The background features a large green shape on the right side, which is a rectangle with a diagonal cut from the top-left corner to the bottom-left corner. On the left side, there is a blue triangle pointing towards the center, overlapping the green shape.

**SPRING-FORD AREA
SCHOOL DISTRICT
&
THE IMPACT OF THE
HEALTHY HUNGER FREE
KIDS ACT OF 2010**

WHAT IS THE HEALTHY, HUNGER FREE KIDS ACT OF 2010?

Signed by President Obama on December 13, 2010

- Public Law 111-296, Healthy, Hunger-Free Kids Act of 2010 (HHFKA)
- HHFKA required USDA to update school meal nutrition standards. These are the most sweeping changes the program has seen in over 15 years.
- HHFKA is championed by First Lady Michelle Obama as part of her “Lets Move!” initiative, and it will effect 32 million children nationwide that participate in NSLP.
- While some of the changes will be phased in over the next five years, the ones that have a direct effect on lunches take effect for the beginning of the 2012-2013 school year.
- All Food Services attended trainings in these changes in either late June 2012 or July 2012.



KEY COMPONENTS OF THE ACT:

Updated nutrition standards for school lunches

Increase:

- Fruits (amount)
- Vegetables (amount and required variety)
- Whole grains
- Legumes
- Low-fat/Fat Free Dairy (flavored milk choices must be fat free, unflavored choices may be fat free or 1% low fat only).

Decrease

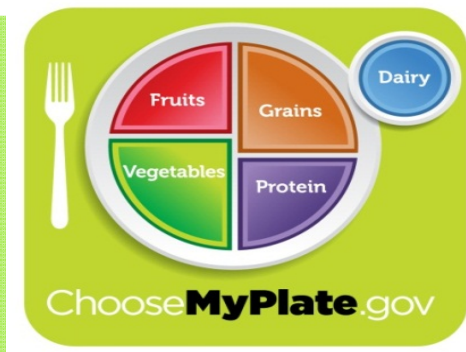
- Sodium, Fat

New Levels

- Calorie minimum and maximum levels
- Protein minimum and maximum levels

Changes to Offer vs. Serve:

- In the past, fruits and vegetables were an options (with Offer vs. Serve). With the new standards, either a fruit or a vegetable must be on a child's plate to be considered a reimbursable meal.



FUNDING FOR THE HHFKA

Increased funding for schools, however:

- Only .06 cents per meal reimbursement
- The .06 cents is effective beginning October 31, 2012 (although it may not be seen until 60 days past this date).
- The .06 cents is based on meeting performance standards we must prove we are meeting.
- Participation in these changes is mandatory.
- The cost to implement these new regulations will cost an average of .30 per meal.
- The School Meal Initiative is gone (.01 extra per meal)



THE CHALLENGES AHEAD- WHERE DO WE GO FROM HERE

Thoughts and conversation:

Do as proposed, don't change anything, and have a large loss (money and participation) at end of year.

That thought led to: my own research, meeting with superintendent & our fiscal leaders, polling my peers at other districts, and culminated in the birth of 3 ideas:

Completely take entire district off NSLP entirely

Pros & Cons

Remove just the High School off the NSLP entirely

Pros & Cons

Leave all schools on NSLP, maximize (within reason) a la carte, and gauge results

Pros & Cons

REIMBURSEMENT RATES 2011-2012 VS. 2012-2013

NSLP Rate Information Period: 07/01/2011 - 06/30/2012

Federal Reimbursement Rates

Paid 0.2600 per meal

Free \$2.7700 per meal

Reduced \$2.3700 per meal

State Reimbursement Rates

Per Lunch 0.1000

Incentive Rate

0.01 per meal

NSLP Rate Information Period: 7/01/2012 - 06/30/2013

Federal Reimbursement Rates

Paid 0.2700 per meal

Free \$2.8600 per meal

Reduced \$2.4600 per meal

State Reimbursement Rates

Per Lunch 0.1000

Possibly an additional .06 if found to be in compliance

PREDICTED IMPACT OF LOSS OF PARTICIPATION & REVENUE, & WHAT IT WILL TAKE TO PRODUCE A BREAK EVEN BUDGET FOR SY 2012-2013

- Cost of meal increases .30 to produce new meals
- Increased food waste at all levels (fruit or veg. no longer optional)
 - Decrease in participation at all levels
 - Increase of expenses in Labor and Benefits
- Only minor increase in State and Federal reimbursement rates for Paid lunches (see prior slide). The .06 incentive rate is not guaranteed, nor are they saying for sure when it will begin. Could be as soon as 10/31/12, or as long as 1/31/13. Because of this uncertainty, the .06 incentive rate was not figured into our 2012-2013 budget.



FINAL THOUGHTS AND RECOMMENDATIONS

Fiscally Unwise Option:

- We can't afford to get off program entirely- the district stands to lose approximately \$800,000 for school year 2012-2013 (\$500,000 for food services, \$300,000 for Title 1 & Title 2).

Medium Risk Option:

- Raise prices at Elementary and Middle levels, and leave them on the program. Take HS off NSLP. More flexible, but fairly risky as will need to make up \$150,000 in reimbursement (based on SY 2011-2012 numbers).

Lower Risk Option:

- Leave everyone on program. Raise prices, keep integrity of NSLP, and try to maximize a la carte to help offset the difference.

