

Paid Lunch Equity?

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Please note that this study was published before the SY2014-15 implementation of the Smart Snacks Nutrition Standards for Competitive Food in Schools, as required by the Healthy, Hunger-Free Kids Acts of 2010. As such, certain research relating to food in schools may not be relevant today.

ABSTRACT

The Omnibus Reconciliation Act of 1981, which decreased the subsidy for full-price meals served under the National School Lunch Program (NSLP), decreased Average Daily Participation (ADP) in the NSLP by 800,000 students, or 176 million meals for the 1980–1981 school year. The second year of the funding cut, from 1981–1982, the NSLP lost another 2.9 million children, or 456 million meals, an additional loss of 11.2% ADP (Parker, 1982; Zucchini & Ranney, 1990).

The Paid Lunch Equity (PLE) requirement, as a component of the Healthy, Hunger-Free Kids Act of 2010, may have a similar effect on paid meals. The purpose of the PLE requirement is to “fill the gap” between the cost of production for a paid lunch and the price charged for a paid meal, without relying on federal funding designated for free and reduced-price meals. However, the PLE requirement does not appear to align with program efficiency, effectiveness, or best practice, and may have the unintended consequence of decreasing paid lunch participation. Child nutrition program operators across the nation are asking for a reconsideration of the Paid Lunch Equity requirement.

Importance of Paid Meals to the National School Lunch Program

The National School Lunch Program (NSLP) is a nutrition safety net for the nation’s school-aged youth. Support exists for the provision of free meals for all students, which underscores the necessity and importance of the federal child nutrition program (Poppendieck, 2010). However, federal funding for a universal free program has not materialized and, given the condition of the nation’s economy, a universal free program appears unlikely. Until a universal free lunch program becomes reality, paid meals remain important to the overall strength of school nutrition programs, as paid meals contribute funds to the local school district’s child nutrition program. Federally subsidized paid meals may also help reduce the stigma often associated with free and reduced-price meals served to children who participate in the NSLP. Most importantly, paid meals increase access to nutritionally balanced, reasonably priced meals for all children (Kramer-LeBlanc & McMurry, 1998).

A Local School District Perspective

The recipient of the first Robert Wood Johnson Foundation’s Action for Healthy Kids™ “Healthy Schools Hero” in 2002, and a School Nutrition Association “District of Excellence in School Nutrition” with 22 Healthier US School Challenge schools in 2012, Sarasota County Schools’ Food and Nutrition Program has a reputation for nutritional integrity. The transition to the new meal pattern in 2013 was relatively smooth and uneventful, as most of the requirements of the meal pattern had already been implemented.

The program has historically balanced its nutrition priorities with financial solvency and fiscal responsibility. A \$500,000 deficit in the early 1990's was reversed in three years to yield a one million dollar fund balance (Girard, 1996). The program remains financially self-sufficient and has received recognition for sound management and financial controls (The Florida Legislature Office of Program Policy Analysis and Government Accountability, 2003; MGT of America, 2012). The current fund balance is approaching the maximum allowed by law.

In 2007–2008, as the real estate bubble burst in the State of Florida, Sarasota County was tremendously impacted (Daniel, 2008; Gengler, 2009; Rudy, 2007). The district's FNS program had already developed a strategy to convert a la carte sales at the middle and high schools to reimbursable meals. The approach appeared to be timely, as free- and reduced-price meal eligibility increased from 33% to 37% in one year; in the ensuing five years, the overall percentage of free and reduced eligibility increased from 33% to 49%. Decreasing home values, lost jobs, and a reduction of expendable income impacted the local economy; the school district, and its FNS program, were not immune to these trends.

At the same time that free and reduced-price meal eligibility was increasing in the school district, the price of paid meals had to be increased to comply with PLE. Over a two year period, with two separate lunch price increases, lunch prices escalated from 5% to 33%, depending on the grade level, with an average 12.75% increase. Sarasota County Schools had already been charging more per meal than the five neighboring districts in its geographical region. The district's FNS program had a positive fund balance, but the PLE formula required the price increase, nonetheless. A 12% loss of paid meals occurred in this two-year period. The PLE did not require an increase in breakfast pricing; as a result, paid breakfast participation increased by 14% in the same two-year timeframe. Since breakfast participation increased among paid students, it can be assumed that lunch participation would have also increased if lunch prices had not been raised so dramatically. The PLE formula will require an additional price increase for the 2013-2014 school year.

Paid Lunch . . . Equity?

Local factors affect the pricing of school meals. Labor costs and food prices have a direct connection to the price that should be charged for school meals. Districts across the U.S. charge different amounts for school meals, yet the PLE requirement (Section 205 of the Healthy, Hunger-Free Kids Act of 2010) attempts to enforce a formula that applies an exact calculation, despite local operating conditions. Child nutrition programs may have a healthy fund balance and provide a superior nutrition program, but the PLE may still dictate an increase in paid meal pricing. Some child nutrition programs are under Corrective Action (U.S. Department of Agriculture Food and Nutrition Services Instruction, 2011) to decrease excess fund balances, while being required to increase paid meal prices to meet PLE provisions (personal conversation, October, 2012).

Districts that have historically charged higher prices and have taken the initiative to maintain appropriate meal prices are categorized with districts who have charged much less than current economic conditions would suggest. Since the PLE formula is the same for all districts (4.93% for 2013-2014), the actual increase is greater for programs already charging higher prices for paid meals. School districts that have maintained reasonable and periodic meal price increases, and districts with adequate fund balances, should not be required to increase meal prices based on a formula that ignores local factors.

Potential Consequences

In addition to student acceptance of food quality and the school nutrition environment, pricing is also a determinant of participation in the school meal program, affecting participation (Breifel, Crepsinke, Cabili, Wilson, & Gleason, 2009; Newman, Ralston, & Klauson, 2008). Students who do not participate in the NSLP are reported to have lower quality nutrient intakes during the school day, and consume higher calorie, less nutrient-dense foods than students who participate in the NSLP (Gleason & Sutor, 2003).

Paying students are not as reliant on school meals as are their free and reduced-price eligible counterparts, and may therefore more easily opt out of the program. Low income children are more likely to remain in the program, as they lack viable alternatives (Hanson & Oliveira, 2012). Districts that previously curtailed a la carte food sales in order to focus on reimbursable meals, but who experience decreases in paid meal sales, may choose to reconsider this decision in order to feed paying students.

The reputation of the NSLP as an educational asset to the school district is enhanced by the participation of students who pay for their meals. Participation of paying students in the NSLP reduces the likelihood that students, teachers, and school administrators will perceive the program as only for the economically disadvantaged (Stein, 2008). FNS programs work to avoid overt identification of free and reduced-price eligible children. However, if paid students opt out of the program, the demographics of students served by the NSLP will be very transparent.

The final, but foremost, effect is on the family whose children want to purchase school meals but who may make the decision to no longer participate based on increasing meal prices. The loss of paid meals may have a damaging, long-lasting effect not only on children's health, but also on the finances, integrity, and sustainability of the FNS program.

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