



STAFF REPORT ACTION REQUIRED

Student Nutrition Program: Five-Year Plan Status Update & 2015 Operating Budget Request

Date:	August 1, 2014
To:	Board of Health
From:	Medical Officer of Health
Wards:	All
Reference Number:	

SUMMARY

In 2012, the Board of Health endorsed a five-year plan to strengthen student nutrition programs in Toronto. City Council approved a funding enhancement to the Student Nutrition Program in the first and second years of the plan. This report provides an update on the impact of the municipal investment to date and outlines a request to increase the 2015 Operating Budget for the third year of the plan by \$1,901,079 aimed at covering inflationary increases, incrementally increasing the City's investment rate to 16% of total program costs, and funding for 27 new programs schools serving higher need communities. The report also outlines the context in which fundraising for Toronto's student nutrition programs occur.

Student nutrition programs are currently supported through a cost-shared partnership funding model between parents/community, municipal, provincial, and private sectors. An increase in the municipal investment demonstrates the City's commitment to invest in children and clearly signals a call to action to other sectors and levels of government.

RECOMMENDATIONS

The Medical Officer of Health recommends that:

1. The Board of Health endorse the request for a \$381,879 net increase to the Toronto Public Health 2015 Operating Budget to cover the increased cost of food for existing student nutrition programs;
2. The Board of Health endorse the request for an additional net increase of \$963,658 to the Toronto Public Health 2015 Operating Budget to be allocated to existing student

nutrition programs to increase the City's investment rate to 16% of total program costs from 14% in 2014, providing a stronger funding base for existing programs;

3. The Board of Health endorse the request for an additional net increase of \$555,542 to the Toronto Public Health 2015 Operating Budget to extend municipal funding for 27 new student nutrition programs to open in publically funded schools in higher need communities in 2015;
4. The Board of Health forward this report to the Budget Committee with the Toronto Public Health 2015 Operating Budget Request for consideration; and
5. The Board of Health forward this report to the Premier of Ontario, the Ontario Ministers of Children and Youth Services (MCYS), Health and Long-Term Care, Education, and Agriculture, Food and Rural Affairs (OMAFRA), the Federal Minister of Health, the Toronto District School Board, the Toronto Catholic District School Board, le Conseil scolaire Viamonde, le Conseil scolaire de district catholique Centre-Sud, the Toronto Foundation for Student Success (TFSS), the Angel Foundation for Learning (AFL), and the Toronto Partners for Student Nutrition (TPSN).

Financial Impact

The Student Nutrition Program five-year plan endorsed by the Board of Health outlines an increase in municipal investment contribution rate incrementally from 14% in 2014 to 16% in 2015, achieving the target of 20% by 2017.

The Student Nutrition Program includes funding of \$7,071,839 gross and net in Toronto Public Health's 2014 Approved Operating Budget. Toronto Public Health is requesting an increase of \$1,901,079 gross and net in 2015 for a total of \$8,972,918 gross and net funding. The increase will bring the municipality's share to 16% in 2015.

The Approved base budget for the Student Nutrition Program in 2012 was \$3,819,580. Based on the 2013-2017 Multi-year Funding Strategy and Plan which is reviewed and updated on an annual basis (see Appendix 1), the City's share has increased by \$1,480,800 in 2013 and \$1,771,459 in 2014. Combined with the requested increase in base funding by \$1,901,079 in 2015, \$1,983,500 in 2016, and \$2,212,359 in 2017, the total increase at the end of five years is projected at \$9,349,197.

2013 Approved Base Budget	\$5,300,380
2014 Approved Funding Increase	<u>\$1,771,459</u>
2014 Approved Base Budget for Student Nutrition Programs	\$7,071,839

Focus of Investment	Recommendation	Net Increase
Existing Municipally-funded Programs: Cost of living adjustment based on increases in food costs	Endorse additional municipal funds of \$381,879 to cover increased food costs, based on the 2014 Nutritious Food Basket survey results for Toronto (5.4%), noting that the municipal funding of Student Nutrition Programs is	\$ 381,879

Focus of Investment	Recommendation	Net Increase
	intended to improve access to nutritious foods.	
Existing Municipally-funded Programs: Strengthen funding base	Endorse additional municipal funds of \$963,658 to increase the core contribution rate from 14% to 16% of total program costs, to assist existing programs in increasing their number of operating days, which will increase the number of breakfast/morning meals served in the school year to participating students. This is the third year of a five year plan to incrementally increase municipal investment.	\$ 963,658
Expanding to New Programs	Endorse additional municipal funds of \$555,542 at a 16% contribution rate to provide core government funding to support 27 higher need publically funded schools to open a student nutrition program, reaching approximately 9,121 additional students.	\$ 555,542
	Total net increase requested:	\$ 1,901,079
	New requested base budget:	\$ 8,972,918

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

DECISION HISTORY

At its June 25, 2012 meeting, the Board of Health adopted with amendments the report *Nourishing Young Minds – A Review of the Student Nutrition Program in Toronto*, which was subsequently adopted by City Council on July 11, 2012

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.HL15.3>

On September 24, 2012 and October 22, 2012, the Board of Health endorsed a cost-shared funding partnership model and an incremental increase in the City's investment from 2013 to 2017 to strengthen core funding of existing student nutrition programs and to expand program into higher need publically funded schools

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.HL16.5> and

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.HL17.5>. City

Council approved enhancements for the first and second year of the five-year plan in the 2013 and 2014 Operating Budgets.

At its September 16, 2013 meeting, the Board of Health directed the Medical Officer of Health to report to the Board of Health on options to strengthen the governance of the Student Nutrition Programs to enhance capacity for fundraising, accountability, efficiency, and quality assurance, and to best position the program for future growth and success in achieving child and youth health and education objectives.

At its January 29/30, 2014 meeting, City Council requested the Board of Health to request the Medical Officer of Health to work with the Toronto Office of Partnerships and report back to the Board of Health no later than the second quarter 2014 with an aggressive private sector fundraising strategy to significantly boost private sector contributions to and investment in Toronto's student nutrition programs.

ISSUE BACKGROUND

In 2012, the Board of Health adopted two key reports regarding the vital role played by the City of Toronto in the future direction for Toronto's Student Nutrition Programs. The report *Nourishing Young Minds – A Review of the Student Nutrition Program in Toronto* examined how the City of Toronto can maximize the benefits of its investment in student nutrition programs while strengthening local program sustainability. It confirmed the positive impact programs have on the students' health, learning and behaviour when they regularly eat breakfast and participate in morning time meal programs. The review also noted that children and youth in all socio-economic circumstances benefit from student nutrition programs especially when they operate in a culturally appropriate and non-stigmatizing manner. Furthermore, the review highlighted many international best practice components that are features of the Toronto partnership structure and funding model. It concluded that with adequate and sustainable funding, the model was viable in Toronto. However, the *Nourishing Young Minds* report revealed that programs experience significant challenges that impact their ability to deliver an optimal program. Under-funded programs often offer smaller/fewer servings and/or close the program before the school year ends. The report recommended that a long-term funding strategy be developed to bring stability to existing programs and support expansion over time to new schools whose students could benefit from having a nutrition program.

In the second report, the Board of Health endorsed a cost-shared partnership funding model and a municipal five-year plan. The partnership funding model proposed that government (municipal, provincial and federal levels) and the private sector each contribute 20% of program costs to match 20% contributed by parents and local communities. This model highlights the vital role that partnership plays in sustained funding, enabling community-based programs to provide an optimal service. The five-year plan aims to gradually increase the municipal investment for Toronto's student nutrition programs (Appendix 1). The plan's focus from 2013 to 2017 is two-fold: first, to strengthen the funding base for existing local programs and second, support expansion for new programs to open in other higher need publically funded schools in Toronto. It incorporates an annual cost of food increase to the grant and a gradual increase in the municipal investment rate to reach the target of 20% of program costs by 2017. Ultimately, the long-term vision is for student nutrition programs to be delivered in all Toronto schools where there are students who can benefit.

COMMENTS

Program Reach

The benefits of eating a healthy nutritious breakfast are recognized by more schools each year. In fact, since 1998, participation rates have grown from 35,000 children to 155,484 children and youth in 2014. In the 2014 school year, approximately 45% of students in

publically funded Toronto schools will access 681 student nutrition programs supported by a municipal grant, an increase from 36% in 2011.

Student nutrition programs support *City Council's Strategic Plan (2013-18) – Goals for the Community* related to social development. As a catalyst for community capacity building, community development, parent engagement, and job skills training, the programs engage almost 4,000 parent and community volunteers who, in the 2012/13 school year, contributed 274,722 hours to the program. Volunteers receive food skills training and connect socially with other community volunteers and parents. 50% of programs are accessed by youth in grades 9-12, where youth play a critical role on local program planning committees and participate in all aspects of program operations.

Furthermore, 91% of programs are located in higher need school communities, which are defined by the local school boards as having a significant proportion of students residing in lower income areas. The remaining 9% reflect school communities that have either experienced a shift in their socio-demographic composition over time (i.e., long established programs that started out as higher need) or have a higher need subgroup within the school community (e.g., lower income pocket within a mixed income school community). Specifically 43% of programs are located within the City's Neighbourhood Improvement Areas and Priority Neighbourhoods.

First Year Status 2013: Impact of Municipal Investment

During 2013, the first year of the municipal five-year plan, student nutrition programs received more municipal funds per student compared to the previous year. The City's 2013 contribution represented \$0.12 per elementary student per breakfast each school day, up from \$0.09 in 2012. Although programs continued to experience a budget shortfall in 2013, early indicators signal a trend to offering a more complete program than in 2012. For example, more elementary meal programs were able to provide milk and milk alternatives to their students in 2013 than in 2012 (8% change), often the most costly food item on their menu. Also, more youth meal programs offered full serving sizes of vegetables and fruit during this same time period (9% change).

The 2013 municipal enhancement enabled 19 higher need publically funded schools to start new breakfast/morning meal programs. In addition, programs and school board Foundations were able to leverage additional funds for these 19 new programs from other sources including the corporate sector and the provincial government. Staff from the partner organizations of the Toronto Partners for Student Nutrition (TPSN) worked with local school administrations and volunteers to ensure that these new sites had the space, equipment, volunteers, training, fundraising plans, and other processes in place to start off on a strong footing.

Second Year Status 2014: Partnership Initiatives and Other Funding

The impact of the 2014 increased municipal investment will be realized over the 2014/15 school year and will be reported in one year's time. Progress in 2014 towards achieving recommendations in the five-year plan is highlighted below.

Government of Ontario Action

The municipal investment in student nutrition programs is leveraging additional investment by the Government of Ontario. As part of the Government of Ontario's response to the Healthy Kids Panel recommendations, an additional investment of \$702,200 in Toronto's student nutrition programs was confirmed in December 2013. The majority of the funding supported 46 new/existing programs in higher need publically funded Toronto schools which had not previously received provincial funding for a student nutrition program. This funding flowed by March 31, 2014. The 2014 provincial budget tabled by the newly elected Government of Ontario includes additional funding for Ontario's Student Nutrition Programs. At this time, the details are not available.

Food Procurement and Distribution

The TPSN has reviewed food procurement and distribution options for Toronto's Student Nutrition Programs. The review reflected on the landscape in which local programs operate, highlighted the opportunities and challenges available to the programs, and considered efficiencies in food procurement which aimed to ensure that the community element of the program was respected while presenting business models that would result in lower costs. Since receiving the final report in January 2014, the TPSN has begun to investigate options for an on-line system where standardized food items meeting nutrition standards can be ordered and delivered to student nutrition programs. Recognizing the need for student nutrition programs across Ontario to maximize efficiencies in food procurement, safe storage and distribution, the MCYS provided on-going funding beginning in 2013 to hire 14 Food and Logistics Coordinators across the province. In Toronto, the Food and Logistics Coordinator will collaborate with TPSN to facilitate efficient sourcing, purchasing, and distribution of food. Furthermore, there has been considerable interest by local jurisdictions across the province in the report recommendations, as well as by the MCYS and OMAFRA.

Fundraising for Student Nutrition Programs

Fundraising is an important activity for all student nutrition programs, which depend on many different sources for their operating funds. It is widely recognized that student nutrition programs in Toronto are financially supported through a cost-shared partnership funding model. Each year, programs apply for the City of Toronto and the Province of Ontario grants through a joint process. The TPSN oversees the government grant application and allocation processes.

Fundraising is essential to obtain additional funds needed to operate and generally occurs at both the local and national levels. The Toronto Foundation for Student Success (TFSS) and the Angel Foundation for Learning (AFL) also fundraise to support student nutrition programs, in addition to other school-board prioritized programs. As partner organizations of the TPSN, they undertake initiatives to solicit donations and sponsors, as well as organize major fundraising and awareness events. The Foundations support individual programs to implement local fundraising initiatives, coordinate parent contributions and seek donations from local businesses. Despite efforts to support local programs, there remains a wide variation in locally raised funds from program to program, as higher need school communities are not able to raise enough local funds to

operate their programs to the fullest potential. While most schools fundraise, there are many needs within the schools competing for these limited funds.

Nationally, Breakfast Clubs of Canada and Breakfast for Learning fundraise through corporate donors, providing financial support for student nutrition programs. The grants designated for Toronto programs are administered by the TFSS and AFL.

Aside from administering grants and donations, the school board foundations coordinate program visits, engage key decision-makers, and prepare reports as part of their ongoing stewardship of donors. Just as the municipal and provincial grants signal endorsement and build donor confidence to give financial and in-kind support, the Foundations use corporate donations through their on-going stewardship to leverage donations from new sources. However, corporate donations are generally tied to a corporate fundraising plan. As such, when corporate donations are secured, practice has demonstrated that they tend to be geared towards augmenting a program for a defined period of time, rather than serving as a source of sustainable long-term operational funding.

At the present time, the Foundations have limited resources to aggressively fundraise for student nutrition programs. Neither Foundation receives financial support for fundraising. While the MCYS provides a small amount towards the administration of the grant, the City of Toronto grant is exclusively allocated to the cost of nutritious food. Consequently, the Foundations have limited resources and capacity dedicated to corporate fundraising, which presents a greater challenge considering that the philanthropic environment has become highly competitive with more charities and causes seeking corporate financial support.

To strengthen the Foundation's fundraising efforts and capacity, the TPSN has refined key messages regarding the return on investment of student nutrition programs in order to engage and enable new and strategic corporate partnership development. In conjunction with the key messages and pitch packages developed, the TPSN will also be changing its name to *Student Nutrition Toronto*.

In addition, the TPSN is reviewing the program's governance structure and will recommend options to strengthen its capacity for fundraising, accountability, efficiency, and quality assurance. The aim is to best align the program for future growth and success. Toronto Public Health is collaborating on this review which is currently underway. A summary of recommendations will be provided to the Board of Health in 2015.

Toronto Office of Partnerships

Recognizing the strength in public-private partnerships, City Council requested the Medical Officer of Health and the Toronto Office of Partnerships to collaborate on a plan to increase private sector contributions towards Toronto's student nutrition programs. Staff from both divisions have met to discuss the development of a strategic investment plan. The plan will consider the complexity of the relationships between the different organizations involved in student nutrition programs and their respective roles and responsibilities for fundraising. Policies and requirements related to corporate

sponsorships and marketing in environments with children will also be considered. In 2013 the Toronto Office of Partnerships began the development of a Corporate Partnership Strategy (CPS). The CPS provides a framework to facilitate pro-active marketing of City partnership opportunities to enhance programs and services that advance the City's Strategic Actions. The student nutrition program has been included as one of the 20 City partnership opportunities. The CPS opportunities kit is currently being finalized and will be made available to potential sponsors and donors in the fall of this year.

2015 Operating Budget Request

In 2015, the Board of Health will enter its third year of a five-year plan to strengthen student nutrition programs in Toronto. The budget priorities in the third year of the plan are to:

1. increase the City's investment in student nutrition programs equal to the annual amount of food inflation;
2. increase the City's contribution rate to student nutrition programs from 14% to 16% of total program costs; and
3. extend municipal funding to 27 higher need publically funded schools to start new breakfast or morning meal programs.

Cost of Food Adjustment

A net increase to the 2015 operating budget of \$381,879 is recommended to provide a cost of food adjustment for existing programs, based on the results of the Nutritious Food Basket (NFB) survey for Toronto. As required by the Ontario Public Health Standards, Toronto Public Health monitors the cost of healthy eating in Toronto by conducting the annual NFB survey. The rising cost of food is an ongoing pressure for student nutrition programs. By ensuring that funding keeps pace with inflationary changes in food prices, programs are better able to provide nutritious food of adequate portion sizes from a variety of food groups, thereby meeting the nutrition standard. The full municipal grant is used by local programs to purchase nutritious food.

Strengthen Existing Programs

A net increase to the 2015 operating budget of \$963,658 is recommended to bring the municipal contribution rate for municipally-funded existing student nutrition programs to 16% of projected total program level costs (from 14% in 2014). This gradual increment in the City's share of the funding will place local student nutrition programs in a better financial position for sustainability and will help programs leverage additional funds from other sources. Most programs are not able to raise sufficient funds to run at full capacity. To deal with a funding shortfall, local programs often reduce the number of breakfast meals served (i.e., start programs later and/or close earlier in the school year than planned, reduce the number of operating days per week) or offer fewer servings with smaller portions.

Expand to New Programs

A net increase of \$555,542 is recommended to extend municipal funding to 27 higher need publically funded schools that have identified a need in their student population to start a breakfast program, reaching an estimated 9,121 children and youth. To ensure

equitable access to municipal funding, this enhancement is factored at the same funding rate as for all existing programs (i.e., 16% municipal contribution rate). Toronto Public Health continues to collaborate with the partner organizations in the TPSN to conduct a readiness assessment of the remaining 81 higher need publically funded schools identified for the proposed municipal expansion during the 2013-17 five-year plan. The process is underway to identify and confirm the 27 schools for 2015. In fact, 13 schools are already engaged, as they started a new breakfast/morning meal program in April 2014 as part of the 2013 provincial expansion but do not have municipal funding. The intent of the proposed expansion component of the five-year plan is to expand slowly so that publically funded schools will have the best chance of establishing a solid foundation from which to build their program. Securing additional core funding from other sources takes time as new relationships are forged.

In summary, the Operating Budget request for 2015 is comprised of the 2014 approved base budget (\$7,071,839), a cost of food adjustment (\$381,879), an increase to provide a 16% contribution rate (\$963,658) for existing municipally funded programs, as well as extension of municipal funding at the 16% contribution rate to 27 publically funded schools in higher need communities to open new programs in 2015 (\$555,542). This represents a total increase of \$1,901,079, bringing the new requested base budget to \$8,972,918 for 2015.

CONCLUSION

When children and youth eat a nutritious morning meal at their local student nutrition program, they are better able to focus in class and score higher marks in reading, math, and science. Eating breakfast also leads to healthy eating habits and helps to prevent overweight and obesity. The municipal investment is an important source of funds for student nutrition programs. Early signs of the impact of the incremental increase in municipal investment indicate that programs are able to provide more complete morning meals during the school year. These incremental enhancements are in-line with the third year of the five-year plan to develop a stronger funding base for existing student nutrition programs and expand funding to new programs. As part of their fundraising efforts, core municipal funding will enable all programs to leverage additional community, provincial and corporate funds. The City's commitment to invest in children and youth is vital.

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SIGNATURE

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ATTACHMENTS

Appendix 1: Summary of Proposed Municipal Investment to Strengthen and Expand Student Nutrition Programs in Toronto

Appendix 2: Toronto Student Nutrition Programs - Summary of Municipal and Provincial Funding 1998-2014