

MEMORANDUM

September 9, 2011

TO: Education Committee

FROM: Jennifer Renkema, Research Associate 
Office of Legislative Oversight

SUBJECT: **Worksession on OLO Report 2012-1: Food in Montgomery County Public Schools**

On September 12, 2011, the Education Committee will hold a worksession on Office of Legislative Oversight (OLO) Report 2012-1. The Council formally received and released the report on July 19, 2011. This report responds to the Council's request for OLO to review the policies and practices that shape MCPS' delivery of food in schools and research innovative approaches to school food and nutrition that are being implemented by other school systems. Copies of the full report are available online at www.montgomerycountymd.gov/olo and in alternative formats upon request to OLO.

The following representatives from the Board of Education and Montgomery County Public Schools are scheduled to represent MCPS at the ED Committee worksession:

- Shirley Brandman, Vice President of the Board of Education
- Michael Durso, Board of Education member
- Laura Steinberg, Board of Education staff
- Marla Caplon, Director, MCPS Division of Food and Nutrition Services
- Kate Heinrich, Assistant Director, MCPS Division of Food and Nutrition Services

Kathy Lazor (Director of the MCPS Department of Materials Management) and Susan McCarron (Division of Food and Nutrition Services Wellness Specialist) will also be available to answer questions.

OLO recommends the Committee worksession begin with a briefing on the report by OLO staff, followed by comments from MCPS representatives and Committee discussion of the report and next steps.

A. PROJECT BACKGROUND

Across the country, there are a variety of federal, state, and local efforts aiming to reduce childhood obesity and improve wellness through schools. In Montgomery County Public Schools (MCPS), the Department of Food and Nutrition Services (DFNS) administers the school system's nutrition programs.

Councilmember George Leventhal and Council President Valerie Ervin requested this project to gain a better understanding of current MCPS school food practices and to learn about innovative school food practices in other jurisdictions. In response, this OLO report describes how MCPS administers its school food programs, summarizes relevant policies, and presents DFNS revenue and expenditure trends. It also identifies trends in school food practices and offers case studies of school food service initiatives in nine other jurisdictions.

B. REPORT HIGHLIGHTS

This section summarizes key findings from the report. The report's four-page executive summary is attached starting on ©1. OLO's nine findings begin on ©5.

1. Federal policy is the primary driver of MCPS' school food practices.

Federal program requirements for school nutrition programs impact DFNS' delivery of food in MCPS more so than either state or local requirements. Recent annual reviews conducted by the Maryland State Department of Education (MSDE) indicate that DFNS complies with all of the federal requirements for providing reimbursable meal and snack services, including:

- Meeting federal nutrition standards for food served in meal and snack programs;
- Offering free and reduced-price meals (FARMS) to low-income students; and
- Implementing a wellness policy that includes guidelines for physical and nutrition education and school food nutrition standards that are no less restrictive than required by federal regulation.

DFNS must comply with both federal and local requirements for sales of food such as a la carte and vending items that are not part of a school meal or snack program. Federal regulations require that foods of minimal nutritional value (e.g., soda and candy) not be available during mealtimes. In addition, MCPS' Wellness Policy limits the sale of foods with limited nutritional value to the end of the school day.

Recent reviews by MSDE, MCPS' Office of Shared Accountability, and DFNS find that schools comply with both federal and local competitive food requirements. DFNS, however, notes a few instances when vending machine items that did not meet Wellness Policy requirements were available during the school day.

2. MCPS strives to maximize opportunities for low-income students to participate in school food programs.

DFNS participates in seven federal and state food assistance programs, described on the next page, that are designed to provide nutritious meals at low to no cost for students eligible for FARMS. If DFNS meets specified nutrition standards, federal and state revenue reimburses DFNS for each meal or snack it serves. Family income levels determine students' meal prices, and reimbursement rates vary by meal price. So, a free meal for students with family incomes below 130% of the federal poverty limit is reimbursed at a higher rate than a full-price meal for students with family incomes above 185% of the federal poverty limit.

Between FY10 and FY11, DFNS' number of meals served increased as MCPS' enrollment of students eligible for FARMS increased. The School Lunch Program was the largest program, averaging over 57,000 meals per day with a participation rate of 78% of students enrolled in FARMS to 23% of students who paid full-price. The School Breakfast Program was the second largest program, averaging 21,000 meals per day, with half of these served in the 30 schools that participated in Maryland Meals for Achievement. Overall, 36% of students enrolled in FARMS participated in the School Breakfast Program compared to 5% of students who paid full-price.

Table 1: Summary of MCPS Food Programs, FY11

	Description	# of Sites
School Lunch Program	Lunches offered to all students for free, reduced, or full-price.	All schools
School Breakfast Program	Breakfasts offered to all students for free, reduced, or full-price.	All schools
Maryland Meals for Achievement	Free, in-classroom breakfast for all students in participating schools that have a FARMS enrollment of 40% or higher and approval by MSDE.	30 schools
Afterschool Snack Program	Free snack for students in afterschool activities with an academic component at participating schools.	51 schools
Fresh Fruit and Vegetable Program	Mid-morning snack of a fresh fruit or vegetable two or three days per week. Schools must have at least a 50% FARMS enrollment and approval by MSDE.	7 schools
At-Risk Afterschool Supper Program	Meal for students in afterschool activities with an academic component, including Saturday schools. Schools must have a FARMS enrollment of at least 50% or a service area that includes a school with FARMS enrollment of at least 50%.	18 schools
Summer Food Program	Breakfast and lunch during the summer at qualifying school and community sites.	115 sites*

Source: USDA document, DFNS documents, and DFNS staff

* FY10 number of sites

3. MCPS has made progress but not fully achieved its school food participation and customer satisfaction goals. Nor has DFNS’ funding resources kept up with its costs.

The DFNS’ FY11 Strategic Plan states that its mission (in part) is “to provide an array of appealing, quality, and nutritious meals.” DFNS uses student participation and customer satisfaction performance goals to help track its progress toward this goal. To date, DFNS data indicate that school meal participation rates are increasing and have come close to reaching its target school lunch participation rates of 60% for elementary students and 30% for secondary students. However, DFNS has fallen short of its target of an 85% or higher satisfaction rating from parents and students. Specifically, in FY10 only 72% of parents and 57% of students indicated satisfaction with the school food programs.

Effective and efficient management are also goals of DFNS that as an enterprise fund is designed to be self-sustaining without the use of local tax dollars. However, in each of the last two years, DFNS has operated at a deficit. In FY10, DFNS earned \$40.3 million, spent \$41.9 million, and received a \$1.8 million transfer from the MCPS general fund to cover the shortfall. In FY11, DFNS anticipated \$42.6 million in revenue and \$43.4 million in expenditures. At the time the report was completed, MCPS had yet to decide how it would address the FY11 deficit.

DFNS has three revenue sources: federal and state government dollars (55%); sales of reimbursable school meals (27%); and sales of a la carte/snack items (17%). Employee salaries and benefits account for 67% of DFNS expenditures and the cost of food comprises another 29% of the DFNS budget. In comparison, industry experts, suggest keeping employee and food costs to between 80-85% of revenue to enable school nutrition programs to update facilities and engage in marketing and nutrition education efforts that promote student participation.¹

¹ Boettger, J. (2009). Rx for a Healthy School Lunch Program. *School Business Affairs*.

4. While MCPS has implemented some innovative practices to improve school nutrition, there are examples of other school systems that have done more.

Nationally school food programs are increasingly focused on providing healthier meals for children. A variety of approaches are being used by school systems, including MCPS, to improve their students' choice and consumption of healthy foods. These include:

- Updating menus for reimbursable meals
- Limiting competitive foods
- Offering salad bars
- Marketing healthy foods
- Limiting processed food
- Involving students in menu design
- Using local produce
- Developing school gardens

MCPS engages, to some degree, in all of the practices listed above. These include limiting the sale of a high fat/sugar a la carte and vending items to afterschool hours, posting menu and calorie information on the web and in school cafeterias, and eliminating trans fats from school foods. Further, the United States Department of Agriculture (USDA) and the Physicians Committee for Responsible Medicine have recognized MCPS for menus that exceed basic USDA nutrition requirements.

However, other school systems (including large ones) are pursuing changes to school food nutrition and program participation even more vigorously. Examples include Anne Arundel County Public Schools offering all you can eat fruits and vegetables with school meals; Chicago Public Schools offering salad bars as part of a reimbursable meal² in one-third of its elementary schools; and the Boulder, Colorado school system eliminating all processed foods and flavored milk from their school menus. A more extensive list of MCPS activities and initiatives in other jurisdictions are offered on ©3.

C. RECOMMENDED DISCUSSION ISSUES

OLO identified four issues for discussion between the Council and MCPS representative starting on ©14. MCPS' Chief Operating Officer's (COO) written comments, attached at ©18, offers MCPS' responses to OLO's recommended discussion issues. The four issues and questions for discussion that OLO identified are summarized below, along with MCPS' initial responses from the COO's letter.

Discussion Issue #1: Additional steps to encourage students to consume healthier foods in school

MCPS engages, to some degree, in all of the innovative practices for improving school food listed above. Nonetheless, OLO found that some school districts have done more to encourage students to eat healthier foods. Recommended questions for discussion include:

- What opportunities exist for MCPS to implement additional strategies aimed at improving its customer satisfaction goals and encouraging students to consume healthier foods? What barriers exist?
- How will MCPS determine whether to expand pilot school food programs to other schools?
- What lessons from other school systems might inform MCPS' efforts to improve school food?

² A "reimbursable" meal or snack qualifies for federal reimbursement under the National School Lunch Program, School Breakfast Program, or other federal child nutrition programs.

The COO's letter on ©18 specifically notes that MCPS has added whole grains to the menu, offers fresh fruit every day, allows students to take more fruit than required, and reduced the sugar content in flavored milk. The COO also notes that DFNS is working with schools to expand the pilot salad bar program from Parkland Middle School to other secondary schools.

The COO letter notes that the proposed relocation of the Central Production Facility provides an opportunity to "develop more efficient and modernized areas" to support production of foods that meet new USDA requirements and recommendations, such as "fresh fruit and vegetable packaged items."

Discussion Issue #2: Student participation in school breakfast and lunch programs

MCPS participates in every federal and state school nutrition program available. Yet, the School Lunch Program appears to be underutilized by students who pay full-price and the School Breakfast Program appears to be underutilized by both students eligible for FARMS and those who pay full price. Questions to consider include:

- What opportunities exist to increase participation in the School Breakfast Program? What are the barriers?
- What opportunities exist to increase student participation in the School Lunch Program, particularly among students/families that pay full-price for school meals? What are the barriers?
- What lessons from other school systems might inform MCPS' efforts to improve student participation?

The COO's letter notes that DFNS has taken several steps to increase school lunch participation, specifically:

- Redesigning lunch menus to offer popular items more often;
- Redesigning lunch lines to provide faster service;
- Holding focus groups with students;
- Holding information sessions for parents; and
- Marketing the program through MCPS iTV, newsletters, the webpage, and physicians' offices.

The COO's letter also indicates that MCPS has more schools participating in the Maryland Meals for Achievement Program than any other school district and has made an effort to increase school breakfast participation by eliminating the 30 cent charge for a reduced-price breakfast (i.e., reduced-price breakfasts are now free).

Discussion Issue #3: Performance measures used to track school food quality and nutrition

DFNS' participation and customer satisfaction goals help track its progress in providing "appealing, quality, and nutritious meals." MCPS' school meal participation rates are increasing and are close to reaching targeted goals. DFNS, however, has fallen short of its target of an 85% or higher satisfaction rating from parents or students. Additional measures tied to student participation by FARMS status or participation rates at peer school districts may provide a more complete picture of DFNS performance. Recommended questions to consider include:

- What rationale did MCPS use to develop its measures for student participation and customer satisfaction?
- Has MCPS considered tracking performance benchmarks tied to student participation by FARMS status?
- Who does MCPS consider to be their peers in school food service? Does DFNS currently benchmark their performance with these peers?

The COO's letter indicates that DFNS staff meets monthly to review participation data, which is benchmarked with other school systems in the metropolitan area and Maryland. DFNS believes participation data and feedback from student focus groups offer a better indication of satisfaction than the current survey questions on customer satisfaction.

Discussion Issue #4: Recent deficits in the food service enterprise fund

DFNS is designed to be a self-sustaining operation, but experienced a deficit in FY10, anticipates a deficit for FY11, and loses 50 cents for each free and reduced-priced lunch it serves. Questions for discussion include:

- What are MCPS' actual costs per reimbursable meal served?
- What are the key reasons for DFNS' recent annual deficits?
- What are MCPS' plans for eliminating these deficits going forward?
- How will the proposed relocation of the DFNS Central Production Facility affect MCPS' goals to deliver school nutrition in an efficient and cost effective manner?

The COO's letter reports that the actual cost per meal is \$3.54 for lunch and \$2.24 per breakfast, which is less than the Federal reimbursements and/or cash payments received for these meals. A la carte and vending sales are intended to cover the shortfall. In addition, the letter indicates that increased participation in breakfast and lunch programs could reduce the gap in funding due to economies of scale.

LIST OF ATTACHMENTS

Item	Begins at:
Executive Summary, OLO Report 2012-1	© 1
Findings, OLO Report 2012-1	© 5
Recommended Discussion Issues, OLO Report 2012-1	© 14
Chief Operating Officer Response to OLO Report 2012-1	© 18

**FOOD IN MONTGOMERY COUNTY PUBLIC SCHOOLS
OFFICE OF LEGISLATIVE OVERSIGHT REPORT 2012-1**

THE ASSIGNMENT

This report responds to the Council’s request for the Office of Legislative Oversight (OLO) to review the policies and practices that shape Montgomery County Public Schools’ (MCPS) delivery of food in schools and to research approaches to school food in other jurisdictions. This report describes MCPS’ administration of nutrition programs, relevant policies, Division of Food and Nutrition Services (DFNS) budget data, and offers case studies of school food practices in nine school systems.

Overall, OLO found that MCPS complies with or exceeds federal, state, and local requirements for school food, and has implemented a variety of practices aimed at encouraging students to eat healthier foods. However, OLO also found that DFNS has not pursued these practices as vigorously as some other school systems.

DIVISION OF FOOD AND NUTRITION SERVICES REVENUE AND EXPENDITURES

In MCPS, DFNS administers the school system’s nutrition programs. For two years, DFNS has operated at a deficit. In FY10, DFNS earned \$40.3 million, spent \$41.9 million, and received a \$1.8 million transfer from the MCPS general fund to cover the shortfall. In FY11, DFNS anticipates \$42.6 million in revenue and \$43.4 million in expenditures. MCPS has yet to decide how it will address the FY11 deficit.

DFNS has three revenue sources: federal and state government dollars (55%); sales of reimbursable school meals (27%); and sales of a la carte/snack items (17%). Employee salaries and benefits account for 67% of DFNS expenditures and the cost of food comprises another 29% of the DFNS budget.

DFNS PROGRAMS AND SERVICES

There are two categories of school food: reimbursable food programs and competitive food sales. Reimbursable food programs are school nutrition programs supported by federal and/or state revenue. DFNS manages the seven programs listed below. If DFNS meets specified nutrition standards, federal and state revenue reimburses DFNS for each meal or snack it serves. Family income levels determine students’ meal prices, and reimbursement rates vary by meal price. So, a free meal for students with family incomes below 130% of the federal poverty limit is reimbursed at a higher rate than a full-price meal for students with family incomes above 185% of the federal poverty limit.

DFNS Reimbursable School Meal Programs, FY11

Program	Description	# of Sites
School Lunch Program	Lunches offered for all students at free, reduced, or full-price.	All schools
School Breakfast Program	Breakfasts offered for all students for free, reduced, or full-price.	All schools
Maryland Meals for Achievement	Free, in-classroom breakfast to all students in participating schools. Schools must have at least a 40% FARMS enrollment and approval by the Maryland State Department of Education (MSDE).	30 schools
Afterschool Snack Program	Free snack for students in afterschool activities with an academic component at participating schools.	51 schools
Fresh Fruit and Vegetable Program	Mid-morning snack of a fresh fruit or vegetable two or three days per week. Schools must have at least a 50% FARMS enrollment and approval by MSDE.	7 schools
At-Risk Afterschool Supper Program	Meal for students in afterschool activities with an academic component at participating schools. Schools must have at least 50% FARMS enrollment or a service area that includes such a school.	18 schools
Summer Food Service Program	Breakfast and lunch during the summer at qualifying school and community sites. All participating children are eligible for free meals.	115 sites*

* FY10 number of sites.

FOOD SALES, PARTICIPATION, AND REGULATION

“Competitive” food in schools refers to food items that are sold instead of or in addition to reimbursable food items. The table below describes the competitive foods sold in MCPS schools. DFNS approves and monitors the sale of most competitive foods sold in MCPS, with the exception of fundraiser foods. All competitive foods that are sold during the school day must meet the nutrition requirements of the MCPS Wellness Policy.

Competitive Foods Sold in MCPS Schools

Food Type	Description
A la carte sales	All school meal items may be purchased a la carte. In addition, DFNS approves additional sides, snacks, and desserts (e.g., chips, cookies, snack cakes). Exact offerings vary from school to school.
DFNS kiosks and school stores	DFNS kiosks sell items that are available on cafeteria serving lines, including a la carte items and selected reimbursable meal items. School stores sell snacks and beverages selected by the school.
Vending machines	DFNS monitors the MCPS vending machine contract. Items sold during the school day are approved by DFNS and must meet MCPS Wellness Policy guidelines.
Fundraisers	Decisions about foods sold for fundraisers are made by school staff and parent teacher associations rather than by DFNS personnel. Fundraisers may include partnerships with restaurants (including fast food establishments) and sales of baked goods, sweets, and pizza.

STUDENT PARTICIPATION

Any MCPS student may purchase a school lunch or school breakfast; students from low-income families earning up to 185% of the federal poverty level may qualify for free or reduced-price meals (FARMS). FY11 data indicate that:

- The School Lunch Program, MCPS’ largest program, averaged over 57,000 meals per day. 78% of students enrolled in FARMS participated compared to 23% of students who paid full-price.
- The School Breakfast Program, MCPS’ second largest program, averaged 21,000 meals per day. Half of these meals were served in the 30 schools that participated in Maryland Meals for Achievement. 36% of students enrolled in FARMS participated compared to 5% of students who paid full-price.
- Overall, 58% of elementary school students and 29% of secondary school students participated in the School Lunch Program. This reflected a slight increase from FY10, when 54% of elementary and 28% of secondary school students participated.

SCHOOL FOOD POLICY AND REGULATION

United States Department of Agriculture (USDA) sets nutrition standards for foods sold in meal and snack programs and requires school systems to offer free and reduced-price meals and to establish wellness policies. Recent Maryland State Department of Education reviews found that MCPS complies with all federal requirements.

Further, the standards in MCPS’ Wellness Policy for competitive foods sold in schools exceed federal and state regulations. Specifically, MCPS’ policy requires that all competitive foods sold during the school day be sold in single serving sizes; it limits fat, saturated fat, and sugar content; and it limits competitive beverages to water, flavored water, juice with a minimum of 50% fruit juice, milk, and sports drinks (in the physical education area). Foods that do not meet these standards may only be sold after the school day ends.

In December 2010, Congress passed the Healthy, Hunger-Free Kids Act, which reauthorizes federal child nutrition programs. Under this act, the USDA has proposed new requirements for breakfast and lunch meals that would increase daily servings of vegetables, fruits, and whole grains; implement a minimum and maximum calorie range; and set a maximum amount of sodium per meal. The USDA is also expected to propose requirements for competitive foods. It is not clear whether these requirements will be more strict than current MCPS standards.

RECENT SCHOOL FOOD TRENDS

School systems across the country are implementing a variety of practices to improve their students' choice and consumption of healthy food in schools. The table below identifies eight emerging school food trends, summarizes MCPS activities and describes activities in other jurisdictions. Overall, DFNS has implemented a variety of innovative school food practices, but DFNS has not pursued these practices as vigorously as some other school districts.

School Food Trends	MCPS Practices	Other Schools
Trends that focus on enhancing the nutrition of school food		
Menu Revisions for Reimbursable Meals	<ul style="list-style-type: none"> Meets HealthierUS Schools Challenge <i>bronze</i> award for elementary menus Eliminated trans fats Reduced sodium content of foods 	<ul style="list-style-type: none"> <i>Baltimore City</i> – Expanded menu to a 6-week cycle to include and introduce healthier foods <i>Chicago</i> – Adopted HealthierUS School Challenge <i>gold</i> nutrition standards for menus <i>District of Columbia</i> – Adopted Institute of Medicine nutrition standards for meals
Competitive Foods	<ul style="list-style-type: none"> Limits sales of high fat/sugar competitive foods and beverages during the school day 	<ul style="list-style-type: none"> <i>Boulder, CO</i> – Reduced number of a la carte offerings
Salad Bars	<ul style="list-style-type: none"> Offers as reimbursable meal in one middle school Offers a la carte in nine middle and high schools 	<ul style="list-style-type: none"> <i>Chicago</i> – Offers reimbursable salad bars in one-third of elementary schools <i>District of Columbia</i> – Added reimbursable salad bars to 12 schools in FY11
Healthy Food Marketing	<ul style="list-style-type: none"> Offers Fresh Fruit and Vegetables Program in eligible schools Posts menu and calorie information in cafeterias 	<ul style="list-style-type: none"> <i>Anne Arundel County</i> – Offers students “all you can eat” fruits and vegetables with school meals; offers students samples of new fruits and vegetables with meals once a month
Processed Foods	<ul style="list-style-type: none"> Offers processed and cooked-from-scratch foods Reduced sugar in flavored milk 	<ul style="list-style-type: none"> <i>Boulder, CO</i> – Eliminated processed foods and flavored milk; introduced roasted chicken
Student Involvement	<ul style="list-style-type: none"> Conducts student taste testing of all new menu items Conducts student focus groups 	<ul style="list-style-type: none"> <i>Fairfax County</i> – Uses student tasting parties to compare and rate potential new products and set criteria before bidding for a product
Local Produce	<ul style="list-style-type: none"> Serves Maryland produce during Homegrown School Lunch Week Requests that vendors purchase locally grown produce when available 	<ul style="list-style-type: none"> <i>Chicago</i> – Purchases locally-grown, flash frozen produce <i>District of Columbia</i> – Purchases 20% of produce from mid-Atlantic region
School Gardens	<ul style="list-style-type: none"> Published guidelines for planting container gardens of edible plants Integrates efforts into classrooms but not into the cafeteria 	<ul style="list-style-type: none"> <i>Alexandria City</i> – Uses vegetables not eaten in the classroom for chef salads in the cafeteria
Strategies that focus on increasing reimbursable meal participation		
School Breakfast, Lunch, and Other Reimbursable Meals	<ul style="list-style-type: none"> Participates in free breakfast in classrooms program in 30 schools Eliminated \$0.30 charge for reduced-price breakfasts Piloted breakfast to-go programs in three schools in FY11 	<ul style="list-style-type: none"> <i>District of Columbia; St. Paul, MN</i> – Offers breakfast to go and in-classroom breakfast programs district wide <i>Pinellas County, FL</i> – Offers vended reimbursable lunches in two high schools

OLO recommends the Council discuss the following four issues with MCPS representatives in order to improve the Council's oversight of funds appropriated to MCPS for school food and nutrition.

Discussion Issue #1: Additional steps to encourage students to consume healthier foods in school

MCPS engages, to some degree, in all of the aforementioned practices for improving school food. MCPS has also been recognized by the USDA's HealthierUS Schools Challenge program and the Physician's Committee for Responsible Medicine for its nutritious menus. Nonetheless, OLO found that some school districts have done more to encourage students to eat healthier foods. Recommended questions for discussion include:

- What opportunities exist for MCPS to implement additional strategies aimed at improving its customer satisfaction goals and encouraging students to consume healthier foods? What barriers exist?
- How will MCPS determine whether to expand pilot school food programs to other schools?
- What lessons from other school systems might inform MCPS' efforts to improve school food?

Discussion Issue #2: Student participation in school breakfast and lunch programs

MCPS participates in every federal and state nutrition program available to the school system, but the school breakfast program may be underutilized and students eligible for free and reduced-price meals participate in lunch and breakfast programs at much higher rates than students who pay full price. Questions to consider include:

- What opportunities exist to increase participation in school breakfast programs? What are the barriers?
- What opportunities exist to increase student participation in school lunch programs, particularly among students/families that pay full-price for school meals? What are the barriers?
- What lessons from other school systems might inform MCPS' efforts to improve student participation?

Discussion Issue #3: Additional performance measures to track school food quality and nutrition

DFNS' participation and customer satisfaction goals help track its progress in providing "appealing, quality, and nutritious meals." MCPS' school meal participation rates are increasing and are close to reaching targeted goals. DFNS, however, has fallen short of its target of an 85% or higher satisfaction rating from parents or students. Additional measures tied to student participation by FARMS status or participation rates at peer school districts may provide a more complete picture of DFNS performance. Recommended questions to consider include:

- What rationale did MCPS use to develop its measures for student participation and customer satisfaction?
- Has MCPS considered tracking performance benchmarks tied to student participation by FARMS status?
- Who does MCPS consider to be their peers in school food service? Does DFNS currently benchmark their performance with these peers?

Discussion Issue #4: Recent deficits in the food service enterprise fund

DFNS is designed to be a self-sustaining operation, but experienced a deficit in FY10, anticipates a deficit for FY11, and loses 50 cents for each free and reduced-priced lunch it serves. Questions for discussion include:

- What are MCPS' actual costs per reimbursable meal served?
- What are the key reasons for DFNS' recent annual deficits?
- What are MCPS' plans for eliminating these deficits going forward?
- How will the proposed relocation of the DFNS Central Production Facility affect MCPS' goals to deliver school nutrition in an efficient and cost effective manner?

For a complete copy of OLO-Report 2012-1, go to: www.montgomerycountymd.gov/olo

Chapter VIII. Findings

Across the country, there are a variety of federal, state, and local efforts aiming to reduce childhood obesity and improve wellness through schools. In Montgomery County Public Schools (MCPS), the Department of Food and Nutrition Services (DFNS) administers the school system's nutrition programs; DFNS programs cost \$42 million in FY10. DFNS' largest program, which provides daily lunches in schools, served a majority of elementary students (54%) but less than a third of secondary students (28%) in FY10.

This report responds to the Council's request for the Office of Legislative Oversight (OLO) to review the policies and practices that shape MCPS' delivery of food in schools and research innovative approaches to school food and nutrition being implemented by other school systems. The findings in this chapter are based on OLO's interviews with staff in MCPS and other jurisdictions, school site visits, data analysis, and a review of the literature on school food trends.

This chapter presents OLO's findings in three parts:

- **Policy Findings** describes project findings on the federal, state, and local policies that shape MCPS' delivery of school food services;
- **Capacity Findings** describes the specific school food programs in MCPS, their administration, budget, and program participation by student groups; and
- **School Food Trends** describes a variety of approaches designed to improve school nutrition, related research findings, and their use in MCPS and nine other school systems.

In brief, this OLO study finds that:

- **Federal policy is the primary driver of MCPS' school food practices.** United States Department of Agriculture program requirements for school nutrition programs impact DFNS' delivery of food in MCPS more so than either state or local requirements. The Maryland State Department of Education's audits indicate that DFNS complies with federal and state rules for school food.
- **MCPS strives to maximize opportunities for low-income students to participate in school food programs.** DFNS participates in all federal and state food assistance programs designed to provide nutritious meals at low to no cost for students eligible for free and reduced-price meals (FARMS). More than three-quarters of all students eligible for FARMS participate in the school lunch program and nearly a third participate in the school breakfast program. As MCPS' enrollment of FARMS-eligible students has increased over the past year, so did the number of school meals served.
- **MCPS has made progress but not fully achieved its own school food participation and customer satisfaction goals.** DFNS' participation and customer satisfaction performance goals help MCPS track DFNS' progress in providing "appealing, quality, and nutritious meals." To date, DFNS data indicate that school meal participation rates are increasing and have come close to reaching its target school lunch participation rates of 60% for elementary students and 30% for secondary students. However, DFNS has fallen short of its target of an 85% or higher satisfaction rating from parents and students.
- **While MCPS has implemented some innovative practices to improve school nutrition, there are examples of other school systems that have done more.** Recent trends in school food practices demonstrate that school systems, including MCPS, are using a variety of approaches to improve their students' choice and consumption of healthy foods. MCPS has been recognized by the USDA and the Physicians Committee for Responsible Medicine for delivering nutritious meals. There are several other school systems, however, that have undertaken more vigorous efforts than MCPS to improve their school food programs.

Policy Findings

Finding #1: DFNS complies with federal, state, and local policies governing the delivery of food in schools.

To comply with policies and regulations governing the delivery of food in schools, DFNS must meet:

- Federal and state requirements for administering reimbursable meal programs¹ such as the school lunch and breakfast meals; and
- Local requirements for offering competitive foods² in schools such as a la carte and snack items.

Recent annual reviews conducted by the Maryland State Department of Education (MSDE) indicate that DFNS complies with all of the federal administrative requirements for providing reimbursable meal and snack services. DFNS' compliance with federal and state requirements includes:

- Meeting federal nutrition standards for food served in meal and snack programs;
- Offering free and reduced-price meals (FARMS) to low-income students; and
- Implementing a wellness policy that includes guidelines for physical and nutrition education and school food nutrition standards that are no less restrictive than required by federal regulation.

Recent reviews by MSDE, MCPS' Office of Shared Accountability, and DFNS also find that schools comply with both federal and local competitive food requirements. Federal regulations require that foods of minimal nutritional value (e.g., soda and candy) not be available during mealtimes. In contrast, MCPS' Wellness Policy requires that:

- Competitive foods sold during the school day must be sold in single serving sizes and meet nutrition standards of no more than 7 grams of fat, 2 grams of saturated fat, and 15 grams of sugar;
- Competitive beverages sold during the school day may only include water, flavored water, juice with a minimum of 50% fruit juice, milk, and sports drinks (only in the physical education area);
- Competitive foods and beverages that do not meet these standards (e.g., candy, soda) may only be sold after the school day ends; and
- Competitive foods should "make a positive contribution to students' diet and promote health."³

DFNS, however, notes a few instances when vending machine items outside of Wellness Policy requirements were available during the school day. For instance, in FY10 a DFNS audit of high school vending machines found that 11 of 26 schools had at least one machine that was out of compliance.

Finding #2: The Healthy, Hunger-Free Kids Act of 2010 may increase the nutrition of school food in MCPS.

In 2010 Congress passed the Healthy, Hunger-Free Kids Act (HHFKA) to reauthorize the National School Lunch Act. Proposed new regulations to implement the requirements of HHFKA would change the requirements for school meals with the goal of making them more nutritious. Proposed new requirements for breakfast and lunch meals would increase daily servings of vegetables, fruits, and whole grains; implement a minimum and maximum calorie range; and set a maximum amount of sodium per meal.

¹ "Reimbursable" meals and snacks qualify for federal reimbursement for federal child nutrition programs such as the National School Lunch Program. See Chapter II for more details about these programs and qualifying reimbursements.

² "Competitive foods" are foods that are sold in addition to items that are offered in a reimbursable meal or snack.

³ MCPS Board of Education, 2006

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MCPS' menus meet proposed requirements in some areas. For example, MCPS meets the proposed HHFKA requirement to serve only fat-free or low-fat milk, and in elementary schools, the menu meets the proposed requirement that schools serve 50% whole grains. Other MCPS menu areas would likely require improvement. For example, schools would only be permitted to serve one cup of starchy vegetables per week (i.e., one serving) compared to instances where potatoes appear on the MCPS' elementary school menu three times per week (e.g., April and May 2011).

Currently, federal requirements provide minimal oversight of competitive foods, only banning the sale of foods such as candy and soda during the lunch hour. Under the HHFKA, the USDA is expected to propose additional guidelines for competitive foods later this year. It is not clear whether these guidelines will be as or more strict than the current MCPS Wellness Policy requirements noted in Finding #1.

Finding #3: The DFNS mission statement reflects a commitment to quality, nutrition, and efficiency. DNFS has made progress, but not yet fully achieved, its own school food participation and customer satisfaction goals.

The DFNS' FY11 Strategic Plan states that its mission is "to provide an array of appealing, quality, and nutritious meals in a cost effective and efficient operation." To monitor its progress in meeting these goals, DFNS tracks performance measures in four areas:

- Customer Focused Measures track meal participation and parent and student survey responses;
- Financial Results track average daily income and expenses;
- Human Resource Results track staff satisfaction levels, training, attendance, and retention; and
- Organizational Effectiveness Measures track labor costs, food costs, help desk responsiveness, and the productivity of MCPS' Central Production Facility.

Most of DFNS' performance measures focus on efficiency and cost effectiveness, while only the Customer Focused metrics align with its food quality and nutrition goals. The table below compares DFNS' goals to its progress on these Customer Focused measures. The data show that:

- Elementary school lunch participation almost met the 60% benchmark, increasing from 54% to 58% between FY10 and FY11;
- Secondary school meal participation almost met the 30% benchmark, increasing from 28% to 29% between FY10 and FY11; and
- Customer satisfaction did not meet the DFNS target of 85%. In FY10, 72% of parents and 54% of students gave DFNS a customer satisfaction rating of "agree" or "strongly agree."

Table 8-1: DFNS Customer Focused Performance Goals and Results

Performance Goals	Performance Results	
	FY10	FY11
Elementary school lunch participation reaches 60%	54%	58%
Secondary school meal participation reaches 30%	28%	29%
Parents "agree" or "strongly agree" with DFNS questions on Survey of Supporting Services reaches 85%	72%	Not available
Students "agree" or "strongly agree" with DFNS questions on Survey of Supporting Services reaches 85%	57%	Not available

*FY11 estimate, MCPS FY12 Recommended Operating Budget

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More specific measures of school food quality and nutrition may provide a more complete picture of DNFS' performance.⁴ For example, measures of meal participation could be disaggregated for students who pay full-price compared to students who receive free and reduced-price meals. Further, MCPS could benchmark their meal participation rates against jurisdictions that evidence the highest participation rates.⁵

Capacity Findings

Finding #4: MCPS participates in all federal and state school nutrition programs to maximize opportunities for students who are eligible for FARMS to receive food in schools.

MCPS participates in the seven federal and state school food assistance programs described in Table 8-2 below to maximize food assistance opportunities for low-income students. Among these programs, in FY11:

- The School Lunch Program was the largest program, averaging over 57,000 meals per day. 78% of students enrolled in FARMS participated compared to 23% of students who paid full-price.
- The School Breakfast Program was the second largest program, averaging 21,000 meals per day, with half of these served in the 30 schools that participated in Maryland Meals for Achievement. 36% of students enrolled in FARMS participated compared to 5% of students who paid full-price.

Table 8-2: Summary of MCPS Reimbursable Food Programs, FY11

Program	Description	Reimbursement	# of Sites
National School Lunch Program	Lunches offered for all students at free, reduced, or full-price.	\$0.26 to \$2.72 per lunch	All schools
School Breakfast Program	Breakfasts offered for all students for free, reduced, or full-price.	\$0.26 to \$1.76 per breakfast	All schools
Maryland Meals for Achievement	Free, in-classroom breakfast to all students in participating schools. Schools must have at least a 40% FARMS enrollment and approval by MSDE.	Varies based on FARMS enrollment	30 schools
Afterschool Snack Program	Free snack for students in afterschool activities with an academic component at participating schools.	\$0.06 to \$.74 per snack.	51 schools
Fresh Fruit and Vegetable Program	Mid-morning snack of a fresh fruit or vegetable two or three days per week. Schools must have at least a 50% FARMS enrollment and approval by MSDE.	\$50 - \$75 per student, per year	7 schools
At-Risk Afterschool Supper Program	Meal for students in afterschool activities with an academic component, including Saturday schools. Schools must have a FARMS enrollment of at least 50% or a service area that includes a school with FARMS enrollment of at least 50%.	\$2.92 per meal	18 schools
Summer Food Service Program	Breakfast and lunch during the summer at qualifying school and community sites.	\$1.88 per breakfast and \$3.29 per lunch	115 sites*

Source: USDA document, DFNS documents, and DFNS staff

* FY10 number of sites

⁴ Boettger, 2009, cites the School Nutrition Association's 2009 survey of school nutrition programs.

⁵ Boettger also notes that among the top 25 percent of districts with the highest participation rates, on average, 69% of elementary students who pay full price and 86% who qualify for FARMS participate in school lunch.

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To fund these programs, MCPS relies on federal and state reimbursements and cash payments from students. Reimbursements received by MCPS range from a low of six cents per “full-price” snack in the Afterschool Snack Program, to a high of \$3.29 per lunch in the Summer Food Service Program. In FY10, DFNS received revenue from three sources: 54% from the federal and state governments; 28% from sales of reimbursable school meals; and 17% from sales of a la carte/snack items.

Finding #5: Over the past year, both the average number of reimbursable meals served daily and the number of MCPS students who qualified for FARMS increased by 7%.

Between FY10 and FY11, the average number of MCPS meals (lunch and breakfast) served daily increased by 7%. During this time frame, MCPS’ enrollment of students eligible for free and reduced-prices meals (FARMS) also increased by 7% from 41,526 to 44,231 students.

Table 8-3: Average Number of MCPS Meals Served Daily by Food Program, FY10 - FY11

Food Program	FY10	FY11,*	Change
School Lunch Program	54,200	57,768	6.6%
School Breakfast Program	18,998	20,807	9.5%
<i>Maryland Meals for Achievement</i>	8,661	9,328	7.7%
School Lunch and Breakfast Subtotal	73,198	78,575	7.3%
After School Snack Program	2,990	2,706	-9.5%
Fresh Fruit and Vegetable Program	2,229	3,862	73.3%
At-Risk Afterschool Supper Program	649	1,161	78.9%

Source: DFNS

* Year-to-date average July 1, 2010 – February 28, 2011

Finding #6: MCPS decisions about food offerings and preparation of meals are largely centralized.

DFNS central administrative staff (along with some school-based staff) plan elementary and secondary school menus to meet federal nutrition requirements while taking into account cost, student preferences, food variety, and other factors. More specifically:

- Elementary schools offer three entrées per day, one of which is always peanut butter and jelly or grilled cheese on whole grain bread.
- Middle schools offer a minimum of five entrées per day and high schools offer at least six entrées.
- Daily secondary school menus must include three standard entrées: the school’s choice of an entrée salad; and one to three choices of a hamburger, cheeseburger, pizza, or chicken patty sandwich.
- Secondary schools offer a standard menu of five side dishes.

Central administrative staff also approve all a la carte and vending machine items that may be sold during the school day. All of these competitive items must comply with the MCPS Wellness Policy, which limits the amount of fat and sugar in foods and limits the types of beverages that may be sold. In general, school and cafeteria staff select items from the DFNS-approved list with:

- Elementary schools offering, at most, a few a la carte items;
- Secondary schools offering both a la carte items and vending machines.

Additionally, DFNS' Central Production Facility (CPF) serves as the central kitchen for MCPS and prepares both reimbursable meals and some competitive foods. The CPF replaced four regional kitchens in 1995 and is anticipated to be relocated in 2013 - 2014. DFNS staff report that the CPF reduces the need for kitchen space in schools and improves the efficiency of the DFNS labor force.

DFNS uses the CPF to prepare bulk foods such as baked goods, fresh vegetables, soups, and sauces for delivery to schools. Elementary school lunches are pre-plated at the CPF and only need to be heated by school staff since elementary school kitchens are generally not equipped to prepare meals. Similarly, elementary school breakfast foods and other lunch items are ready to eat or only need to be heated. Secondary schools, which have the capacity to cook some foods, do final preparation for meals using products prepared by the CPF. For example, the CPF cooks marinara sauce, chills and packages it, and delivers it to schools; schools reheat the sauce and cook noodles to prepare spaghetti.

Finding #7: DFNS' costs exceeded enterprise fund resources in FY10, and are expected to do so again in FY11.

As an enterprise fund, DFNS is designed to be a self-sustaining operation. DFNS, however, experienced a \$1.6 million deficit in FY10 and anticipates an \$800,000 deficit for FY11.

Between FY10 and FY11 DFNS received revenue from three sources: 54-55% from federal and state governments; 27% from sales of reimbursable school meals; and 17% from sales of a la carte/snack items. In FY10, DFNS earned \$40.3 million and spent \$41.9 million.

For FY11, DFNS projects \$42.6 million in revenue and \$43.4 million in expenditures. In order to cover the shortfall in FY10, DFNS received a transfer from the MCPS general fund of \$1.8 million to cover a portion of its employee benefits and to provide a carry-over fund balance for FY11. FY11 action to address the projected deficit has not been determined.

Further review of DFNS budget information shows that:

- Employee salaries and benefits account for 67% of DFNS budgeted expenditures in FY10 and FY11. Salaries accounted for 44% of the budget in FY10 and 41% in FY11. In comparison, MCPS aims to have salaries account for less than 32% of their total budget.
- DFNS food costs accounted for about 28-29% of total costs in FY11. In comparison, DFNS' aims to have food costs to account for less than 45% of total costs.
- Overall, salaries, benefits, and food accounted for 95-96% of DFNS budget in FY10 and FY11. Industry experts, however, suggest keeping these costs to between 80-85% of revenue to enable school nutrition programs to update facilities and engage in marketing and nutrition education efforts that promote student participation.⁶
- According to MCPS, DFNS lost 50 cents for each free and reduced-price lunch served in FY10.

⁶ Boettger (2009)

School Food Trends

Finding #8: Across the country, school systems are implementing a variety of practices to improve their students’ choice and consumption of healthy food in schools. The evidence-based research is mixed on the impact of many of these practices.

In light of increasing rates of childhood obesity, more attention is being paid to the role of school food programs in providing children healthy meals, particularly for students who rely on school meals as a significant source of their nutrition. Recent trends in school food practices demonstrate that school systems are using a variety of approaches to improve their students’ choice and consumption of healthy foods. School systems generally implement two approaches – they focus on enhancing:

- The nutrition of their school food offerings; and
- Participation levels in their reimbursable meal programs that follow USDA guidelines.⁷

Table 8-4 summarizes the school food trends and practices that school systems often use to improve their school food programs and summarizes the research base on the anticipated results of each school food trend. In sum, the research base is strongest for supporting the use of salad bars, healthy food marketing, and universal breakfast programs to improve school nutrition and weakest regarding the use of local produce, school gardens, and student involvement. Additional research is needed to determine the long-term impacts of these strategies as well as the impacts of revising school menus, limiting competitive foods, and reducing processed foods.

Table 8-4: School Food Trends, Specific Practices, and Summary of Research Findings

School Food Trends	Specific Practices	Summary of Research Findings
Trends that focus on enhancing school food nutrition		
Menu Revisions for Reimbursable Meals	<ul style="list-style-type: none"> • Align menus to HealthierUS School Challenge gold standard or Institute of Medicine standards • Adjust menu calendar to include healthier choices 	Mixed results – reduced participation in the short term, but may increase participation in the long-term (DCPS and Fairfax case studies)
Competitive Foods (e.g., a la carte, vending machines)	<ul style="list-style-type: none"> • Increase availability of water • Eliminate foods high in fat or sugar • Restrict types of foods offered during fundraisers 	Mixed results – some schools have limited competitive foods without losing revenue (USDA)
Salad Bars	<ul style="list-style-type: none"> • Offer salad bars as part of reimbursable meals 	Favorable results - increased consumption of fruits and vegetables (Slusser, 2007)
Healthy Food Marketing	<ul style="list-style-type: none"> • Include fruits and vegetables in a la carte lines • Employ social marketing in lunch rooms • Offer express lines for healthy foods • Place fruit in bowls and plain milk in front of flavored milk 	Favorable results – these “small changes” increased the purchase and consumption of healthier food options (Wansink, 2010)
Processed Foods	<ul style="list-style-type: none"> • Cook foods from scratch • Rely less on foods high in sodium, sugar, and dyes • Eliminate flavored milk or reduce sugar content • Hire chefs to reformulate recipes 	Mixed results for milk – some schools experienced an overall decline in milk consumption when flavored options were eliminated, so added them back to menu

⁷ These approaches are not mutually exclusive. For example, the Food Research and Action Council (FRAC) cites USDA research indicating that children who participate in the NSLP have superior nutritional intakes compared to those who did not participate. (FRAC, *Child Nutrition Fact Sheet: National School Lunch Program*.)



Table 8-4: School Food Trends, Specific Practices, and Summary of Research Findings Cont.

School Food Trends	Specific Practices	Summary of Research Findings
Trends that focus on enhancing school food nutrition		
Student Involvement	<ul style="list-style-type: none"> • New product taste testing to elicit feedback • Fruit and vegetable taste testing parties to increase interest in healthier foods 	Limited research
Local Produce	<ul style="list-style-type: none"> • Special menu days to recognize local foods • Local frozen program • Local produce requirement 	Limited research with some evidence that schools face challenges in purchasing local produce at competitive prices
School Gardens	<ul style="list-style-type: none"> • Integrate school gardens into the curriculum • Integrate school gardens into the cafeteria menu 	Limited research with one study finding a change in student attitudes about foods when school gardens were part of a larger initiative (Rauzon, et. al, 2010)
Strategies that focus on increasing reimbursable meal participation		
School Breakfast, Lunch, and Other Reimbursable Meals	<ul style="list-style-type: none"> • Direct certification and categorical eligibility⁸ (free meals without paper applications) • Universal free breakfast, breakfast in the classroom, and breakfast “on the go” • Reduced-price meals offered for free • Vending machines used for reimbursable meals 	Favorable results – breakfast in the classroom and universal breakfast increase breakfast participation and consumption of fruit and milk among students (FRAC, 2010, MSDE, 2001)

Finding #9: MCPS has been recognized by outside organizations for its menu quality and has implemented a variety of innovative school food practices. DFNS, however, has not pursued these practices as vigorously as some other school districts.

Together, awards from the Physicians Committee for Responsible Medicine and the USDA’s HealthierUS School Challenge program demonstrate the progress that DFNS has achieved in improving the variety and nutrition of its food. Specifically:

- In 2008, the Physicians Committee awarded MCPS an “A” on their school lunch report card for DFNS’ menu compared to a “C+” in 2003.
- In 2009 the Physicians Committee awarded DFNS their Golden Carrot Award for inclusion of fresh fruits and vegetables, vegetarian, vegan, whole grain, low-fat, and non-dairy menu items; and
- In 2011, MCPS received the USDA’s HealthierUS Schools Challenge bronze award for elementary school menus that exceed basic USDA nutrition requirements.

Further, as summarized in the table on the next page, MCPS is also implementing several efforts that relate to each of the school food trends designed to enhance school food as identified in Finding #8. It is important to recognize, however, that several other school systems studied for this project, including several large school systems, have undertaken more aggressive efforts than MCPS to improve its school food programs. These school systems – the District of Columbia; Chicago; Baltimore; Boulder, CO; and St. Paul, MN school districts in particular – suggest that more sweeping reforms can be undertaken to improve school food programs than those currently being implemented by DFNS.

⁸ FRAC, 2010

Table 8-5: School Food Trends - MCPS and Other School System Practices

Food	Practices	Other School Systems
Trends that focus on enhancing the nutrition of school food		
Menu Revisions for Reimbursable Meals	<ul style="list-style-type: none"> • Meets HealthierUS Schools Challenge <i>bronze</i> award for elementary menus • Eliminated trans fats • Reduced sodium content of foods 	<ul style="list-style-type: none"> • <i>Baltimore City</i> – Expanded menu to a six-week cycle to include more variety and introduce healthier foods • <i>Chicago</i> – Adopted HealthierUS School Challenge <i>gold</i> nutrition standards for menus • <i>District of Columbia</i> – Adopted Institute of Medicine nutrition standards for meals
Competitive Foods	<ul style="list-style-type: none"> • Limits sales of high fat/sugar competitive foods and beverages during the school day 	<ul style="list-style-type: none"> • <i>Boulder, CO</i> – Reduced number of a la carte offerings
Salad Bars	<ul style="list-style-type: none"> • Offers as reimbursable meal in one middle school • Offers a la carte in nine middle and high schools 	<ul style="list-style-type: none"> • <i>Chicago</i> – Offers reimbursable salad bars in one-third of elementary schools • <i>District of Columbia</i> – Added reimbursable salad bars to 12 schools in FY11
Healthy Food Marketing	<ul style="list-style-type: none"> • Offers Fresh Fruit and Vegetables Program in eligible schools • Posts menu and calorie information in the cafeterias • Piloting social marketing in two elementary schools 	<ul style="list-style-type: none"> • <i>Anne Arundel County</i> – Offers students “all you can eat” fruits and vegetables with school meals; offers students samples of fruits and vegetables with meals once a month for “Tasting the Rainbow” program
Processed Foods	<ul style="list-style-type: none"> • Offers processed and cooked-from-scratch foods • Reduced sugar in flavored milk 	<ul style="list-style-type: none"> • <i>Boulder, CO</i> – Eliminated processed foods and flavored milk, introduced roasted chicken
Student Involvement	<ul style="list-style-type: none"> • Conducts student taste testing of all new menu items • Conducts student focus groups 	<ul style="list-style-type: none"> • <i>Boulder, CO</i> – Student recipe contest to design new menu items • <i>Fairfax County</i> – Uses student tasting parties to compare and rate potential new products and set criteria before bidding for a product
Local Produce	<ul style="list-style-type: none"> • Serves Maryland produce during Homegrown School Lunch Week • Requests that vendors purchase locally grown produce when available 	<ul style="list-style-type: none"> • <i>Chicago</i> – Purchases locally-grown, flash frozen produce • <i>District of Columbia</i> – Purchases 20% of produce from mid-Atlantic region
School Gardens	<ul style="list-style-type: none"> • Published guidelines for planting container gardens of edible plants • Integrates efforts into classrooms but not into the cafeteria 	<ul style="list-style-type: none"> • <i>Alexandria City</i> – Uses vegetables not eaten in the classroom for chef salads in the cafeteria
Strategies that focus on increasing reimbursable meal participation		
School Breakfast, Lunch, and Other Reimbursable Meals	<ul style="list-style-type: none"> • Uses direct certification to enroll students in FARMS • Participates in free breakfast in classrooms program in 30 schools • Eliminated \$0.30 charge for reduced-price breakfasts • Piloted breakfast to-go programs in three schools; will add two more in FY12 	<ul style="list-style-type: none"> • <i>District of Columbia, St. Paul, MN</i> – Offers breakfast to go and in-classroom breakfast programs district wide • <i>Pinellas County, FL</i> – Offers vended school lunches in two high schools

Chapter IX. Recommended Discussion Issues

In Montgomery County Public Schools, the Department of Food and Nutrition Services (DFNS) administers the school system's nutrition programs; DFNS programs cost \$42 million in FY10. DFNS' largest program, which provides daily lunches in schools, served a majority of elementary students (54%) but less than a third of secondary students (28%) in FY10.

This report responds to the Council's request for the Office of Legislative Oversight (OLO) to review the policies and practices that shape MCPS' delivery of food in schools and research innovative approaches to school food and nutrition being implemented by other school systems. The report's findings (outlined in the previous chapter) are based on OLO's review of relevant MCPS documents, interviews with MCPS staff, school site visits, and a survey of the literature on school food trends. In sum, OLO found that:

- Federal policy is the primary driver of MCPS' school food practices;
- MCPS strives to maximize opportunities for low-income students to participate in school food programs;
- MCPS has made progress, but not yet fully achieved, its own performance goals for school meal quality; and
- While MCPS has implemented some innovative practices to improve school nutrition, there are examples of other school systems that have done more.

Below are OLO's recommended issues for the Council to discuss with MCPS representatives. The intent of identifying these issues is to improve the Council's oversight of funds appropriated to MCPS, with a focus on activities aimed at encouraging students to consume healthier food options in public schools.

Discussion Issue #1: What additional steps can MCPS take to encourage students to consume healthier foods in school?

In light of increasing rates of childhood obesity, more attention is being paid to the role of school food programs in providing healthy meals for children, particularly for students who rely on school meals as a significant source of their nutrition. To address this concern, many school systems are implementing practices aimed at improving school meal quality. Examples of such initiatives include:

- Updating menus for reimbursable meals
- Limiting competitive foods
- Offering salad bars
- Marketing healthy foods
- Limiting processed food
- Involving students in menu design
- Using local produce
- Developing school gardens

MCPS engages, to some degree, in all of the practices related to school food listed above. These include limiting the sale of a high fat/sugar a la carte and vending items to afterschool hours, posting menu and calorie information on the web and in school cafeterias, and eliminating trans fats from school foods.

However, other school systems (including large ones) are pursuing changes to school food nutrition and program participation even more vigorously. Examples include the Anne Arundel County school system which offers all you can eat fruits and vegetables with school meals; the Chicago school system, which operates salad bars as part of a reimbursable meal¹ in one-third of its elementary schools; and the Boulder, Colorado school system, which eliminated all processed foods and flavored milk from school menus.

At the Council Committee worksession on this report, OLO recommends Councilmembers ask MCPS representatives to address the following questions:

- What opportunities exist for MCPS to implement additional strategies aimed at encouraging students to consume healthier foods in school? What barriers exist to implementing these practices?
- Which of these strategies might serve to further MCPS' progress in meeting the customer satisfaction goals established by DFNS?
- How does MCPS plan to determine whether to expand pilot school food programs (e.g., the reimbursable salad bar at Parkland Middle School) to other MCPS schools?
- What lessons from some of the other school systems profiled in this report might inform MCPS' future efforts to improve school food?

Discussion Issue #2: What else can MCPS do to encourage greater student participation in school breakfast and lunch programs?

Many school systems are affirmatively working to encourage more students to participate in school meal programs, which tend to offer more nutrients to students than bag lunches or skipping meals all together. Further, there is research that links school breakfast to improved student attendance and academic performance.² Strategies being used to increase participation include:

- Allowing students to receive free meals without paper applications;
- Providing universal free breakfast, breakfast in the classroom, and breakfast “on the go;”
- Offering reduced-price meals for free; and
- Using vending machines to offer reimbursable meals.

MCPS participates in every federal and state nutrition program available to the school system. In addition to every MCPS school participating in the National School Lunch and School Breakfast programs:

- 108 school and community sites across the County provide the Summer Meal Service,
- 51 schools participate in the Afterschool Snack Program,
- 30 schools provide universal free breakfast in classrooms via Maryland Meals for Achievement,
- 18 schools participate in the Afterschool Meal Program, and
- 7 schools participate in the Fresh Fruit and Vegetable Program.

¹ A “reimbursable” meal or snack qualifies for federal reimbursement under the National School Lunch Program, School Breakfast Program, or other federal child nutrition programs. See Chapter II for more details about these programs and descriptions of what qualifies for reimbursement.

² Food Research and Action Center (FRAC), 2010; MSDE, 2001

In part, as a result of these varied initiatives, MCPS has achieved progress in meeting their student participation goals. More specifically:

- Elementary school lunch participation almost met the 60% benchmark, increasing from 54% to 58% between FY10 and FY11;
- Secondary school meal participation almost met the 30% benchmark, increasing from 28% to 29% between FY10 and FY11; and
- Customer satisfaction did not meet the DFNS target of 85%. In FY10, 72% of parents and 54% of students gave DFNS a customer satisfaction rating of “agree” or “strongly agree.”

FY11 data also show that among students eligible for FARMS, 78% participate in the school lunch program compared to 36% who participate in school breakfast. Among students not eligible for FARMS (i.e., students who pay full price for meals), only 23% participate in school lunch and 5% in school breakfast.

At the Council worksession on this report, OLO recommends the Council ask MCPS representatives to address the following questions:

- What opportunities exist for MCPS to increase student participation in school breakfast programs? What barriers exist to implementing these practices?
- What opportunities exist for MCPS to increase student participation in school lunch programs, particularly among students/families that pay full-price for school meals? What barriers exist to implementing these practices?
- What lessons from some of the other school systems profiled in this report might inform MCPS’ future efforts to improve student participation in school food programs?

Discussion Issue #3: Should MCPS develop additional performance measures to track school food quality and nutrition?

The DFNS’ FY11 Strategic Plan states that its mission (in part) is “to provide an array of appealing, quality, and nutritious meals.” Recent Maryland State Department of Education reviews indicate that MCPS’ food practices satisfy federal requirements for school meal nutrition. In addition, the USDA and the Physicians Committee for Responsible Medicine have recognized MCPS for menus that exceed basic USDA nutrition requirements. However, as noted previously, MCPS has made progress but not yet met its own performance goals for school meal participation or customer satisfaction that track its progress in providing high quality and nutritious food in schools.

Additional measures of school food quality and nutrition may provide a more complete picture of DNFS’ performance. For example, measures of meal participation could be disaggregated for students who pay full-price compared to students who receive free and reduced-price meals. Further, MCPS could benchmark their meal participation rates against participation in peer jurisdictions that evidence the highest meal participation rates.³

At the Council worksession on this report, OLO recommends that the Council discuss the following questions with MCPS representatives:

- What rationale did MCPS use to develop its current performance measures that track student participation and customer satisfaction?

³ Boettger, 2009

- What value does MCPS see in tracking additional performance benchmarks tied to student participation by FARMS status?
- Who does MCPS consider to be their peers in school food service? Does DFNS currently benchmark their performance with these peers?

Discussion Issue #4: What explains the recent deficits in the food service enterprise fund and what action is MCPS taking to avoid future deficits?

As an enterprise fund, DFNS is designed to be a self-sustaining operation. However, DFNS, experienced a \$1.6 million deficit in FY10 and anticipates an \$800,000 deficit for FY11. In FY10, MCPS shared with the County Council that it loses 50 cents for each free and reduced-priced lunch it serves.

In FY10, DFNS received revenue from three sources: 54% from federal and state government reimbursements; 28% from sales of reimbursable school meals; and 17% from sales of a la carte/snack items. In FY10, DFNS earned \$40.3 million and spent \$41.9 million. For FY11, DFNS projects \$42.6 million in revenue and \$43.4 million in expenditures. In order to cover the shortfall in FY10, DFNS received a transfer from the MCPS general fund of \$1.8 million to cover a portion of its employee benefits and to provide a carry-over fund balance for FY11. FY11 action to address the projected deficit has not been determined.

At the Council worksession on this report, OLO recommends that the Council discuss the following questions with MCPS representatives:

- What are MCPS' actual costs per reimbursable meal served?
- What are the key reasons for DFNS' recent annual deficits?
- What are MCPS' plans for eliminating these deficits going forward?
- How will the proposed relocation of the DFNS Central Production Facility affect MCPS' goals to deliver school nutrition in an efficient and cost effective manner?



MONTGOMERY COUNTY PUBLIC SCHOOLS

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MARYLAND

July 8, 2011

Ms. Karen Orlansky, Director
Dr. Elaine Bonner-Tompkins, Senior Legislative Analyst
Office of Legislative Oversight
Stella B. Werner Council Office Building
100 Maryland Avenue
Rockville, Maryland 20850

Dear Ms. Orlansky and Dr. Bonner-Tompkins:

Thank you for providing Montgomery County Public Schools (MCPS) staff with the opportunity to review and comment on the draft Office of Legislative Oversight (OLO) Report on Food in Montgomery County Public Schools. Comments and suggestions for technical changes were provided and incorporated into the draft report. MCPS staff members who participated in this review appreciate the collaborative process used throughout the study and review of the report. Since comments and suggestions provided by MCPS staff during the technical review were incorporated, the following comments are offered upon final review:

- As stated, MCPS has implemented many aspects of the trends identified in Chapter VI. The Division of Food and Nutrition Services (DFNS) has been recognized as a leader in the school food service industry. Providing nutritious, high quality meals that all students enjoy has been and continues to be the focus. Since the ultimate nutritional value is determined by the actual food consumed, every effort is made to provide foods meeting both nutritional specifications and the expectations of our students. MCPS has been steadily making changes to our program, such as adding whole grains, providing fresh fruit offerings every day, allowing students to take more fruit than required, and working with the dairy vendor to reduce the sugar content in the nonfat flavored milk.
- As indicated in the report, the salad bar pilot at Parkland Middle School has been successful, and plans are in place to expand this initiative to all secondary schools based on interests expressed by principals, food service supervisors, and cafeteria managers, taking into consideration the facility and available equipment.
- The division has taken on many initiatives to increase student participation in the lunch program. Examples include redesigning the menu to include popular items more frequently, redesigning the serving line areas to provide easier and quicker access for the students, holding focus groups with students to hear the voice of the customer, providing evening sessions with parents to provide information about the program, and providing program information through various sources; i.e., MCPS iTV, student newsletters, MCCPTA newsletters, and the division's webpage. DFNS distributes elementary school menus to many physicians' offices. Medical professionals are working with children to help them select menu options and discussing how school meals are healthy and contribute to reduction in obesity and increases in academic performance.

Office of the Chief Operating Officer

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- Increasing student participation at breakfast has been a focus for MCPS as well as for the Maryland State Department of Education (MSDE). MCPS has the largest number of schools participating in the Maryland Meals for Achievement In-Classroom Breakfast Program. Additionally, MCPS eliminated the fee for reduced-price breakfast this past school year, and every effort is made to provide a breakfast program in our schools.
- The performance measures mentioned in the report reflect the divisionwide performance measures that are reported to the chief operating officer. Each functional area of the division maintains performance measures to monitor the work of the area. Student participation is monitored as a measure of customer satisfaction. The school-based supervisory staff monitors participation activity at each school and within the school levels in their specific area of oversight. The participation data at the elementary, middle, and high school levels is reviewed monthly at a leadership team meeting, following the M-Stat format. This permits the leadership team to review current trends and react to program changes as implemented. Schools are grouped together by program and enrollment so that benchmarks can be established. Participation data is benchmarked with other school systems in the metropolitan area and in Maryland.
- The results of the parent and student survey are included as customer service data. However, DFNS acknowledges that this is not as good an indicator as participation data and the feedback received in focus groups. Although other jurisdictions also conduct student surveys, MCPS does not use the same instrument and therefore comparisons cannot be made.
- For FY 2011, the actual cost per reimbursable meal served is \$3.54 for lunch and \$2.24 for breakfast, which is greater than the reimbursement rates received for these meals. The ala carte and vending programs are designed to cover the shortfall. As discussed in the report, the emphasis on increasing student participation at all levels also will generate revenue to support the fund.
- Plans to increase participation, as stated earlier, will provide additional income without increasing labor and consequently fringe benefit costs. Therefore, as more meals are served, the cost per meal will decrease and allow DFNS to take advantage of economies of scale to eliminate future deficits.
- The proposed relocation of the DFNS Central Production Facility will offer the opportunity to develop more efficient and modernized areas that will better support the nutrition requirements associated with the newest USDA regulations and recommendations such as fresh fruit and vegetable packaged items at reduced costs.
- The Central Production Facility provides great efficiencies and confidence in the nutritional integrity of foods served in the school meal programs. When it was built in the mid-1990s it was a state-of-the art facility and prepared food items for meals that were considered acceptable at that time.

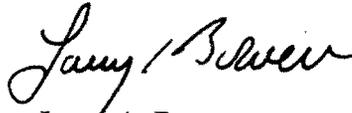
Ms. Karen Orlansky
Dr. Elaine Bonner-Tompkins

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July 8, 2011

Thank you again for the opportunity to review the draft report and discussion topics. I believe the collaborative work between MCPS and OLO will result in an excellent report on the school food service program offered to our students.

Sincerely,



Larry A. Bowers
Chief Operating Officer

LAB:lsh

Copy to:

Dr. Starr
Mrs. Caplon
Mrs. Lazor

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