

HJR 8 Study: Childhood Hunger

Stakeholder Suggestion: Increase Use of School Breakfast Programs

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for the Children, Families, Health, and Human Services Interim Committee
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Background

The Children, Families, Health, and Human Services Interim Committee heard testimony in September 2011 about the ways in which the School Breakfast Program improves children's readiness to learn. Committee members also heard testimony that fewer schools participate in the breakfast program than in the National School Lunch Program.

The committee in November requested additional information on stakeholder recommendations to increase use of the School Breakfast Program in Montana.

This briefing paper provides information about the program, the extent of its use in Montana, approaches other states have taken to encourage and pay for use of the School Breakfast Program, and potential options and associated costs for expanding the program in Montana.

How the Program Works

The School Breakfast Program provides a free breakfast to children in participating schools if the child's family income is at or below 130% of the federal poverty level. Students with family incomes of 131% to 185% of poverty may purchase a breakfast for 30 cents. The program is also open to children whose family income exceeds 185% of poverty. Those children pay a price set by the school.

The federal government reimburses schools for each breakfast served, depending on whether it was served at no cost or at a reduced or full price. The reimbursement is higher for schools in which 40% or more of the school lunches served 2 years earlier were served for free or at a reduced price. In the 2011-12 school year, those "severe-need" schools receive \$1.80 for each free breakfast they serve and \$1.50 for each reduced-price breakfast. They receive 27 cents for each full-price breakfast served. Other schools receive \$1.51 for each free breakfast served and \$1.21 for each reduced-price breakfast. They also receive 27 cents for each breakfast served at full price.

Schools take a variety of approaches to providing breakfast. Often, it's served in the cafeteria before the school bell rings. But some schools use the Breakfast in the Classroom model, where the meal is brought into class after school starts, and students eat at their desks. Still others offer "grab-and-go" items that can be picked up at one location and eaten on the playground, in class, or in other areas of the school. And some schools offer "universal" breakfast, which is made available to all children at no cost regardless of family income.

Montana Schools and the School Breakfast Program

The number of schools participating in the School Breakfast Program has been increasing in recent years, but still lags behind the number that take part in the National School Lunch Program.

The "*Montana School Nutrition Programs: 2011 Annual Report*," published by the Office of Public Instruction in January 2012, shows that in the 2010-11 school year:

- 259 sponsors — primarily school districts — participated in the lunch program and 215 in the breakfast program;
- 730 public schools and 33 private schools served school lunches;
- 648 public schools and 20 private schools served breakfast;
- participating schools served more than 4.6 million breakfasts; and
- 68% of the breakfasts were served to children who qualified for a free breakfast, while 21% were served at full price and 11% at the reduced price of 30 cents.

Currently, 95 schools that serve lunch don't serve breakfast.

The federal legislation that reauthorized the school meal programs requires school districts to conduct increased outreach related to the School Breakfast Program. To fulfill this requirement, the Office of Public Instruction (OPI) has developed postcards to be provided to parents, while the Montana Team Nutrition Program also is conducting promotional activities.

Across the Country: A Variety of Approaches

The Food Research and Action Center looked at the laws in all 50 states for its January 2011 report, "*School Breakfast Scorecard: School Year 2009-2010*." The report showed:

- Twenty-six states require that breakfast be served in all or some schools, while 22 states have no requirement and two — California and New Hampshire — require that at least one meal per day be served. That meal could be either lunch or breakfast.
- Seven of the 26 states that require participation allow either a state agency or a local school board to waive the requirement for a school.
- Eleven of the states that don't require participation do appropriate state funds to reimburse schools for the meals served or to pay initial costs of the program.
- Twenty-nine states appropriated money to help with the costs of operating the School Breakfast Program.

- The Nevada Legislature hasn't mandated participation in the School Breakfast Program but did express support of the program by passing a resolution in 2005. The resolution urged school districts to offer the program in all schools with 100 or more students.

States have financed increased use of the School Breakfast Program by:

- Paying the start-up costs of a new breakfast program. Payments may cover the costs of equipment or staff or merely serve as an incentive for a school to start the program. Some states use a grant program to distribute the funds. Others make payments to schools or school districts that have high percentages of low-income students.

Such payments usually are made on a one-time basis and are not an ongoing cost.

- ▶ *Potential costs in Montana:* The cost of this option could vary widely, depending on whether the Legislature takes a phased-in or full-scale approach to starting up new breakfast programs and on the amount of start-up funds provided. For example, if the Legislature targets funds to 10 schools a year and pays \$2,000 of a school's initial costs, the program would cost \$20,000. Or for the same cost, the Legislature could pay a smaller amount to a higher number of schools. The legislative appropriation would depend on decisions related to the per-school incentive and the number of schools targeted for funding.
- Paying the 30-cent cost of the reduced-price breakfast. This allows schools receiving the funds to provide breakfast at no cost to qualifying reduced-price students.
 - ▶ *Potential costs in Montana:* \$147,000 to \$200,000 a year. This estimate is based on data showing that schools served about 490,000 reduced-price breakfasts in the 2010-11 school year. Reimbursing the schools for the 30-cent price of those meals would cost \$147,000. If the number of school breakfasts served increases over the 2010-11 school year, the cost would be somewhat higher.
- Reimbursing school districts a fixed amount for each breakfast served. At least 14 states use this approach. Their payments range from 3 cents to 20 cents for each breakfast served. Payments are based either on total breakfasts served or on the number of additional breakfasts served, compared to a previous school year.
 - ▶ *Potential costs in Montana:* Reimbursing schools for all breakfasts served could cost anywhere from \$138,500 to about \$925,000, depending on the reimbursement rate and the number of meals served. Reimbursing schools only for an increase in the number of breakfasts served over the previous year could cost anywhere from about \$5,200 to \$34,700. The estimates are based on data showing that schools served 4,619,496 breakfasts in the 2010-11 school year. That represented an increase of 173,438 breakfasts over the previous year. Using those figures, the table on P. 4 shows the costs of reimbursements at varying levels.

Rate	Total Breakfasts (4,619,496)	Increased Breakfasts (173,438)
3 cents	\$138,585	\$5,203
5 cents	\$230,975	\$8,672
10 cents	\$461,950	\$17,344
20 cents	\$923,899	\$34,688

The state also could pay schools to offer universal free breakfast to all students. Again, the costs would vary depending on the reimbursement rate and the number of meals served as part of a universal breakfast program. Currently, 114 schools offer universal breakfast.

An Option in the Offing

The federal Healthy, Hunger-Free Kids Act of 2010 will eventually allow schools that directly certify students' eligibility for free or reduced-price meals to be reimbursed for offering universal meal programs in high-poverty areas. A local education agency may choose to receive special federal payments for offering free breakfast and lunch to all children in a school in which at least 40% of the students qualify for a free or reduced-price meal. A student's eligibility is primarily determined through a household's participation in the Supplemental Nutrition Assistance Program (SNAP). A child whose family is eligible for SNAP is automatically determined to be eligible for free or reduced-price school meals. A participating school must offer the program for at least 4 years.

Three states currently are participating in this so-called "community eligibility" option as a pilot project — Illinois, Kentucky, and Michigan. The legislation calls for four additional states to be added to the program in 2012 and another four in 2013. By 2014, the program is to be available to schools in all states.

Stakeholder Recommendation

The stakeholder recommendation relating to the School Breakfast Program contained the following elements:

- Start breakfast programs in schools that don't yet have a program.
- Create universal breakfast programs in schools where 50% or more of the students qualify for free or reduced-price meals.
- Provide information to local school districts about the importance of the School Breakfast Program.
- Provide grant funding to schools.

Options for Committee Consideration

If the committee wants to take action related to expanding the use of the School Breakfast Program, members could consider the following options:

1. Approve the drafting of legislation that encourages or requires schools to start school breakfast programs.
2. Approve the drafting of legislation that provides a one-time payment to schools to start a breakfast program.
3. Approve the drafting of legislation that provides payments to schools that offer a breakfast program. The payments may continue for a period of time or be limited to a specific period of time.
4. Require or encourage local school districts to consider use of the School Breakfast Program.
5. Ask OPI to expand its outreach and promotion efforts.
6. Find that the School Breakfast Program benefits children and schools by improving a child's readiness to learn and include that finding in the final report on the HJR 8 study.
7. Identify other options for consideration.

If the committee selects any of the first five options, staff would need additional direction, as noted below:

Option 1: Should the draft legislation:

- a. encourage schools to start breakfast programs;
- b. require some or all schools to offer breakfast programs;
- c. require some or all schools to offer breakfast programs unless a state agency or local school board waives the requirement; or
- d. require local school boards to periodically review information related to the School Breakfast Program and determine whether to participate?

Option 2:

- a. Should the draft legislation:
 - i. create a grant program or otherwise limit funding of new programs to selected schools; or
 - ii. pay for all new programs?
- b. What per-school payment should be included in the bill?

Option 3: Should the draft legislation:

- a. reimburse schools that offer school breakfasts, either for all breakfasts served or for the increased number of breakfasts served;
- b. pay for the costs of the reduced-price breakfasts that are served by each school; or
- c. pay the costs of offering a universal free breakfast?

Option 4: Should the legislative action take the form of:

- a. a resolution generally encouraging local school boards to consider implementing the program; or
- b. a bill that requires local school boards to review information about the program on a regular basis and to take formal action on whether to offer the program?

Option 5: Should a letter to OPI contain specific recommendations for outreach and promotion efforts or be more general in nature?

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