FRAC
Food Research & Action Center

National School Lunch Program:

Trends and Factors Affecting Student Participation

January 2015 ▪ www.FRAC.org

About FRAC

The Food Research and Action Center (FRAC) is the leading national organization working for more effective public and private policies to eradicate domestic hunger and undernutrition.

For more information about FRAC, or to sign up for FRAC's Weekly News Digest, go to: www.frac.org.

Visit FRAC's website (www.frac.org) to get more information about FRAC and the National School Lunch Program, to sign up for FRAC's Weekly News Digest, or to sign up for our monthly Breakfast newsletter.

National School Lunch Program: Trends and Factors Affecting Student Participation

The Healthy, Hunger-Free Kids Act of 2010 made sweeping improvements to the school nutrition landscape, and school districts have been hard at work implementing the law's various provisions over the past few years. In recent months, a lot of press coverage has focused on claims by some schools—and some politicians—that the new school meal nutrition standards included in the Healthy, Hunger-Free Kids Act have been hard for schools to implement and have caused decreases in school lunch participation. Various reports have pointed out the large proportion of schools that have reported that they are complying with the new nutrition rules. This report examines the other claim, the one regarding student participation, and looks at the actual participation trends and the multiple influences on participation.

In fact, for several years, including the years pre-dating the implementation of the new standards, participation has been rising among low-income children and declining among children not eligible for free or reduced-price meals. These trends have persisted since the new standards took effect. There are larger factors at play than the school nutrition standards. FRAC undertook this analysis to provide a better understanding of the complex economic and policy-related causes that are leading to these changes in participation levels.

There are several important factors other than the new nutrition standards outlined in the chart below, and discussed in this report, that are driving shifts in student participation:

Factors Increasing Free and Reduced-Price Student Participation (3.7 million more children from SY 2007-2008 to SY 2013-2014)	Factors Known to Decrease Paid Student Participation (3.2 million less children from SY 2007-2008 to SY 2013-2014)
Recession—increase in children from low-income households	Recession—decrease in children from higher income households
Community Eligibility Provision	Increased charges for paid meals
Improved direct certification of categorically eligible children	Sales of competitive foods

The economy certainly has played a central role. Since the start of the recession during the 2007-2008 school year, participation among children certified to receive free school meals has grown significantly, the result of a weak economy increasing need along with program efficiencies such as improved cross-certification of children as eligible for free school meals based on participation in other means-tested programs and the expansion of universal free meal programs. Among children certified for reduced-price meals, participation has remained steady.

Over the same time period, there has been a decline in participation among children not eligible for free or reduced-price meals but required to pay most of the cost themselves—referred to as "paid meals." This trend also began long before the 2012-2013 school year, which is when the nutrition improvements included in the Healthy, Hunger-Free Kids Act of 2010 were introduced in schools. Instead, a variety of other factors contributed to the decrease, including rising charges for lunches served to children not receiving free or reduced-price meals. The timing of these trends, and the rise in participation among the largest group of children in the program, strongly suggest that the new nutrition standards are not causing significant participation trends.

Certainly, implementation of the new school nutrition standards has not come without challenges and some districts have struggled more than others. Notably, though, as of June 2014, 92 percent of school districts across the country had indicated that they were meeting the new standards and had begun drawing down the additional 6 cents per meal as provided in the Healthy, Hunger-Free Kids Act. [1] However, it is crucial to support these struggling districts as they continue to improve the nutrition quality of meals served to meet the new standards and ensure that program participation is not compromised as a result.

[1] See Appendix A for 6 cent certification table. Data provided by U.S. Dept. of Agriculture, Food & Nutrition Service.

National School Lunch Program: How it Works

Who Can Participate in the National School Lunch Program

Any student attending a school that offers the program can eat lunch. What a student pays depends on family income:

• Children from families with incomes at or below 130 percent of the federal poverty level are eligible for free school meals.

• Children from families with incomes between 130 and 185 percent of the federal poverty level qualify for reduced-price meals and can be charged no more than 30 cents per breakfast and 40 cents per lunch.

• Children from families with incomes above 185 percent of the federal poverty level pay charges (referred to as "paid meals") which are set by the school, but schools receive a small federal reimbursement for such children.

How Children are Certified for Free and Reduced-Price School Meals

Most children are certified for free or reduced-price meals via applications collected by the school district each year. However, children in households participating in the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Food Distribution Program on Indian Reservations (FDPIR), as well as foster youth, migrant, homeless, or runaway youth, and Head Start participants are "categorically eligible" (automatically eligible) for free school meals and can be certified without submitting a school meal application.

School districts are required to "directly certify" children in SNAP participant households for free school meals through data matching of SNAP records with school enrollment lists, and have the option of directly certifying children in TANF and FDPIR households as well. However, some categorically eligible children are missed through these processes and are still certified by submitting an application.

The Healthy, Hunger-Free Kids Act of 2010

The National School Lunch Program, along with other key child nutrition programs, is reauthorized every five years, providing an opportunity to strengthen the programs and increase access to school meals for low-income children. The most recent reauthorization, the Healthy, Hunger-Free Kids Act of 2010, incorporated several key improvements including:

• The Community Eligibility Provision, providing an effective option for schools to offer universal free school meals and reduce administrative work;

• Improvements to direct certification for free school meals to ensure that more low-income children are certified without an application;

• Much-needed updates to nutrition requirements based on recommendations from the Institute of Medicine; and

• Authorization of the U.S. Department of Agriculture (USDA) to regulate all food sold in schools.

Community Eligibility Provision

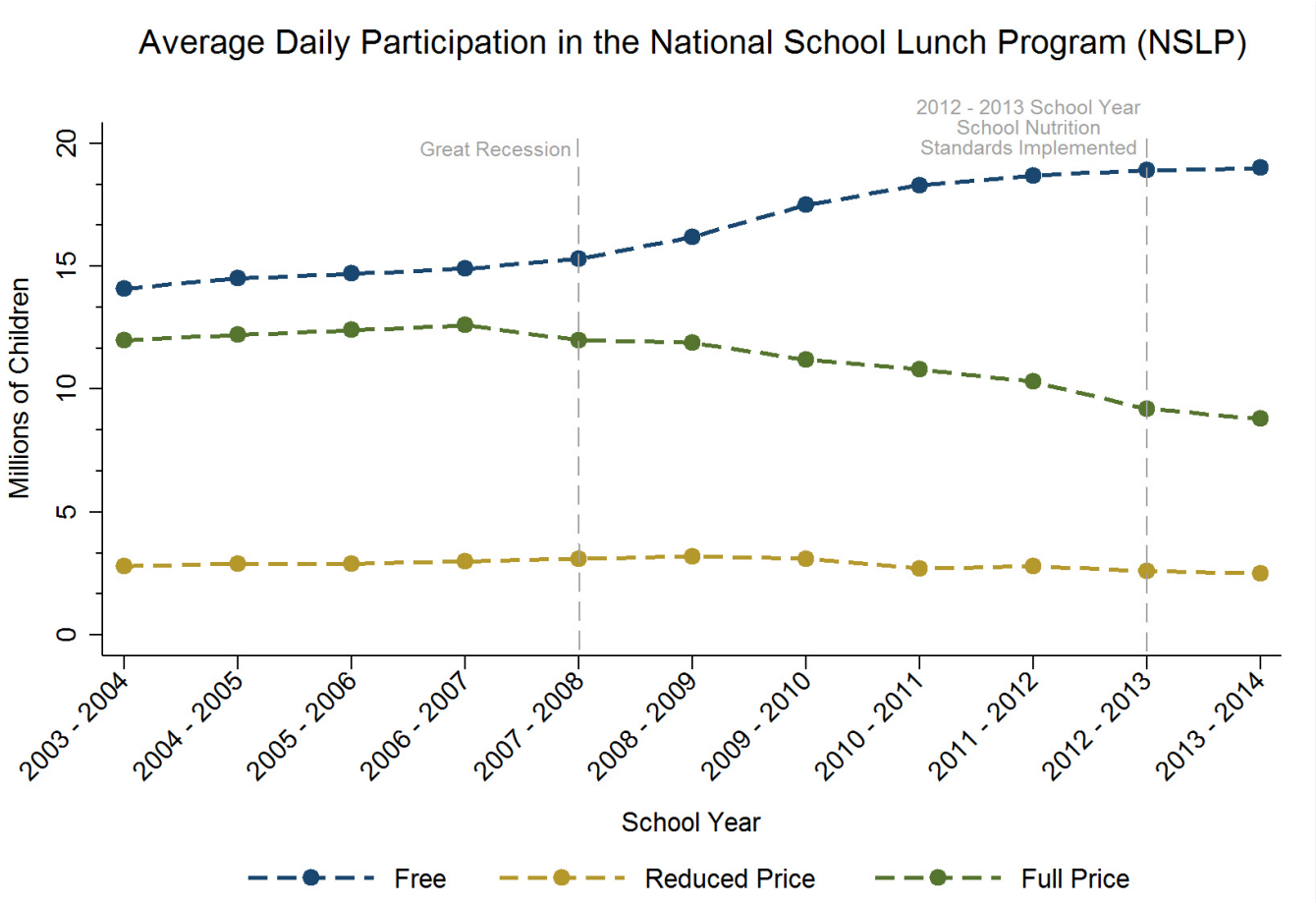
Community eligibility allows high-poverty schools to offer breakfast and lunch free of charge to all students and to realize significant administrative savings by eliminating school meal applications. Any district, group of schools in a district, or school with 40 percent or more "identified students"— children eligible for free school meals who are already identified by other means than an individual household application—can choose to participate. The majority of identified students are those directly certified through data matching because their households receive SNAP, TANF, or FDPIR, and in some states and areas, Medicaid benefits. Identified students also include children who are certified for free meals without an application because they are homeless, migrant, enrolled in Head Start, or in foster care.

Reimbursements to the school are calculated by multiplying the percentage of identified students by 1.6 to determine the percentage of meals reimbursed at the federal free rate. For example, a school with 50 percent identified students would be reimbursed for 80 percent of the meals eaten at the free reimbursement rate (50 x 1.6 = 80), and 20 percent at the paid rate.

Participation Trends Over the Past 10 Years

Total school lunch participation increased from 28.9 million students on an average day in the 2003-2004 school year to an all-time high of 31.8 million in 2010-2011, and then dropped to 30.3 million in 2013-2014. [2] During this time period, lunch participation among children certified for free school meals grew from 14.1 million to 19 million children on an average day. As demonstrated in Figure 1 below, this rise has been continuous. At the same time, participation among "paid" students (those paying most of the cost of their lunch because they are not eligible for free or reduced-price meals) fluctuated. Participation among paid students increased from 12 million children on an average day in the 2003-2004 school year to 12.6 million at its peak in the 2006-2007 school year, but then declined by an average of five percent each year for the past seven years to 8.8 million children in the 2013-2014 school year. Throughout this time period, participation among children eligible for reduced price meals remained relatively flat

These trends in participation continued in the 2012-2013 school year—the year the new nutrition requirements began to take effect—and reflect a long term divergence in participation levels among paid and free and reduced-price eligible children, as opposed to a new development specifically attributable to the nutrition standards.



Prepared by the Food Research annd Action Center (FRAC)
Data source: U.S. Department of Agriculture

[2] Data provided by U.S. Dept. of Agriculture

Recommendations to Increase Participation Among Paid Students

Significant improvements have made the school meal programs increasingly accessible for low-income families, and the nutrition quality improvements, when fully implemented, will ensure that all food served in schools supports positive health and education outcomes for all children. While a variety of factors are at play influencing participation in the school lunch program, strong participation among all categories of students—free, reduced-price, and paid—makes for stronger programs overall.

The factors leading to declines in participation among paid students can be countered in a practical manner that does not sacrifice proper nutrition through a variety of approaches, including:

1. Reexamine the Paid Lunch Equity provision – USDA has allowed some leeway in the implementation of the Paid Lunch Equity provision, including letting other "non-federal" funds substitute for some of the student share and permitting state agencies to grant temporary waivers for school nutrition programs in strong financial condition without having to raise fees for students. However, most school districts have raised prices, causing decreased participation among paid students. USDA should continue to allow waivers, as appropriate, and consider the tradeoffs between increasing revenue and effects on participation.

2. Ensure strong implementation of the Smart Snacks Rule – USDA, state agencies, school districts, and public health and anti-hunger advocates have been working diligently to ensure successful implementation of the Smart Snacks Rule. This rule will significantly improve the nutrition landscape in many schools, and where implemented effectively, will support and complement nutrition quality improvements in the school meals programs.

3. Support school districts having difficulty with the new nutrition standards with technical assistance – Many school districts have been working for years towards offering healthier school meals and were well positioned to meet or exceed nutrition standards provided for in the Healthy, Hunger-Free Kids Act. Some districts, however, have struggled to meet the standards. These districts should be supported through technical assistance, peer to peer mentoring, and training opportunities. To this end, USDA has announced the Team Up for Success initiative to help school districts identify challenges, share best practices and provide tailored training and support.

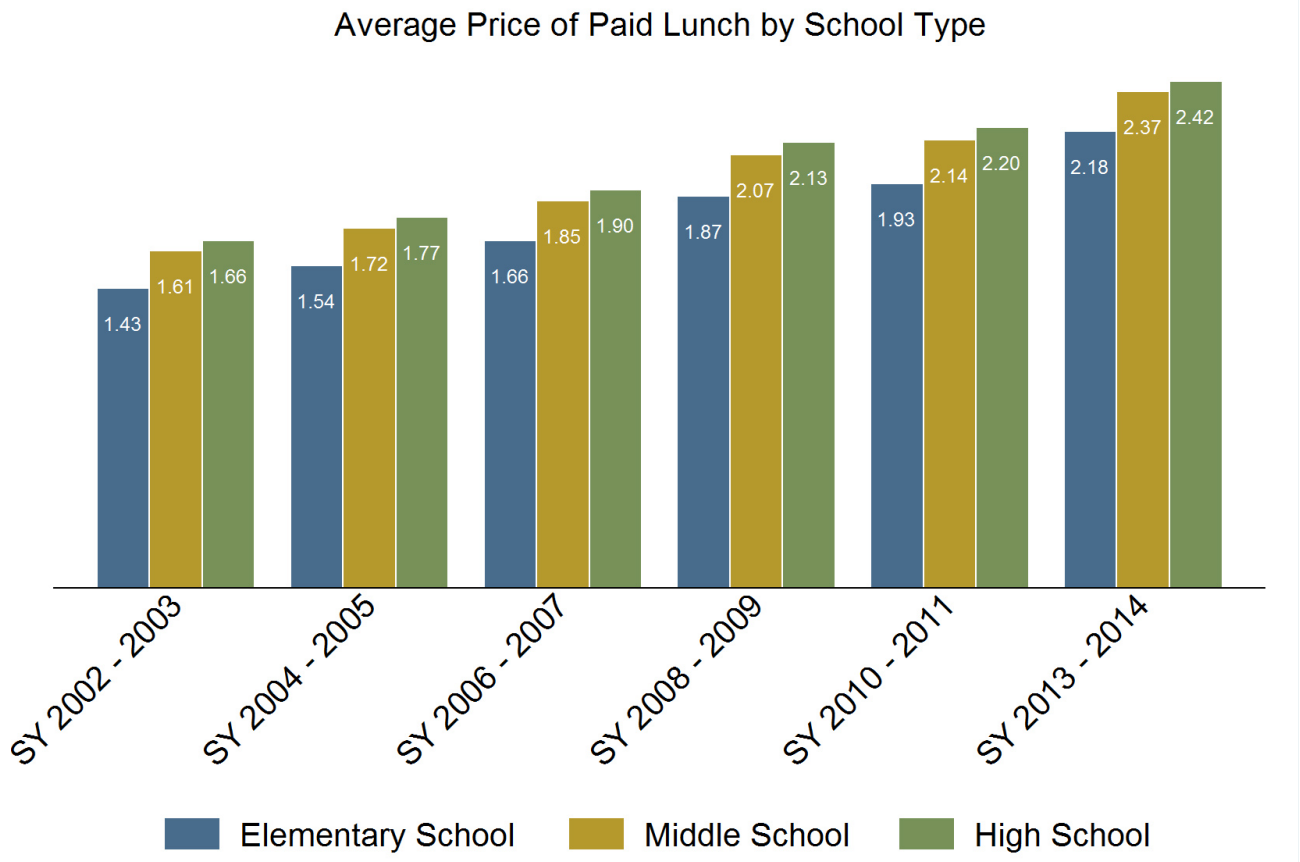
4. Improve school nutrition finances by bringing in more students eligible for free meals–There are many ways to do this. One new and very promising approach is to encourage eligible schools to adopt the Community Eligibility Provision to offer universal free meals. For high poverty schools, using this new option to offer universal free meals to all students is an effective strategy to boost participation in the school meals programs. Offering meals at no charge to all students removes the stigma that the programs are only for "poor kids" and removes any financial barriers for low to moderate income families. Many schools that have adopted community eligibility have seen overall increased lunch participation and report that the provision has strengthened the school nutrition department budget—which in turn allows schools to increase nutrition quality, purchase much needed equipment, and provide food service staff training, all of which can help to further improve participation.

Factors Affecting NSLP Participation

Increased Prices Charged to Families Led to Decreased Participation Among Paid Students

While the Healthy, Hunger-Free Kids Act included positive and much-needed improvements to nutrition requirements, Congress also included a controversial provision which required school districts to increase over time "paid lunch" charges (amounts charged to students not receiving free or reduced-price meals) in order to equal the difference between the small federal "paid lunch" reimbursement (currently 28 cents for lunch) and the cost of the meal. [3] Congress intended this to ensure that the higher federal reimbursements for free and reduced-price meals are not subsidizing meals for children in the paid category. Ending such cross-subsidization also makes available free and reduced-price federal reimbursement dollars to help meet new nutrition quality standards. The Paid Lunch Equity provision has required many school districts to raise their meal fees at a time of great economic pressure on middle class families. This seems to have started reducing participation by paid students well before the new nutrition rules took effect. Paid Lunch Equity went into effect beginning in the 2011-2012 school year. The average price of paid meals has been increasing over the past 10 years, but this provision has been a key driver of the trend of increased prices in recent years and likely contributed to the ongoing decrease in paid participation.

This conclusion is buttressed by the history of similar legislative changes in the past that have led to decreased participation. The Omnibus Budget Reconciliation Acts of 1980 and 1981 reduced the federal reimbursement rates for reduced-price and paid lunches, raised household income limits for free lunches (from 125 percent of the federal poverty level to 130 percent), and lowered income limits for reduced-price from 195 percent to 185 percent. These legislative changes had immediate effects at the local level, as many school districts raised prices for paid lunches—and predictably, overall participation fell by 14 percent between 1980 and 1982. [4]



Source: "School Nutrition Operations Report 2014: The State of School Nutrition"

[3] Resource Management, 7 C.F.R. § 210.14(e)(2) (2011). (Districts can phase in the equalization so that any one year's increase does not exceed 10 cents per meal. Districts also can use non-federal funds in lieu of increasing charges but there is little evidence that districts are doing so).
[4] Ralston, K., Newman, C., Clauson, A., et al. (2008). *The National School Lunch Program: Background, Trends, and Issues.* Economic Research Report No. 61. Alexandria, VA: U.S. Department of Agriculture, Economic Research Service. http://www.ers.usda.gov/media/205594/err61_1_.pdf
[5] Fox, M., Condon, E., Crepinsek, M., et al. (2012). *School Nutrition Dietary Assessment Study IV, Vol. I: School Foodservice Operations, School Environments, and Meals Offered and Served.* Alexandria, VA: U.S. Department of Agriculture, Food and Nutrition Service, Office of Research and Analysis. http://www.fns.usda.gov/sites/default/files/SNDA-IV_Vol1Pt1_0.pdf
[6] School Nutrition Association. (2014). *School Nutrition Operations Report 2014: The State of School Nutrition.* National Harbor, MD.

Even prior to the Paid Lunch Equity mandate, prices for paid school lunch had been increasing steadily, while paid school lunch participation was in decline. USDA's School Nutrition Dietary Assessment Study IV (SNDA-IV)(2012) found that the average price charged for a paid lunch in the 2009-2010 school year was $1.93, representing a 21 percent increase from the average price of $1.60 in the 2004-2005 school year. 5 The School Nutrition Association tracks average reported paid lunch prices by grade level and has documented the steady increase. In the 2002-2003 school year, the average paid lunch price was $1.43 for elementary schools, $1.61 for middle schools and $1.66 for high schools. By the 2006-2007 school year, average prices had increased to $1.66 for elementary schools, $1.85 for middle schools and $1.90 for high schools. In the most recent school year, 2013-2014, average prices were $2.18 for elementary schools, $2.37 for middle schools and $2.42 for high schools. [6]

According to the School Nutrition Association's "School Nutrition Operations Report 2014: The State of School Nutrition," 55.7 percent of all districts surveyed reported increases in paid lunch prices for the 2012-2013 school year and 51.7 percent reported increases for the 2013-2014 school year. For these districts, the Paid Lunch Equity rule was "a primary driving force behind meal price increases, with 87.5 [percent] of those who increased full paid lunch prices in 2012/13 attributing this increase to the Paid [Lunch] Equity regulation. A similar situation is seen for the 2013/14 price increases, with 83.3 [percent] of those who increased lunch pricing doing so due to the Paid [Lunch] regulation." Going forward, Paid Lunch Equity likely will continue to drive up prices, with 46.8 percent of the districts surveyed reporting that their paid lunch prices will increase in the 2014-2015 school year due to the regulation. [7]

Research demonstrates that raising prices for school lunches results in decreased participation among students who are not eligible for free or reduced-price meals. Several studies conducted by USDA on trends before Paid Lunch Equity took effect show that increased prices lead to lower participation among paid students, though estimates vary on the precise rate of decline. According to USDA's School Nutrition Dietary Assessment III (SNDA-III) (2007), "students who were not income-eligible for free or reduced-price meals were less likely to participate in the program when the full price of the meal was higher," and this negative effect matches findings from previous studies of school meal participation. [8] In a subsequent study, SNDA-IV (2012), researchers found that a 10 percent increase in the price of a paid lunch was associated with a decline of 1.5 percentage points in the rate of paid meal participation. [9] Other estimates that have served to guide food service directors' decision-making are that every five cent increase is associated with a decline of one percent in participation. [10]

The department estimated that nearly all schools would need to increase their lunch prices in response to the requirements, and these increases were expected to decrease the number of students eating school lunches as they chose not to eat, brought their lunches from home, or acquired food from other sources.

Unsurprisingly, then, as USDA and many others predicted prior to implementation of the provision, increased meal prices due to Paid Lunch Equity have continued to drive such a decline. A recent Government Accountability Office (GAO) report noted that the "reaction to the paid lunch price increases is consistent with USDA's expectations. Prior to implementation, the department estimated that nearly all schools would need to increase their lunch prices in response to the requirements, and these increases were expected to decrease the number of students eating school lunches as they chose not to eat, brought their lunches from home, or acquired food from other sources." [11]

Despite overall trends of increasing school lunch prices, many districts have historically avoided raising paid meal prices, recognizing that many households just above the 185 percent of the federal poverty level cut-off for reduced-priced meals are living on tight budgets. But it is likely that price increases under Paid Lunch Equity will continue to disproportionately affect moderate income families with incomes between 185 and 250 percent of the federal poverty level. According to the 2013 Current Population Survey, 1.7 million school-age children lived in households with incomes between 185 and 200 percent of the poverty line, and 4.7 million school-age children lived in households between 200 and 250 percent of the poverty line. As schools continue to raise prices as a result of this provision, they increasingly will run the risk of pricing out many low to moderate-income families.

[7] Ibid.
[8] Gordon, A., Fox, M., Clark, M., et al. (2007). *School Nutrition Dietary Assessment Study-III: Vol. II: Student Participation and Dietary Intakes.* Alexandria, VA: U.S. Department of Agriculture, Food and Nutrition Service, Office of Research, Nutrition and Analysis. http://www.fns.usda.gov/sites/default/files/SNDAIII-Vol2.pdf
[9] Fox et al. 2012.
[10] Poppendieck, J., (2010). *Free for All: Fixing School Food in America.* Berkeley, CA: University of California Press.
[11] Government Accountability Office. (2014). *Report to Congressional Requesters: School Lunch Implementing Nutrition Changes Was Challenging and Clarification of Oversight Requirements Is Needed.* Report No. GAO 14-104. Washington, DC: Government Accountability Office. http://www.gao.gov/assets/670/660427.pdf

The Great Recession Increased Participation Among Low-Income Children and Reduced the Share of Paid Participants

The recession has shifted families down the income scale, so the economic distress has increased significantly the proportion of children eligible—and certified for—free school meals and reduced the number of children who would buy "paid meals." According to U.S. Census data, since the start of the recession, the number of children living in poverty increased from 13.3 million in 2007 to 14.7 million in 2013, peaking at 16.3 million in 2010. [12] Recognizing the implications for school meal participation, a recent GAO report noted that, "[c]onsistent with this shift, our analysis of USDA's data shows that the number of students approved for free meals nationally has been increasing at a greater rate since school year 2007-2008, and the number of students required to pay full price for their lunches has been decreasing." [13]

As economic conditions decline, household income falls, and more participants become eligible for free and reduced-price meals. Consequently, the percentage of NSLP participants receiving free and reduced-price meals tends to increase.

In a recent report, USDA analyzed the effect of economic conditions on the number of participants in federal nutrition programs from 1976 to 2010, including the National School Lunch Program. Using the unemployment rate as a barometer for economic rise and fall, the study found that, "[e]conomic conditions do not appear to have any impact on the total number of students receiving school lunches. However, there is evidence that the economy does affect the percentage of NSLP participants receiving free and reduced-price meals. As economic conditions decline, household income falls, and more participants become eligible for free and reduced-price meals. Consequently, the percentage of NSLP participants receiving free and reduced-price meals tends to increase." [14] Other factors were determined to have affected the total number of participants in the program—such as the reimbursement lowering provisions of the Omnibus Budget Reconciliation Act of 1981 and fluctuations in total student enrollment. The report did, however, find a connection between an increase in the share of free and reduced-price meals and declining economic conditions, a trend that has continued in the most recent school years. During times of economic decline then, as the share of free and reduced-price meals increases, the number of free and reduced-priced participants increases and the number of paid participants contracts as students are pulled from the paid category into eligibility for free and reduced-price meals.

Improved Certification Processes Have Added to the Number of Children Certified for Free School Meals

The recession and slow recovery not only moved children from "paid" meal income levels to free and reduced-price categories. It also led families to seek other government assistance programs (like the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF)) that made them categorically eligible for free school meals and allowed them to be directly certified without an application. Moreover, the last few years have seen substantial improvements in direct certification systems, which automatically certify children for free meals through a data matching process. That also has contributed significantly to increased participation among students eligible for free school meals. The Child Nutrition and WIC Reauthorization Act of 2004 required all school districts to establish a direct certification system for children in households participating in SNAP by the 2008–2009 school year. The Healthy, Hunger-Free Kids Act of 2010, recognizing that many states were lagging in complying with this rule, set state benchmarks for directly certifying children in households receiving SNAP benefits. States were required to directly certify 80 percent of school-age SNAP participant children for the 2011–2012 school year, 90 percent for the 2012–2013 school year, and 95 percent for the 2013–2014 school year and beyond.

[12] DeNavas-Walt, C., and Proctor, B. D. (2014). *Income and Poverty in the United States: 2013.* Current Population Reports, P60-249. Washington, DC: U.S. Census Bureau. (Appendix A, Table B-2. Poverty Status of People, by Age, Race and Hispanic Origin: 1959-2013). http://www.census.gov/content/dam/Census/library/publications/2014/demo/p60-249.pdf

[13] Government Accountability Office. (2014).

[14] Hanson, K., and Oliveira, V. (2012). *How Economic Conditions Affect Participation in USDA Nutrition Assistance Programs.* Economic Information Bulletin No. 100. Alexandria, VA: U.S. Department of Agriculture, Economic Research Service. (emphasis added). http://www.ers.usda.gov/media/914042/eib100.pdf

As a result of these requirements, the number and percentage of children in SNAP households and other categorically eligible children certified for free meals increased substantially. In the 2008-2009 school year, nationwide 71 percent of school-aged children in SNAP households were directly certified, but by the 2012-2013 school year the rate had risen to 89 percent. [15,16] Similarly, certification of all categorically eligible children rose from 85 percent to 95 percent. [17] In short, increased need combined with more effective systems for certifying children for free meals has shrunk the pool of paid participants and spurred continued growth in school lunch participation among students certified for free school meals.

The Introduction of the Community Eligibility Provision Contributed to the Increased Participation Among Low-Income Children

The Healthy, Hunger-Free Kids Act contained other provisions that have helped drive increases in school lunch participation in high poverty schools and helped make lunchroom finances easier. The Community Eligibility Provision allows schools with high concentrations of low-income children to offer breakfast and lunch at no charge to all children in the school, while providing significant administrative savings by eliminating the school meal application process and improving economies of scale.

In schools that have been participating in community eligibility for two years, average daily lunch participation rose 13 percent — from 69 percent in October 2010 to 78 percent in October 2012.

In the 10 states and the District of Columbia where community eligibility was available by the 2013-2014 school year, the program produced a significant impact on participation, adding to the steady increases in free student participation nationwide. (The availability of community eligibility to low-income schools in the other 40 states only began in the 2014-2015 school year, so its effect does not yet show up in the data.) For example, an analysis by FRAC and the Center on Budget and Policy Priorities found that in the initial three pilot states, "[i]n schools that have been participating in community eligibility for two years, average daily lunch participation rose 13 percent — from 69 percent in October 2010 to 78 percent in October 2012." [18] For some districts the effect has been even more impressive—in Detroit between October 2010 and October 2012, the number of students eating lunch increased by 30 percent. [19] More recently, a USDA evaluation of participation in community eligibility schools found that in the seven states from the first two years of implementation, community eligibility schools had significantly higher student participation in the National School Lunch Program. The average daily lunch participation rate in community eligibility school districts was 5.2 percent higher than in comparison school districts. [20]

Community eligibility schools identify the number of children eligible for free school meals through means other than a school meal application (e.g., cross certification from SNAP, TANF, and other means-tested programs), and the percentage of such students in the school is multiplied by 1.6 to approximate the school's low-income population and determine the percentage of meals reimbursed at the federal free rate. The remainder of meals served are reimbursed at the paid rate. Community eligibility schools no longer claim meals at the reduced-price rate. With an increasing number of schools opting into the very successful provision each year, community eligibility likely will continue to contribute to an increase in school lunch participation.

[15] Ranalli, D., Harper, E., O'Connell, R., et al. (2009). *Direct Certification in the National School Lunch Program: State Implementation Progress*. Special Nutrition Programs Report No. CN-09-DC. Alexandria, VA: U.S. Department of Agriculture, Food and Nutrition Service, Office of Research and Analysis. http://www.fns.usda.gov/sites/default/files/NSLPDirectCertification2009.pdf

[16] Moore, Q., Conway, K., Kyler, B., et al. (2013). *Direct Certification in the National Lunch Program: State Implementation Progress, School Year 2012–2013*. Special Nutrition Programs Report No. CN-13-DC. Alexandria, VA: U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support. http://www.fns.usda.gov/sites/default/files/NSLPDirectCertification2013.pdf

[17] Categorically eligible children include all children automatically eligible for free school meals because they are in households participating in SNAP, TANF and the Food Distribution Program on Indian Reservations (FDPIR), in foster care, Head Start, homeless, or migrant. This number includes all children certified for free school meals by providing a SNAP, TANF, or FDPIR case number on an application and children who were directly certified.

[18] Center on Budget and Policy Priorities and Food Research and Action Center. (2013). *Community Eligibility: Making High-Poverty Schools Hunger Free*. Washington, DC: Levin, M. and Neuberger, Z. http://frac.org/pdf/community_eligibility_report_2013.pdf

[19] Ibid.

[20] Logan, C.W., Connor, P., Harvill, E.L., et al. (2014). *Community Eligibility Provision Evaluation*. Washington DC: Prepared by Abt Associates for the U.S. Department of Agriculture, Food and Nutrition Service. http://www.fns.usda.gov/sites/default/files/CEPEvaluation.pdf

Widespread Availability of Competitive Foods Adversely Affects School Lunch Participation, Especially Among Paid Lunch Students

Another factor impairing school lunch participation among all groups is competitive foods. Competitive foods are any food sales outside of the federal school nutrition programs, including à la carte sales in the cafeteria, vending machines, and student stores. The most recent USDA study, the SNDA-IV (2012) report, found that competitive foods options are available in an overwhelming majority of schools. While logic tells us that children not eligible for free or reduced-price meals who may have additional resources to purchase food at school would be most affected by the availability of competitive foods, it is a deep concern as well for free and reduced-price eligible students when stigma and the allure of competitive foods pulls children away from participating in the school meals program.

As the name indicates, competitive foods are in direct competition with the school meal programs for students. Research demonstrates that sales of competitive foods drive children away from the school meals programs and lead to decreased participation. [21] According to USDA, "competitive foods undermine the nutrition integrity of the [school meal] programs and discourage participation." [22] This effect is presumably magnified among students paying full price for school lunch—those students with more financial resources and therefore more choices for purchasing lunch at school—as opposed to students eligible for free or reduced-price meals for whom purchasing competitive foods would be a more significant financial burden.

By reducing the accessibility of less healthy options, the Smart Snacks Rule has the potential to pull more children—especially children not eligible for free or reduced-price meals—back into the school lunch program

Despite widespread availability of competitive foods and research demonstrating the negative effects of competitive foods on school meal participation, there is little evidence that this effect has increased in recent years. However, new competitive food regulations may drive more students, especially paid students, to the school meals programs. Until the 2014-2015 school year competitive foods have been required to meet only very minimal nutrition standards. As part of the Healthy, Hunger-Free Kids Act, Congress empowered USDA to create nutrition guidelines for all food sold in schools that provide for significant changes for foods offered outside the school meals programs. These new standards, known as the Smart Snacks Rule, went into effect at the start of the 2014-2015 school year and will ensure that the entire school environment—including à la carte, vending machines, and student stores—supports healthy eating for all students. While the ultimate effects of these new standards are not clear yet, the expected impacts on health, paid student participation and combating stigma are all beneficial for students and schools. Studies of schools that have implemented strong nutrition standards for all foods prior to the federal rule going into effect, have produced promising results both for the financial viability of school nutrition departments as well as school meal participation. [23, 24] By reducing the accessibility of less healthy options, the Smart Snacks Rule has the potential to pull more children—especially children not eligible for free or reduced-price meals—back into the school lunch program and contribute to higher participation in the school meals programs overall.

Conclusion

Varying participation trends among children eligible for free and reduced-price school meals and paid participants are due to a number of factors influencing children's and families' decisions to participate in the National School Lunch Program. Strong participation by paid students is important for the overall viability of the school meal programs, and drop-offs in paid participation detrimentally affect school nutrition department bottom lines as well as children who lose out on the health and learning benefits of school lunch. However, attributing declines to the implementation of the nutrition requirements in the Healthy, Hunger-Free Kids Act ignores long-term trends in program participation and overlooks the confluence of factors driving participation change. Faulting solely the nutrition standards updates fails to consider the constructive means of addressing decreases in participation, discussed in this report on page 5, which do not compromise the health and wellness of millions of children across the country.

[21] Fox, M. K., Crepinsek, M. K., Connor, P., et al. (2001). *School Nutrition Dietary Assessment Study-II: Summary of Findings.* Alexandria, VA: U.S. Department of Agriculture, Food and Nutrition Service, Office of Analysis, Nutrition and Evaluation. http://www.fns.usda.gov/sites/default/files/sndaII.pdf
[22] U.S. Department of Agriculture. (2001). *Foods sold in competition with USDA school meal programs: a report to Congress.* https://www.cspinet.org/nutritionpolicy/Foods_Sold_in_Competition_with_USDA_School_Meal_Programs.pdf
[23] Center for Disease Control and Prevention. (2011). *Implementing Strong Nutrition Standards for Schools: Financial Implications.* http://www.cdc.gov/healthyyouth/nutrition/pdf/financial_implications.pdf
[24] Wharton, C.M., Long, M., Schwartz, M.B. (2008). *Changing nutrition standards in schools: the emerging impact on school revenue.* Journal of School Health, 78(5), 245-251.

Appendix A.

State	% of Districts CERTIFIED as of June 2014
Alabama	94%
Alaska	91%
Arizona	98%
Arkansas	99%
California	96%
Colorado	100%
Connecticut	84%
Delaware	70%
District of Columbia	96%
Florida	100%
Georgia	100%
Guam	33%
Hawaii	97%
Idaho	98%
Illinois	96%
Indiana	100%
Iowa	93%
Kansas	100%
Kentucky	99%
Louisiana	72%
Maine	89%
Maryland	96%
Massachusetts	84%
Michigan	92%
Minnesota	86%
Mississippi	81%
Missouri	95%
Montana	100%
Nebraska	100%
Nevada	72%
New Hampshire	95%
New Jersey	93%
New Mexico	80%
New York	88%
North Carolina	96%
North Dakota	100%
Ohio	88%
Oklahoma	100%
Oregon	75%
Pennsylvania	90%
Puerto Rico	56%
Rhode Island	89%
South Carolina	90%
South Dakota	99%
Tennessee	90%
Texas	100%
Utah	100%
Vermont	95%
Virginia	98%
Virgin Islands	50%
Washington	99%
West Virginia	100%
Wisconsin	81%
Wyoming	99%
US	92%