CONTROLLING JUNK FOOD and the Bottom Line

EXECUTIVE SUMMARY

Case Studies of Schools Successfully Implementing Strong Nutrition Standards for Competitive Foods and Beverages

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Changes to nutrition standards often raise concerns about negative impacts on school revenue and fundraising. The *Controlling Junk Food and the Bottom Line* study shares findings from eight school districts that have already implemented strong nutrition standards for snack and à la carte foods and beverages without significant loss of overall food service profit. The study explored district and school-level experiences through interviews. In total, 31 principals, food service directors, and staff from eight districts across the country shared their experiences and contributed their insights to the study.

Interviews were conducted between December 2011 and April 2012 and focused on the following topics:
- financial impact of the nutrition standards for competitive foods at the district and school levels;
- key factors that helped to facilitate implementation of the nutrition standards;
- factors and barriers associated with maintaining or increasing district and school profit;
- exclusive contracts with food/beverage distributors to sell competitive foods;
- pricing and promotion strategies to encourage purchasing of healthier food and beverage options; and
- plans for changing competitive food and beverage standards going forward.

**Case Study District Locations**

Marshall County Schools, AL
Perry County School District, AL
New London Public Schools, CT
Miami-Dade County Public Schools, FL
Boston Public Schools, MA
Jackson Public Schools, MS
Bismarck Public Schools, ND
Corvallis School District 509J, OR

Many students consume more than half of their daily calories at school, so healthy school meals can make profound impacts on child health. Changes to nutrition standards are often challenging to adopt due to concerns about the negative impact on school profits and fundraising. Yet, as is shown by this study, districts across the country have implemented healthier competitive foods standards without “breaking the bank.” This report highlights case studies from middle schools and high schools in eight diverse districts across the country that illustrate it is possible for schools and districts to improve nutrition standards without experiencing significant financial losses. This study focused on policies and practices in middle and high schools because competitive foods are most widely available in secondary schools.

1 A rigorous screening and sampling process was used to select participating districts from the Bridging the Gap Program (University of Illinois at Chicago) database. The research team also took a systematic approach to coding and analyzing the interviews, including a process of establishing inter-rater reliability. A thorough description of the research methods is included in the *Controlling Junk Food and the Bottom Line* report at [http://iphionline.org/pdf/IPHI_Controlling_Junk_Food_Report_32113.pdf](http://iphionline.org/pdf/IPHI_Controlling_Junk_Food_Report_32113.pdf).

New Federal Standards: Smart Snacks in School

In 2013, the United States Department of Agriculture (USDA) adopted nutrition standards for all foods and beverages sold to students during the school day. Schools are required to implement the Smart Snacks in School nutrition standards for healthier “competitive foods” by the beginning of the 2014–2015 school year. Competitive foods are all foods and beverages sold to students outside of the school meals programs, which includes vending machines, à la carte items, school stores, snack carts, and fundraising during the school day. Smart Snacks in School nutrition standards will result in more healthy foods such as fruits, vegetables, and whole grains in snack bars and vending machines while limiting traditional snack items such as full-fat chips and candy bars.

The changes are critical to student health, but offering foods and beverages in these venues in a way that minimizes student resistance and maximizes overall school and district food service profit requires a coordinated approach. Social marketing, nutrition awareness and education, promotion, and improvements in the school meal are all necessary to create a healthier school climate where students are served and consume appealing healthy food.

Key Findings: Financial Impact of Stronger Competitive Food and Beverage Standards

Loss of profit was not the most frequently cited concern about changing nutrition standards.

The primary concern cited by food service directors was related to gaining the necessary “buy-in” from students, staff, and parents to support implementing stronger standards. Finding ways to engage the community was key to successful implementation of stronger standards. Financial concerns were the second-most cited issues.

“Doing the right thing” was perceived as more important than profit.

Most of those interviewed took the challenge to be one of successfully getting the children to eat healthier foods and even to improve children’s long-term nutritional choices, rather than a financial challenge—and they found that the focus on encouraging children to eat better also had the effect of minimizing the financial disruption of the change.
Most respondents have a positive outlook on the future profits for competitive foods.

Food service directors and principals were asked to forecast what they thought profits for competitive foods would be like in the current year compared to the prior school year. Most respondents thought profits would remain at similar levels. One food service director and one principal forecasted profit would be more than the prior year. Only one food service director and two principals projected that profit would be less.

“Now we just figure out a different way to raise money – as opposed to utilizing food that is unhealthy. If anything [the impact has been that] it brought awareness. I don’t know if I’d put a dollar value to it. I don’t like to associate the awareness of eating healthy with ‘oh did we lose money?’”

Caren Walker-Gregory, Headmaster, Kennedy Academy for Health Careers, Boston Public Schools

“There was so much value in making the change that it was really a no-brainer.”

Russ Riehl, Principal, Simle Middle School, Bismarck Public Schools, North Dakota

Strengthening nutrition standards for competitive foods is associated with increased participation in the USDA reimbursable meal programs.

Consistent with findings from other studies, six of eight food service directors indicated that profits associated with reimbursable school meals increased once stronger competitive food and beverage standards were implemented. Two of eight responded that profits remained the same. Districts reported improving the nutritional value and appeal of the school lunch program at the same time that they implemented stronger competitive food standards, resulting in increased participation in the reimbursable school meal programs.

Several respondents from districts where most eligible students participate in the National School Lunch Program indicated that the district does not rely on competitive food sales for a significant portion of profits. Thus, a drop in competitive food sales is unlikely to have a significant impact on the financial status of districts with high rates of free and reduced-price lunch participation. Consequently, more student participation in the meal program improves students’ dietary intake; students who participate in school meal programs have been found to consume more milk, fruits, and vegetables and have better nutrient intake than those who do not participate.3

“Kids are participating [more in the meal program], so we have seen our overall revenue increase, year after year. And because of that, I think, the competitive foods and à la carte foods have taken a back seat – we aren’t promoting the competitive foods as much. It’s not a focus. So no one’s losing any sleep, or saying ‘okay let’s work on competitive foods’ or ‘what’s the price?’”

Shamil Mohammed, Interim Food Service Director, Boston Public Schools

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Schools experienced declines in competitive food profits. However, school interviewees reported that over time, profits rebounded and when measured across all food service accounts, profits remained the same or increased.

Implementation of stronger nutrition standards resulted in an initial “dip” in competitive foods profits. In spite of an initial “implementation dip,” all but one food service director reported that competitive food profits rebounded substantially within two years or less. In spite of a perceived decline in competitive food profits, none of the food service directors reported significant ongoing financial concerns. In fact, when considering all food service accounts, profits either increased or stayed the same after implementation of stronger nutrition standards, with increases to food service accounts largely attributed to increased participation in the school meal program.

The financial impact of stronger competitive food and beverage standards on food and beverage sales associated with extracurricular activities and association/organization activities is mixed.

Food service directors and principals indicated that food and beverage sales for extracurricular and fundraising activities either decreased or remained the same following implementation. Some of the decreases in food-based fundraising were seen by respondents as positive changes. For example, in Miami-Dade County Public Schools, respondents shared that the PTA, following their district’s lead, switched to nonfood fundraising efforts.

> [The key to success is] making sure that you put in place ways to earn fundraising revenue that is needed and not just taking away the opportunity without having something else there to replace it.”
> Penny Parham, Food Service Director, Miami-Dade County Public Schools

Schools encountered some challenges in maintaining profit while implementing stronger competitive food standards.

Finding healthy food and beverage items that were both affordable and profitable was a key challenge that many schools faced. As demand for nutritious products increases, districts report that vendors are beginning to offer more appealing and affordable products.

A variety of other challenges were identified, including time for students to adjust to taste, production and food-related challenges, the economy, and open-campus policies. However, none were perceived to be insurmountable, and a range of implementation strategies were employed to address and overcome these challenges.

Key Findings: Implementation Strategies

In all districts, strong leadership, individual champions, and effectively communicating the value to student health were identified as keys to success. All of the districts in the study took a multipronged approach to implementation and emphasized that there is no “one-size-fits-all” approach to overcoming barriers to implementation or maintaining competitive foods profits. Food service directors and principals shared implementation strategies related to communicating new standards; marketing; education and engagement of students, staff, and community; adjusting food cost; and modeling healthy behavior. School districts might experience initial pushback to changes in standards, or decreases in revenue, but this will rebound over time. Using all of these complementary strategies can minimize the potential negative impact. By working closely with students, as districts in the study have done, acceptance of healthier food can be accomplished.
Some key strategies for implementation included:

**Engage students** by including taste testing new foods, involving them in developing marketing campaigns, and asking their opinion about how to make the new standards work. Students felt empowered to choose new, healthier foods and “bought in” to being a part of the policy change process.

> “Understand[ing] what kids like to eat…always seeking new ways to give kids opportunities to eat healthy...educating the cafeteria staff...changing how they’re interacting with the students...variety...an intentional look at menu choices so that the kids are never bored and there’s always something new.”
> Alison Burdick, Principal, Bennie Dover Jackson Middle School, New London Public Schools

**Improve the school meal program.** One reported way to combat any loss in competitive food sales was to bolster the participation in the USDA school meal program. At the Perry County Public Schools in Alabama, the school meal program offers a variety of choices for students, including a salad bar, sandwich, or hot entrée. In districts with higher income students, such as Corvallis School District 509J in Oregon, food service departments raised prices for the full-price meal to support healthier and more appealing options to maintain profits.

**Increase participation in the school meal program.** Some schools focused on enrolling more qualifying students in the free and reimbursable meal program, which helped offset costs. For example, at West Miami Middle School, a community involvement specialist reaches out to parents to inform them about the school meal program and helps them enroll. Given USDA’s recent expansion of community eligibility, schools with greater than 40% of students qualifying for free or reduced-price lunch may want to consider offering universal free meals as a means of increasing meal participation.

**Collaborate with vendors** to use attractive packaging and the newest products to encourage sales.

**Expand nutrition education.** Schools incorporated nutrition education into both “core subjects” like math and English and extracurricular activities such as sports. In Bismarck Public Schools, in North Dakota, nutrition education was incorporated into afterschool athletics programs to reinforce how healthy eating throughout the day affects their game performance. Additionally, the district added nutrition and health classes to the curriculum as healthier competitive foods options were introduced in the cafeteria.

**Make cafeterias more appealing.** Some schools redesigned cafeterias to look like restaurants to make them more appealing places for students to stay and recharge during lunch. Implementing specific design elements, such as placing salad bars near the lunch lines, was also found to be effective.

**Encourage staff to lead by example.** Staff talked to students about lunch choices and helped introduce them to new foods.

**Time the change correctly.** The districts and schools interviewed in this study found that changes are better received if implemented at the beginning of a new school term, not in the middle of a current year.

**Involve parents.** Having healthy changes at home helps the changes at school succeed. For example, in Perry County, Alabama, the school district has reached out to families in order to get the whole family making healthy nutrition and healthy choices. Walk-to-school events bring families together around the topic of health and nutrition in a fun, supportive way that ends with a healthy breakfast for all participants. Furthermore, the district opens their gym facilities to the public so that all members of the community have access to a place to exercise.
Increasing variety and choice and marketing those new choices. Many districts said they advertised their healthier meal options by using bulletin boards outside the cafeteria to tell about menu items, and they also set up displays inside the cafeteria to show kids what was on the menu. The study participants shared strategies that reflected the four “P’s” of marketing – placement, promotion, pricing and products. The accompanying tip sheets offer a variety of strategies for enhanced marketing of foods that meet stronger standards.

“[Improved] packaging and product offering has increased the selectability for students.”

Andrew Morton,
Food Service Director, Marshall County Schools, Alabama

Use resources within the school or broader community. Farm to school programs were some of the most commonly cited resources. Kids get excited about eating foods that have been grown by their friends and neighbors and may inspire them to grow their own fruits and vegetables. An effective way to reinforce the importance of healthy eating is for schools to partner with community centers and after-school organizations, and work with them to adopt similar policies.

Federal and state policies can support local efforts. Districts and schools consistently reported that implementation of stronger standards was easier when predicated by changes at the state or federal level. Initially, food service directors reported challenges with finding vendors that had items that met their standards, but over time they observed that vendors were able to respond with more suitable products. It is likely that food and beverage-maker adaptation of packaging, sizing, and formulations will accelerate as the Smart Snacks in School standards are implemented nationwide and when more uniformity in standards across states and districts is achieved.

A series of five tip sheets presents the district and school implementation strategies in more detail. The tip sheets are available online at the Illinois Public Health Institute’s website. Topics for the tip sheets are:

1. Finances: Strategies to Maintain Revenues with Healthier Competitive Foods Standards
   Encouraging enrollment in school meal programs; Increasing variety, access, and price of school meals; Comprehensive strategies

2. Creating and Implementing Policies for Healthier Competitive Foods Standards
   Engaging champions; Using an incremental approach to policy-making; Adapting current wellness policies and practices; Communication and training

3. Improving Access to Healthy Foods and Beverages Through Healthier Competitive Foods Standards
   Replace junk food in the cafeteria; Increase access to healthy vending; Improve foods in fundraising and celebrations

4. Student Education and Engagement to Support Healthier Competitive Foods Standards
   Expand nutrition education; Engage students in taste-testing of healthy food and beverage items; Inform parents and communities

5. Improving Cafeteria Strategies to Support Healthier Competitive Foods Standards
   Marketing and promotion; Adding fruits and vegetables; Appeal of the cafeteria; Pricing strategies

Conclusion

As districts and schools across the country work to implement the Smart Snacks in School nutrition standards, the experiences, lessons, and strategies illuminated by the interviews with district and school officials may be especially helpful.
Most of the schools and districts in the sample did not proactively engage in strategic planning to ensure that profit was maintained. The eight districts profiled in this study have been able to provide some insight into key factors and strategies that can help maintain profit. Schools and districts may find that using the strategies in the tip sheets will provide them with tools for developing a plan to implement the Smart Snacks in School standards in ways that minimize negative financial impacts.

Schools can anticipate an initial drop in competitive foods profits that may be offset by increased reimbursable school meal profit, but they can anticipate that most of the competitive food profits are likely to rebound within two years. By planning for and implementing strategies at the front end, schools and districts may be able to minimize financial disruption, facilitate student adaptation, and concurrently improve nutrition by encouraging students to consume the healthier offerings.