



STAFF REPORT ACTION REQUIRED

Student Nutrition Program Funding – Current Status and Recommendations for 2009

Date:	November 3, 2008
To:	Board of Health
From:	Medical Officer of Health
Wards:	All
Reference Number:	

SUMMARY

Student Nutrition Programs provide children and youth with access to nutritious foods in school/communities. These nutritious meals/snacks provide students with nutrients and energy they need to be ready to learn and participate in school. This report documents the current status of municipal and provincial funding for student nutrition programs in Toronto, including the impact of the recently announced enhanced provincial funding and the 2009 municipal budget request.

The 2008 municipal base funding for student nutrition programs is \$2,799,340, reaching almost 78,000 elementary school-aged children (1 in 3 students) and 12,750 youth (1 in 10 students). The proportion of program costs covered by municipal funding has decreased over the years, and now comprises only 12% of total program costs in elementary programs and 10% in youth programs. This change is due to increased student participation rates and increased food costs of approximately 27% over the last nine years, without corresponding increases in municipal funding to offset the additional costs. No increase in municipal base funding was provided for student nutrition programs in the 2008 budget.

By 2007, the provincial funding level of \$1,379,000 for program grants provided only about six per cent of total program costs, meaning over 80% of program costs had to be raised through local fundraising and parental contributions. In July 2008, the Ministry of Children and Youth Services (MCYS) announced that the regional allocation for student nutrition programs in Toronto would be increased by \$2,729,386 per year for program grants, \$1,075,000 per year for community development, and one-time funding of \$1,956,000 for equipment and other start-up

costs. The additional funding is to be allocated to 434 designated school communities in Toronto focusing on breakfast/morning meal programs. The provincial allocation in these designated communities will cover 15% of the total program costs.

To meet the increased cost of food for existing programs in Toronto and to bring the existing youth programs from 10% to the 12% municipal funding level currently provided to elementary programs, an additional \$120,623 is required in 2009. In addition, \$1,358,433 is requested in 2009 to reach approximately 42,131 additional children and 3,147 additional youth estimated in the new programs being initiated during 2008/09 in provincially designated school communities. Thus, a total of \$1,479,056 for service enhancement is requested for 2009.

Without additional municipal funds the student nutrition programs initiated through the new provincial monies will likely not be funded at a level that is viable. When programs do not have sustainable core funding, nutritional quality suffers. Increased municipal funding for both existing and new programs is required for a sustainable investment to better meet the nutritional needs of children and youth in Toronto.

RECOMMENDATIONS

The Medical Officer of Health recommends that:

1. the Board of Health endorse the request for a \$120,623 net increase to the Community Partnership and Investment Program (CPIP) 2009 Operating Budget for existing student nutrition programs to cover increased food costs and to provide municipal funding for youth programs at the same funding level as elementary programs;
2. the Board of Health endorse the request for an additional net increase of \$1,358,433 to the CPIP 2009 Operating Budget to provide a 12% municipal funding level for all new student nutrition programs initiated in provincially designated communities;
3. the Medical Officer of Health report to the Board of Health, as part of the 2010 budget process, on a five-year plan for student nutrition programs, taking into account the impact of recent enhanced provincial funding;
4. the Board of Health reiterate its request to the federal government to provide core funding for a national universal student nutrition program;
5. the Board of Health forward this report to the Budget Committee for consideration during the 2009 Operating Budget process; and
6. the Board of Health forward this report to the Community Development and Recreation Committee, the Toronto District School Board, the Toronto Catholic District School Board, and the Toronto Food Policy Council.

FINANCIAL IMPACT

To meet the increased cost of food for existing programs in Toronto and to bring existing youth programs from 10% to the 12% municipal funding level currently provided to elementary programs, an additional \$120,623 is requested for 2009. Due to new programs in provincially designated communities being initiated during 2008/09, an additional \$1,358,433 is also requested to reach approximately 42,131 new children and 3,147 new youth. Thus, a total funding enhancement of \$1,479,056 is requested in 2009, which will bring the student nutrition program base budget of \$2,799,340 within the Community Partnership and Investment Program (CPIP) to \$4,278,396. The enhanced funding of \$1,479,056 requested in 2009 is subject to the 2009 Operating Budget process.

Summary of Financial Impact

Focus of Investment	Recommendation	Net Increase
<u>Existing Programs</u> 2.4% increase for food costs for all programs; increase youth programs to 12% funding level, equivalent to elementary funding level	Endorse an additional municipal cost of \$120,623, to cover increased food costs and to fund youth programs to the elementary school funding level, for a total municipal contribution of \$2,919,963	\$ 120,623
<u>Potential New Programs in Provincially Designated Communities</u> Based on 2009 food costs as in calculations for existing programs and at a 12% funding level	Endorse 2009 municipal funding of \$1,358,433 to provide 12% of program costs in 192 potential new programs, as identified by the Ministry of Children and Youth Services	\$1,358,433
	Total net increase recommended	\$1,479,056
	New recommended base budget: \$2,799,340 + \$1,479,056	\$4,278,396

The Deputy City Manager & Chief Financial Officer has reviewed this report and concurs with the financial impact information.

DECISION HISTORY

In May 2008, the Board of Health was informed of a recent provincial announcement to more than double provincial funding for student nutrition programs in Ontario. The provincial funding will increase from \$8.5 million per year to \$17.9 million per year for the next three years, as well as one-time funding of \$3.9 million for the purchase of equipment and other basic program expenses. At that time, specific regional allocations had not been announced. Also, in May 2008, a motion was made at the Community Development & Recreation Committee (CRDC) meeting for a new five-year plan for Student Nutrition Programs to be submitted for the 2009 budget process. Toronto Public Health (TPH) has submitted a request for the 2009 Community Partnership and Investment Program budget for student nutrition programs, but a multi-year plan has been delayed to the 2010 budget process, so that the impact of the enhanced provincial funding can be fully assessed.

ISSUE BACKGROUND

Student nutrition programs were created to provide students access to nutritious foods in schools/communities on a regular basis. The programs help to create healthier eating habits and prevent obesity and the related early onset of chronic diseases such as diabetes and cardiovascular disease. Although these programs are not a substitute for adequate income support, nutritious meals/snacks provide students with nutrients and energy they need to be ready to learn and participate in school.

The City's current investment of \$2,799,340 is inadequate to meet the goals of nutritional quality and adequate serving sizes in existing programs, as well as to develop a stronger youth program infrastructure with the ability to reach more youth in at-risk communities. Therefore, existing municipal funding will not be able to meet the needs of any new school communities the Ministry of Children and Youth Services has designated as eligible for enhanced provincial funding. As a result, both increased municipal funding for existing programs plus new funding for new programs are required for a sustainable City investment to better meet the nutritional needs of children and youth in Toronto.

Municipal Funding:

Student Nutrition Programs have grown tremendously since 1998 when 35,000 elementary school students (1 in 7 students) were reached and municipal funding of \$1,310,500 provided close to 24% of program costs. Funding of \$200,000 for youth programs was added in 2005, initially reaching fewer than 3,700 youth (1 in 30 students), contributing approximately 16.5% of total program costs.

In 1998, the Board of Health recommended and City Council approved a cost-shared funding model: 24% municipal funding and 24% provincial funding, with the balance to be raised at the local program level via parental contributions and community fundraising. In 2005, when youth programs were approved for municipal funding, the Board of Health recommended a 25% municipal contribution level because these programs were being targeted to at-risk communities where parental contributions and support were lacking. Adequate core government funding is crucial to meet nutrition standards, and achieve program stability.

Student participation has now increased to almost 78,000 elementary school-aged children (1 in 3 students) and 12,750 youth (1 in 10 students). These numbers are expected to be higher when the late applications/appeals process is completed in December 2008 and could reach one in eight youth (i.e. an additional 2,254 youth). Although municipal base funding has increased to \$2,799,340, the municipal contribution level to fund the programs has consistently decreased, now providing only 12% of total program costs in elementary programs and 10% in youth programs. This change is due to increased participation rates and a 27% increase in food costs over the last nine years. There was no increase in municipal base funding to student nutrition programs in the 2008 budget process.

Provincial Funding:

In 1998, provincial funding for Toronto programs was \$802,422, contributing about 21.5% of total program costs. Despite program grants increasing to \$1,379,000 by 2007, increased participation rates and increased food costs resulted in the provincial funding share declining to about six per cent.

In July 2008, the Ministry of Children and Youth Services (MCYS) announced that the regional allocation of new/enhanced funding for Toronto would be comprised of the following:

- continuation of the existing annual base funding of \$1,444,008 (\$1,235,008 for program grants in both designated and non-designated communities, \$65,000 for community development and \$144,000 for administration);
- new and expanded funding of \$2,729,386 per year for existing and new breakfast/meal programs in designated school communities, contributing 15% of total program costs;
- new local community development funds of \$1,075,000 per year.

In addition, a one-time grant in 2008 of \$1,956,000 was allocated for start-up costs, equipment and other program resources for new/expanded programs in designated communities.

COMMENTS

Details about the New and Enhanced Provincial Funding:

The provincial funding allocation in Toronto for a three-year period (2008/2009/2010) is being directed to 434 designated school communities, comprised of 242 school communities with existing student nutrition programs that are eligible for expanded funding and 192 school communities that are eligible to start new student nutrition programs. In designating 1,000 school communities across Ontario, the MCYS analysed Statistics Canada's Low Income Cut-off (LICO) data and Ministry of Education data on educational outcomes. Designated communities were identified where family incomes are low and children and youth are known to live in poverty. MCYS has prohibited releasing the names of the designated school communities. The Toronto District School Board (TDSB) and the Toronto Catholic District School Board (TCDSB) have shared relevant information internally so that superintendents are aware of the new designated school communities located in their respective areas. In addition, each board and/or associated foundation is informing principals of schools with existing programs that their programs are eligible for expanded provincial funding, conditional on meeting specific provincial program criteria.

The focus of the new and expanded provincial funding is on breakfast/morning meal programs. Lunch/dinner and snack programs that do not support the criteria for a breakfast/morning meal will be ineligible for enhanced provincial funding, even when the programs are in designated communities. There are approximately 115 communities in Toronto with existing student nutrition programs, affecting approximately 14,500 students, which are not eligible for the expanded funding since they are not located in a designated community or do not meet the criterion of offering a daily breakfast/morning meal. These programs can still receive funding from the existing provincial base grant, which will contribute approximately 6% of total program costs. Approximately 66 existing programs in designated communities need to redesign their programs to meet the morning meal criteria, in order to be eligible for the enhanced funding. This would raise overall program costs, since the majority are snack programs that cost less than morning meal programs to operate.

The provincial funding is administered through lead agencies. In Toronto, the lead agency is the Toronto Foundation for Student Success (TFSS), which administers grant funding directly to programs in TDSB schools and to community-based sites. TFSS transfers funding to the Angel Foundation for Learning (AFL) to administer to programs in TCDSB schools. Decisions for operational aspects of municipal and provincial funding are made through the Toronto Partners for Student Nutrition (TPSN), comprised of representatives from each of these agencies, Toronto Public Health and the community.

TFSS contracts FoodShare to deliver the community development component of the provincial funding. The community development staff will support local communities to expand existing programs or initiate new programs in designated communities, as well as continue to provide some support to programs not in designated communities.

Implications of Provincial Funding for Municipally Funded Student Nutrition Programs in Toronto:

Existing student nutrition programs:

As of the spring 2008 application process, the City of Toronto funding reaches almost 78,000 elementary students (1 in 3), providing 12% of program costs and about 12,750 youth participants (1 in 10), contributing 10% of program costs. The number of youth participants is expected to increase after the late applications/appeals process is completed in December 2008, and could reach the 1 in 8 target (i.e. an additional 2,254 youth) approved by the Board of Health in 2007. There is a moratorium on providing City funding to new elementary programs, which currently have an average 70% participation rate in participating schools. Until now, the provincial contribution to these existing programs has been 6-7% of total program costs. While the recent provincial funding announcement will enable existing programs in designated communities serving breakfast/morning meals to receive a combined 25%-27% of program costs from government sources, existing programs that are not eligible for further provincial funding will only receive a combined 16%-18% of program costs from government sources. As a result, existing programs will receive varied levels of core government funding and what has been considered a universally accessible program will be inequitably funded.

New student nutrition programs:

If there is no additional municipal funding for new Toronto programs approved in the 2009 budget process, then there will be up to 192 new programs that would only receive 15% provincial government funding, which would be the lowest amount of core government funding. This means that 85% of their program costs would need to be found through local fundraising and parental contributions. Since these communities are in low-income areas of the city, it is unlikely that the programs will be able to make up this shortfall in funding.

Support by Toronto Public Health:

The Ministry of Children and Youth Services (MCYS) has confirmed that none of the provincial student nutrition program funding can be utilized to support the additional staffing needs required within public health or school boards. TDSB, TCDSB and TPH have all identified additional staffing needs required as a result of the provincial funding, particularly the impact of potential new programs. TPH currently allocates approximately five FTEs in Registered Dietitian support to monitor the programs against nutrition standards. TPH conducts approximately 750 annual site visits (a second site visit is required in about half of programs), and provides ongoing nutrition consultation, training, program evaluation, and menu analysis. If programs are initiated in all 192 new school communities, at least two more Registered Dietitians will be required. There will also be increased demands on clerical staff, since TPH administers a joint application process for municipal and provincial funding, as well as additional demands on Public Health Inspectors who are required to conduct food safety inspections of student nutrition programs. For 2009, TPH will assess the impact on service levels and identify implications for the 2010 Public Health operating budget.

Municipal Funding Request for 2009:

The municipal budget request for 2009 includes two components:

Existing Programs:

The Student Nutrition Program budget is part of the Community Partnership and Investment Program (CPIP) budget, which has applied a 2% economic factor adjustment for all programs in its 2009 budget submission. However, TPH is requesting an additional 0.4% to account for the 2.4% increase in food costs based on the 2008 results from the Nutritious Food Basket survey. Since the student nutrition program budget request was submitted to CPIP in September 2008, TPH has been informed that the City's 2009 economic factor adjustment for food is 3.2%, which is higher than the 2.4% requested. This factor may be more appropriate for student nutrition programs, since the municipal funding is used to provide a core subsidy for the purchase of nutritious food. In 2008, there was no increase in the student nutrition program base budget although food costs increased by 7% from the previous year.

The 2009 budget request for existing programs allows for youth programs to be funded at 12% of total program costs, similar to that provided to elementary school-aged programs. In addition, existing programs in provincially designated communities that are not currently providing a breakfast/morning meal are revising their programs to meet the new provincial criteria. The shift from snacks to the more costly morning meal is included in the calculations.

The number of participating students is expected to increase after the appeals/late applications process concludes in December 2008, particularly in secondary schools. Participation rates in secondary schools have increased from as low as 5% in 2005 to an average of 28% in participating high schools in 2008. Because of the principle of universal access, participation rates will continue to grow to reach more students in a given school. This growth helps to reduce stigmatization and achieve economies of scale in purchasing food. Increased participation in programs has contributed to the municipal funding rate for youth programs slipping to 10% of program costs. When programs do not have sustainable core funding, nutritional quality suffers, with inadequate portions and fewer food groups served. If the Board of Health's approved target of reaching 1 in 8 youth is achieved by the time the appeals/late applications process concludes in December, an additional \$89,150 would be required to reach the additional estimated 2,254 youth participants, which would contribute 12% of program costs. Since the 2009 budget request for existing programs was based on information available in the spring application process, this was not requested in the 2009 budget.

New Programs:

Based on current participation rates in elementary and secondary schools, it is estimated that if all 192 school communities designated by the provincial government initiate new programs over the next year, and if the City funds these programs at 12%, \$1,358,433 will be required from the City to reach an estimated additional 42,131 children and 3,147 youth.

If the City does not fund the new programs, they would only be funded at 15% and would receive the lowest amount of core government funding. Eighty-five percent of program costs would need to be found through fundraising and parental contributions.

CONCLUSION

The City's current investment of \$2,799,340 is inadequate to meet the needs of existing programs. Therefore, it will not be able to stretch further to meet the needs of the new school communities the Ministry of Children and Youth Services has designated as being eligible for new and enhanced provincial funding. As a result, the City's Community Partnership and Investment Program budget for student nutrition programs in 2009 requires both an increase in funding for existing programs and additional funding for new programs, in order to better meet the nutritional needs of children and youth in Toronto. When programs do not have sustainable core funding, nutritional quality suffers. Increased municipal funding for both existing and new programs is required for a sustainable investment to better meet the nutritional needs of children and youth in Toronto.

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SIGNATURE

Dr. David McKeown
Medical Officer of Health

ATTACHMENTS

Attachment 1: Toronto Student Nutrition Programs - Summary of Municipal Funding Requested to Better Meet Increased Needs in 2009

**Toronto Student Nutrition Programs
Summary of Municipal Funding Requested to Better Meet Increased Needs in 2009**

Total 2009 Budget Requested

	Total Municipal Grant Requested	Elementary	Youth	Capital Expenditures
2008 Base Municipal CPIP Grant	\$2,799,340	\$2,274,340	\$475,000	\$50,000
Additional over 2008 Base to meet increased food costs ¹ and enhance youth funding to the levels funded for elementary Student Nutrition Programs	\$120,623 ²	\$64,174	\$56,449	\$0
New grant to accommodate new growth due to provincial expansion	\$1,358,433	\$1,234,607	\$123,826	\$0
Total 2009 Municipal CPIP Grant Requested	\$4,278,396	\$3,573,121	\$655,275	\$50,000

¹ Allows for a 2.4% increase for inflationary cost in 2009 for the cost of food based on the 2008 Nutritious Food basket (NFB) results

² Figures are estimates, based on the 2008 Spring participation rates. The student nutrition program application process includes a late application/appeals deadline of October 31, 2008. Once this late applications/appeals process is completed in December 2008, true 2008 participation rates will be available, for more accurate budget projections.