

May 1, 2014

Child Nutrition

LEGISLATIVE ANALYST'S OFFICE

Presented to:
Senate Budget and Fiscal Review Subcommittee No. 1
On Education
Hon. Marty Block, Chair





Background



California Department of Education (CDE) Administers Various Federal Nutrition Programs

- Meal programs include: National School Lunch Program (NSLP), School Breakfast Program, Seamless Summer Feeding Option, and Special Milk Program.
- CDE provides technical assistance to schools that operate programs and monitors their compliance with program rules.
- CDE also distributes food donated by the federal government to schools.



About Half of California Students Receive Free or Reduced-Price Lunches Through NSLP

- Eligibility for free lunch is 130 percent of the federal poverty level (FPL)—\$25,000 annually for family of three—and for reduced-price lunch is 185 percent of the FPL—\$36,000 annually for family of three.



Funding

- Nutrition Programs Primarily Funded by Federal Government**
 - \$2 billion in federal funding in 2013-14.
 - \$150 million in state funding in 2013-14.
 - Districts also spend local funds to supplement federal and state monies.

- Schools Reimbursed Based on Number of Meals Served**
 - For lunch program, federal funds provide about \$3.00 per free lunch and about \$2.50 per reduced-price lunch.
 - State funds provide additional \$0.22 per lunch.

- Districts Required to Maintain Nutrition Funds Separately in a Cafeteria Fund**

- CDE Funded to Administer Nutrition Programs**
 - About \$25 million in federal funding in 2013-14.
 - Additional \$10 million in one-time federal funding spread across 2012-13 through 2014-15 to implement new federal requirements.



Healthy, Hunger-Free Kids Act

- 2010 Reauthorization of Federal Child Nutrition Act**
- New Nutrition Requirements**
 - Districts must serve healthier meals to receive full federal reimbursement. For example, meals must include more whole grains, fruits, and vegetables, as well as reduce the amounts of saturated fat, trans fats, and sodium.
- New Monitoring Requirements**
 - CDE must perform more frequent and comprehensive reviews of participating schools. For example, CDE must complete site reviews every three years (rather than every five years) and must examine whether cafeteria funds are used appropriately.



Recent Nutrition Reports



State Senate Office of Oversight and Outcomes Released “Food Fight” Report in Early 2013

- Found that some districts used cafeteria funds for unallowable expenses (based on five district case studies).
- Attributed problems to lack of oversight and complex spending rules.
- Recommended state increase oversight of cafeteria fund expenditures and simplify spending rules.



CDE Released “Staffing Needs” Report in Late 2013

- Determined additional staff needed for increased oversight activities.
- Described CDE’s steps to prevent future cafeteria fund misuse.
- Reviewed 30 districts’ cafeteria funds to determine extent of misuse and identify unallowable activities. Found that over half of sample districts misused funds.



California State Auditor Released “Cafeteria Funds” Report in Early 2014

- Found that 16 of 18 sample districts misused a portion of their cafeteria funds, but that vast majority of funds were used for allowable purposes.
- As a result, concluded that problems not as severe as suggested by earlier reports.