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Child Nutrition Program Operations Study

Third Year Report: Executive Summary

***CHILD NUTRITION
PROGRAM OPERATIONS
STUDY:
Third Year Report
Executive Summary***

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EXECUTIVE SUMMARY

STUDY BACKGROUND

The Child Nutrition Program Operations Study was designed to collect data from States and participating SFAs through annual telephone surveys during School Years (SY) 1988-89, 1989-90, and 1990-91 and through on-site visits during SY 1989-90 and 1991-92, with specific information needs for each data collection effort defined by FNS staff. The surveys provide a "snapshot" of administrative structure and, for selected research items that are included in each of the multiple surveys, an assessment of year-to-year changes in program operations. This report presents findings from the third, and final, year of the study.

FINDINGS

Participation in the NSLP and SBP

FNS has an ongoing interest in measuring and understanding participation in the Child Nutrition Programs because Federal subsidies are tied to the number of meals actually served. This study acquired data on the number of meals served in the NSLP and SBP during SY 1987-88, SY 1988-89, and SY 1989-90, and used these data to compute National estimates of the number of meals served in each program, to calculate student-level participation rates, and to estimate the magnitude of year-to-year changes.

Estimated NSLP Participation. An estimated 4.0 billion lunches were served to school children in SY 1987-88, SY 1988-89, and SY 1989-90. In each of the three years of the study, about 40% of all lunches were served free of charge to children from low-income families, about 7% were served at a reduced price, and about 53% were served to children who paid full price for their lunch.

Estimated SBP Participation. Data from this study show large increases in SBP participation over the last three years. About 604 million breakfasts were served to school children in SY 1987-88, 623 million breakfasts were served in SY 1988-89, and 705 million were served in SY 1989-90. More than 80% of these breakfasts were served free or at a reduced price in each of the three years of the study.

Student Participation Rates. Student participation rates are defined as the ratio of the number of meals served to eligible students during the year to the number of meals that could have been provided. The national estimate for overall NSLP student participation ranges from 58 to 60% across SY 1987-88, SY 1988-89, and SY 1989-90. That is, on an average day about 58%-60% of the students who had the NSLP available to them actually participated in the program. These estimated participation rates are quite close to estimates of 59%, 58% and 55% based on FNS' statistics for the same three years. There

were no statistically significant changes in overall school lunch participation rates over the three years of this study.

NSLP participation rates were also estimated for children in each income-eligibility category. Participation rates for children qualifying for free meals were 90% in SY 1978-88, 88% in SY 1988-89, and 85% in SY 1989-90. Rates for children qualifying for reduced-price meals were 73%, 71%, and 69% for the three years. And participation rates for children who pay full price for their meals were 46%, 48%, and 46%. The apparent declines in participation rates for children who receive free meals and children who receive reduced-price meals are not statistically significant.

Student participation rates were also calculated for children in SFAs that offer the SBP. The overall rate of participation in the SBP in each of the three years of the study was 21% in SY 1987-88 and in SY 1988-89, and 20% in SY 1989-90. As was the case with NSLP participation rates, these estimates are close to estimates derived from FNS' administrative data. Examined by income eligibility category, SBP participation rates were quite consistent across years, indicating that SBP participation rates were highest for free meals in each year (43%, 42%, and 40%, respectively) and lowest for paid meals (4%, 5%, and 5%).

Accuracy of Reported Meal Counts. In 1990, FNS conducted research into the accuracy of meal counts supplied by schools and reported that schools claim an average of 81 free meals for every 100 approved applications on file. When adjusted for attendance, the claiming ratio rose to 88 percent. Using SFA aggregates, this study examined the patterns of change in claiming ratios over time. The percent of all SFAs that claimed more free meals, on average, than they had applications on file at the beginning of the school year rose from 13 percent in SY 1988-89 to 20 percent in SY 1990-91.

The SFAs most likely to have claims in excess of the number of eligible children tend to be private, small and SFAs that serve large percentages of poor children. These potential overclaimed meals represent a relatively small percentage (1.6%) of the total number of free meals served nationally. It is important to note that this analysis is based on applications approved at the beginning of the school year. To the extent that additional children become eligible for free meals over the course of the school year, this analysis would overstate the ratio of claimed meals to eligible children.

Meal Prices

Previous research has shown that the price charged for an NSLP meal is a primary determinant of student participation decisions. This study acquired data on meal prices for each of three years.

NSLP Meal Prices. The price for a full price NSLP meal, across all schools and SFAs, was 98 cents in SY 1988-89, \$1.00 in SY 1989-90, and \$1.08 in SY 1990-91. Paid lunch prices vary by grade level. The average lunch price in elementary schools was 93 cents in SY 1988-89, 95 cents in SY 1989-90, and \$1.02 in SY 1990-91. For middle/secondary schools, the average price

was \$1.03 in SY 1988-89, \$1.06 in SY 1989-90, and \$1.16 in SY 1990-91. There also is variation in meal pricing in different types of SFAs. Specifically, prices charged in SFAs that participate in the SBP are 9 cents lower than prices charged in SFAs that do not participate in the SBP, and prices charged in SFAs that serve 60 percent or more free or reduced-price lunches are 11 cents lower than prices charged in SFAs that serve 59 percent or fewer free or reduced-price lunches.

Lunch prices increased over the time of this study. The size of the price increases (computations were based only on those SFAs that raised prices) in elementary schools averaged 11 cents from SY 1987-88 to SY 1988-89, 10 cents from SY 1988-89 to SY 1989-90, and 13 cents from SY 1989-90 to SY 1990-91. A similar pattern was observed in middle/ secondary schools, with increases over time of 11 cents, 11 cents, and 15 cents.

The price of a reduced-price lunch is capped at \$.40, and each year of the study found that most SFAs charge the maximum, with the average price being \$.38 in each year.

SBP Meal Prices. The average price of an SBP paid breakfast increased significantly during this study, from \$.49 in SY 1988-89 to \$.54 in SY 1990-91. The price of a reduced-price breakfast was \$.26 in SY 1988-89 and \$.27 in SY 1990-91. For elementary schools, the price increase was statistically significant, rising from \$.25 to \$.27 across the three years of the study.

The Food Donation Program

The Child Nutrition programs have historically acquired large amounts of surplus agricultural commodities through the FDP. This study obtained data on several aspects of FDP operations in order to help FNS improve program operations.

Processing of Commodity Flour. Almost all SFAs (96%) reported that they received USDA commodity flour in SY1990-91. Most of these (89%) reported that they used all of their commodity flour in-house, for preparation of food items in their own kitchens, while 10% sent all of their commodity flour to food processors. About 42% of the SFAs purchased some food items containing commodity flour through National Commodity Processing contracts. It should be noted that schools no longer receive flour as a bonus commodity and therefore flour is no longer a part of National Commodity Processing contracts.

Use of Beef Patties. Over two-thirds (68%) of all SFAs prefer USDA patties over other available patties. Reasons why USDA patties were preferred were that the patties are free, and that USDA patties are perceived as being of higher quality than other types of patties. On the other hand, 19% of all SFAs have a processing agreement for the preparation of hamburger patties. Reasons that commercially-prepared patties were preferred were that the patties taste better and are of higher quality, they are available in precooked form, and they are lower in fat.

SFAs that have a processing agreement for beef patties were asked to list the reasons that they do not order all of their patties from USDA. The main reasons were related to a perceived lack of or unawareness of availability: the State restricts orders, the SFA cannot get enough patties, patties are not offered, and the SFA is unaware that patties are available.

USDA Purchasing Cycles. When asked questions concerning the pattern in which they receive USDA commodities, almost three-quarters of the SFA Managers reported that they were satisfied with the timing of commodity deliveries. However, large SFAs were less likely to be satisfied (52%) than small SFAs (85%). The most common recommendation was to make more deliveries earlier in the school year.

Impact of Changes in Bonus Commodity Donations. SFA Managers were asked questions about the perceived impact of recent changes in the level of bonus commodity donations. Almost all SFAs (88%) reported that reductions in bonus donations had affected their food service operations: 57% noted that they had changed their menus, 42% had increased food costs, 33% used more convenience items, and 24% increase lunch prices. Almost all SFAs reported that they increased commercial food purchases, and that they were now purchasing processed cheese (92%), non-fat dry milk (59%), mozzarella cheese (55%), and honey (9%).

Technical Assistance

Training and technical assistance are used in the Child Nutrition programs to ensure that programs operate efficiently, that they comply with Federal regulations and policies, and that nutritious, high-quality meals are served to school children.

Nutrient Analyses. About 35% of all SFAs report that they perform a nutritional analysis of their menus. Of these SFAs, most do the analysis by hand; only a small percentage use a computer for the analysis. The most common reasons for not doing a nutritional analysis are related to resource constraints including lack of access to a computer and/or the necessary software, the opinion that such analyses are unimportant, and the perception that following NSLP meal guidelines is sufficient.

National Food Service Management Institute. Most SFAs (70%) were unaware of the existence of the Institute. When provided with a description of the purpose of the Institute, about two-thirds of all SFAs thought that training was the most appropriate role for such an organization, while one-third suggested technology transfer as an important function.

When queried about their needs for training and/or information on topics related to the management of school food service programs, most SFA Managers felt a need for training on most topics, with learning to make better use of USDA donated commodities and implementing the U.S. Dietary Guidelines in school feeding programs heading the list. In general, local workshops are preferred to written materials.

***Commercial Food Service
Vendors***

Increasing numbers of SFAs are contracting with outside vendors to provide some or all of their food service. SFA Managers were asked a series of questions about their relationships with such vendors.

Nearly one-third of all SFA (29%, or about 4,700 SFAs) have been approached by a commercial company offering to provide retailed, prepared, or ready-to-eat foods. Large SFAs, with their increased market potential, were most likely to have been contacted. National chains such as Pizza Hut, Domino's Pizza, and McDonalds were the most active in terms of contacting SFAs.

After-School Care

FNS has detailed information on the Child and Adult Care Food Program, but has little information on school-based after-school care programs. This survey asked SFA Managers a series of questions designed to obtain basic data. The responses should be regarded with care, as SFA Managers may not be the best respondent for questions about after-school care and might not have been able to supply valid answers to all questions.

A total of 26% of SFAs (about 4,000 SFAs) reported that some schools in the district did have an after-school care program. An estimated 13,625 elementary and 247 middle/secondary schools offer after-school care programs to slightly more than 600,000 children. Most of the participating children are in public elementary schools, in schools which also offer the SBP, in large schools, and in low-poverty schools. Most programs begin between 2:30pm and 3:30pm and last for an average of 3 hours.

Eighty-five percent of SFAs with an after-school care program provide snacks in all participating schools, however, 79% of the SFA Managers reported that no Federal subsidy was received for these snacks. This low rate of receipt of Federal subsidies may reflect a lack of knowledge of the part of SFA Managers. When asked why after-school care programs did not apply for Federal subsidies, SFA Managers listed several reasons including not being sure if the program was eligible or how to apply for the subsidy, the subsidy is not worth applying for, the SFA is considering applying, and the cost of snacks is already covered.