

Office of the
Legislative Fiscal Analyst

FY 2005 Budget Recommendations

Joint Appropriations Subcommittee for
Public Education

Child Nutrition Programs

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1.0 Child Nutrition Programs

Summary

Child Nutrition Programs are federal assistance programs with the purpose of offering high quality, nutritionally well-balanced meals and to develop nutrition awareness among students. The program offers low cost or free meals to children in public and non-profit private schools. The state contribution to the nutrition programs is roughly 15 percent of the overall funding, most of which is generated through the liquor tax.

The Child Nutrition staff provides technical assistance as requested by participants; develops an annual financial and staffing plan; provides free and reduced price meal policy; interprets state and federal regulations; and performs administrative and nutritional reviews in districts and institutions to assure compliance with state and federal regulations.

The Analyst recommends \$107,875,200 for the Child Nutrition Programs, including \$139,800 from the Uniform School Fund.

	Analyst FY 2005 Base	Analyst FY 2005 Changes	Analyst FY 2005 Total
Financing			
Uniform School Fund	139,800		139,800
Federal Funds	91,936,200		91,936,200
Dedicated Credits Revenue	15,799,200		15,799,200
Total	\$107,875,200	\$0	\$107,875,200
Programs			
Child Nutrition	107,875,200		107,875,200
Total	\$107,875,200	\$0	\$107,875,200
FTE/Other			
Total FTE	26		26
Vehicles	1	0	1

3.0 Programs: Child Nutrition Programs

3.1 Child Nutrition

Recommendation

The Analyst recommends an appropriation of \$107,875,200 for Child Nutrition Programs in FY 2005.

	2003	2004	2005	Est/Analyst
Financing	Actual	Estimated*	Analyst	Difference
Uniform School Fund	164,400	139,800	139,800	
Uniform School Fund, One-time		300		(300)
Federal Funds	91,838,700	91,940,800	91,936,200	(4,600)
Dedicated Credits Revenue	15,799,200	15,799,200	15,799,200	
Total	\$107,802,300	\$107,880,100	\$107,875,200	(\$4,900)
Expenditures				
Personal Services	1,250,500	1,354,900	1,350,600	(4,300)
In-State Travel	18,200	18,200	18,200	
Out of State Travel	24,100	24,100	24,100	
Current Expense	814,600	814,600	814,600	
DP Current Expense	26,500	26,500	26,500	
Other Charges/Pass Thru	105,668,400	105,641,800	105,641,200	(600)
Total	\$107,802,300	\$107,880,100	\$107,875,200	(\$4,900)
FTE/Other				
Total FTE	26	26	26	0
Vehicles	1	1	1	0

*Non-state funds as estimated by agency

Purpose

The federal child nutrition programs are authorized under the National School Lunch Act of 1946, the Child Nutrition Act of 1966, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The goal is to improve the nutritional well being of children, enabling them to reach their full potential. The following are the primary programs administered by the Child Nutrition Section at USOE, in accordance with USDA regulations.

National School Lunch Program

The National School Lunch Program (NSLP) is the primary Child Nutrition Program. Four funding sources contribute to the NSLP, namely, Federal Funds, State Funds, USDA Commodities and Local Revenue. State funds are generated primarily by the liquor tax and contribute roughly 15 percent to the total budget. Commodities include items such as meat, vegetables, cheese, and staples such as flour, oils etc., serving a dual need; support for the agriculture industry, and the nutritional needs of children.

Meals must meet the nutritional requirements of the “Dietary Guidelines for Americans,” published by the USDA and U.S. Department of Health and Human Services, providing for one-third of a child’s daily nutritional requirements. Free and Reduced price lunches are available for children who meet certain guidelines detailed in Section 4.2.

*National School
Breakfast Program*

Schools have the option of participating in the School Breakfast Program. The same criteria used in determining the need for free or reduced price lunch is used for the breakfast program, see section 4.2.

The Severe Need Breakfast Program aids schools with 40 percent or more of their population qualifying for free or reduced price lunches. The program enables these children the opportunity to have at least two nutritionally balanced meals each day. The State Office of Education tracks which schools qualify for the program and notifies schools of their eligibility. Federal and local funds are used for the Regular and Severe Need Breakfast Programs.

Special Milk Program

Children who do not participate in the other nutrition programs, for example, children attending kindergarten may participate in the Special Milk Program. The federal government provides a reimbursement for each half-pint of milk. Children are charged the difference between the reimbursement and the actual cost. Children not able to pay the difference may receive milk free of charge, the federal reimbursement covers the full cost of the milk in this instance.

*Summer Food Service
Program*

Summer Food Service provides meals on a regular basis when school is not in session. To be eligible the school must show that 50 percent or more of their students were served free or reduced price meals. Once the need has been demonstrated, then all children who attend the school are eligible to participate in the program. The Summer Food Service Program is entirely federally funded.

*Food Distribution
Program*

The USDA distributes food to institutions and programs that provide nutritional services to eligible persons. These programs include the National School Lunch Program, the Child and Adult Care Food Program and the Summer Food Service Program. Participating agencies enter into an annual agreement to receive commodities.

The Emergency Food Assistance Program (TEFAP) provides food and federal cash assistance to food banks, pantries and emergency shelters. Foods are distributed through local pantries to individuals in economic distress and for meal services at shelters. The cash assistance helps food banks defray the expense of administration of the program and in the storage and distribution of the food. The state appropriation supports state level administrative expenses, including warehouse receipt and some distribution to shelters.

Performance Measures

The following table shows a historical comparison of child nutrition services. Complete information may be found in the Financial and Statistical Summary of the Child Nutrition Programs.

Child Nutrition Programs: Participation History 2000-2002						
		School Lunch	School Breakfast	Severe Need Breakfast	Special Milk*	Summer Food Service**
2002	Number of Sites	768	215	325	86	117
	Enrollment	469,669	166,812	167,285		
	Meals Served					
	Free	13,156,565	760,555	3,280,804	6,999	
	Reduced Price	5,608,731	199,798	570,613		
	Paid	26,982,406	494,015	580,478	180,956	
	Total Meals Served	45,747,702	1,454,368	4,431,895	187,955	797,758
2001	Number of Sites	761	200	322	79	142
	Enrollment	468,239	155,951	170,607		
	Meals Served					
	Free	12,256,996	660,332	3,138,273	10,254	
	Reduced Price	5,555,501	191,753	554,653		
	Paid	27,356,060	468,120	565,295	197,938	
	Total Meals Served	45,168,557	1,320,205	4,258,221	208,192	804,468
2000	Number of Sites	748	194	312	75	144
	Enrollment	473,579	151,422	165,102		
	Meals Served					
	Free	12,128,651	545,778	2,972,686	10,508	
	Reduced Price	5,467,606	157,957	515,728		
	Paid	27,228,362	395,378	556,895	187,076	
	Total Meals Served	44,824,619	1,099,113	4,045,309	197,584	868,217

* Figure represents the number of 1/2 pints of milk served, either received free or paid.
 ** Total represents the total number of meals served for breakfast, lunch, supper, and snack.

4.0 Additional Information: Child Nutrition Programs

4.1 Funding History

	2001	2002	2003	2004	2005
Financing	Actual	Actual	Actual	Estimated*	Analyst
Uniform School Fund	167,300	162,400	164,400	139,800	139,800
Uniform School Fund, One-time				300	
Federal Funds	72,245,900	86,413,800	91,838,700	91,940,800	91,936,200
Dedicated Credits Revenue	14,696,300	15,606,400	15,799,200	15,799,200	15,799,200
Transfers - Interagency		57,600			
Total	\$87,109,500	\$102,240,200	\$107,802,300	\$107,880,100	\$107,875,200
Programs					
Child Nutrition	87,109,500	102,240,200	107,802,300	107,880,100	107,875,200
Total	\$87,109,500	\$102,240,200	\$107,802,300	\$107,880,100	\$107,875,200
Expenditures					
Personal Services	1,168,300	1,240,800	1,250,500	1,354,900	1,350,600
In-State Travel	20,600	18,700	18,200	18,200	18,200
Out of State Travel	13,100	21,400	24,100	24,100	24,100
Current Expense	1,204,900	794,400	814,600	814,600	814,600
DP Current Expense	7,900	44,700	26,500	26,500	26,500
Other Charges/Pass Thru	84,694,700	100,120,200	105,668,400	105,641,800	105,641,200
Total	\$87,109,500	\$102,240,200	\$107,802,300	\$107,880,100	\$107,875,200
FTE/Other					
Total FTE	26	26	26	26	26
Vehicles	1	1	1	1	1

*Non-state funds as estimated by agency.

4.2 Child Nutrition Programs: Free and Reduced Price Guidelines

Federal Guidelines Children whose household income is at or below 130 percent of federal poverty guidelines may receive school meals at no charge. Children are entitled to pay a reduced price (a maximum of 40 cents for lunch, 30 cents for breakfast and 15 cents for a snack) if their household income is above 130 percent but at or below 185 percent of these guidelines. Children are automatically eligible for free school meals if their household receives food stamps, benefits under the Food Distribution Program on Indian Reservations or, in most cases, benefits under the Temporary Assistance for Needy Families (TANF) program.

Eligible Household Income Guidelines All income actually received by the household is counted in determining eligibility for free and reduced price meals. This includes salary, public assistance benefits, social security payments, pensions, unemployment compensation etc. The only exceptions are benefits under Federal programs which, by law, are excluded from consideration; in-kind benefits, such as military on-base housing, certain kinds of assistance for students and irregular income from occasional small jobs such as baby-sitting or lawn mowing.

4.3 Child Nutrition Programs: Federal Funds Detail

Federal Grant Name	FY 2003 Actual	FY 2004 Authorized	FY 2005 Requested
Food Distribution	\$12,199,500	\$12,199,500	\$14,199,500
School Breakfast	7,823,100	7,823,100	7,823,100
Nutrition Act Assistance Program	47,028,100	47,130,200	47,125,600
Special Milk	62,500	62,500	62,500
Child and Adult Care	20,607,200	20,607,200	20,607,200
Summer Food Service Program	1,789,500	1,789,500	1,789,500
State Administration	1,635,000	1,635,000	1,635,000
Cash in Lieu of Commodities	345,000	345,000	345,000
Other Grants	348,800	348,800	348,800
Total	\$91,838,700	\$91,940,800	\$93,936,200