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CHILD NUTRITION DIRECTORS  
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## The Reality of School Meal Costs

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# **In SY 2012-13, major changes were made to school meal programs**

- **Food and nutrient content of meals**
- **Types of foods students had to select to qualify for reimbursement**
- **Pricing for paid meals**
- **Competitive foods**

# Purpose

To review USDA's research - via a nationally representative study - to quantify the concerns





# Agenda

- **Results of “challenges” survey**
- **Meal cost analysis**
- **Meal revenue analysis**
- **Nutrition relative to cost**
- **Impact on participation and plate waste**

# Challenges

## Results of CND Survey

“The greatest challenge SFAs faced in implementing or maintaining compliance with the updated nutrition standards was the **cost** of foods.”



# Additional Challenges from Survey

- **Availability of appropriate foods**
- **Staff training**
- **Need for additional labor**



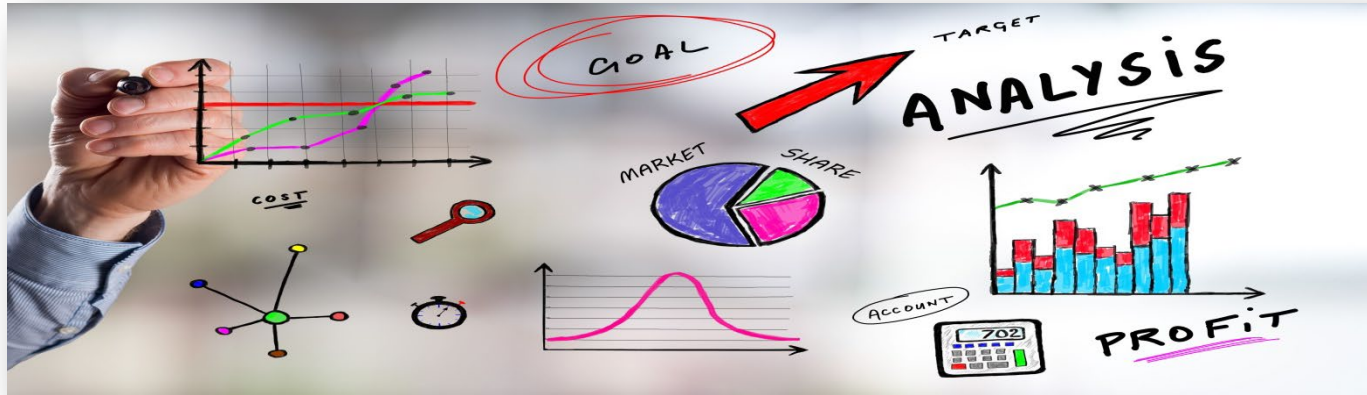


# School Nutrition and Meal Cost Study

- **Link between nutritional quality of meals and cost of producing those meals**
- **Link between nutritional quality of meals and student participation**
- **Students' acceptance of meals using food/plate waste data**

# Analysis of Meal Cost

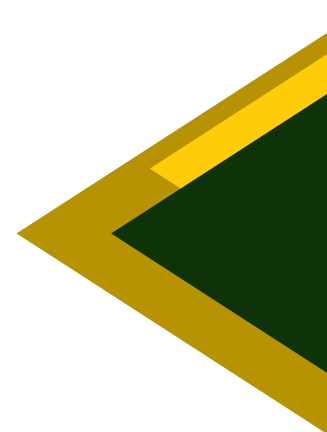
The analysis of meal costs used reported costs which included only the costs charged to the school foodservice account.







**Meal costs include food, pay and fringe benefits, supplies, equipment and overhead.**



# School Meal Cost Percentages

- **Food costs accounted for ~ 45% of reported costs**
- **Labor costs accounted for ~ 45% of reported costs**



# School Meal Costs Relative to Federal Subsidies

- In SY15, average lunch costs per SFA (\$3.81) exceeded federal subsidies for free meals (\$3.32)
- In SY15, average breakfast costs per SFA (\$2.72) exceeded federal subsidies for free breakfasts (\$1.88)

# School Meal Revenue Percentages

- **USDA subsidies, including reimbursements (57%) and USDA Foods (6%) represented 63% of CN program revenues**
- **Student meal payments represented ~ 20%**
- **A la carte and other nonreimbursable sales accounted for ~11%**
- **State and local government funds accounted for ~ 6%**

# School Meal Revenue Related to Costs

- On average, across all SFAs, total revenues covered an average of 97% of reported costs, indicating that the average SFA operated at a small deficit
- Revenues from a la carte, adult meals and other nonreimbursable meals partially offset the gap

# Bottom Line- Costs and Revenues Increased

- **Statistically significant difference in the real (inflation-adjusted) reported costs in SY2014-15 (\$3.81) relative to SY2005-06 (\$3.03) and SY1992-93 (\$2.93)**
- **Total foodservice revenues (with a higher percentage from USDA subsidies) kept pace with the trend in costs.**

# Nutritional Value of Meals

- **The Healthy Eating Index (HEI) was used to measure nutritional value**

# Nutritional Value of Meals

- **Between SY2009-2010 and 2014-2015, HEI for lunches increased 41% (from 57.9 to 81.5)**
- **Between SY2009-2010 and 2014-2015, HEI for breakfasts increased 44% (from 49.6 to 71.3)**
- **The average HEI score for US diets overall in 2012 was 59.0 and for children was 55.1**



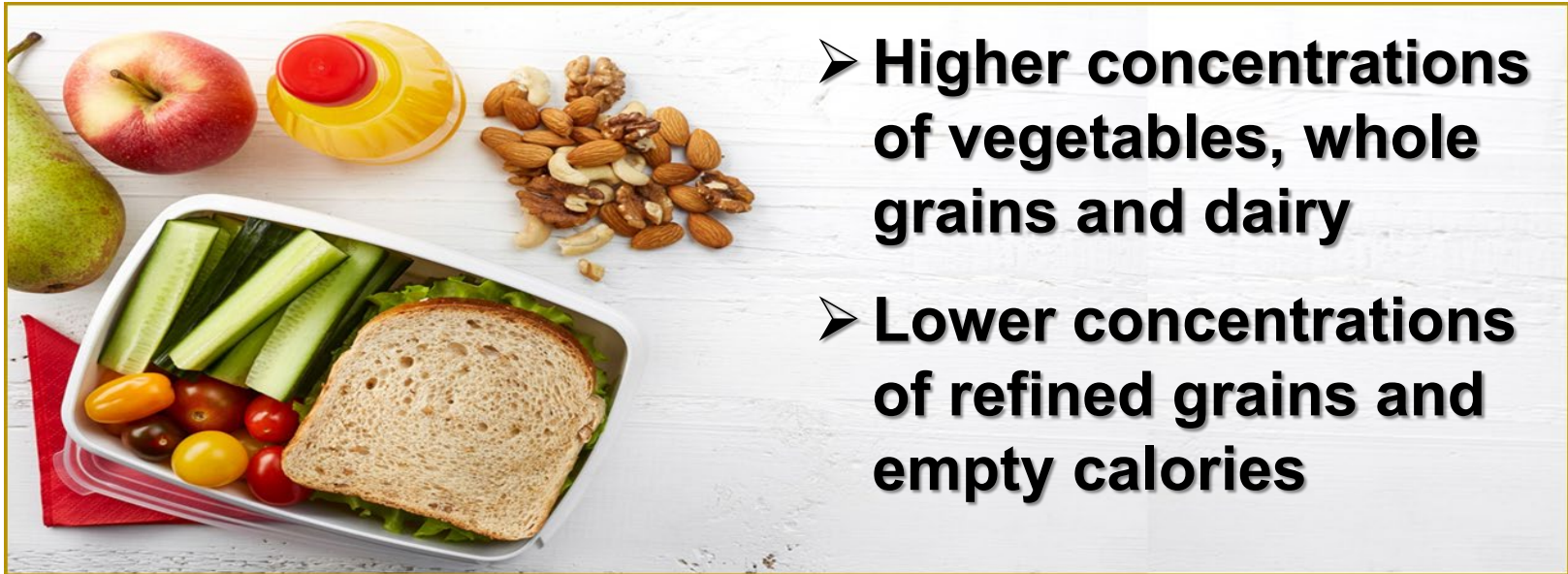
# Nutritional Value of Meals

**Lunches consumed by NSLP participants achieved a higher mean total score on HEI than matched nonparticipants (80.1 vs 65.1 out of 100 score)**



# Nutritional Value of Meals

Lunches consumed by NSLP participants had:



- **Higher concentrations of vegetables, whole grains and dairy**
- **Lower concentrations of refined grains and empty calories**

# Bottom Line- Costs Relative to Nutrition

**Mean reported costs per NSLP lunch were not significantly higher in schools that prepared more nutritious meals than in schools that produced the least-nutritious meals.**



# Participation

- **An average of 56% of students participated in the NSLP on a typical school day**
- **Students who received meals free or at a reduced price was more than double the rate for students who participated at the paid rate**
- **In both groups, NSLP participation was highest among elementary school students and lowest among high school students**

# Bottom Line - Participation



**There was a positive and statistically significant association between students' participation in the NSLP and the nutritional quality of NSLP lunches.**

# Plate Waste

## Plate waste in lunches (highest to lowest):

1. Vegetables
2. Milk
3. Fruits
4. Fruit Juices
5. Side Grains/Bread
6. Desserts and Other Menu Items
7. Meats/Meat Alternatives



# Plate Waste

- For each type of food, waste was higher in elementary schools than in middle or high schools
- Possibly due to offer-vs-serve (mandated for middle and high schools, optional for elementary schools)
- Significant association between timing of lunch periods and waste



# Bottom Line- Plate Waste

- **Generally comparable to plate waste prior to implementation of the updated nutrition standards**
- **Smaller, localized studies (before and after) found that levels of plate waste were reduced or unchanged**



# The Good News Summary

- **School districts' concerns were heard and researched**
- **Results allayed many of those concerns:**
  - **Food and labor costs**
  - **Student acceptance**
  - **Availability of nutritious foods**

# Questions



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