

### **Background**

The National School Lunch Program (NSLP) and the School Breakfast Program (SBP) are key components of a national policy designed to safeguard and promote the nutritional well-being of the Nation's children. The programs are administered by the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA), operating through state agencies (SAs) that have agreements with the local school systems in their States.

Despite the progress that has been achieved over the years in enhancing the quality of school meals, results of research conducted in the early 1990s indicated that school meals, on balance, were failing to meet certain key nutritional goals. In light of these findings, the USDA launched a far-reaching reform of the school meals programs, a reform aimed at upgrading the nutritional content of school meals. The reform began in late 1993 with public hearings followed by a proposed rule in 1994 and a final rule in 1995. The several elements of this reform are collectively referred to as the School Meals Initiative for Healthy Children (SMI). The status of this initiative, together with an examination of selected operational issues of these programs, are the principal subjects of this report.

### **Purpose**

In September 1996, FNS contracted with The Gallup Organization, with the support of Promar International, to conduct a national study of USDA's school-based child nutrition programs. This is the third and final report in the series. The first report, *The School Meals Initiative Implementation Study: First Year Report*, was published in October 2000. It examined the status of the SMI in SY 1997/98 and the actions taken by State agencies and school districts in implementing the initiative. The second report,

*The School Meals Initiative Implementation Study: Second Year Report*, was published in July 2001. This report built on the findings of the first year report while examining several new topics as well. This, the third report, builds on the findings of the first two reports in documenting the status of the SMI implementation and in assessing other topics of interest to FNS policymakers and program administrators.

### **Methodology**

The findings in this report are based on data collected from a nationally representative sample of public school food authorities (SFAs) participating in the NSLP and from the 50 State child nutrition agencies responsible for administering the program. Data were collected during School Year (SY) 1999/00 through use of self-administered mail surveys, supplemented by telephone interviews where necessary.

The database of public school districts maintained by Quality Education Data (QED) was used in drawing the sample. Two types of school districts represented in the QED database were found to be appropriate for inclusion in the study: (1) regular public school districts and (2) school districts administered by supervisory unions. While regular school districts are coterminous with SFAs, in the case of supervisory unions it was found that more than one district was served by an individual SFA. Given this difference, regular school districts and school districts in supervisory unions were sampled separately. A sample of 2,325 districts (2,225 regular school districts and 100 supervisory union districts) was drawn.

The sample frame for the regular school districts was stratified by two levels of poverty and by the seven FNS administrative regions. The sample of 2,225 regular school districts was allocated to the 14 strata in proportion to the

number of school districts in each stratum. The frame for school districts in supervisory unions was stratified by poverty level only; the sample of 100 districts was allocated disproportionately to ensure sufficient representation of high-poverty districts. Within each stratum, the sample was drawn with probability proportional to size (PPS), where size was defined as the square root of the number of students enrolled in a district.

Of the 2,325 districts in the overall sample, 2,241 (97 percent) qualified for inclusion in the study by their participation in the NSLP. During the first year of the study, completed surveys were collected from 2,038 respondents, a response rate of 91 percent. During the second year, completed surveys were collected from 1,998 respondents, a response rate of 89 percent. In this, the third and final year, completed surveys were collected from 2,014 respondents for a response rate of 89 percent. Completed surveys were collected from all 50 State child nutrition agencies (SAs) in all three years.

## Findings

Key findings of the study are summarized here by the following topics, which correspond to chapters in the report:

- overall status of SMI implementation
- procedures followed in implementing SMI
- impact of the SMI
- selected operational issues
- State child nutrition agency operations

### Overall Status of SMI Implementation

The SMI identifies four menu planning options, as well as a fifth option for “any reasonable approach” that schools can use to meet the nutritional standards established by the USDA and the U.S. Department of Health and Human Services in their Dietary Guidelines for Americans. The four menu planning options are Nutrient Standard Menu Planning (NSMP), Assisted Nutrient Standard Menu Planning (ANSMP), Enhanced Food-Based Menu Planning, and Traditional Food-Based Menu

Planning. The purpose of this section is to determine how many school districts are using each of the menu planning systems, how far along they are in putting these systems in place, and their plans for completing the task. Although the SMI began in School Year 1996/97, States were allowed to grant two-year waivers, making School Year 1998/99, the first fully operational year.

Findings for SY 1999/00 closely parallel those of the previous two years. They indicate that about one-quarter of all districts were using nutrient-based menu planning systems while most of the remaining three-quarters used a food-based system. To the extent districts have shifted in their use of systems over the period of study, they have shifted slightly toward the use of NSMP and, to a lesser extent, toward enhanced food-based and away from traditional food-based.

NSMP is more likely to be used by the largest districts (35.8 percent) and by districts operated by food service management companies (42 percent). Neither ANSMP nor the catch-all “other” category are extensively used. Together they were used by fewer than 6 percent of all districts in SY 1999/00, up slightly from that reported in SY 1997/98, the first year of the study. About 6 percent of all districts reported use of more than one approach to menu planning. Within those school districts using multiple menu planning systems, NSMP is the most frequently used approach among elementary schools (37.6 percent) while the food-based systems are used with greatest frequency in middle/secondary and in other schools.

Of those school districts using one of the two nutrient-based menu planning systems (NSMP or ANSMP), 90 percent were using them in their lunch programs and 61.2 percent were using them in their breakfast programs in SY 1999/00. These share are slightly lower than in the previous two years.

The share of all districts that used these systems for both meals and conducted a combined lunch/breakfast nutrient analysis rose sharply in

SY 1999/00, climbing from 31.8 percent the year before to 41.1 percent.

School food directors continue to report significant progress in implementation. In SY 1999/00, nearly two-thirds (63.3 percent) of all districts said that they had “fully implemented” their chosen approach to menu planning while nearly 85 percent indicated that they were at least three-quarters implemented. About one-third of all districts reporting full implementation in SY 1999/00 had achieved this status within the previous year.

Larger districts are somewhat ahead of smaller districts in reaching full implementation. The relatively few districts that are lagging behind in the pace of implementation tend to be smaller districts.

Of those school districts using one of the food-based menu planning systems in SY 1999/00, 35.5 percent said that they were either working toward implementation of a nutrient-based system (20.7 percent) or planning to (14.8 percent). This is down from 39.1 percent in SY 1998/99 and 51.3 percent the year before. Coincidentally, the share of all food-based systems reporting that they did not intend to adopt a nutrient-based approach rose from about 50 percent in SY 1997/98 to around 64 percent in SY 1999/00.

Although one-fifth to one-quarter of all food-based districts have reportedly been working toward implementation of NSMP between SYs 1997/98 and 1999/00, the share of all districts using NSMP has increased relatively little over this period, climbing from 19.8 percent to 22.5 percent. Thus, while some of the decline in the share of districts moving toward adoption of a nutrient-based system probably occurred because some districts completed the transition, most of the decline appears to be due to other factors.

The advantages of cycle menus continue to attract more SFAs to their use, especially among larger districts and those using nutrient-based approaches to menu planning. The share of all districts using cycle menus the year they were surveyed rose from 40 percent in SY 1997/98 to

53.5 percent in SY 1999/00. This still leaves nearly half of all districts that are not using cycle menus.

Although school districts are not currently required to use weights in conducting nutrient analysis, their value in this purpose is suggested by the finding that 84.6 percent of all districts used them in SY 1999/00. This is up from 77.6 percent in SY 1997/98 with the increase attributable to the increased use of the technique among districts using one of the food-based approaches to menu planning.

A large and growing share of all food-based districts conduct nutrient analysis. While these districts are not required to conduct nutrient analysis, they are required to meet nutrient targets. Between SY 1997/98 and SY 1999/00, the share of all districts that conduct nutrient analysis climbed from 33.1 percent to 45.9 percent. Most districts that use a food-based system (94 percent) say that they have made changes in the serving or preparation of meals for purposes of achieving the goals of the Dietary Guidelines.

State agencies are the principal source of ANSMP nutrient analysis, accounting for 57.8 percent in SY 1999/00. The other principal sources were: food service management companies (16.5 percent), other school districts (9.7 percent), and consultants (8.8 percent).

#### Publicizing the Nutrient Content of Menus

A majority of all school districts (84.5 percent) say that they do not publicize the nutrient content of their menus. A substantially larger share of NSMP/ANSMP districts publicize the nutrient content, compared to districts using one of the food-based approaches (30.5 percent versus 11 percent). These shares have remained essentially the same throughout the period of study.

#### Impact of the School Meals Initiative

Of 14 key tasks associated with implementation of the nutrient-based approach to menu planning, three have proven to be most difficult for most SFAs. The three tasks - - entering and analyzing recipes, entering and analyzing

menus, and obtaining missing nutrient information - - are integral to the NSMP approach. The accomplishment of each of these tasks was viewed as a “major burden” for 45 percent to 55 percent of the NSMP/ANSMP districts in SY 1999/00. While these tasks are perceived to have become less onerous between SY 1997/98 and SY 1999/00, they remain a challenge to many districts. Districts that have achieved full implementation of NSMP or are approaching full implementation tend to view these tasks as less burdensome than do districts that are still in the process of implementing their menu planning systems.

In SY 1999/00, about three-quarters of all districts reported no change from the year before in time spent planning breakfast menus and about two-thirds reported the same for planning lunch menus. For NSMP/ANSMP districts, this represents a sharp turnaround from two years before when 66 percent said they spent more time planning breakfast menus and 76 percent spent more time on their lunch menus.

As expected, all districts, whether nutrient-based or food-based, tend to use less time in menu planning as they become fully operational. Nonetheless, about one-quarter of all districts that have fully implemented systems, whether food-based or nutrient-based, still find that they are spending “more time” planning lunch menus.

A majority of SFAs made changes in their breakfast and lunch menus in SY 1999/00, though for most the magnitude of change was modest and the incidence was somewhat less than two years earlier. About half of all districts described their breakfast menus as “somewhat different” in SY 1999/00 while about two-thirds said the same of their lunch menus. Most remaining districts reported that there had been no change in their menus.

While the share of small and medium-size NSMP/ANSMP districts that offered a la carte sales in their elementary schools fell between SYs 1997/98 and 1999/00, among large districts (enrollment of 25,000 or more) the share rose. And among NSMP/ANSMP districts that continued to offer a la carte, regardless of size,

the share reporting an increase in sales in their elementary schools grew larger. Increased a la carte sales were especially prevalent in the elementary schools of the largest districts during this period. A comparison of a la carte sales across this period for food-based school districts was not possible since information was not collected prior to SY 1999/00.

Among middle/secondary schools in NSMP/ANSMP districts, a la carte offerings were not only substantially more prevalent than in their elementary schools but the share of districts reporting increased sales in SY 1999/00 was also much larger than it had been two years earlier.

Across all districts, whether nutrient-based or food-based, over 80 percent of all districts offer a la carte sales in their middle/secondary schools. And of those districts offering a la carte in their schools, a majority reported increased sales in SY 1999/00.

Of those districts that offer a la carte, a majority indicated no change in SY 1999/00 in the number of a la carte items offered compared to the year before. To the extent there were changes, they were mostly in the direction of offering additional items, led by beverages and snacks. Among those districts serving a la carte, 17.3 percent reported an increased number of beverage items in their elementary schools while 39.9 percent reported an increase in their middle/secondary schools. The shares of districts reporting additional snack items in elementary and middle/secondary schools were 32.6 percent and 51.9 percent, respectively.

Overall, the findings suggest significant change in how school food directors plan and implement their menus, with most of the changes contributing to the accomplishment of SMI objectives. For example, in SY 1999/00, 77.8 percent of all districts reported that they had used cycle menus at some time, not necessarily at present (up from 64.3 percent two years before), 74.9 percent had increased the number of items added to their menus, and 61.6 percent had added to the number of fruits and/or vegetables offered.

While the pace of change in food procurement and preparation practices slowed in SY 1999/00, relative to the preceding two years, changes continued to be made by a large number of districts. This includes increased purchases of fresh fruit and vegetables (59.7 percent of all districts) and low-fat/reduced-fat foods (49.9 percent) and requiring additional nutrition information from vendors (57.8 percent). When compared across the entire period of study, at least 90 percent of all districts made these changes in at least one of the three years.

About two-thirds of all districts continue to use purchasing cooperatives. Of those using them, 18.7 percent said that they increased their use of them in SY 1999/00. Just over one-quarter of all districts (25.7 percent) reported increased use of USDA donated commodities.

Further evidence that the implementation process is beginning to “wind-down” is found in the incidence of changes in the use of standardized recipes and new USDA recipes. About two-thirds of all districts reported that “no change” was required in the use of either in 1999/00. This contrasts with responses two years earlier when 60 percent of all districts said they had increased their use of both.

The majority of all school districts indicate “no change” in the number of food choices offered across all major food categories, though one-quarter to nearly one-half continue to add choices among some of the categories. The share of all districts reporting “no change” has gradually risen across the period of study, particularly among the fruit, vegetable, and bread/grain categories. These are the food categories that were most directly affected by the SMI.

Findings from the first two years of this study generally indicated that districts provided larger servings of fruit, vegetables, and grain-based foods to their students. Findings for SY 1999/00 reveal a continuation of these trends, though the pace of change has slowed as districts appear to have more or less achieved their desired portion sizes.

A majority of all school food directors report “no change” in food waste for each of seven food groups. To the extent they observe change, by a margin of about 2-to-1 they report “less waste” as opposed to “more waste”. Cooked vegetables continue to be the one exception. Of those districts reporting a change in the amount of cooked vegetables wasted, nearly twice as many indicate that more was wasted (27 percent) than that less was wasted (14.4 percent).

As in the first two years of the study, findings for SY 1999/00 indicate that the perceived level of difficulty in performing certain key tasks required for implementation of the SMI fall into two groups, one of minimal difficulty and one of somewhat greater difficulty. Of ten identified tasks, six appear to pose minimal difficulty for most districts with 70 percent or more reporting “no difficulty” in performing them.

The other four tasks are described as presenting “some difficulty” by 34 percent to 48 percent of the districts and as a “major difficulty” by 6 percent to 9 percent. These more challenging tasks, all of which are important to the accomplishment of SMI objectives, are the tasks of adhering to standardized recipes, finding nutritionally-comparable substitutions and documenting them, and maintaining food production records.

School food directors report that most of the stakeholders within their districts remain positive-to-neutral in their attitude toward the SMI. However, a comparison of the results from SYs 1997/98 and 1999/00 suggest that stakeholders have become slightly less positive and slightly more neutral-to-negative.

School food directors remain highly supportive of the SMI, though slightly less so than two years ago. Two-thirds of all directors say that they are at least “somewhat positive” toward the initiative.

### **Selected Operational Issues**

To help reduce the burden of certifying students eligible for free meals, SFAs may “direct certify” students by determining that they live in households already certified to receive

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assistance through the Food Stamp Program, the Temporary Assistance to Needy Families Program, or the Food Distribution Program on Indian Reservations.

An estimated 62.7 percent of all districts used direct certification in establishing student eligibility for free meals in SY 1999/00. Nationally, just under one-third (29 percent) of all students determined eligible for free meals were certified directly.

Nearly half (46 percent) of all districts that certify students directly use a Statewide system that directly notifies households of their eligibility. Slightly fewer than one-quarter of the districts certify on the basis of a matched database provided by the State while the remaining 30 percent certify at the district level on the basis of information obtained from local agencies.

Snacks were provided to children participating in afterschool care programs in 15.5 percent of all districts in SY 1999/00. Large school districts and those operating in high-poverty areas are substantially more likely to participate in these programs. Nearly a half million children participated in these programs in SY 1999/00, the equivalent of 2.5 percent of the total enrollment of the participating districts and 1.1 percent of the total national enrollment. Nearly two-thirds (64.7 percent) of the programs were operated by the districts; the remaining third were run by a variety of community-based organizations like the YMCA/YWCA.

Nearly 1-in-3 school districts indicated that they were under an exclusive contract with a carbonated beverage company in SY 1999/00. The share of districts under contract was relatively uniform across all sizes of districts but more prevalent among low-poverty districts than among high-poverty districts (35 percent versus 20.5 percent). Most districts (92.8 percent) entered into the contracts on their own rather than as part of a consortium. Of those districts that were under contract, more than one-third reported that their contract applied to products sold in the cafeteria.

There were an estimated 1,619 charter schools operating in 847 public NSLP school districts in SY 1999/00, up slightly from the number reported a year earlier. Charter schools are far more likely to be found in large districts. The school food authority is responsible for providing food service to charter schools in 58.2 percent of the districts that host them and in 53.5 percent of the charter schools in these districts.

As a means of reducing the paperwork associated with administering school meals programs, schools operating under Provision 2 or Provision 3 may use alternative means of determining student eligibility for free and reduced price meals and for recording daily meal counts.

An estimated 517 school districts (3.9 percent) reported that 3,154 schools (3.8 percent) in their districts were operating under Provision 2 or Provision 3 in SY 1999/00. Most of these schools (89.1 percent) were operating under Provision 2. Provision 2 in particular is used with greatest frequency in the largest districts and in high-poverty districts.

On the basis of responses to the SY 1999/00 survey of SFAs, it is estimated that 1,450 districts (11.1 percent) used Food Service Management Companies that year. This represents a reversal of the past growth trend and is down 20 percent from the year before. It also contradicts findings from the survey of State CN agencies (reported below) indicating that 1,964 SFAs (14.1 percent) were being managed by these firms. Absent further confirmation of a downturn, this estimate should be treated with caution.

The access of school food directors to the Internet, whether at work or at home, jumped from 67 percent in SY 1998/99 to 87 percent in SY 1999/00. While most directors (72.2 percent) have access at work, more than half (55.8 percent) also have access at home.

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## Views of the State Directors of Child Nutrition Programs

State directors report little change in the distribution of SFAs among the alternative approaches to menu planning in their States. On the basis of their records, the two food-based approaches continue to be used by more than 80 percent of all districts with NSMP used by 16 percent and ANSMP by fewer than 2 percent. There remains a tendency for a majority of the SFAs within individual States to use the same menu planning approach, usually a food-based approach.

The number of State agencies providing ANSMP support to SFAs in their States fell to 7 in SY 1999/00, down from 15 two years before.

Findings for SY 1998/99 suggest that the role of State agencies in support of the SMI is shifting away from computer support and training sessions and, to a lesser extent, nutritional assistance, and toward more on-site technical assistance. For example, while 45 State agencies provided computer assistance during 1995-97, only 29 reported offering support in this form in SY 1998/99. Despite this shift, a majority of the State agencies continue to provide support in all these forms.

The pace of conducting compliance reviews accelerated in SY 1998/99 with the number of SFAs reviewed jumping 43 percent from the year before. A handful of State agencies continued to lag behind in conducting reviews. Of the SFAs that underwent a compliance review in SY 1998/99, 62 percent required improvement plans. As indicated in earlier reports, the share of SFAs requiring improvement plans varies widely among State agencies, suggesting a lack of uniformity in the standards that are being applied.

Of the 50 State agencies, half said that they “usually” or “always” conduct SMI compliance reviews at the same time they conduct CRE administrative reviews. While a majority of these directors report that the coordination of these reviews is, at worst, a “minor problem,” a growing number see it as a “major problem.”

Most State agencies (45 of 50) report that their States assisted in direct certification in SY 1999/00, the same number as the year before. In 38 of the 45 States that provide this help, eligibility is based on information that is effective in June, July, or August immediately preceding the school year.

To promote greater consistency and accuracy, 27 of the 50 State agencies required their SFAs to use a prototype free/reduced-price meal application form in SY 1999/00.

### Food Service Management Companies

State agencies report that food service management companies (FSMCs) were operating in 42 States in SY 1999/00. In contrast to the SFA survey findings described above, State agencies reported a 17-percent increase in the number of SFAs contracting with FSMCs between SY 1998/99 and SY 1999/00.

Forty of the 50 State agencies periodically review the procurement activities of the SFAs in their States. A majority of States (36) have their own procurement standards that apply to child nutrition programs, though fewer than half (14) of these directors felt that the State standards were more restrictive than the Federal standards. In 19 States, the directors indicated that their State’s competitive food policy is more restrictive than Federal policy.

Of the 50 State agencies, only 21 maintain their records in such a way that they can identify charter schools. As a result, the numbers reported through the State agency survey are incomplete and not comparable to those collected through the SFA survey.

In SY 1999/00, 457 charter schools were participating in the NSLP in 19 States. This represents a 13-percent increase in the number of schools from the previous year. Most of these schools have been granted SFA status; 17 State agencies said they had granted SFA status to 421 charter schools, up 51 percent from the number reported by 15 State agencies the year before. The directors from most of the States with charter schools report that their rapid growth has

intensified the need for State agency supervision and technical assistance.

State agencies conducted organization-wide financial audits in nearly 10,900 school districts (78 percent) in SY 1998/99. In 27 of the 49 responding States, these audits were carried out in all SFAs in the State. State directors reported that, only 8.7 percent of the audits required any follow-up action to resolve problems.

All 50 State agencies provided support in some form to the NSLP and CACFP providers of afterschool snacks in their States in SY 1999/00. The types of supporting activities undertaken included: direct mailings (98 percent of SAs), development of printed material (84 percent),

and training programs and workshops (76 percent).

The median number of non-clerical professional staff employed by or contracted by State agencies to work on child nutritional programs in SY 1999/00 was 14. The range in size was from 2 to 48. Of the 49 responding SAs, 16 reported the use of consultants. Nearly one-third of all SAs (15) indicated that they administer other programs in addition to the child nutrition programs. The median low annual salary of SA professional staff was \$34,500; the median high annual salary was \$58,100.

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