. In SY 2010-11, on average, SFAs generated 44 cents more revenue from free lunches than from paid lunches. In SY 2012-13, average revenue from free lunches was 38 cents greater than from paid lunches—a decrease in the price gap of 14 percent. Similar reductions in the gap were observed for all grade levels, although the largest reduction was in high schools. However, most SFAs still have a long way to meet the requirements of the Paid Lunch Equity Provision. Although on average the gap between revenue from free and paid lunches has narrowed, as of SY 2012-13, 84 percent (not shown) of SFAs had paid lunch prices that were less than the \$2.59 difference in reimbursement rates. This is very similar that to the percentage that were below the \$2.46 difference in reimbursement rates in SY 2010-11, the year before the provision went into effect. Therefore, although average paid lunch prices

⁸³ The difference in revenue per lunch is calculated as the difference in the free and paid lunch reimbursement rates minus the average paid lunch price. The Paid Lunch Equity Provision requires that SFAs increase their prices to be in line with the reimbursement rates for the previous school year. When examining the revenue gap generated by free and paid lunches, however, we consider reimbursement rates and prices in the same year to highlight the true gap that the policy change is intended to address. Also, the additional 6 cents reimbursement that SFAs may receive for being certified in compliance with the new meal pattern requirements is not included because the Paid Lunch Equity Provision only considers the base reimbursement rate when determining how much an SFA must raise prices.

have increased, the percentage of SFAs that have met the requirements of the Paid Lunch Equity Provision has not changed much. This likely stems from the fact that most SFAs have chosen to limit price increases in any one year to the 10-cent required maximum, although more than 10 cents is required to make up the difference in revenues. These SFAs will have to continue to raise prices gradually over time or use non-Federal funds to meet the requirements of the provision.

Table VII-1.7. SFAs' Average Difference in Revenues Per Lunch, SY 2010-11, SY 2011-12 and SY 2012-13

	SFA's average difference in revenue per lunch, SY 2010-11 versus SY 2012-13			
	Elementary	Middle	High	All schools
Difference in revenue in 2010-11	\$0.54	\$0.32	\$0.32	\$0.44
Difference in revenue in 2011-12	0.51	0.30	0.30	0.42
Difference in revenue in 2012-13	0.49	0.29	0.27	0.38
Percent gap has been narrowed	9.3%	9.4%	15.6%	13.6%
Weighted n 2010-11	11,794	8,808	10,349	11,681
Weighted n 2011-12	11,763	8,888	10,314	11,644
Weighted n 2012-13	11,309	8,554	9,854	11,993

Note: The average difference in revenue per lunch is the difference in the reimbursement rates for free and paid lunches minus the average paid lunch price.

Data Source: SFA Director Survey SY 2011-12, questions 5.4 and 5.5a; SFA Director Survey SY 2012-13, question 6.6.

Adult Meal Prices

In addition to students, school meals are available to teachers and other adults in the school. However, program regulations specify that Federal subsidies (both cash reimbursements and USDA Foods received) may not be used for the benefit of adults. As such, the regulations require that the price charged for a school meal served to adults may be no less than the cost of producing those meals. Because it is extremely difficult for an SFA to determine the actual cost of producing individual school breakfasts and lunches, the National Food Service Management Institute, funded by USDA, has provided SFAs with guidance for pricing adult meals.

- Adult lunches: The minimum price charged for an adult lunch is equal to the reimbursement rate for free lunches plus the value of entitlement commodities⁸⁴ (approximately \$0.23/school lunch in SY 2012-13). This formula produces a minimum price for adult lunches of \$3.09 plus any applicable sales tax.
- Adult breakfasts: The minimum price charged for an adult breakfast is equal to the reimbursement rate for a free breakfast plus any applicable sales tax, or \$1.55 during SY 2012-13.

⁸⁴ As commodities are allocated based on reimbursable lunches, their value is included in the adult lunch price formula but not in the adult breakfast price formula.

Table VII-1.8 presents a comparison of the average price of adult meals and the minimum price derived from the National Food Service Management Institute guidance. On average, in SY 2012-13, SFAs charged adults about 14 to 16 percent more than the recommended minimum for a school breakfast and charged 1 to 2 percent more than the minimum for a school lunch.⁸⁵ About 63 to 66 percent (not shown) of SFAs charged adults the recommend minimum of \$1.55 or higher for breakfast, and more than 50 percent (not shown) of SFAs charged adults \$3.09 or higher for lunch across grade levels. These results suggest that many SFAs follow the guidance when charging for adult meals.

Table VII-1.8. Comparison of the Average Price Charged by SFAs for Adult Meals to the Minimum Price Guidance by Grade Level, SY 2012-13

Meal	Average price charged by SFAs by school grade level					
	Elementary	Wgt n (Unwgt) ¹	Middle	Wgt n (Unwgt) ¹	High	Wgt n (Unwgt) ¹
Breakfast						
Adult	\$1.76	9,611 (1,080)	\$1.80	7,280 (935)	\$1.80	8,552 (1,012)
Minimum price	<u>1.55</u>	--	<u>1.55</u>	--	<u>1.55</u>	--
Percent difference	+13.6%		+16.0%		+16.3%	
Lunch						
Adult	\$3.11	11,277 (1,233)	\$3.16	8,462 (1,061)	\$3.15	9,797 (1,137)
Minimum price	<u>3.09</u>	--	<u>3.09</u>	--	<u>3.09</u>	--
Percent difference	+0.5%		+2.1%		+1.9%	

¹ n is less than 1,491 due to item nonresponse.

Data Source: SFA Director Survey SY 2012-13, questions 6.1 and 6.6.

Factors That May Have Influenced Meal Pricing Decisions

It is likely that some of the price increases that occurred between SY 2009-10 and SY 2012-13 were due to changes based on the Paid Lunch Equity Provision and new meal pattern requirements stemming from the HHFKA. In addition to the HHFKA, both inflation and the recent recession likely influenced meal pricing decisions over time.

The National School Lunch Act requires FNS to adjust the NSLP and SBP reimbursement rates to reflect changes in the “food away from home” series of the Consumer Price Index for All Urban Consumers (CPI-U). As shown in Table VII-1.9, recent increases have been quite modest with prices, and therefore also with reimbursement rates, rising by 1.5 percent between SY 2009-10 and SY 2010-11, by about 2 percent between SY 2010-11 and SY 2012, and by about 3 percent between SY 2011-12 and SY 2012-13.⁸⁶ In SY 2010-11, SFAs raised prices for paid meals on average less than 2 percent, or about equal to inflation. In SY 2011-12 and SY 2012-13, prices increased at a rate greater than inflation. In SY 2011-12, on average SFAs increased prices 3 to 4 percent or about 1 or 2 percent more than inflation. In SY 2012-13, prices rose on average 5 to 6 percent or about 2 or 3 percent

⁸⁵ Data from the Year 1 report indicate that on average SFAs charged more than the recommended minimum prices for adult breakfasts and lunches in both years. However, SFAs charged somewhat more than the recommended minimum price for adult lunches in SY 2011-12 compared to SY 2012-13. In SY 2011-12, SFAs charged 3 to 4 percent more than the recommended minimum price compared to 1 to 2 percent in SY 2012-13.

⁸⁶ Reimbursement rates for reduced-price breakfasts are set at 30 cents below the free rate. Similarly, the reduced-price lunch rate is set at 40 cents below the free rate. SFAs are permitted to charge students approved for reduced-price meals no more than the difference in reimbursement rates between F/FP meals.

more than inflation. Although this recent rise in lunch prices above inflation is likely due in part to the Paid Lunch Equity Provision, breakfast prices also rose more than inflation between SY 2010-11 and SY 2011-12 and between SY 2011-12 and SY 12-13.

Table VII-1.9. NSLP and SBP Reimbursement Rates for Free School Meals and Average Prices for Paid Meals, SY 2009-10 to SY 2012-13

	2009-10	2010-11	2011-12	2012-13	Percent change between:		
					2009-10 to 2010-11	2010-11 to 2011-12	2011-12 to 2012-13
Reimbursement rate for free meals							
Breakfast	\$1.46	\$1.48	\$1.51	\$1.55	1.5%	2.0%	2.6%
Lunch	2.68	2.72	2.77	\$2.86	1.5	1.8	3.2
Average paid meal prices							
Elementary							
Breakfast	\$1.13	\$1.15	\$1.19	\$1.24	1.8%	3.5%	4.2%
Lunch	\$1.89	\$1.92	\$2.00	2.10	1.6	4.2	5.0
Middle							
Breakfast	\$1.21	\$1.23	\$1.26	1.32	1.7	2.4	4.8
Lunch	\$2.10	\$2.14	\$2.21	2.30	1.9	3.3	4.1
High							
Breakfast	\$1.21	\$1.24	\$1.27	1.32	2.5	2.4	3.9
Lunch	\$2.11	\$2.14	\$2.21	2.32	1.4	3.3	5.0
All schools							
Breakfast	\$1.15	\$1.18	\$1.21	\$1.27	2.6	2.5	5.0
Lunch	\$1.98	\$2.02	\$2.09	\$2.21	2.0	3.5	5.7

Data Source: <http://www.fns.usda.gov/cnd/governance/notices/naps/NAPsHistorical.htm>; SFA Director Survey SY 2011-12, questions 5.1, 5.2, 5.4, and 5.5; SFA Director Survey SY 2012-13, questions 6.1 and 6.6.

The opinions of SFA directors support the view that increased food costs stemming from the new meal pattern requirements and the Paid Lunch Equity Provision played a role in recent price increases for paid lunches. SFA Directors were asked about the factors that they perceived to influence NSLP lunch prices over the past 3 years. The factors most commonly cited by SFA Directors were food costs (72 percent) and labor costs (58 percent) (not shown). Forty-one percent (not shown) of SFA Directors cited the Paid Lunch Equity Provision as an influence on prices. SFAs using FSMCs were less likely to report these as factors influencing NSLP prices (see Figure F-8 in Appendix F).

The possible effect of the recent recession on price increases is evidenced by the fact that a majority of SFAs said they would have increased even in the absence of the Paid Lunch Equity Provision. Fifty-five percent (not shown) of SFA directors said that they would have increased paid lunch prices regardless of the provision, and 26 percent (not shown) said that they would have increased prices in both SY 2011-12 and SY 2012-13. This suggests that there are upward pressures on meal prices other than the mandated price increases under the HHFKA. Both the recent recession and other HHFKA policy changes may be affecting meal pricing decisions.

Use of Non-Federal Funds to Reduce the Size of Price Increases

In lieu of raising lunch prices to meet the requirements of the Paid Lunch Equity Provision, SFAs may choose to cover a difference in revenue with non-Federal funds. Non-Federal funds must be cash for direct support of paid lunches and include non-Federal per lunch reimbursements and funds provided by organizations. Allowable non-Federal funds include:

- Per-lunch reimbursements for paid lunches provided by states and local sources;
- Funds provided by organizations, such as school-related or community groups, to support paid lunches;
- Any portion of state revenue matching funds that exceeds the minimum requirement for paid lunches; and
- Any proportion attributable to paid lunches from direct payments made from school district funds to support the lunch service, such as a pro-rata share of general funds used to support the lunch service.

Per-lunch reimbursements provided to support free or reduced-price lunches or revenues from the sale of non-program foods (e.g., à la carte food) do not count as non-Federal funds.

Table VII-1.10 shows that among SFAs that said that paid lunch prices were not already in line with the Paid Lunch Equity Provision, 29 percent said that they used non-Federal funds to reduce the size of price increases.⁸⁷ However, most SFAs did not rely solely on non-Federal funds but also increased prices. Only 7 percent of SFA directors said that they only used non-Federal funds whereas 22 percent said that they used both non-Federal funds and price increases in response to the Paid Lunch Equity Provision. Seventy-one percent of SFAs increased prices only.⁸⁸

The use of non-Federal funds to reduce the size of price increases was significantly related to SFA size as shown in Table VII-1.11. Small SFAs were most likely to use non-Federal funds to reduce the size of price increases. Thirty-nine percent of small SFAs used non-Federal funds versus 22 percent of medium, 19 percent of large, and 14 percent of very large SFAs.

⁸⁷ SFA directors were asked what they did in response to the Paid Lunch Equity Provision. Twenty-eight percent of SFA directors said that paid lunch prices were already meeting the provision requirements. This number is higher than the 16 percent of SFAs that had weighted average lunch prices equal to or greater than the \$2.46 reimbursement difference in SY 2010-11, the year before the Paid Lunch Equity Provision went into effect. One possible explanation for this difference is that SFAs that do not charge for a lunch, such as those where all schools are operating under Provision 2 or Provision 3, are not required to comply with the Paid Lunch Equity Provision and responded that they were already meeting the provision requirements. In addition, SFAs in a strong financial position may be exempted even if their prices are too low if they can demonstrate that the required increase to the average paid lunch price or revenue contribution(s) would cause the SFA to exceed its 3-month operating balance limit. The SFA Director Survey did not ask whether SFAs received an exemption from the provision. Finally, the ability of SFAs to round the required increase down to the nearest 5 cents may also account for some of the difference.

⁸⁸ Eighty-one SFA directors (not shown) said that they neither increased prices nor used non-Federal funds even though they did not indicate that their lunch prices were meeting the Paid Lunch Equity Provision requirements. These SFA directors were asked to provide an explanation of the steps they took in response to the provision. The most common responses were that all schools in the district were operating under Provision 2, Provision 3, or CEP and did not charge for a lunch or that they did not know what steps were taken. Other responses included that the SFA was exempt or planned to increase prices in the future. Some SFA directors also responded that the provision did not apply but did not provide further explanation.

Table VII-1.10. Among SFAs Not Meeting the Requirements of the Paid Lunch Equity Provision, the Percentage of SFAs That Took Various Pricing and Funding Actions by SFA Characteristics, SY 2012-13

SFA characteristics	Among SFAs that were not meeting the Paid Lunch Equity Provision requirements, the percentage that:					
	Increased prices only	Used non-Federal funds only	Both increased prices and used non-Federal funds	Any use of non-Federal funds	Total SFAs	
					Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	70.9%	7.4%	21.8%	29.1%	9,206	973 ¹
SFA size²						
Small (1-999)	61.3	9.6	29.1	38.7	4,263	208
Medium (1,000-4,999)	78.2	5.9	16.0	21.8	3,537	376
Large (5,000-24,999)	80.7	3.9	15.4	19.3	1,184	262
Very Large (25,000+)	86.0	6.9	84.6	14.0	222	127
Urbanicity³						
City	73.8	14.3	11.8	26.2	784	163
Suburban	78.7	8.3	12.9	21.3	1,670	254
Town	71.2	4.0	24.8	28.8	1,992	196
Rural	67.5	7.3	25.2	32.5	4,760	360
Poverty level⁴						
Low (0-29% F/RP)	73.8	12.5	13.7	26.2	1,677	180
Medium (30%-59%F/RP)	71.2	5.4	23.4	28.8	4,979	491
High (60% or more F/RP)	68.3	7.8	23.9	31.7	2,550	302

¹ *n* is less than the 1,057 SFAs that were not in compliance with the Paid Lunch Equity Provision due to item nonresponse and because 81 SFAs that said they neither increased prices nor used non-Federal funds were excluded. Most of these SFAs responded that all schools in the district were operating under Provision 2, Provision 3, or CEP and did not charge for a lunch or that they did not know what steps were taken.

² The percentage of SFAs that increased prices only used non-Federal funds only, both increased prices and used non-Federal funds, and used any non-Federal funds differed significantly by SFA size at the .05 level.

³ The percentage of SFAs that both increased prices and used non-Federal funds differed significantly by urbanicity at the .05 level.

⁴ The percentage of SFAs that used non-Federal funds only differed significantly by poverty level at the .05 level.

Data Source: SFA Director Survey SY 2012-13, questions 6.11 and 6.12.

Table VII-1.11 shows that among SFAs that used non-Federal funds to reduce the size of price increases, the most common sources of non-Federal funds were direct payments from school district funds to support lunch services (45 percent) and reimbursements for paid lunches provided by the state (40 percent). Seventeen percent of SFAs used reimbursements for paid lunches provided by the county or other local sources, and 13 percent used state revenue from matching funds in excess of the minimum requirement. Only 2 percent of SFAs used donations from community organizations. SFA size was inversely related to the likelihood of using direct payments from the school district: 17 percent of small SFAs used direct payments from the school district compared to 50 percent of very large SFAs. Very large SFAs (22 percent) were also more likely than small SFAs (1 percent) to use funds from organizations.

Table VII-1.11. Among SFAs That Used Non-Federal Funds to Reduce the Size of Price Increases, the Percentage of SFAs That Used Various Sources of Funds by SFA Characteristics, SY 2012-13

SFA characteristics	Among SFAs that used non-Federal funds to offset increases in prices, the percentage of SFAs that used:						Total SFAs	
	Reimburse-ments for paid lunches provided by the state	Reimburse-ments for paid lunches provided by locale sources	Funds provided by organizations such as community groups	State revenue matching funds in excess of the minimum requirement for paid lunches	Direct payments from LEA funds to support lunch services	Other non-Federal source	Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	40.4%	16.5%	2.4%	13.0%	44.8%	7.1%	2,674	228 ¹
SFA size²								
Small (1-999)	37.2	14.1	1.2	10.5	50.4	4.3	1,653	81
Medium (1,000-4,999)	46.9	23.4	1.4	18.3	40.6	9.8	761	81
Large (5,000-24,999)	41.0	9.8	11.5	11.9	21.8	15.7	229	48
Very Large (25,000+)	48.0	23.4	21.9	27.8	16.6	21.1	31	18
Urbanicity³								
City	38.9	22.1	6.3	15.4	40.9	7.9	205	30
Suburban	50.5	18.8	3.3	4.7	25.2	19.4	345	46
Town	28.1	8.5	0.0	15.3	38.2	11.9	556	45
Rural	42.7	18.0	2.5	13.8	51.9	2.5	1,569	107
Poverty level								
Low (0-29% F/RP)	39.2	14.0	5.3	6.9	52.2	12.9	448	40
Medium (30%-59%F/RP)	39.6	17.4	2.3	11.6	44.7	5.6	1,436	118
High (60% or more F/RP)	42.6	16.3	0.9	19.2	40.8	6.4	790	70

¹ *n* is less than the 229 SFAs that used non-Federal funds to offset potential increases in prices due to nonresponse.

² The percentage of SFAs that used funds provided by organizations, direct payments from school district funds to support lunch services, and other non-Federal sources differed significantly by SFA size at the .05 level.

³ The percentage of SFAs that used direct payments from school district funds to support lunch services and other non-Federal sources differed significantly by urbanicity at the .05 level. A significance test for differences in the percentage of SFAs that used funds provided by organizations was not performed because of small cell sizes.

Data Source: SFA Director Survey SY 2012-13, question 6.13.

Price Elasticity of Paid Meal Participation

When prices are increased, SFAs may experience a decline in the participation of students who are not approved for F/RP meals, because it is only this group of students who experience price increases. For this reason, concern has been raised about the possible effect of price increases under the HHFKA on student participation rates for paid meals. However, the influence of price increases in the context of the HHFKA is complicated because of other changes that are occurring simultaneously to price increases. SFAs will also have to raise the prices of nonreimbursable food items by a considerable amount. These two changes in pricing structure act in opposite directions with regard to participation of students who are paying full-price. Increasing the prices of paid lunches could act to reduce NSLP participation, but the increase in the prices of non-program foods makes the purchase of these foods a less desirable alternative to buying a school lunch and should act to increase NSLP participation. Moreover, the new meal pattern requirements will result in improvement in the nutritional quality of school meals, which may also affect student participation. The net effect of these provisions will become clearer over the next few years as they continue to be implemented.

To illuminate the effect that price increases and other factors might have on participation, we conducted a multivariate analysis of paid lunch participation rates. Table VII-1.12 summarizes the results of this analysis by showing the predicted paid lunch participation rates under alternative assumptions about prices, new meal patterns implementation, meal service characteristics, and SFA characteristics. Each row shows the predicted participation rates under a base an alternative assumption about an SFA characteristic (holding other variables constant).⁸⁹ Because the Paid Lunch Equity Provision places a \$.10 required maximum on price increases in any one school year, we examined the change in participation that would occur if prices increased in \$.10 increments starting at \$2.00. Price was negatively and significantly related to participation rates in the regression, indicating that as price increases, participation decreases. An increase in price from \$2.00 to \$2.10 decreases participation from 45 to 43 percent. The elasticity varies based on the starting price and ranges from .54 for an increase from \$2.00 to \$2.10 to .79 for an increase from \$2.40 to \$2.50.⁹⁰ This suggests that there is greater sensitivity to price at higher starting prices. In other words, all else being equal, a \$.10 increase in paid lunch price decreases participation more when the starting price is higher than when it is lower. Students who pay full price for their meals are less likely to choose a paid lunch in light of a \$.10 increase if paid lunch prices are already high.

⁸⁹ Predicted participation rates are slightly different than average participation rates presented earlier in this report for two reasons. First, average participation rates presented earlier were calculated at the national level and therefore weighted by the number of lunches claimed whereas the multivariate model gives equal weight to each SFA independent of size. The predicted participation rates represent averages of individual SFAs. This means that smaller SFAs, which have higher participation rates, will drive the average up slightly. Second, predicted participation rates control for or hold constant other SFA characteristics.

⁹⁰ Price elasticity measures the extent to which participation is responsive to changes in price. Elasticity is calculated as the percentage change in participation over the percentage change in price. For example, for a starting price of \$2.00, the percentage change in participation is $(44.5-43.3) / 43.3 = -.027$. The percentage change in price is $(2.10 - 2.00) / 2.00 = .050$. Therefore, the price elasticity is $-.027 / .050 = -.54$. Elasticity is generally considered in terms of absolute value.

Table VII-1.12. Predicted Paid Lunch Participation Rates Under Alternative Assumptions About Prices, New Meal Pattern Implementation, and Meal Service Characteristics, SY 2012–13

Base assumption; alternative assumption	Predicted Paid Lunch Participation Rate	
	Under base assumption	Under alternative assumption
Paid lunch price		
Price = \$2.00; Price = \$2.10	44.5	43.3
Price = \$2.10; Price = \$2.20	43.3	42.0
Price = \$2.20; Price = \$2.30	42.0	40.7
Price = \$2.30; Price = \$2.40	40.7	39.4
Price = \$2.40; Price = \$2.50	39.4	38.1
Non-program food price		
Increased prices for a la carte foods; did not increase prices for a la carte foods	41.3	42.3
Meal pattern implementation		
Students accepting of new meal pattern requirements; students not accepting	43.9	39.3 ^a
All grades meeting or exceeding first sodium target; all grades not meeting or exceeding first sodium target	41.2	42.1
Parents accepting of new meal pattern requirements; parents not accepting	41.4	42.4
Meal service characteristics		
Open campus policy for high school students; no open campus policy	39.6	44.2 ^a
Lunch is before recess; lunch is after recess	41.6	43.1
Offer versus serve given to elementary students; offer versus serve not given	43.0	40.8
A la carte is available; no a la carte is available	42.3	41.4
Vending machines, school stores, and snack bars are available; no vending machines, school stores, or snack bars	39.5	44.2 ^a
SFA Size		
Very large; large	36.4	48.5 ^a
Very large; medium	36.4	42.8 ^a
Very large; small	36.4	39.9 ^a
SFA Poverty		
High; low	42.7	40.6
High; medium	42.7	42.4
SFA Locale		
City; Suburban	38.1	40.7
City; Town	38.1	44.2 ^a
City; Rural	38.1	44.5 ^a

Data Source: SFA Director Survey SY 2012-13 and SY 2011-12. Predicted participation rates are from a multivariate model. Each row shows the predicted participation rate under a base assumption and alternative assumption.

^a Predicted participation rate is significantly different from base assumption at the .05 level.

We also examined how implementation of the new meal pattern requirements was related to participation, as the availability of healthier food options may influence student participation decisions. Because the majority of SFAs were already certified in compliance with the new meal pattern requirements, however, we assessed how participation varied with student acceptance of the new meal pattern requirements. Participation was positively related to student acceptance. In SFAs where students were accepting of the meal pattern requirements, the participation rate was 44 percent compared to 39 in SFAs where students were not accepting. Parent acceptance of the new meal patterns was unrelated to participation rates. We also included an indicator of whether an SFA had all grades meeting the preliminary sodium targets. SFAs exhibit variation across this measure, and lower sodium meals may influence student decisions to purchase a reimbursable lunch. However, whether an SFA had all grade levels meeting the preliminary sodium targets was unrelated to participation.⁹¹

Two aspects of meal service characteristics were related to participation. SFAs that allowed students to go off campus for lunch had lower participation rates than those that did not. Participation rates for SFAs that allowed students to go off campus were 40 percent compared to 44 percent for those that did not allow students to go off campus. In addition, the presence of vending machines, school stores, and snack bars decreased participation from 44 to 30 percent.

Consistent with the earlier descriptive results presented in Chapter III, very large SFAs had lower participation rates for paid meals than large, medium, and small SFAs. Rural SFAs and those in towns have higher paid participation than those in cities.

Increases in paid lunch prices explain a large portion of the observed decline in paid lunch participation. Between SY 2010-11 and SY 2011-12, the average paid lunch price increased 3.5 percent. Multiplying the percent increase in price by the elasticity gives the estimated percent decrease in participation. Based on an elasticity of .54, we estimate that the number of paid lunches claimed decreased by 1.9 percent ($1.89 = 3.5 \times .54$). The actual decrease in paid lunches was 4.1 percent. Between SY 2011-12 and SY 2012-13, paid lunch prices increased 5.6 percent. Based on the elasticity, the estimated percent decrease in paid lunches is 3.5 percent ($3.528 = 5.6 \times .63$).⁹² The actual decrease was 9.4 percent. Thus, actual declines in paid lunches claimed are somewhat greater than what would be expected from increase in prices alone. This is particularly true for SY 2012-13. This suggests that other changes during this period might be driving the additional decline in participation.

The findings above provide some insight into how several policy changes under the HHFKA are likely to affect paid lunch participation rates. Specifically, the findings suggest that the gradual increases in prices over time under the Paid Lunch Equity Provision and student acceptance of the new meal pattern requirements are likely to lead to an impact on daily participation rates.⁹³ At the school level, reducing the number of alternative food sources available and restricting the extent to which students can go off campus during lunch would increase the number of students who eat a reimbursable meal.

⁹¹ We would have liked to estimate the effect of meeting the intermediate and final sodium targets on paid lunch participation rates. Unfortunately, the numbers of SFAs meeting these targets was too small to reliably estimate the relationship.

⁹² To estimate the decrease in paid lunches claimed between SY 2010-11 and SY 2011-12, the elasticity of .54 with a starting price of \$2.00 was used. To estimate the decrease between SY 2011-12 and SY 2012-13, the elasticity of .63 (starting price of \$2.10) was used.

⁹³ Although CEP will affect the number of students in the paid lunch category it is not a factor in paid lunch participation rates since CEP schools are not included in the calculation.

Price Increases for Non-program Foods

As mentioned earlier, the HHKFA requires that revenues from non-program foods cover the costs in the nonprofit school foodservice account. Non-program foods are those other than reimbursable meals that are purchased with funds from the nonprofit school foodservice account and sold at any time or location on the school campus. Non-program foods include food sold in vending machines, school stores, à la carte items, sales of second entrees, and adult meals. The Non-program Revenue provision requires that the percentage of food costs on non-program foods be less than the percentage of total revenues from non-program foods for an SFA. For example, if an SFA spends 10 percent of food costs on non-program foods, then 10 percent of total revenues must come from non-program foods. If the proportion of revenue is less than the proportion of food costs, the SFA must increase the prices charged for non-program foods or include additional funds in the nonprofit school food service account. SFAs were required to begin to increase prices in SY 2012-13. SFAs must also implement systems to track non-program food costs separately from program food costs and revenue.

The 2012 SFA Director Survey collected information on program and non-program food costs and revenues to determine the percentage of SFAs that were meeting the Non-program Revenue requirement. Only 473, or 32 percent, (not shown) of SFAs were able to report the costs of non-program foods separately from the costs of program foods for SY 2011-12. SFAs that used a FSMC were significantly less likely to be able to report non-program food costs separately.⁹⁴ Among those SFAs that were able to separately report the costs, on average, the proportion of total food costs attributable to non-program foods tended to be higher than the proportion of total revenue attributable to non-program foods. For example, during SY 2011-12, on average 10 percent (not shown) of food costs were from non-program foods, whereas SFAs generated only 8 percent (not shown) of revenues on average from non-program foods. In 62 percent (not shown) of SFAs, the non-program food revenues were less than the costs of these foods. These SFAs will have to increase revenues from non-program foods an estimated 77 percent (not shown) on average to meet the requirements of the provision.⁹⁵ It is important to keep in mind that the findings from this small number of SFAs that provided data on non-program food costs may not be representative of all SFAs. It was this difference that was the impetus for the non-program food provision of the HHFKA.

⁹⁴ The proportion of SFAs that were able to report non-program food costs was low even among those that did not use FSMCs. Twenty-two percent of SFAs that used FSMCs were able to separate out program and non-program food costs compared to 32 percent of those that did not use FSMCs.

⁹⁵ The estimated amount that SFAs will have to increase revenues from non-program foods was calculated only among SFAs that were not meeting the requirements of the provision. The minimum revenue from non-program foods was calculated by multiplying total revenue by the proportion of food costs on non-program food. If the actual revenue from non-program food was less than the minimum revenue, it was determined that the SFA had to raise non-program food prices. The percent increase was determined by dividing the difference between the minimum revenue and actual revenue by actual revenue.

À la carte is one of the most common sources of non-program food sold in schools. In addition, because à la carte foods are sold in the cafeteria, they are most likely to compete with the reimbursable meal and, therefore, prices of à la carte foods are likely to have the most impact on decisions about purchasing a school meal. A significant proportion of SFAs are increasing the prices of à la carte foods in schools. Table VII-1.13 shows that between SY 2011-12 and SY 2012-13, 38 percent of SFAs increased their à la carte prices. Small SFAs (21 percent) were less likely to increase à la carte prices than were medium (57 percent), large (53 percent), or very large (46 percent) SFAs. Low-poverty SFAs and those in suburbs and towns were most likely to increase à la carte prices.⁹⁶

Table VII-1.13. Percentage of SFAs That Increased À La Carte Prices Between SY 2011-12 and SY 2012-13 by SFA Characteristics

SFA characteristics	Percentage of SFAs that increased à la carte prices	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	38.1%	14,439	1,446 ¹
SFA size²			
Small (1-999)	21.2	7,276	349
Medium (1,000-4,999)	56.7	5,124	540
Large (5,000-24,999)	52.5	1,730	380
Very Large (25,000+)	45.8	309	177
Urbanicity²			
City	23.5	1,804	274
Suburban	48.3	2,728	382
Town	45.3	2,749	272
Rural	35.1	7,158	518
Poverty level²			
Low (0-29% F/RP)	52.6	2,903	308
Medium (30%-59%F/RP)	42.2	6,705	657
High (60% or more F/RP)	23.7	4,832	481

¹ *n* is less than 1,491 due to item nonresponse.

² The percentage of SFAs that increased à la carte prices differ significantly by SFA size, urbanicity, and poverty at the .05 level.

Data Source: SFA Director Survey SY 2012-13question 6.15.

Among SFAs that increased à la carte prices, most spread the increases across a variety of food items. As shown in Table VII-1.14, more than half of SFAs increased prices for prepared entrees (56 percent), beverages (56 percent), and snacks (54 percent). More than one-third increased prices for baked goods (40 percent), frozen desserts (36 percent), and bread/grain products (34 percent). Modal price increase ranged from 5 cents for milk to 25 cents for beverages, frozen desserts, snacks, candy, and prepared foods.⁹⁷

In order to meet the non-program Revenue requirement, SFAs must keep track of non-program food revenues and costs. As mentioned previously, most SFAs were unable or chose not to provide this information. SFAs were asked open-ended questions about the type of record keeping systems that they used to keep track of à la carte food revenues and non-program food costs. The vast

⁹⁶ SFAs must keep track of non-program and program food costs in order to know whether they are in compliance with the provision and need to raise a la carte prices. SFAs that could not provide non-program food costs separately from program food costs were no less likely to increase a la carte prices than those that provided this information.

⁹⁷ The SFA Director Survey collected data on the amount of the price increase for each à la carte food item in SY 2012-13 but not on the “baseline” SY 2011-12 price. Therefore, it was not possible to calculate the percentage increase in the price for each item.

majority of SFAs indicated that they kept track of non-program food revenues, and the most common record keeping system was a computerized system at the Point of Sale (POS). Considerably fewer SFAs reported manual methods, such as Excel spreadsheets or recording items bought on lists. Compared to à la carte food revenues, a greater number of SFAs said that they did not keep track of non-program food costs. Although many SFAs said that they used computerized software, a significant number reported manual methods such as paper and pencil, Excel spreadsheets, invoices, and ledgers. Some SFAs said that FSMCs were responsible for purchasing non-program foods and kept track of this information. These findings, combined with the low percentage of SFAs that were able to provide these data, suggest that even if SFAs do track this information separately, they may not be able to easily access it.

Table VII-1.14. Among SFAs That Increased À La Carte Prices, the Percentage of SFAs That Increased Prices for Various Food Items, 2011-12 and SY 2012-13

Type of à la carte food	Among SFAs that increased à la carte prices, the percentage of SFAs that increased prices	Modal price increase ¹
Beverages	55.5%	.25
Milk	31.2	.05
Frozen desserts	35.6	.25
Baked goods	39.5	.10
Bread/grain products	33.6	.10
Snacks	53.9	.25
Candy	3.3	.25
Prepared entrées	56.2	.25
Prepared non-entrée food	30.3	.25
None of the above foods	6.6	n/a
Total SFAs: Weighted <i>n</i>	5,371	
Total SFA: Unweighted <i>n</i>	643 ²	

¹ Analysis is restricted to SFAs that increased prices for each item.

² *n* is less than the 657 SFAs that increased à la carte prices due to item nonresponse.

Data Source: SFA Director Survey SY 2012-13, question 6.16.

VII-2. Expenditures and Revenues

Background

The current regulations stipulate that an SFA must operate on a nonprofit basis and abide by a series of financial rules.⁹⁸ As discussed earlier, the HHFKA has brought about several financial changes that are likely to influence the costs and financial health of SFAs. At the same time, there are likely to be increases in revenues from increases in paid lunch prices and the additional 6 cent per lunch reimbursement provided to SFAs that are in compliance with the new meal pattern requirements. Whether the increased reimbursement is sufficient to cover the costs of implementing the new nutritional standards is uncertain. Although state and local governments may provide additional funding to SFAs to assist with implementation, some may not be in a financial position to do so. The net effect of these policy changes on SFA financial health and the ability to operate on a nonprofit basis is likely to take some time to unfold.

In this section, we examine revenue, cost, and break-even status over time to illuminate the possible early impact of these policy changes. In this context, we look at an SFA's revenues and expenditures to examine the extent to which SFAs operate on a nonprofit basis and provide some insight into changes from SY 2010-11 to SY 2011-12.⁹⁹ Financial data for SY 2012-13, the year the new meal patterns went into effect, were not yet available at the time of the survey. While some SFAs had begun implementing the new meal patterns prior to SY 2012-13, the full effect of the requirements on revenues and expenditures may not be apparent yet. The analysis included in this section provides a glimpse at the financial health of SFAs leading into the full implementation of the new meal patterns.

Since examining nonprofit status in a single school year does not taken into account any surplus (or deficit) that may be carried over from the previous school year, we also considered break-even status over a two-year period. Additionally, we examine changes in the extent to which LEAs charge their SFAs for indirect costs versus absorbing these costs in the local school budget. Finally, we examine the perceptions of SFA directors about the impact that the Paid Lunch Equity Provision has had on the financial standing of their SFAs.

⁹⁸ 7 CFR 210.9b(1), January 1, 2009 edition. Available at http://www.fns.usda.gov/cnd/governance/regulations/7cfr210_09.pdf

⁹⁹ Data on SFA expenditures and revenues were collected for the year prior to the survey. The 2011 SFA Director Survey collected financial data for SY 2010-11, and the 2012 SFA Director Survey collected data for SY 2011-12. Financial data for SY 2012-13 were not yet available at the time of the survey. Although many SFAs began to increase paid lunch prices in SY 2011-12, they were not required to implement new nutritional standards until SY 2012-13. The analyses in this section constitute an early assessment of changes in SFA financial status as new changes begin to be implemented. As implementation continues, it will be important to continue to examine changes in SFA financial status over time.

Research Questions

The research questions in this section focus on SFA costs and revenues for SY 2010-11 and SY 2011-12 and whether SFAs are operating at a break-even level. The research questions also address the issue of unpaid meals and the effect of unpaid meals on an SFA's ability to operate on a nonprofit basis.

- *What is the magnitude of SFA cash expenditures and revenues?*
- *What is the composition of SFA cash expenditures and revenues?*
- *How many LEAs charge their SFA for indirect costs?*
- *What is the magnitude of cash revenues? What is the composition of SFA revenues?*
- *How do total SFA cash expenditures compare with total SFA revenues?*
- *Are SFAs operating on a nonprofit basis?*
- *What is the impact of Paid Lunch Equity Provision on the financial status of SFAs?*

Results

For the financial analyses in this chapter, we created several constructed variables. Because many of these constructs have a high degree of dispersion, we used the median rather than mean, as our main measure of central tendency for the financial data as it is less sensitive to outliers. The median is the 50th percentile (or middle) of the distribution, with half of the cases having values above this amount and half of the case having values below this amount.

Expenditures and Revenues

There are many environmental factors that affect an SFA's total expenditures and revenues. Among these factors are the number and reimbursement status of students participating in the school meals programs and the appeal and quantity of non-reimbursable foods. However, a major factor affecting an SFA's total expenditures and revenues is simply the size of the SFA, both in terms of the number of schools and the number of students served (and hence the amount of food that must be prepared and served). To account for the very large differences in SFA size, this study used total annual daily expenditures (and revenues) per average daily attendance (ADA) to examine expenditures and revenues.¹⁰⁰ This measure was calculated by dividing the annual expenditure and revenue measures by 180 days¹⁰¹ (typical number of school days per year) to get an approximation of an SFA's daily expenditures and revenues. This daily expenditure (revenue) measure was then divided by ADA to get expenditure (revenue) per ADA, which captures the expenditure per student in attendance per day.

¹⁰⁰ An alternative measure to account for differences in SFA size is the number of reimbursable meals served. The number of reimbursable meals was not used as a denominator because it makes it difficult to separate changes in revenues over time from changes in reimbursable meal participation rates. In addition, food service expenditures include spending for both reimbursable meals and non-program foods. This would have the effect of overstating expenditures in SFAs that have a high proportion of non-program food sales and low participation rates, which tend to be in the most affluent (i.e., low-poverty) districts..

¹⁰¹ The National Center for Education Statistics reports that the average number of operating days for school district is 180. http://nces.ed.gov/surveys/pss/tables/table_15.asp

Cash Expenditures

Table VII-2.1 shows the distribution of SFAs by their daily cash expenditures per ADA. During SY 2011-12, about 44 percent of all SFAs spent between \$2.01 and \$3.00 per ADA, 25 percent spent more than \$3.50 and 19 percent spent \$2.00 or less.

There was significant change in the distribution of SFAs by their daily cash expenditures per ADA between SY 2011-12 and SY 2012-13. Fewer SFAs spent between \$1.51 and \$2.00 and between \$2.01 to 2.50, respectively, and more SFAs spent between \$2.51 and \$3.00 and between \$3.01 to 3.50, respectively.

Table VII-2.1. Percentage of SFAs by Daily Food Service Expenditures Per ADA, SY 2010-11 and SY 2011-12

SFA daily cash expenditures per ADA	Percentage of SFAs	
	SY 2010-11	SY 2011-12
≤1.50	5.7%	6.1%
\$1.51-\$2.00	14.5	12.5
\$2.01-\$2.50	20.8	17.8
\$2.51-\$3.00	20.1	25.8
\$3.01-\$3.50	11.6	13.1
≥ \$3.51	27.3	24.7
Total	100.0	100.0
Total SFAs: Weighted <i>n</i>	11,005	9,626
Total SFA: Unweighted <i>n</i>	1,114 ¹	1,021 ²

¹ *n* is less than 1,401 because of missing expenditures.

² *n* is less than 1,491 because of missing expenditures.

The distribution of SFA daily cash expenditures per ADA differed significantly between SY 2010-11 and SY 2011-12 at the .05 level.

Data Source: SFA Director Survey SY 2011-12, question 7.1a; SFA Director Survey SY 2012-13, question 8.1.1.

Table VII-2.2 shows that the median expenditure per ADA was \$2.74 in SY 2011-12, which was not significantly different from \$2.68 in SY 2010-11. SFAs' median expenditure per ADA varied significantly by SBP participation status, poverty, and urbanicity in SY 2011-12. SFAs that participated in both the NSLP and SBP spent more per ADA (\$2.85) than SFAs that participated in only the NSLP (\$1.80). The highest poverty SFAs (with more than 60 percent of students approved for F/RP meals) spent more (\$3.26) than medium-poverty (\$2.66) and low-poverty SFAs (\$2.05). SFAs in rural areas spent more (\$2.96) than those in cities (\$2.61), towns (\$2.67, or suburbs (\$2.25). SFAs that used an FSMC spent less than those that did not. This reflects higher student participation rates found in high poverty SFAs and rural SFAs.

Table VII-2.2. SFAs' Daily Food Service Cash Expenditure Per ADA by SFA Characteristics, SY 2010-11 and SY 2011-12

SFA characteristics	SY 2010-11			SY 2011-12		
	SFAs' median daily expenditure per ADA	Total SFAs		SFAs' median daily expenditure per ADA	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	\$2.68	11,004	1,114 ¹	\$2.74	9,626	1,021 ²
Participation in SBP³						
NSLP and SBP	2.74	10,092	1,059	2.85	8,874	970
NSLP only	1.89	913	55	1.80	753	51
SFA size⁴						
Small (1-999)	3.00	5,288	241	2.96	4,744	226
Medium (1,000-4,999)	2.54	4,096	411	2.62	3,317	354
Large (5,000-24,999)	2.53	1,361	308	2.53 ^a	1,297	286
Very large (25,000+)	2.35	260	154	2.46 ^a	268	155
Urbanicity⁵						
City	2.43	1,131	218	2.61	1,278	208
Suburban	2.09	1,974	293	2.25 ^a	1,747	268
Town	2.79	2,273	215	2.67	1,745	185
Rural	2.94	5,627	388	2.96	4,857	360
Poverty level⁶						
Low (0-29% F/RP)	2.12	2,501	269	2.05	1,800	204
Medium (30%-59% F/RP)	2.67	5,233	519	2.66	4,530	269
High (60% or higher F/RP)	3.30	3,270	326	3.26	3,296	348
Use of an FSMC⁷						
SFA uses a FSMC	2.43	2,023	202	2.44	1,923	185
SFA does not use a FSMC	2.78	8,923	908	2.86	7,663	833

¹ *n* is less than 1,401 because of missing expenditures.

² *n* is less than 1,491 because of missing expenditures.

³ Median expenditures per ADA significantly differ by participation in SBP at the .05 level in SY 2010-11 and SY 2011-12.

⁴ Median expenditures per ADA significantly differ by SFA size at the .05 level in SY 2010-11 and SY 2011-12.

⁵ Median expenditures per ADA significantly differ by urbanicity at the .05 level in SY 2010-11 and SY 2011-12.

⁶ Median expenditures per ADA significantly differ by poverty level at the .05 level in SY 2010-11 and SY 2011-12.

⁷ Median expenditures per ADA significantly differ by poverty level at the .05 level in SY 2010-11 and SY 2011-12.

^a Difference in medians between SY 2010-11 and SY 2011-12 is statistically significant at the .05 level.

Data Source: SFA Director Survey SY 2011-12, question 7.1a; SFA Director Survey SY 2012-13, question 8.1.1; state data on NSLP and SBP meals claimed.

Table VII-2.3 shows the components of cash expenditures in SY 2010-11 and SY 2011-12. As expected, food and labor account for most food service costs, with food accounting for an average of 42 percent of SFAs' reported costs, and labor accounting for 39 percent of SFAs' reported costs in SY 2011-12. This is consistent with previous studies (SLBCS-I and -II, USDA 1994, 2008).¹⁰² Other expenditures include categories such as capital expenditures, storage and transportation, maintenance and repairs, payments from over claims, and overhead/indirect costs. These costs account for 12 percent or less of total SFA costs.

There was no significant change in the percentage of total costs that were food costs over time. However, there was a decrease in labor costs as a percentage of total costs. Labor costs accounted for 43 percent of SFAs' reported costs in SY 2010-11 and 39 percent in SY 2011-12. This 4-percentage point change was statistically significant.

Table VII-2.3. On Average, the Percentage of SFAs' Cash Expenditures Spent on Various Inputs, SY 2010-11 and SY 2011-12

Expenditure categories	SY 2010-11			SY 2011-12		
	Percentage of cash expenditures	Total SFAs		Percentage of SFAs	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>		Weighted <i>n</i>	Unweighted <i>n</i>
Food	41.0%	10,987	1,116 ¹	41.6%	9,653	1,024 ²
Labor	42.6	10,807	1,102 ¹	39.3 ^a	9,653	1,024 ²
Contracted services	9.3	10,835	1,103 ¹	8.3	9,653	1,024 ²
Other expenditures	7.8	10,712	1,095 ¹	12.1 ^a	9,596	1,020 ²

¹ *n* is less than 1,401 due to item nonresponse.

² *n* is less than 1,491 due to item nonresponse.

^a Percentage is significantly different from SY 2010-11 at the .05 level.

Data Source: SFA Director Survey SY 2011-12, question 7.1a; SFA Director Survey SY 2012-13, question 8.1.1.

¹⁰² SLBCS-I and SLBCS-II found that food accounted for 48 to 47 percent of SFAs' total reported costs, but these studies included the assigned value of USDA Foods as part of an SFA's reported costs while the present study does not. In SY 2005-06, USDA Foods accounted for 12 percent of the total food cost of an average SFA (USDA, 2008).

SFA characteristics were significantly associated with how SFAs allocated their resources. Table VII-2.4 shows that in SY 2011-12, food costs were inversely related to SFA size, accounting for a larger share of costs in small (42 percent) and medium (42 percent) SFAs than in large (38 percent) and very large (39 percent) SFAs. This difference in food costs by SFA size may reflect well-documented economies of scale in which increases in the number of meals served act to decrease costs.¹⁰³ Food costs were also significantly higher in rural areas (43 percent) than in suburban (41 percent), town (40 percent), and city (38 percent) SFAs.

Table VII-2.4. On Average, the Percentage of SFAs' Cash Expenditures Spent on Food by SFA Characteristics, SY 2010-11 and SY 2011-12

SFA characteristics	SY 2010-11			SY 2011-12		
	Percentage of cash expenditures on food	Total SFAs		Percentage of cash expenditures on food	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	41.0%	10,987	1,116 ¹	41.6%	9,653	1,024 ²
SBP participation						
NSLP and SBP	40.7	10,074	1,061	41.8	8,900	973
NSLP only	43.4	913	55	39.1	753	51
SFA size³						
Small (1-999)	42.0	5,261	240	42.1	4,744	226
Medium (1,000-4,999)	40.6	4,096	411	42.4	3,340	356
Large (5,000-24,999)	38.3	1,367	309	38.3	1,300	287
Very Large (25,000+)	38.8	263	156	39.4	268	155
Urbanicity⁴						
City	39.5	1,105	218	38.4	1,278	208
Suburban	36.4	1,971	293	41.1	1,758	269
Town	39.2	2,270	215	39.9	1,757	186
Rural	43.6	5,641	390	43.3	4,860	361
Poverty level						
Low (0-29% F/RP)	43.6	2,509	271	39.3	1,800	204
Medium (30%-59%F/RP)	39.7	5,235	519	43.1 ^a	4,557	472
High (60% or more F/RP)	41.0	3,243	326	40.9	3,296	348

¹ *n* is less than 1,401 due to item nonresponse.

² *n* is less than 1,491 due to item nonresponse.

³ The percentage of expenditures on food differed significantly by SFA size at the .05 level in SY 2010-11 and SY 2011-12.

⁴ The percentage of expenditures on food differed significantly by urbanicity at the .05 level in SY 2010-11.

^a Percentage is significantly different from SY 2010-11 at the .05 level.

Data Source: SFA Director Survey SY 2011-12, question 7.1a; SFA Director Survey SY 2012-13, question 8.1.1.

¹⁰³ Ollinger, Michael, Katherine Ralston, and Joanne Guthrie. School foodservice costs: Location matters, ERR-117. U.S. Department of Agriculture, Economic Research Service. May 2011.

Table VII-2.5 shows that labor costs were significantly related to SBP participation, SFA size, and urbanicity. Labor costs accounted for a larger share of the costs in SFAs that participate in both the NSLP and SBP (40 percent) than in those that participated only in the NSLP (30 percent). Labor costs comprised a higher proportion of total costs in very large (45 percent), large (42 percent), and medium (44 percent) SFAs than in small (35 percent) SFAs. Finally, the percentage of costs on labor was higher in rural, town, and suburban SFAs than labor costs in cities.

Table VII-2.5. On Average, the Percentage of SFAs' Cash Expenditures Spent on Labor by SFA Characteristics, SY 2010-11 and SY 2011-12

SFA characteristics	SY 2010-11			SY 2011-12		
	Percentage of cash expenditures on labor	Total SFAs		Percentage of cash expenditures on labor	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	42.6%	10,807	1,102 ¹	39.3% ^a	9,653	1,024 ²
SBP participation³						
NSLP and SBP	42.8	9,920	1,048	40.1	8,900	973
NSLP only	40.0	888	54	29.9	753	51
SFA size⁴						
Small (1-999)	40.3	5,163	236	34.8 ^a	4,744	226
Medium (1,000-4,999)	44.5	4,032	405	44.1	3,340	356
Large (5,000-24,999)	44.9	1,348	305	42.4 ^a	1,300	287
Very Large (25,000+)	45.7	263	156	44.7	268	155
Urbanicity⁵						
City	33.0	1,100	217	29.6	1,278	208
Suburban	42.8	1,949	289	39.1 ^a	1,758	269
Town	41.9	2,214	211	41.3	1,757	186
Rural	44.7	5,543	385	41.2 ^a	4,860	361
Poverty level						
Low (0-29% F/RP)	43.6	2,468	268	38.3 ^a	1,800	204
Medium (30%-59%F/RP)	43.5	5,158	513	40.5 ^a	4,557	472
High (60% or more F/RP)	40.4	3,181	321	38.1	3,296	348

¹ *n* is less than 1,401 due to item nonresponse.

² *n* is less than 1,491 due to item nonresponse.

³ The percentage of expenditures on labor differed significantly by SBP participation at the .05 level in SY 2011-12.

⁴ The percentage of expenditures on labor differed significantly by SFA size at the .05 level in SY 2010-11 and SY 2011-12.

⁵ The percentage of expenditures on labor differed significantly by urbanicity at the .05 level in SY 2010-11 and SY 2011-12.

^a Percentage is significantly different from SY 2010-11 at the .05 level.

Data Source: SFA Director Survey SY 2011-12, question 7.1a; SFA Director Survey SY 2012-13, question 8.1.1.

Table VII-2.6 shows that expenditures on contracted services are also significantly related to SFA size and urbanicity. Not surprisingly, small SFAs spend a larger share of their total expenditures on contracted services (11 percent) than medium (6 percent), large (4 percent), or very large (4 percent) SFAs. Similarly, SFAs in cities (15 percent), towns (11 percent), and suburbs (9 percent) spend more on contracted services than those in rural areas (5 percent).

Table VII-2.6. On Average, the Percentage of SFAs Cash Expenditures Spent on Contracted Services by SFA Characteristics, SY 2010-11 and SY 2011-12

SFA characteristics	SY 2010-11			SY 2011-12		
	Percentage of cash expenditures on contracted services	Total SFAs		Percentage of cash expenditures on contracted services	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	9.3%	10,835	1,103 ¹	8.3%	9,653	1,024 ²
SBP participation						
NSLP and SBP	9.2	9,947	1,049	7.8	8,900	973
NSLP only	11.0	888	54	14.5	753	51
SFA size³						
Small (1-999)	12.1	5,167	236	11.1	4,744	226
Medium (1,000-4,999)	6.8	4,060	408	6.2	3,340	356
Large (5,000-24,999)	7.2	1,347	304	4.4 ^a	1,300	287
Very Large (25,000+)	3.5	262	155	3.6	268	155
Urbanicity⁴						
City	21.5	1,124	217	15.4	1,278	208
Suburban	11.8	1,944	290	9.4	1,758	269
Town	11.9	2,187	210	11.3	1,757	186
Rural	5.0	5,580	386	4.9	4,860	361
Poverty level						
Low (0-29% F/RP)	6.5	2,483	270	8.1	1,800	204
Medium (30%-59%F/RP)	9.7	5,146	512	7.7	4,557	472
High (60% or more F/RP)	10.9	3,206	321	9.2	3,296	348

¹ *n* is less than 1,401 due to item nonresponse.

² *n* is less than 1,491 due to item nonresponse.

³ The percentage of expenditures on labor differed significantly by SFA size at the .05 level in SY 2010-11 and SY 2011-12.

⁴ The percentage of expenditures on labor differed significantly by urbanicity at the .05 level in SY 2010-11 and SY 2011-12.

^a Percentage is significantly different from SY 2010-11 at the .05 level.

Data Source: SFA Director Survey SY 2011-12, question 7.1a; SFA Director Survey SY 2012-13, question 8.1.1.

Indirect Costs

As school budgets have become much tighter, LEAs have sought ways to increase revenues without raising taxes. One potential source of revenue for an LEA is to charge the school food service accounts for the indirect costs attributable to its food service program. Historically, LEAs have not charged their SFAs for indirect costs, even though the regulations permit them to do so (USDA, 2010).¹⁰⁴ Between SY 1992-93 and SY 2005-06, there were very large increases in the percentage of LEAs that charged some, or all, of the indirect costs attributable to their food service program to their SFA (SLBCS-I and II, USDA, 1994, 2008). Even so, in SY 2005-06 only 21 percent of LEAs charged their SFAs for any indirect costs.¹⁰⁵

In SY 2011-12, the SN-OPS study found that 19 percent of SFAs reported being charged for indirect costs by their LEA as shown in Table VII-2.7. This is similar to the estimate of 21 percent in SY 2011-12 from the School Foodservice Indirect Cost Study (USDA, 2014). The percentage of SFAs charged for indirect costs varied significantly with participation in the SBP, SFA size, urbanicity, and use of an FSMC in SY 2011-12. Only 12 percent of small SFAs were charged for indirect costs in SY 2011-12, compared to 21 percent of medium size, 38 percent of large, and 63 percent of very large SFAs.

There was a significant decrease in the percentage of SFAs that reported being charged for indirect costs by their LEA between SY 2010-11 and SY 2011-12 as shown in Table VII-2.7. The percentage of SFAs that reported being charged for indirect costs fell from 22 percent in SY 2010-11 to 19 percent in SY 2011-12—a difference of 3 percentage points.

¹⁰⁴ Charging an SFA for indirect costs is equivalent to billing the SFA for these costs. Many LEAs charge their SFAs for indirect costs, but do not actually recover these costs, which involves actually getting paid.

¹⁰⁵ The SNA surveyed its membership and reported that in SY 2004-05, 52 percent of the 972 SFA directors that responded to the web survey were being charged for indirect costs (SNA, 2006). However, the SNA estimate of the percentage of SFAs being charged for indirect costs should, however, be viewed with some caution because the SNA survey response rate was only 13 percent.

Table VII-2.7. Percentage of SFAs Reporting They Were Charged for Indirect Costs by SFA Characteristics, SY 2010-11 and SY 2011-12

SFA characteristics	SY 2010-11			SY 2011-12		
	Percentage of SFAs reporting that they were charged for indirect costs ¹	Total SFAs		Percentage of SFAs reporting that they were charged for indirect costs ¹	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	22.4%	14,678	1,401	19.4% ^a	15,081	1,491
Participation in SBP²						
NSLP and SBP	23.8	13,253	1,315	20.4	13,775	1,406
NSLP only	9.5	1,424	85	8.6	1,306	85
SFA size³						
Small (1-999)	12.5	7,374	332	12.1	7,735	372
Medium (1,000-4,999)	27.5	5,390	536	21.1 ^a	5,276	555
Large (5,000-24,999)	42.4	1,629	364	38.4	1,759	386
Very large (25,000+)	70.7	284	169	63.3 ^a	310	178
Urbanicity⁴						
City	29.0	1,630	256	25.0	1,840	279
Suburban	28.8	2,885	380	25.3	2,846	390
Town	28.2	2,794	266	20.0 ^a	2,900	282
Rural	16.3	7,369	499	15.5	7,495	540
Poverty level						
Low (0-29% F/RP)	20.6	3,407	348	17.0	2,983	317
Medium (30%-59% F/RP)	22.4	6,828	650	18.9	6,938	673
High (60% or higher F/RP)	23.9	4,443	403	21.3	5,161	501
Use of an FSMC⁵						
SFA uses a FMSC	20.3	3,014	279	14.4	3,094	292
SFA does not use a FMSC	23.3	11,479	1,110	20.8	11,855	1,189

¹ SFAs were asked to report total SY 2010-11 and SY 2011-12 expenditures by category with one of the choices being indirect/overhead costs.

² Percentage of SFAs reporting that they were charged for indirect costs significantly differs by participation in SBP at the .05 level in SY 2010-11 and SY 2011-12.

³ Percentage of SFAs reporting that they were charged for indirect costs significantly differs by SFA size at the .05 level in SY 2010-11 and SY 2011-12.

⁴ Percentage of SFAs reporting that they were charged for indirect costs significantly differs by urbanicity at the .05 level in SY 2011-12.

⁵ Percentage of SFAs reporting that they were charged for indirect costs significantly differs by use of an FSMC at the .05 level in SY 2011-12.

^a Percentage is significantly different from SY 2010-11 at the .05 level.

Data Source: SFA Director Survey SY 2011-12, question 7.1a; SFA Director Survey SY 2012-13, question 8.1.1.

Cash Revenues

Table VII-2.8 shows the distribution of SFAs by their daily revenues per ADA. Revenues reflect total revenues and include Federal reimbursements, State and local subsidies, student payments for reimbursable meals, and non-reimbursable sales. As one would expect, given that SFAs are supposed to operate at a break-even level, the distribution of SFAs by their daily revenues per ADA looks very much like the distribution of SFAs by their daily expenditures per ADA. In SY 2011-12, 46 percent of all SFAs received between \$2.01 and \$3.00 per ADA; 21 percent received more than \$3.50 daily per ADA; and 17 percent received \$2.00 or less per ADA.

There was a shift in the distribution of daily revenues per ADA between SY 2010-11 and SY 2011-12. Fewer SFAs were spending less than \$2.00 per ADA, and a greater percentage were spending between \$2.51 and \$3.50.

Table VII-2.8. Percentage of SFAs by Daily Revenues per ADA , SY 2010-11 and SY 2011-12

Annual SFA revenues per student (attending) per day	Percentage of SFAs	
	SY 2010-11	SY 2011-12
≤1.50	8.2%	6.3%
\$1.51-\$2.00	14.7	10.8
\$2.01-\$2.50	22.8	21.2
\$2.51-\$3.00	20.9	24.5
\$3.01-\$3.50	11.6	15.9
≥ \$3.51	21.9	21.2
Total	100.0	100.0
Total SFAs: Weighted <i>n</i>	10,982	9,778
Total SFA: Unweighted <i>n</i>	1,106 ¹	1,031 ²

¹ *n* is less than 1,401 because of missing revenues.

² *n* is less than 1,491 because of missing revenues.

The distribution of daily revenues per ADA differed significantly between SY 2010-11 and SY 2011-12 at the .05 level.

Data Source: SFA Director Survey SY 2011-12, question 6.1a; SFA Director Survey SY 2012-13, question 7.1.1.

Table VII-2.9 shows that the median revenue per ADA was \$2.77 in SY 2011-12.¹⁰⁶ This was a significant increase from \$2.59 in SY 2010-11—an increase of about 7 percent, which was greater than the rate of inflation during this period. This finding is not surprising given the increases in reimbursement rates and paid lunch prices. As with expenditures, there were some differences in median revenues per ADA among different types of SFAs. The differences in revenues per ADA follow the same pattern as the differences in expenditures per ADA. Revenues per ADA significantly differ by SBP participation, SFA size, and poverty level. For example, SFAs that participate in both the NSLP and SBP had higher revenues ADA (\$3.19) than SFAs that participate in only the SBP (\$2.86). Small SFAs had higher revenues (\$2.99) than medium, large, and very large SFAs (\$2.45). Revenues per ADA were higher in high-poverty SFAs (\$3.46) than in medium-poverty level SFAs (\$3.00), and low-poverty level SFAs (\$2.74). There were also significant differences by urbanicity and use of an FSMC.

¹⁰⁶ Although it may be tempting to compare median revenue per ADA with median expenditure per ADA to gauge the extent to which SFAs break even, such a comparison can be misleading. This is because the median is based on the aggregate distribution of revenues (and expenditures) rather than a comparison of individual SFA revenues and expenditures. The median revenue and expenditure may differ because of “outliers” that shift the distribution even though most SFAs revenue mostly equal to cost. In the next section, we present such an appropriate analysis of break-even status that compares individual SFA revenue and cost.

Table VII-2.9. SFAs' Daily Revenues Per ADA by SFA Characteristics, SY 2010-11 and SY 2011-12

SFA characteristics	SY 2010-11			SY 2011-12		
	SFAs' median daily revenue per ADA	Total SFAs		SFAs' median daily revenue per ADA	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	\$2.59	10,982	1,106 ¹	\$2.77 ^a	9,778	1,031 ²
Participation in SBP³						
NSLP and SBP	2.64	10,005	1,049	2.82 ^a	9,016	980
NSLP only	1.80	978	57	1.77	762	51
SFA size⁴						
Small (1-999)	2.68	5,317	242	2.85	4,860	231
Medium (1,000-4,999)	2.51	4,081	408	2.63	3,365	360
Large (5,000-24,999)	2.47	1,323	300	2.56 ^a	1,284	284
Very large (25,000+)	2.45	262	156	2.57 ^a	269	156
Urbanicity⁵						
City	2.46	1,199	221	2.64	1,320	212
Suburban	2.09	1,961	289	2.24 ^a	1,750	267
Town	2.77	2,265	214	2.68	1,756	187
Rural	2.70	5,557	382	2.86	4,952	365
Poverty level⁶						
Low (0-29% F/RP)	2.07	2,487	266	2.02	1,826	206
Medium (30%-59% F/RP)	2.61	5,182	516	2.68	4,522	467
High (60% or higher F/RP)	3.03	3,313	324	3.25	3,431	358
Use of an FSMC⁷						
SFA uses a FSMC	2.26	2,100	206	2.44	1,910	186
SFA does not use a FSMC	2.66	8,820	895	2.81 ^a	7,820	842

¹ *n* is less than 1,401 because of missing revenues.

² *n* is less than 1,491 because of missing revenues.

³ Median revenues per ADA significantly differ by participation in SBP at the .05 level in SY 2010-11 and SY 2011-12.

⁴ Median revenues per ADA significantly differ by SFA size at the .05 level in SY 2010-11 and SY 2011-12.

⁵ Median revenues per ADA significantly differ by urbanicity at the .05 level in SY 2010-11 and SY 2011-12.

⁶ Median revenues per ADA significantly differ by poverty level at the .05 level in SY 2010-11 and SY 2011-12.

⁷ Median revenues per ADA significantly differ by use of an FSMC at the .05 level in SY 2010-11 and SY 2011-12.

^a Difference between SY 2010-11 and SY 2011-12 is statistically significant at the .05 level.

Data Source: SFA Director Survey SY 2011-12, question 7.1a; SFA Director Survey SY 2012-13, question 8.1.1.

Table VII-2.10 shows the breakdown of SFA revenue by source. The table reveals that in SY 2011-12, 57 percent of SFA revenues came from USDA subsidies, making it the largest single source of SFA revenues. USDA subsidies include subsidies for reimbursable meals as well as other Federal subsidies. Another 23 percent of SFA revenues came from student payments for paid and reduced-price meals. Revenues from sources other than USDA subsidies and student meal payments accounted for only a small portion of SFA revenues. Only 10 percent of SFA revenues came from state and local funds, and 8 percent of revenues came from non-reimbursable food sales.

An examination of the data over time reveals a shift in the composition of SFA revenues toward greater USDA subsidies, fewer student payments, and fewer non-program food sales between SY 2010-11 and SY 2011-12. The percentage of revenues from USDA subsidies increased from 54 to 57 percent—an increase of 3 percentage points. At the same time, the percentage of revenue from student payments for paid meals decreased 3 percentage points, and the percentage from non-program food sales decreased 4 percentage points. All these changes were significant. These changes are consistent with the decrease in paid student participation observed in Section III. The fact that there was a decrease in both student payments and non-program food sales suggests that students may not be turning to non-program foods but rather choosing to bring lunch from home or not purchase food at school. This decline in the proportion of revenues from student payments for reimbursable meals is also consistent with the introduction of the CEP, in which all lunches are served free to students in participating schools. There was no change in the percentage of revenues from state and local funds over time.

Table VII-2.10. On Average, the Percentage of SFAs’ Revenues From Various Outputs, SY 2010-11 and SY 2011-12

On average, the percentage of SFA revenues from:	SY 2010-11			SY 2011-12		
	Percentage of SFAs	Total SFAs		Percentage of SFAs	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>		Weighted <i>n</i>	Unweighted <i>n</i>
USDA subsidies	53.5%	10,940	1,105 ¹	56.5% ^a	9,784	1,033 ²
Student payments	26.0	10,894	1,101 ¹	22.5 ^a	9,785	1,033 ²
State and local funds	11.8	10,988	1,108 ¹	10.0	9,805	1,034 ²
Non-reimbursable sales	9.3	10,915	1,101 ¹	8.1 ^a	9,805	1,034 ²

¹ *n* is less than 1,401 due to item nonresponse.

² *n* is less than 1,491 due to item nonresponse.

^a Percentage is significantly different from SY 2010-11 at the .05 level.

Data Source: SFA Director Survey SY 2011-12, question 6.1a; SFA Director Survey SY 2012-13, question 7.1.1.

The composition of SFA revenues varied by SFA subgroup. Table VII-2.11 shows that the share of total revenues from USDA subsidies was significantly related to SBP participation, SFA size, urbanicity, and district poverty level. The share of total revenues from USDA subsidies was higher in SFAs that participated in both the NSLP and SBP (58 percent) than in those that participated in the NSLP only (40 percent). The proportion of revenues from USDA subsidies was also higher in very large SFAs (67 percent) compared to large (57 percent), medium (54 percent), and small (58 percent) SFAs. SFAs in cities (68 percent) had a higher proportion of revenues from USDA subsidies than those in suburban (50 percent), town (58 percent), or rural (55 percent) areas. Finally, and not surprisingly, high-poverty SFAs had a higher share of revenues from USDA subsidies (72 percent) than medium (55 percent) or low-poverty (31 percent) SFAs.

Table VII-2.11. On Average, the Percentage of SFAs' Revenues From USDA Subsidies by SFA Characteristics, SY 2010-11 and SY 2011-12

SFA characteristics	SY 2010-11			SY 2011-12		
	Percentage of revenues from USDA subsidies	Total SFAs		Percentage of revenues from USDA subsidies	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	53.5%	10,940	1,105 ¹	56.5% ^a	9,784	1,033 ²
SBP participation³						
NSLP and SBP	54.9	9,989	1,049	57.9 ^a	9,042	983
NSLP only	39.9	952	56	39.7	742	50
SFA size⁴						
Small (1-999)	54.2	5,272	240	57.7	4,840	230
Medium (1,000-4,999)	51.0	4,083	408	54.0 ^a	3,388	362
Large (5,000-24,999)	56.2	1,319	299	57.1	1,287	285
Very Large (25,000+)	66.0	266	158	66.6	269	156
Urbanicity⁵						
City	70.7	1,198	221	67.9	1,300	211
Suburban	45.6	1,961	289	50.4	1,761	268
Town	58.5	2,236	212	58.0	1,769	188
Rural	50.6	5,545	383	55.3 ^a	4,955	366
Poverty level⁶						
Low (0-29% F/RP)	30.1	2,489	267	30.6	1,826	206
Medium (30%-59%F/RP)	54.1	5,162	514	55.2	4,548	470
High (60% or more F/RP)	70.4	3,289	324	72.2	3,410	357

¹ *n* is less than 1,401 due to item nonresponse.

² *n* is less than 1,491 due to item nonresponse.

³ The percentage of revenues from USDA subsidies differed significantly by SBP participation at the .05 level in SY 2010-11 and SY 2011-12.

⁴ The percentage of revenues from USDA subsidies differed significantly by SFA size at the .05 level in SY 2010-11 and SY 2011-12.

⁵ The percentage of revenues from USDA subsidies differed significantly by urbanicity at the .05 level in SY 2010-11 and SY 2011-12.

⁶ The percentage of revenues from USDA subsidies differed significantly by poverty level at the .05 level in SY 2010-11 and SY 2011-12.

^a Percentage is significantly different from SY 2010-11 at the .05 level.

Data Source: SFA Director Survey SY 2011-12, question 6.1a; SFA Director Survey SY 2012-13, question 7.1.1.

Table VII-2.12 shows that the relationship of revenues from student payments for reimbursable meals to SFA characteristics followed an inverse pattern to what was observed for USDA subsidies. Specifically, SFAs that participated only in the NSLP had a higher proportion of their total revenues from student payments than those that participated in both the NSLP and SBP. Small, medium, and large SFAs had a higher proportion of their total revenues from student payments compared to very large SFAs. SFAs in the suburbs, towns, and rural areas had a higher share of revenues from student payments than those in cities. Finally, low-poverty SFAs had a higher share of revenues from student payments than medium or high-poverty SFAs. High-poverty SFAs had the lowest proportion of revenues from student payments of any SFA group—only 8 percent of revenues were from student payments in high-poverty SFAs.

Table VII-2.12. On Average, the Percentage of SFAs' Revenues From Student Payments for Reimbursable Meals by SFA Characteristics, SY 2010-11 and SY 2011-12

SFA characteristics	SY 2010-11			SY 2011-12		
	Percentage of revenues from student payments	Total SFAs		Percentage of revenues from student payments	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	26.0%	10,894	1,101 ¹	22.5% ^a	9,785	1,033 ²
SBP participation³						
NSLP and SBP	24.7	9,942	1,045	21.6 ^a	9,023	982
NSLP only	38.8	952	56	33.8	762	51
SFA size⁴						
Small (1-999)	26.3	5,269	240	21.2 ^a	4,841	230
Medium (1,000-4,999)	27.0	4,041	404	25.0 ^a	3,388	362
Large (5,000-24,999)	23.4	1,318	299	21.9	1,287	285
Very Large (25,000+)	17.3	266	158	16.9	269	156
Urbanicity⁵						
City	14.2	1,197	221	13.0	1,320	212
Suburban	30.7	1,961	289	25.8 ^a	1,761	268
Town	23.9	2,223	211	23.6	1,769	188
Rural	27.7	5,513	380	23.5 ^a	4,936	365
Poverty level⁶						
Low (0-29% F/RP)	42.9	2,489	267	38.5 ^a	1,826	206
Medium (30%-59%F/RP)	27.2	5,147	512	27.4	4,529	469
High (60% or more F/RP)	11.2	3,258	322	7.6 ^a	3,431	358

¹ *n* is less than 1,401 due to item nonresponse.

² *n* is less than 1,491 due to item nonresponse.

³ The percentage of revenues from student payments differed significantly by SBP participation at the .05 level in SY 2010-11 and SY 2011-12.

⁴ The percentage of revenues from student payments differed significantly by SFA size at the .05 level in SY 2010-11 and SY 2011-12.

⁵ The percentage of revenues from student payments differed significantly by urbanicity at the .05 level in SY 2010-11 and SY 2011-12.

⁶ The percentage of revenues from student payments differed significantly by poverty level at the .05 level in SY 2010-11 and SY 2011-12.

^a Percentage is significantly different from SY 2010-11 at the .05 level.

Data Source: SFA Director Survey SY 2011-12, question 6.1a; SFA Director Survey SY 2012-13, question 7.1.1.

Table VII-2.13 shows that the extent to which SFAs relied on revenues from state and local funds varied significantly by type of SFA. The share of total revenues from state and local funds was greater in small SFAs than in medium, large, and very large SFAs. The share was also higher in higher poverty SFAs than in medium- and low-poverty SFAs.

Table VII-2.13. On Average, the Percentage of SFAs' Revenues From State and Local Funds by SFA Characteristics, SY 2010-11 and SY 2011-12

SFA characteristics	SY 2010-11			SY 2011-12		
	Percentage of revenues from state and local funds	Total SFAs		Percentage of revenues from state and local funds	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	11.8%	10,988	1,108 ¹	10.0%	9,805	1,034 ²
SBP participation						
NSLP and SBP	11.7	10,011	1,051	9.5	9,042	983
NSLP only	12.7	978	57	16.1	762	51
SFA size³						
Small (1-999)	14.4	5,317	242	12.4	4,860	231
Medium (1,000-4,999)	9.9	4,083	408	7.8	3,388	362
Large (5,000-24,999)	8.1	1,323	300	7.3	1,287	285
Very Large (25,000+)	5.4	266	158	6.2 ^a	269	156
Urbanicity⁴						
City	10.0	1,201	222	11.5	1,320	212
Suburban	8.5	1,961	289	9.6	1,761	268
Town	10.2	2,265	214	7.3	1,769	188
Rural	13.9	5,561	383	10.7 ^a	4,955	366
Poverty level⁵						
Low (0-29% F/RP)	9.2	2,489	267	9.8	1,826	206
Medium (30%-59%F/RP)	10.6	5,184	516	7.7 ^a	4,548	470
High (60% or more F/RP)	15.5	3,315	325	13.2	3,431	358

¹ *n* is less than 1,401 due to item nonresponse.

² *n* is less than 1,491 due to item nonresponse.

³ The percentage of revenues from state and local funds differed significantly by SFA size at the .05 level in SY 2010-11 and SY 2011-12.

⁴ The percentage of revenues from state and local funds differed significantly by urbanicity at the .05 level in SY 2010-11 and SY 2011-12.

⁵ The percentage of revenues from state and local funds differed significantly by poverty level at the .05 level in SY 2010-11 and SY 2011-12.

^a Percentage is significantly different from SY 2010-11 at the .05 level.

Data Source: SFA Director Survey SY 2011-12, question 6.1a; SFA Director Survey SY 2012-13, question 7.1.1.

Finally, Table VII-2.14 shows that the share of SFA revenues from non-reimbursable sales was related to SFA size, urbanicity, and poverty level. The share of revenues from non-reimbursable sales was higher in medium (11 percent), large (11 percent), and very large (10 percent) SFAs than in small (5 percent) SFAs. Revenues from non-reimbursable sales were also higher in suburban (12 percent), town (8 percent), and rural (8 percent) SFAs than in SFAs in cities (4 percent). Revenues from non-program food sales were higher in low-poverty SFAs (18 percent) than in medium (8 percent) and high-poverty (4 percent) SFAs.

Table VII-2.14. On Average, the Percentage of SFAs' Revenues From Non-Reimbursable Sales by SFA Characteristics, SY 2010-11 and SY 2011-12

SFA characteristics	SY 2010-11			SY 2011-12		
	Percentage of revenues from non-reimbursable sales	Total SFAs		Percentage of revenues from non-reimbursable sales	Total SFAs	
		Weighted <i>n</i>	Unweighted <i>n</i>		Weighted <i>n</i>	Unweighted <i>n</i>
All SFAs	9.3%	10,915	1,101 ¹	8.1% ^a	9,805	1,034 ²
SBP participation						
NSLP and SBP	9.2	9,937	1,044	8.0 ^a	9,042	983
NSLP only	10.7	978	57	9.8	762	51
SFA size³						
Small (1-999)	5.9	5,276	240	5.3	4,860	231
Medium (1,000-4,999)	12.6	4,063	406	11.0 ^a	3,388	362
Large (5,000-24,999)	12.6	1,312	298	10.8 ^a	1,287	285
Very Large (25,000+)	11.3	265	157	10.0	269	156
Urbanicity⁴						
City	5.4	1,197	221	3.8 ^a	1,320	212
Suburban	15.3	1,953	287	12.1 ^a	1,761	268
Town	8.6	2,255	213	8.4	1,769	188
Rural	8.4	5,510	380	7.8	4,955	366
Poverty level⁵						
Low (0-29% F/RP)	17.9	2,463	265	17.5	1,826	206
Medium (30%-59%F/RP)	8.8	5,159	513	7.9 ^a	4,548	470
High (60% or more F/RP)	3.7	3,292	323	3.5	3,431	358

¹ *n* is less than 1,401 due to item nonresponse.

² *n* is less than 1,491 due to item nonresponse.

³ The percentage of revenues from state and local funds differed significantly by SFA size at the .05 level in SY 2010-11 and SY 2011-12.

⁴ The percentage of revenues from state and local funds differed significantly by urbanicity at the .05 level in SY 2010-11 and SY 2011-12.

⁵ The percentage of revenues from state and local funds differed significantly by poverty level at the .05 level in SY 2010-11 and SY 2011-12.

^a Percentage is significantly different from SY 2010-11 at the .05 level.

Data Source: SFA Director Survey SY 2011-12, question 6.1a; SFA Director Survey SY 2012-13, question 7.1.1.

Operating as a Nonprofit

Because few SFAs will operate exactly at the break-even level, this study operationalized breaking even as ending a school year with a ratio of revenues to expenditures equal to 1.0 ± 0.05 . This is the same definition that was used in the Year 1 report. Consistent with previous studies, the data suggest that in SY 2011-12, SFAs, on average, were operating at a break-even level; the median ratio of total cash revenues to total cash expenditures was equal to 1.0 (USDA, 1992, 1994, 2008; St. Pierre, 1991). However, as discussed earlier in this chapter, it would be highly unlikely for this ratio to equal 1.0 for

any individual SFA in a particular year. Breaking even is more properly viewed as a phenomenon that happens over time rather than every year. Over time, one would expect an SFA that is operating at a break-even level to experience year-to-year fluctuations in both revenues and expenditures, but one would also expect that over a period of years, its average ratio of revenues to expenditures would equal approximately 1.0.¹⁰⁷ The results from a cross-section of SFAs in any given year should approximate the results of a time series for a single “typical” SFA.

Table VII-2.15 shows the distribution of SFAs by the ratio of annual revenues as a percentage of annual expenditures in SY 2010-11 and SY 2011-12. Although on average SFAs are breaking even in SY 2011-12, only 46 percent actually operated at a break-even level, with the ratio of revenues to expenditures between 0.95 and 1.05. One-third (33 percent) incurred a deficit, and 22 percent produced a surplus. As indicated earlier in this chapter, the percentage of SFAs operating at the break-even level is dependent on the operational definition of breaking even. It is important to keep in mind that this analysis does not consider any operating surplus (or deficit) that an SFA had going into the school year.

There was a significant difference in the distribution of the ratio of annual revenues as a percentage of annual cash expenditures between SY 2010-11 and SY 2011-12. A somewhat higher percentage of SFAs broke even in SY 2011-12 than in SY 2010-11 (46 percent versus 41 percent, respectively). In addition, a significantly smaller percentage of SFAs were running a large deficit (ratio of revenues to expenditures less than .85) in SY 2011-12 than in SY 2010-11.

Table VII-2.15. Percentage of SFAs by Annual Revenues as a Percentage of Cash Expenditures, SY 2010-11 and SY 2011-12

Annual SFA revenues as a percentage of annual cash expenditures	Percentage of SFAs	
	SY 2010-11	SY 2011-12
≤85%	19.0%	14.1%
86% to 90%	5.4	6.4
91% to 95%	9.6	12.0
96% to 100%	23.6	25.2
101% to 105%	17.8	20.4
106% to 110%	12.2	9.7
111% to 115%	4.0	5.4
≥116%	8.4	6.7
Total	100.0	100.0
Median ratio (revenues/expenditures)	1.00	1.00
Total SFAs: Weighted <i>n</i>	10,680	9,399
Total SFAs: Unweighted <i>n</i>	1,082 ¹	997 ²

¹ *n* is less than 1,401 because of missing data on revenues and/or expenditures.

² *n* is less than 1,491 because of missing data on revenues and/or expenditures.

³ Distribution of revenues as a percentage of expenditures was significantly different between SY 2010-11 and SY 2011-12 at the .05 level. Differences in medians were not statistically significant.

Data Source: SFA Director Survey SY 2011-12, questions 6.1a and 7.1a; SFA Director Survey SY 2012-13, questions 7.1.1 and 8.1.1.

¹⁰⁷ Technically, as a consequence of the law of large numbers, an SFA’s ratio of revenues to expenditures should asymptotically approach 1.0. The longer the period of time included in calculating the ratio, the closer the ratio will be to 1.0.

Table VII-2.16 shows the median revenues as a percentage of expenditures and the percentage of SFAs operating at the break-even level by SFA characteristics and over time. As the table shows, several SFA characteristics were significantly associated with breaking even in SY 2011-12. For example, very large SFAs were more likely to break even than small SFAs (60 percent versus 41 percent). Similarly, low- (49 percent) and medium-poverty (50 percent) SFAs were more likely to break even than high-poverty SFAs (38 percent). SFAs that were charged for indirect costs were more likely to break even than those that were not charged for indirect costs. This is due to the fact that larger SFAs were more likely to both be charged for indirect costs and to break even. Among large and very large SFAs, the percentage of SFAs breaking even did not differ based on whether the SFA was charged for indirect costs (not shown). Use of FSMCs was unrelated to breaking even. In general, fewer SFAs were operating above break even for SY 2011-12 compared to the prior year. The exceptions were medium size SFAs and high poverty SFAs, which saw an increase in the percentage of SFAs operating above break even.

Table VII-2.16. Percent of SFAs Operating At, Below or Above the Break-Even Level by SFA Characteristics, SY 2010-11 and SY 2011-12

SFA characteristics	SY 2010-11						SY 2011-12					
	Median ratio of revenue/cost	Percentage of SFAs ¹			Total SFAs		Median Ratio of Revenue/Cost	Percentage of SFAs ¹			Total SFAs	
		< Break-even	Break-even	> Break-even	Wgt'd n	Unwgt'd n		< Break-even	Break-even	> Break-even	Wgt'd n	Unwgt'd n
All SFAs	1.00	34.1	41.4	24.6	10,680	1,082 ²	1.00	32.5	45.6	21.8	9,399	997 ³
SBP participation⁴												
NSLP and SBP	1.00	32.5	42.0	25.4	9,801	1,030	1.00	32.0	46.3	21.7	8,695	949
NSLP only	0.95	51.2	33.9	14.9	878	52	0.99	38.7	37.8	23.5	704	48
SFA size⁵												
Small (1-999)	0.99	41.9	37.2	20.9	5,142	234	0.99	41.2	41.3	17.5	4,643	221
Medium (1,000-4,999)	1.00	30.0	44.6	25.4	3,974	397	1.00	26.8	45.8	27.4	3,243	346
Large (5,000+)	1.02	20.2	44.8	35.0	1,303	296	1.02	19.5	58.5	22.0	1,248	277
Very large (25,000+)	1.03	9.6	57.6	32.9	261	155	1.03	11.3	60.0	28.7	265	153
Use of an FSMC												
SFA uses a FSMC	1.00	34.1	39.9	26.0	1,952	195	1.00	31.1	49.5	19.4	1,849	180
SFA does not use a FSMC	1.00	34.0	41.6	24.4	8,669	883	1.00	32.9	44.6	22.5	7,520	815
Poverty level⁶												
Low (0-29% F/RP)	1.00	32.8	41.7	25.5	2,411	260	1.00	30.3	48.6	21.0	1,744	196
Medium (30%-59% F/RP)	1.00	29.7	45.1	25.2	5,083	505	1.00	29.6	49.9	20.4	4,398	457
High (60% or higher F/RP)	0.99	42.1	35.1	22.9	3,185	317	1.00	37.7	38.2	24.1	3,257	344
Indirect costs⁷												
SFA is charged for indirect costs	1.00	28.3	45.0	26.7	3,231	466	1.00	28.2	47.9	23.9	2,828	429
SFA is not charged for indirect costs	1.00	36.6	39.8	23.6	7,448	616	1.01	34.4	44.7	20.9	6,571	568

¹ Operating at or above the break-even level is defined as a ratio of revenues to expenditures of greater than .95.

² n is less than 1,401 because of missing data on revenues and/or expenditures.

³ n is less than 1,491 because of missing data on revenues and/or expenditures.

⁴ Median ratio of revenues/expenditures and percentage of SFAs breaking even significantly differs by participation in SBP at the .05 level in SY 2010-11. Percentage of SFAs breaking even significantly differs by participation in SBP at the .05 level in SY 2010-11.

⁵ Median ratio of revenues/expenditures and percentage of SFAs breaking even significantly differs by SFA size at the .05 level in SY 2010-11 and SY 2011-12. Percentage of SFAs breaking even significantly differs by SFA size at the .05 level in SY 2010-11 and SY 2011-12.

⁶ Percentage of SFAs breaking even significantly differs by poverty at the .05 level in SY 2010-11.

⁷ Median ratio of revenues/expenditures and percentage of SFAs breaking even significantly differs by indirect costs at the .05 level for SY 2010-11.

Data Source: SFA Director Survey SY 2011-12, questions 6.1a and 7.1a; SFA Director Survey SY 2012-13, questions 7.1.1 and 8.1.1.

One problem with relying on a comparison of total revenues to total cash expenditures in a single school year to analyze break-even status is that in some years, an SFA may have a year-end surplus, and in other years it may incur a deficit. SFAs are allowed to carry up to 3 months of operating expenses in their nonprofit school food service accounts. Such an analysis does not consider any operating balance (or deficit) that an SFA had going into the school year. Because data on revenues and expenditures were available for 2 school years, break-even status was also analyzed over a 2-year period and takes into account any surplus or deficit from SY 2010-11 when analyzing break-even status in SY 2011-12.

The measure of break-even status was obtained by dividing each SFA's total revenues over the 2-year period from SY 2010-11 to SY 2011-12 by the total cash expenditures for this period. This measure provides a more accurate picture of whether an SFA is operating at the break-even level over time. It should be noted that this analysis required that SFAs had to have responded to both the 2011-12 and 2012-13 surveys and provided data revenues and expenditures in both years. As a result, the 2-year break-even status measure could only be constructed for about 50 percent of SFAs. When break-even status is considered over the longer period, the percentage of SFAs that are breaking even is very similar to the percentage when only 1 year is considered. Table VII-2.17 indicates that 44 percent of SFAs operated at a break-even level (defined as the average ratio of total cash revenues to total cash expenditures is between .95 and 1.05); 35 percent incurred a deficit; and 22 percent ran a surplus. The median ratio of revenues to expenditures, which is less sensitive to outliers, over the 2-year period, is equal to 1, which is exactly the break-even level.

Table VII-2.17. Percentage of SFAs by 2-Year Revenues as a Percentage of 2-Year Cash Expenditures, SY 2010-11 and 2011-12

2-year SFA revenues as a percentage of 2-year cash expenditures	Percentage of SFAs (SY 2010-11 and SY 2011-12)
≤85%	16.9
86% to 90%	5.6
91% to 95%	12.0
96% to 100%	22.8
101% to 105%	21.1
106% to 110%	11.5
111% to 115%	5.0
≥116%	5.1
Total	100.0
Median ratio (revenues/expenditures)	1.00
Total SFAs: Weighted <i>n</i>	7,509
Total SFAs: Unweighted <i>n</i>	701 ¹

¹ *n* is less than the 1,177 SFAs that participated in both Year 1 and Year 2 because of missing data on revenues and/or expenditures. Data Source: SFA Director Survey SY 2011-12, questions 6.1a and 7.1a; SFA Director Survey SY 2012-13, questions 7.1.1 and 8.1.1.

An SFA’s financial position may have a bearing on price increase decisions. Under the Paid Lunch Equity Provision, SFAs that can demonstrate that increasing prices would cause them to exceed the 3-month operating balance limit can request an exemption. SFAs must also be certified in compliance with the new meal pattern requirements. Although the SFA Director Survey did not ask SFAs directly whether they were exempt from the provision, it is possible to gain insight into the extent to which SFAs in a strong financial position increased prices. Table VII-2.18 shows the percentage of SFAs that responded to the provision in various ways by whether they were at the break-even level or less or incurred a surplus in SY 2011-12. The majority of SFAs (more than 60 percent) raised prices regardless of their financial standing. This suggests that most SFAs—regardless of their financial standing—are responding to the provision.

Table VII-2.18. Percentage of SFAs That Raised Prices in Response to the Paid Lunch Equity Provision by Break-Even Status in SY 2011-12

Response to Paid Lunch Equity Provision	At or below break-even	Surplus²
Paid lunch prices already met the provision requirements	23.6%	25.8%
Increased paid lunch prices	64.5	62.5
Did not increase paid lunch prices; used non-Federal funds	5.2	1.9
Neither increased prices nor used non-Federal funds	6.8	9.8
Total	100	100
Total SFAs: Weighted <i>n</i>	7221	2025
Total SFAs: Unweighted <i>n</i>	742	245

¹At or below break-even is defined as a ratio of revenues to expenditures of 1.05 or less.

²Surplus is defined as a ratio of revenues to expenditures of greater than 1.05.

Data Source: SFA Director Survey SY 2012-13, questions 7.1.1, 8.1.1, 6.11, and 6.12.

Effect of the Paid Lunch Equity Provision on SFA Financial Standing

As mentioned earlier, the Paid Lunch Equity Provision requires SFAs to gradually increase the prices of paid lunches over time to make up the difference between free and paid lunch revenues or provide non-Federal funds. One goal of this provision was to strengthen the financial standing of SFAs and provide funds to support the improvements under the meal pattern requirements. The new revenues that result from price increases may help an SFA that is operating with a negative balance in its nonprofit school food service account to “break even.” Conversely, it is possible that the addition of these funds may cause an SFA in a strong financial position to go over the 3-month operating balance requirement on the nonprofit school food service account. In SY 2013-14, state agencies could request that SFAs that are in a strong financial position be exempted from the Paid Lunch Equity Provision, provided that they are implementing the new meal pattern requirements and that the additional funds cannot be used for other program improvements.¹⁰⁸

Table VII-2.19 shows the percentage of SFAs with various levels of financial standing of their nonprofit school food service account before and after the Paid Lunch Equity Provision based on self-reports of SFA directors. There has been little change in the financial standing of SFAs before and after the Paid Lunch Equity Provision. Most SFAs were operating in a financially strong position before and after the Provision. For example, 72 percent of SFAs either broke even or had a positive operating

¹⁰⁸ <http://www.fns.usda.gov/cnd/governance/Policy-Memos/2013/SP34-2013os.pdf>

balance before and after the Paid Lunch Equity Provision. There was no change in the percentage of SFAs that operated with a negative balance (28 percent of SFAs operated with a negative balance before and after). There was no change in the percentage of SFAs that were over the 3-month operating balance (8 percent of SFAs were over the 3-month operating balance before the provision and 9 percent after). These findings are not surprising because, as discussed earlier, price increases under the Paid Lunch Equity Provision are expected to occur over a period of several years, and student meal payments comprise only about 23 percent of total SFA revenues.

Going forward, only 11 percent (not shown) of SFAs were concerned that price increases under the Paid Lunch Equity Provision would take their nonprofit school foodservice account over the 3-month operating balance limit. However, levels of concern were higher among SFAs in a strong financial position. Among SFAs that had a 1-month or 2-month operating balance after the Paid Lunch Equity Provision, 17 percent (not shown) were concerned that price increases would take their nonprofit school foodservice account over the 3-month operating balance limit. Among those that were at the 3-month operating balance limit, 19 percent (not shown) were concerned that price increases would take them over. As SFAs continue to increase prices, it will be important to continue assess the effect of the additional revenue on the financial standing of SFAs.

The financial status of SFAs both before and after the Paid Lunch Equity Provision was significantly related to SFA size. Large and very large SFAs were more likely than medium and small SFAs to be in financially strong positions. Large and very large SFAs were more likely to break even or operate with a positive balance and less likely to operate with a negative balance compared to small SFAs.

Table VII-2.19. Percentage of SFAs With Various Levels of Financial Standing of Their Non-Profit School Food Service Account Before and After the Paid Lunch Equity Provision, SY 2012-13

SFA characteristics	Percentage of SFAs with various levels of financial standing of their non-profit school food service account before the Paid Lunch Equity Provision (A) versus percentage of SFAs with various levels of financial standing after the provision (B)													
	Account broke even		Account had a 1- or 2-month operating balance		Account was at the 3-month operating balance		Account was over the 3-month operating balance		Account had a negative balance		Total SFAs			
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
All SFAs	27.3%	29.5%	22.9%	23.7%	14.0%	10.2%	7.5%	8.5%	28.2%	28.1%	14,222	14,211	1,428 ¹	1,427 ¹
SFA size²														
Small (1-999)	34.1	34.1	16.9	19.2	8.3	5.4	3.2	5.7	37.5	35.6	7,147	7,147	344	344
Medium (1,000-4,999)	23.0	27.9	28.7	26.9	17.5	12.8	8.2	8.5	22.5	24.0	5,058	5,050	534	534
Large (5,000-24,999)	14.2	18.0	30.5	31.9	25.7	20.3	20.0	17.7	9.7	12.0	1,716	1,713	377	376
Very large (25,000+)	11.5	13.3	26.2	30.1	25.5	22.9	27.6	24.0	9.2	9.7	301	301	173	173
Urbanicity														
City	30.8	33.1	18.5	19.0	10.9	10.2	9.3	7.5	30.5	30.2	1,730	1,690	268	265
Suburban	27.0	30.8	24.5	25.6	17.5	11.2	10.0	10.0	21.1	22.4	2,686	2,681	376	376
Town	23.0	26.6	27.2	29.1	16.5	12.1	6.6	6.8	26.7	25.3	2,684	2,693	269	269
Rural	28.1	29.2	21.7	22.0	12.6	9.2	6.6	8.9	31.0	30.7	7,122	7,147	515	517
Poverty level														
Low (0-29% F/RP)	31.0	33.8	23.1	22.6	14.4	10.2	6.6	7.2	24.9	26.1	2,898	2,877	307	305
Medium (30%-59% F/RP)	25.2	26.1	23.2	23.4	14.9	11.3	7.4	7.8	29.4	31.4	6,650	6,650	652	652
High (60% or more F/RP)	27.9	31.7	22.4	24.7	12.6	8.7	8.4	10.4	28.7	24.5	4,673	4,684	469	470

¹ n is less than 1,491 due to item nonresponse.

² The percentage of SFAs that said their non-profit school food service account broke even, had a 1- or 2-month operating balance, was at the 3-month operating balance, was over the 3-month operating balance, and had a negative balance differed significantly by SFA size at the .05 level before and after the Paid Lunch Equity Provision.

Data Source: SFA Director Survey SY 2012-13, questions 6.20 and 6.21.

VII-3. Budget Issues

Background

Federal Financial Assistance Under NSLP and SBP

FNS provides cash reimbursement to each state agency for each meal served under the NSLP and SBP and for each half pint of milk served under the Special Milk Program (SMP). The state agency's entitlement to cash assistance not reimbursed at the "free" rate is determined by multiplying the number of units served within the state by a national average payment rate set by FNS. Since October 2012, SFAs are eligible to receive an additional 6 cents per lunch of performance-based cash reimbursement when they implement updated nutritional standards. Section 201 of HRFKA provides the cash assistance for SFAs certified compliant with the updated meal pattern and nutrient standards.

State agencies receive funding—known as State Administrative Expense (SAE) funds—for administrative expenses incurred while supervising and providing technical assistance related to CN programs including the NSLP, SBP and SMP.¹⁰⁹ SAE funds are made available for payment through a letter of credit issued in favor of the state agency. Annually, between March 1 and May 1, each state agency submits an SAE Funds Reallocation Report on the use of SAE funds. At that time, the state agency may release funds to FNS or request additional funds in excess of its current grant level. Up to 20 percent of SAE funds allocated to a state may remain available for obligation and expenditure in the second fiscal year of the grant. SAE funds are also subject to reallocation provisions. At the end of the second fiscal year, the agency must return any unexpended funds. As part of the SAE plan submitted to FNS, state agencies identify the total amount of budgeted funds to be provided from state sources.

In addition, Section 201 of HRFKA provides \$50 million for each of 3 years to help FNS and states implement the updated requirements specified in the legislation. These funds are available for state-level activities related to training, technical assistance, certification, and oversight activities associated with the implementation of the new meal patterns and nutrient standards and the performance-based reimbursement increase. Of the \$50 million, FNS reserves \$3 million each fiscal year to support Federal administrative activities. The state portion of these funds, combined with subsequent increases in SAE funding, aim to provide resources that state agencies can use to assist local program operators to improve the quality of school meals provided to children and come into compliance with the updated meal patterns. State agencies are required to certify whether participating SFAs are in compliance with the updated meal requirements and nutrition standards before a school can receive the additional 6 cents per lunch.

¹⁰⁹ The SMP reimburses schools and childcare institutions that do not participate in other Federal meal service programs for the milk they serve to children. Schools in the NSLP or SBP can participate in the SMP to provide milk to children in half-day pre-kindergarten who do not have access to the school meal programs.

State Financing

While NSLP and SBP are federally funded at specific reimbursement rates each year for free and reduced-price meals as well as paid meals, it is the decision of each state to determine if participation in the Federal programs is mandated or optional and if additional funds of support will be provided. States contribute funding to the school meal programs in several ways and cannot contribute less than was expended or obligated during fiscal year 1977.¹¹⁰ Under NSLP, states are required to match Federal funds at no less than 30 percent of the funds received under Section 4 of the National School Lunch Act (NSLA) on all meals, beginning with the July 1, 1980, school year.¹¹¹ The amount of state revenues appropriated or used specifically for program purposes may not include those expended for salaries and administrative expenses of the programs at the state level. If the per capita income of a state is less than the per capita income of the United States, the matching requirements are decreased. Applicable revenues include (1) state revenues disbursed by the state agency to SFAs for program purposes, (2) state revenues made available to SFAs and transferred to the nonprofit school food service accounts, and (3) state revenues used to finance costs (other than state salaries or other state-level administrative costs) of the nonprofit school food service program. All state revenues are to be disbursed to SFAs participating in the program.

Additionally, states can choose to further subsidize the programs. As discussed previously, beginning in SY 2011-12, HHFKA requires SFAs to gradually increase their paid meal prices to be, on average, equal to the difference between free and paid meal reimbursements or subsidize this difference using non-Federal funding. This might lead some states to provide subsidies to help SFAs maintain lower paid meal prices.

State agencies reimburse participating SFAs for the meals provided, purchase food commodities, and manage the distribution of USDA Foods to school districts. The USDA Foods program offers commodities to schools annually and account for about 15 to 20 percent of the foods served within the NSLP.

LEA Financing

At the local level, funding for public schools usually comes from property taxes, and some local boards of education set property tax rates. In most cases, the general school district budget does not include funds for school meal programs. Most LEAs expect SFAs to be financially self-sufficient and cover all of their costs from revenues they receive from paid meals and Federal and state reimbursements. However, some districts may choose to provide subsidies to SFAs. The implementation of the new nutritional requirements may provide an impetus for some districts to further subsidize the programs to help SFAs cover all of their costs. LEAs may also provide subsidies to SFAs if they believe that increases in paid lunch prices would lead to a decline in student participation. Other LEAs may provide subsidies to SFAs to reduce the reliance on revenues from non-program foods, which are generally less healthy, to maintain financial solvency. LEAs' subsidies may help SFAs to go beyond basic Federal and state requirements. Local subsidies enable schools to

¹¹⁰ See *Code of Federal Regulations* 7 CFR 235.11(a). <http://www.gpo.gov/fdsys/pkg/CFR-2011-title7-vol4/pdf/CFR-2011-title7-vol4-sec235-11.pdf>.

¹¹¹ See *Code of Federal Regulations* 7 CFR 210.17(a). <http://www.gpo.gov/fdsys/pkg/CFR-2011-title7-vol4/pdf/CFR-2011-title7-vol4-sec210-17.pdf>.

better afford healthier and appealing but more expensive foods and make capital investments that improve the nutritional quality and taste even at a constant per-meal Federal reimbursement rate.

Research Questions

This chapter addresses the following research questions:

- *Does the state provide financial resources for school meals to SEAs in the form of per-meal subsidies? What was the total amount given?*
- *Does the state provide support for any other aspects of the school food service operation?*
- *Do states have adequate staffing resources for monitoring?*
- *Have states been able to fully use Federal funds provided to administer the NSLP and SBP? What challenges have impeded state's ability to fully use Federal funds? What actions affected states' ability to fully use Federal funds?*
- *Are states using contracted staff for certain functions?*
- *Do SEAs receive subsidies from LEAs in the form of per-meal subsidies?*

Results

State Use of Federal Funds

Each year, in addition to meal reimbursement funds, state agencies receive additional Federal funds to administer the school nutrition program. According to Table VII-3.1, about three-quarters of states fully used all of their state administrative funds for administering the SMP and the SBP programs in SY 2012-13. About 70 percent of states fully used all of their funds to administer the NSLP.

Table VII-3.1. Percentage of States That Used All of Their State Administrative Funds to Administer Breakfast, Lunch, and Milk Programs, SY 2012-13

Type of program (n=54)	Percentage of states
National School Lunch Program	70.4%
School Breakfast Program	74.1
Special Milk Program	75.9

Data Source: State CN Director Survey SY 2012-13, question B5.

Table VII-3.2 lists some specific challenges that impeded states in their ability to fully use all Federal funds.¹¹² The challenges cited by state CN directors were state specific: state policy (30 percent), Governor’s mandates (20 percent), and state legislation (17 percent). Union agreements were a challenge for only 11 percent of states. Twenty-nine states indicated no challenges (not shown).

Table VII-3.2. Percentage of States That Faced Various Challenges That Impeded Full Use of Federal Funds, SY 2012-13

Type of challenge that impeded state’s ability to fully use Federal funds (n=54)	Percentage of states ¹
State policy	29.6%
Governor mandates	20.4
State legislation	16.7
Union agreements	11.1
Other	11.1

¹ States could select more than one challenge.

Data Source: State CN Director Survey SY 2012-13, question B6.

State directors also indicated that they faced certain actions that affected their ability to fully use Federal funds in SY 2012-13. Table VII-3.3 indicates that the main actions cited were hiring freezes (30 percent) and travel restrictions (28 percent). An additional 11 percent identified work furloughs, and 4 percent identified work shutdowns.

Table VII-3.3. Percentage of States That Faced Actions That Impeded Full Use of Federal Funds, SY 2012-13

Actions that impacted states’ ability to fully use Federal funds (n=54)	Percentage of states ¹
Hiring freezes	29.6%
Travel restrictions	27.8
Work furloughs	11.1
Other	11.1
Work shutdowns	3.7

¹ States could select more than one action.

Data Source: State CN Director Survey SY 2012-13, question B7.

State Subsidies to SFAs

Table VII-3.4 shows that the majority of states provide a subsidy to the school meal programs. The percentage of states providing a subsidy did not change much between SY 2011-12 and SY 2012-13. The number of states not providing any subsidy decreased by one, from 20 to 19 (or 36 percent), of which 18 are the same states in both years. However, among states that provided subsidies, the movement was to subsidize both meals rather than only one. For example, the

¹¹² See *Code of Federal Regulations* 7 CFR 235.6 for information on uses of federal funds. <http://www.gpo.gov/fdsys/pkg/CFR-2011-title7-vol4/pdf/CFR-2011-title7-vol4-sec235-6.pdf>.

percentage of states providing subsidies for both breakfast and lunch increased between SY 2011-12 and SY 2012-13, rising from 42 percent to 49 percent (the addition of four states).

Table VII-3.4. Percentage of States That Provided a Subsidy to SFAs for Breakfasts or Lunches, SY 2011-12 and SY 2012-13

Subsidy provided for:	SY 2011-12 (n=53 ¹)		SY 2012-13 (n=53 ¹)	
	Number of states	Percentage of states	Number of states	Percentage of states
Breakfast only	5	9.4%	3	5.7%
Lunch only	6	11.3	5	9.4
Both breakfast and lunch	22	41.5	26	49.1
Neither	20	37.7	19	35.8

¹ n is less than 54 due to item nonresponse.

Data Source: State CN Director Survey SY 2011-12, questions B1A and B1B; State CN Director Survey SY 2012-13, questions B1A and B1B.

Table VII-3.5 shows among states that provided subsidies, the percentage of states that provided different types of subsidies and supports for school in SY 2011-12 and SY 2012-13. Per-meal reimbursement was the most frequently cited type of subsidy. Additionally, the frequency of this type of subsidy increased from 46 percent to 68 percent for breakfast and from 52 percent to 61 percent for lunch, between SY 2011-12 and SY 2012-13.¹¹³

Table VII-3.5 also shows that the percentage of states providing financial or personnel support for school food service operations decreased from SY 2011-12 to SY 2012-13 for most types of supports. The largest decrease was support with storage (decreasing from 22 percent to only 11 percent). Support on reimbursable meal preparation decreased too, from 28 percent to 21 percent. Overall, there is a mixed picture regarding how states' support of the NSLP and SBP changed between SY 2011-12 and SY 2012-13. There was little change in the number of states that provided subsidies while, of those states that did provide support, more states provided subsidies to both programs. At the same time fewer states provided direct support to school food service operations functions.¹¹⁴

¹¹³ More than 20 percent of States said that they provided a subsidy via a method "other" than those that were included in the survey. An examination of the responses for these States revealed that in most cases, the subsidy was provided using more than one method (e.g., providing both a per meal reimbursement and supplemental to cover specific costs).

¹¹⁴ The 2011 and 2012 SFA Director Surveys asked SFA directors whether they received subsidies from the state in SY 2010-11 and SY 2011-12, respectively. Looking at change in the percentage of SFAs that said they received a subsidy from the state between SY 2010-11 to SY 2011-12 revealed a decrease in the percentage of SFAs that a subsidy for both breakfast and lunch whereas the CN Director Survey seemed to indicate an increase in the number of states subsidizing both meals. There are several possible explanations for these differences. First, the two surveys assess change over different 2-year periods (SY 2011-12 to SY 2012-13 in the CN Director Survey and SY 2010-11 and SY 2011-12 for the SFA Director Survey). A second possibility is that in the CN Director Survey, each State receives equal weight even though more SFAs will be affected by changes in subsidies in larger states than in smaller states.

Table VII-3.5. Percentage of States That Provided Different Types of Subsidies and Support for School Meals, SY 2011-12 and SY 2012-13

Types of subsidies	Percentage of states	
	SY 2011-12	SY 2012-13
Among states providing a breakfast subsidy, it is provided through:	(n=26)	(n=28)
Per-meal reimbursement	46.2%	67.9%
Supplement to cover specific costs	15.4	10.7
Annual lump sum	11.5	0.0
Based on percentage of low-income students	3.9	0.0
Other	23.1	21.4
Among states providing a lunch subsidy, it is provided through:	(n=27)	(n=28)
Per-meal reimbursement	51.9	60.7
Supplement to cover specific costs	11.1	7.1
Annual lump sum	14.8	7.1
Based on percentage of low-income students	0.0	0.0
Other	22.2	25.0
Among all states, financial or personnel support for school food service operations at the SFA level:	(n=54)	(n=53¹)
Reimbursable meal preparation	27.8	20.8
Preparing claims	22.2	18.5
Storage	22.2	11.1
Contracted services	18.5	14.8
Overhead/indirect costs	16.7	18.9
Non-reimbursable meal preparation	13.0	13.2
Equipment	24.1	18.9
Other	13.0	14.8

¹ n is less than 54 due to item nonresponse.

Data Source: State CN Director Survey SY 2011-12, questions B1 and B2; State CN Director Survey SY 2012-13, questions B1A and B1B, and B2A-B2H.

Effect of State Budget Issues on Food Service Programs

Over the past several years, states have faced major budget crises. Although the severity of the crises has varied by state, the pressure of the budget generally has been felt across all sectors. Table VII-3.6 shows the percentage of states in SY 2011-12 and SY 2012-13 that reported various food service program areas affected by state budget issues. The adequacy of current staffing for monitoring program operations has moved more toward “adequate” (from 30 percent to 39 percent) and away from “somewhat adequate” (50 percent to 39 percent). This increase may be due in part to the provision of \$50 million to State agencies in fiscal years 2012 and 2013 to assist with implementation of the new meal pattern requirements under the HHFKA.

One strategy for containing costs is to outsource monitoring and other operational responsibilities. Table VII-3.6 indicates that the percentage of states using contractors for technical assistance increased from 37 percent to 50 percent and increased for nutrition education from 41 percent to 44 percent. The percentage of states using contractor staff for monitoring was virtually unchanged at about 32 percent.

Table VII-3.6. Percentage of States That Reported Various Food Service Program Areas Were Affected by State Budget Issues, SY 2011-12 and SY 2012-13

Impacts (n=54)	Percentage of states	
	SY 2011-12	SY 2012-13
Adequacy of current staffing for monitoring program operations		
Adequate	29.6%	38.9%
Somewhat adequate	50.0	38.9
Not adequate	20.4	22.2
Functions for which state is using contracted staff		
Nutrition education	40.7	44.4
Technical assistance	37.0	50.0
Monitoring	33.3	31.5
Other	29.6	25.9
Claims processing	5.6	5.6

Data Source: State CN Director Survey SY 2011-12, questions B5 and B7; State CN Director Survey SY 2012-13, questions B4 and B8.

LEA Subsidies to SFAs

In addition to Federal and state reimbursements, LEAs may choose to further subsidize the school meal programs. The SFA Director Survey ascertained information about whether SFAs received any subsidies from their LEAs in both SY 2010-11 and SY 2011-12. School district subsidization of the school meal programs was less common than state support. Table VII-3.7 shows that in SY 2011-12, few SFAs received subsidies from their school districts. Only 15 percent of SFAs received a subsidy from the LEA for breakfast and lunch; 3 percent received a subsidy for lunch only; and less than 1 percent received a subsidy for breakfast only. Eighty-two percent of

SFAs did not receive any subsidies from their district.¹¹⁵ However, although the majority of districts do not provide subsidies to SFAs, a significant number of LEAs also do not charge for indirect costs, which may have a positive impact on SFA finances.

The percentage of SFAs that received subsidies from their LEAs decreased between SY 2010-11 and SY 2011-12, as shown in Table VII-3.7. The percentage of SFAs that received subsidies for both breakfast and lunch fell from 19 percent in SY 2010-11 to 15 percent in SY 2011-12, a 4-percentage point statistically significant decrease. During the same period, the percentage of SFAs that received no subsidy from their LEAs increased significantly from 77 percent to 81 percent. The percentage of SFAs that received subsidies for breakfast only or lunch only did not change.

Table VII-3.7 Percentage of SFAs That Received Subsidies From the LEA for Breakfast and Lunch, SY 2010-11 and SY 2011-12

Program	SY 2010-11	SY 2011-12
Breakfast only	0.6%	0.5%
Lunch only	3.4	3.4
Both breakfast and lunch	19.2	14.6 ^a
Neither	76.9	81.5 ^a
Total SFAs: Weighted <i>n</i>	12,953	11,083
Total SFAs: Unweighted <i>n</i>	1,277 ¹	1,150 ²

¹ *n* is less than 1,401 due to item nonresponse.

² *n* is less than 1,491 due to item nonresponse.

^a Difference between SY 2010-11 and SY 2011-12 is significantly different from zero at the .05 level.

Data Source: SFA Director Survey SY 2011-12, question 6.2; SFA Director Survey SY 2012-13, question 7.2.

Table VII-3.8 shows that in SY 2011-12, the majority of SFAs that received subsidies from their LEAs received them in the form of annual lump sums. For example, 64 percent of SFAs that received a breakfast subsidy from their LEA received it as an annual lump sum as did 58 percent of those who received a lunch subsidy. This represents a substantial shift in the types of subsidies SFAs received from their LEAs between SY 2010-11 and SY 2011-12. In SY 2010-11, the majority of subsidies received by SFAs from their LEAs were in the form of per-meal reimbursements. For example, in SY 2010-11, 50 percent of breakfast subsidies and 51 percent of lunch subsidies from districts were provided as per-meal reimbursements.

¹¹⁵ The number of SFAs that received subsidies from the school district was too small to assess differences by type of SFA.

Table VII-3.8 Among SFAs That Received Subsidies From the State or LEA for Breakfast or Lunch, the Percentage of SFAs That Received Different Types of Subsidies, SY 2011-12 and SY 2012-13

Types of subsidies	SY 2010-11	SY 2011-12
	Percentage of SFAs	Percentage of SFAs
Among SFAs that received a <i>breakfast</i> subsidy from the LEAs, it is provided through:		
Per-meal reimbursement	49.9%	9.7% ^a
Annual lump sum	20.7	63.8 ^a
Supplement to cover specific costs	10.3	13.9
Based on percentage of low-income students	13.3	1.4 ^a
Other	5.8	11.2
	Total SFAs: Weighted <i>n</i>	1,676
	Total SFAs: Unweighted <i>n</i>	134 ²
Among SFAs that received a <i>lunch</i> subsidy from the LEAs, it is provided through:		
Per-meal reimbursement	50.7%	12.4% ^a
Annual lump sum	19.9	58.0 ^a
Supplement to cover specific costs	13.5	16.6
Based on percentage of low-income students	11.0	1.2 ^a
Other	4.8	11.8 ^a
	Total SFAs: Weighted <i>n</i>	1,993
	Total SFAs: Unweighted <i>n</i>	157 ⁴

¹ *n* is less than the 223 SFAs that received a breakfast subsidy from the school district due to item nonresponse.

² *n* equals the number of SFAs that received a breakfast subsidy from the school district.

³ *n* is less than the 245 SFAs that received a lunch subsidy from the school district due to item nonresponse.

⁴ *n* equals the number of SFAs that received a lunch subsidy from the school district.

^a Difference between SY 2010-11 and SY 2011-12 is significantly different from zero at the .05 level.

Data Source: SFA Director Survey SY 2011-12, question 6.2; SFA Director Survey SY 2012-13, question 7.2.

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Section VIII: Conclusions

The NSLP and SBP continued to be important programs for providing nutritious meals to the nation's students. Nearly all SFAs that participate in the NSLP had all their schools participating in the lunch program and an overwhelming majority of SFAs had all their schools also participating in the SBP. At the student level, the number of students approved for free and reduced-price meals increased since last year. Overall, both the NSLP and SBP grew over the past 4 years, with substantial increases in both the number of breakfasts and lunches served. There was a shift away from paid and into free meals. Free meals made up a larger share of all reimbursable meals, and participation in paid meals fell. Although likely affected by recent changes in relative prices and nutrition standards as well as the phased in implementation of the CEP, these changes in participation appear also to follow a long-term trend that pre-dates changes stemming from the HRFKA.

Most SFAs are proceeding with implementing the regulations and policies stemming from the HRFKA. Many of the provisions included in the HRFKA were reported to have already been met, including implementation of the updated meal pattern requirements, near universal provision of potable water at lunch, strengthening local wellness policies, aligning prices according to the Paid Lunch Equity Provision, and raising the non-program foods prices to cover their costs. Over 80 percent of the SFAs report implementing the new meal patterns and being certified to receive the additional 6 cents per meal reimbursement. In implementing these changes, about 30 percent of SFAs made material changes to their purchasing practices and a similar percentage started or increased scratch cooking. Additionally, the majority of SFAs have begun implementing the new breakfast requirements, which is ahead of schedule. As SFAs move forward with implementing the new meal patterns, they continue to find food costs and student acceptance significant challenges. Nearly all SFAs report that all their schools have local wellness policies, and many of them revised and accessed them in the past year. The Paid Lunch Equity Provision appears to be affecting the majority of SFAs, with over 60 percent of SFAs raising the price of paid lunches last year to bring them in line with free meal reimbursement rates. The modest lunch price increases over the past 2 years is working to gradually reduce the gap between the free lunch reimbursement rate and the price of a paid lunch. Finally, all the states responded that they provided training and technical assistance at least annually on program regulation and procedures. Most states also regularly provided training on other topics critical to implementing various provision of the HRFKA, which should help facilitate implementation.