

Student Nutrition Program 2013 Operating Budget Request and Proposed Five Year Plan

Date:	September 7, 2012
To:	Board of Health
From:	Medical Officer of Health
Wards:	All
Reference Number:	

SUMMARY

This report outlines a request for municipal Student Nutrition Program funding for the 2013 Operating Budget and proposes a plan for increasing City investment over the next five years to stabilize existing programs and increase the number of breakfast meals served to participating children/youth in higher needs schools.

The City cannot accomplish program sustainability on its own. However, increasing the municipal investment will provide a strong signal to the provincial and federal governments and private sector partners that the City is committed to optimizing the full potential of Student Nutrition Programs to make a significant contribution to the nutritional health of children and youth.

The proposed plan calls for increased core funding by municipal, provincial and federal governments and the private sector.

RECOMMENDATIONS

The Medical Officer of Health recommends that:

1. The Board of Health endorse the request for a \$1,257,416 net increase to municipal funding for the Student Nutrition Program in 2013;
2. The Board of Health endorse in principle the proposed five year plan for stabilization of existing Student Nutrition Programs in Toronto, with an incremental increase in municipal investment over the next five years to provide up to 20% of estimated program costs;

3. The Medical Officer of Health work with the Toronto Partners for Student Nutrition Steering Committee to ensure the optimal use of municipal investment, including prioritizing funding to breakfast programs in higher need schools, maximizing efficiencies in food procurement, safe storage and distribution, and to continue to develop parent/volunteer/community capacity to support local programs.
4. The Board of Health request that the Province of Ontario increase its grant funding investment proportionally to match increased City investment;
5. The Board of Health request that the federal government provide core funding for the Student Nutrition Program in Toronto to match the City's investment;
6. The Medical Officer of Health engage with key private, public and voluntary sector leaders, with a goal of securing additional private and public sector funding;
7. The Board of Health forward this report to the Budget Committee for consideration during the 2013 Operating Budget process;
8. The Board of Health forward this report to the Premier of Ontario, the Ontario Ministers of Children and Youth Services, Health and Long-Term Care, and Education, 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, the Angel Foundation for Learning, United Way Toronto, and the Greater Toronto CivicAction Alliance.

Financial Impact

The Toronto Public Health (TPH) 2012 Approved Operating Budget includes funding of \$3,819,580 gross and net for Student Nutrition Programs. This report recommends an additional allocation of \$1,257,416 in 2013 for a total of \$5,076,996 in the 2013 Operating Budget request.

The report also recommends the approval, in principle, of a proposed 5 year funding plan for program stabilization that will need to be reviewed and updated on an annual basis for consideration in future budget processes. As per the proposed 2013-2017 multi-year strategy and plan (as outlined on Page 9 of this report), the City would increase the 2012 base funding of \$3,819,580 by \$1,257,416 in 2013, \$1,289,116 in 2014, \$1,127,711 in 2015, \$1,189,644 in 2016 and \$1,254,279 in 2017 to a total of \$9,937,746 at the end of five years.

Focus of Investment in 2013	Recommendation	Net Increase
Existing Municipally Funded Programs - Cost of Living Adjustment for two years for increased cost of nutritious food	Endorse additional municipal funds of \$247,616, to cover two years of increased food costs based on the 2011 (4.6%) and 2012 (1.8%) Nutritious Food Basket surveys for Toronto (note: no 2011 cost of food adjustment was provided in the 2012 operating budget) Note: This request has already been put forward for consideration in the 2013 operating budget process.	\$247,616
Existing Municipally Funded Programs - Stabilization	Endorse additional municipal funds of \$764,007 to cover 11.5% of total program costs, to assist existing programs in increasing their number of operating days, which will increase the number of breakfast meals served in the school year to participating students. This is the first year of a five year plan to increase municipal investment.	\$764,007
Existing Programs with Only Provincial Funding - Stabilization (Extend municipal funding to 25 programs in higher need elementary schools that currently only receive provincial funding)	Endorse additional municipal funds of \$245,793, at a 11.5% contribution rate, to bring 25 elementary school programs with 7,529 participating students to the same level of municipal funding as other existing programs, and allow the programs to increase the number of breakfast meals served	\$245,793
	Total net increase recommended	\$1,257,416
	New recommended base budget in 2013: \$3,819,580 + \$1,257,416	\$5,076,996

The Deputy City Manager and 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 received and approved the report [Nourishing Young Minds - A Review of the Student Nutrition Program in Toronto](#). The Board of Health also endorsed a request for a \$247,616 net increase to the 2013 Toronto Public Health Operating Budget to be distributed to existing municipally funded student nutrition programs to cover the inflationary impact of increased food costs and has forwarded the report to the Budget Committee for consideration during the 2013 Operating Budget process.

The report was forwarded to City Council and approved at its meeting on July 11, 12 and 13, 2012. One of the recommendations directed the Medical Officer of Health to report to the Board of Health, as part of the 2013 budget process, on a plan to increase the City's investment in a Student Nutrition Program funding partnership model with a view to fully

phasing in the municipal share of the program within a three to five year horizon. <http://www.toronto.ca/legdocs/mmis/2012/hl/bgrd/backgroundfile-48312.pdf>. The Medical Officer of Health was also requested to optimize the City's current investment in Student Nutrition Programs by ensuring that municipal funding is prioritized, as opportunities arise over the next five years, to breakfast programs in higher need schools.

In addition, at its meeting held on June 6, 7, and 8, 2012, City Council requested the Medical Officer of Health to report to the September 24, 2012 Board of Health meeting on issues and options to address the nutritional requirements of children in Full Day Kindergarten. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.HL15.3>

ISSUE BACKGROUND

In 2009 the Board of Health asked the Medical Officer of Health to conduct a program review of the Student Nutrition Program to recommend the most appropriate organization and funding model to support program growth and sustainability.

Toronto Public Health conducted the collaborative review to examine how the City of Toronto can maximize the benefits derived from its investment in Toronto programs, while also strengthening program sustainability. The recommendations from the review emphasized the best practice elements featured in the program structure in Toronto, as identified through comparison with international models. It proposed strategies to strengthen the sustainability of student nutrition programs that currently receive municipal grant funding, and recommended that a long-term funding strategy be developed to expand funding over time to provide the program to students who would benefit. The detailed report [Nourishing Young Minds, June 2012](#) concluded that breakfast and/or morning meal Student Nutrition Programs (SNP) form part of sound public health policy and that the current SNP funding model is viable provided adequate and sustainable funding is provided. A cost-shared partnership funding model, including multiple government levels, parental contributions, local community fundraising, and private sector donors, establishes a basis where each community can be committed to delivering a successful and sustainable program.

The review also identified, from an extensive review of the international literature, that regular breakfast consumption and the provision of student nutrition programs in the morning hours have a positive impact on health, learning and behaviour for children and youth. In particular, breakfast consumption has been found to be an important factor in the prevention of overweight/obesity, which is a key public health concern. Breakfast skipping increases with age and is an important nutrition issue for secondary school students, regardless of income. Since dietary behaviours established in childhood and adolescence track into adulthood, improving nutrition among students is an effective public policy approach to prevent childhood and adult obesity. The review also noted that student nutrition programs are beneficial to students in all socio-economic circumstances and best operate when all students are able to participate. Evidence demonstrates, however, that children of lower socio-economic status have more irregular breakfast habits than children of higher socio-economic status. Therefore, when funding is limited, the best use of finite resources is to prioritize funding to higher need school communities.

COMMENTS

Program Sustainability Challenges

Between 1998 and 2012, Student Nutrition Programs in Toronto have grown from reaching 35,000 elementary students to reaching over 142,000 elementary and secondary students (including almost 135,000 students reached by programs with municipal funding). Although the municipal investment grew from \$1.31M to \$3.81M, the City's contribution to total program costs fell from approximately 24% to about 9% in the same time period. Similarly, although the Province increased its funding from \$0.8M to \$5.34M (including funding for community development and administration) during this time period, the provincial contribution is now less than 9.5% of projected total program costs.

The tremendous growth outlined above arose from several factors. Initially, post-amalgamation expansion was focused on initiating programs in parts of the new City that had not previously had them. Participation rates have also increased, particularly in high needs elementary schools, where programs have become more universally accessible to the student enrolment, as per best practice. In fact, in 2012, most programs are in high needs schools and the majority of elementary school programs serve their enrolment numbers. More recently, the expansion of full day kindergarten (FDK) in elementary schools is also contributing to increased participation in programs. Secondary schools became eligible for City funding in 2005, and in 2012 secondary school participation rates reflect close to 50% of enrolment in participating schools, with variation from school to school, depending on how each program is implemented.

In 2008, the Province of Ontario's increased investment to higher need, designated school communities also contributed to further expansion within Toronto, both in numbers of programs and participants and in the type of program. Prior to 2008, the majority of student nutrition programs were snack programs. The 2008 requirements from the Province stipulated that designated school communities had to convert to (or initiate, if new) morning meal/breakfast programs, based on best practice; however, since meals are more costly than snacks, former snack programs were required to implement higher cost breakfast programs.

Over 92% of existing SNP's in Toronto are located in higher need school communities, which are defined by the local school boards as having a significant proportion of students coming from low income areas. The other 8% reflect school communities that have either had a shift in 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. Elementary schools ranked 1-200 in the Toronto District School Board's Learning Opportunities Index and schools rated 1, 2 or 3 in the Toronto Catholic District School Board's N-tiles, with both boards weighting their scores based on low income data, are considered higher need, as well as schools (including French boards) that are provincially designated.

For secondary schools, in addition to provincially designated schools, alternative programs and/or those schools located in neighbourhood improvement areas (formerly known as priority neighbourhoods), are considered higher need. Because secondary schools generally have higher enrolments than elementary schools and tend to draw from larger catchment areas, most secondary schools in the city will have some students from lower income areas.

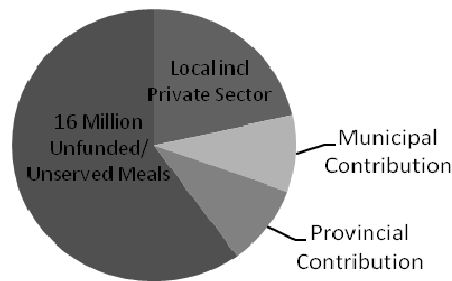
With municipal/provincial government funding jointly comprising less than 20% of total student nutrition program funding, many of these higher need school/community-based programs are faced with the difficult task of trying to raise over 80% of program costs through parental contributions, local food donations and fundraising. The financial reality is that most programs are not being implemented as intended because their organizers, who are primarily parents/volunteers within the higher need, low income school communities, cannot raise sufficient funds.

Program data in 2011/12 indicate that most programs cut back food quantity or quality to manage a funding shortfall. For example, 38% of programs operated fewer days per week than planned, and about the same proportion closed earlier than planned, including 10% of programs closing before the first week of April. Many programs also started later in the school year than planned because they needed time to raise funds in order to get their programs going. Some programs offered less food or poorer quality food and/or offered the program to fewer students than planned. Typically, instead of a breakfast consisting of three food groups, a two food group snack was substituted, and the portions were sometimes reduced from what is recommended in the nutrition standards.

It is difficult to estimate the amount of funding raised at the local level because food donations from local businesses are not included in the cash component of program budgets. There is also wide variation in locally raised funds from program to program. A review of program reports submitted to their respective foundations indicates that an approximate range of 15-27% can be estimated for local program costs raised through parent financial contributions and fundraising (including corporate fundraising dollars transferred to local programs from their respective foundations).

With less than 20% of program budgets provided by provincial/municipal funding, programs struggle with a funding shortfall ranging from 54-66%. Secondary schools often have a greater shortfall in funding due to fewer financial contributions from parents/students and limited fundraising. This means most programs are running at about 40% of full funding. Instead of serving up to 26.5 million breakfasts in the school year as intended, programs are only able to serve the equivalent of 10.6 million breakfasts annually to participating students (see Figure 1).

Figure 1. Current SNP Funding Model



Due to challenges in local and parental fundraising in lower-income communities, it is fair to estimate that higher need schools require over 70% core funding, and in some cases up to 85%, in order for programs to be able to effectively operate for the full school year on most/all days of the week and to meet nutrition standards for program quality and quantity. The Toronto Partners for Student Nutrition Steering Committee has imposed a moratorium on extending the current available municipal and provincial funding to new programs due to the program sustainability challenges in existing programs.

Effective Use of Municipal Investment

In addition to fiscal challenges, higher need school communities also face additional program challenges. They often have difficulty in accessing sufficient parent/volunteer support to implement their programs. Many schools also lack adequate facilities for food storage, preparation and serving. Members of the Toronto Partners for Student Nutrition have worked on establishing a number of bulk purchasing and distribution mechanisms, but beyond this, local programs must rely upon already stretched program coordinators, parents and volunteers to purchase foods locally. While this has the advantage of supporting local businesses, it may be more costly and burdensome on program volunteers. Thus, it is important that the Toronto Partners for Student Nutrition Steering Committee continue to find ways to maximize efficiencies in food procurement, safe storage and distribution, and to continue to develop parent/volunteer/community capacity to support local programs.

Proposed Five Year Plan for Municipal Funding

The Student Nutrition Program review recommended that, in a five year funding strategy, priorities need to be established for an incremental growth in municipal funding, recognizing economic restraint in the City. The aim of the multi-year plan would be to ensure greater stability of existing programs to better meet the nutritional needs of Toronto's children and youth.

At the local level, programs are stretched and cannot raise more than 15-27% of projected costs. Since they end up operating programs at a much reduced capacity, this means that the City's investment of 9% of total program costs actually accounts for about 20% of a greatly reduced program which is actually delivered.

The goal of increased City investment would be to increase the capacity (i.e., increase the number of breakfast meals provided) of existing programs while maintaining the level of municipal funding at 20% of actual program costs by 2017. It is not financially realistic for the City to contribute to full implementation on its own, but increasing the municipal investment will provide a strong signal to the provincial and federal governments and potential additional private sector partners that the City is committed to optimizing the full potential of Student Nutrition Programs to make a significant contribution to the nutritional health of children and youth.

A summary of the proposed 2013-17 plan for increased municipal investment is outlined in the following chart (see Figure 2). The impact of annual food inflation has been factored into the plan. Historical data from the Nutritious Food Basket survey conducted annually in Toronto indicate that food costs increase, on average, by about 3% each year.

Figure 2. Summary of Proposed 2013-17 Plan for Increased Municipal Investment in Student Nutrition Programs in Toronto

Budget Year (School Year)	Description of Proposed Requests	Projected Net Increase in Municipal Funding Requested	New Projected Annual Base Operating Budget Requested
2013 (2013/14)	Increase investment to 11.5% of program costs Extend funding to 25 programs with only provincial funding	\$1,257,416	\$5,076,996
2014 (2014/15)	Increase investment to 14% of program costs	\$1,289,116	\$6,366,112
2015 (2015/16)	Increase investment to 16% of program costs	\$1,127,711	\$7,493,823
2016 (2016/17)	Increase investment to 18% of program costs	\$1,189,644	\$8,683,467
2017 (2017/18)	Increase investment to 20% of program costs	\$1,254,279	\$9,937,746
Total		\$6,118,166 (estimated)	

Note: All projections include estimated annual food cost increase of 3%, to be adjusted annually based on Nutritious Food Basket survey results.

Shared Funding Model for the Student Nutrition Program

The recommended five-year incremental funding increase reflects the municipal contribution to a shared funding model which sees municipal, provincial and federal governments as well as private sector donors each contributing 20% of program costs to match the 20% contributed by parents and local communities (see Figure 3). This shared funding model recognizes that all parts of the community and all governments will share in the educational and health benefits of improved child and youth nutrition, as documented in the report *Nourishing Young Minds*.

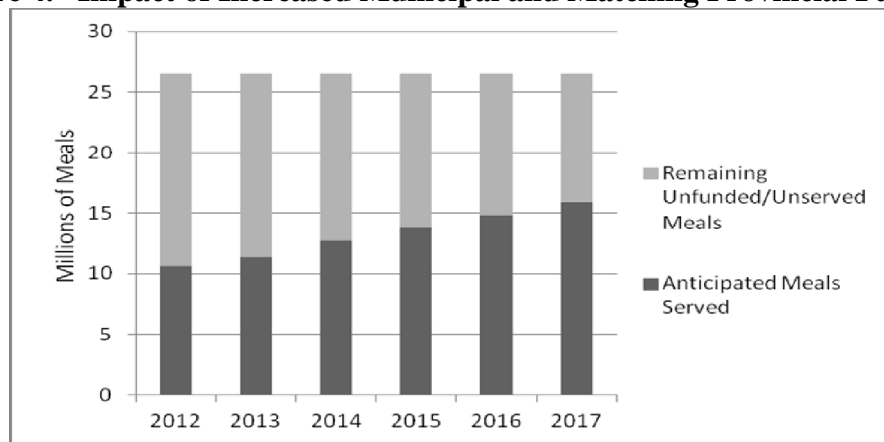
Figure 3. SNP Funding Model (Fully Implemented Program)



The Province of Ontario's current annual investment of \$5,336,508 is administered by the lead agency, the Toronto Foundation for Student Success, and includes an amount for community development and administration costs. To match the proposed increased municipal investment in 2013 for program grants, an additional \$959,488 would be required. In each subsequent year of the plan, the proposed year-to-year net increase for the Province's contribution to program grants should equal the City's proposed contribution, so that by 2017, both the City and the Province would each contribute 20% of the total projected program costs.

Provided that local programs would be able to maintain a contribution rate from parents and local fundraising of about 20% on average each year, together with increased investments by the City and Province, program capacity could potentially increase from 40% to 60% by 2017. For example, in 2013 (2013/14 school year), the number of breakfasts served could increase to 11.4 million from 10.6 million breakfasts, or almost 800,000 additional breakfasts. By 2017, the number of breakfasts served in the school year could increase to 15.9 million. Figure 4 indicates the potential increase in number of meals served.

Figure 4. Impact of Increased Municipal and Matching Provincial Funding



Even with 20% each contributed by the local programs and the municipal and provincial government, by 2017, a 40% shortfall, representing 10.6 million breakfasts annually, potentially still remains. Additional funding from the federal government and/or the

private sector is needed to help close that gap so that program capacity can increase to breakfasts being served on a daily basis for the majority of the school year.

The fully-implemented funding model sees that each sector (local, municipal, provincial, federal and private) contributes 20% of the projected full program costs, or \$9.94 million (estimated) each, i.e., equivalent to providing 5.3 million breakfasts each on an annual basis.

2013 Operating Budget Request

A net increase to the 2013 operating budget of \$247,616 has already been recommended by the Board of Health to the City's Budget Committee for consideration during the 2013 budget process to provide a cost of food adjustment for existing programs, based on the compounded effect of two years of food cost increases (4.6% in 2011 and 1.8% in 2012), as per the results of the Nutritious Food Basket (NFB) surveys for Toronto. The 2012 budget process did not allow for a cost of living adjustment, which would have been based on the 2011 NFB survey.

As the first year of the five year plan, in 2013, increasing the City's contribution from ~9% of program costs to 11.5% for the existing municipally funded student nutrition programs would cost an additional \$764,007.

Due to a moratorium on municipal funding in Toronto, there are still 25 existing programs in higher need elementary schools, representing 7,529 students, that receive only provincial funding and are particularly vulnerable to providing substandard programs (e.g., fewer breakfasts) or perhaps closing altogether. It is a priority to extend municipal funding to these programs in 2013 at the same level as other municipally-funded programs; this would cost the City an additional \$245,793 at the 11.5% contribution level.

Thus, the Operating Budget request for 2013 is comprised of the 2012 approved base budget (\$3,819,580), a two-year cost of living adjustment (\$247,616), an increase to provide a 11.5% contribution level (\$764,007) for existing municipally funded programs, as well as extension of municipal funding at the 11.5% contribution level to 25 programs that currently do not receive municipal funding (\$245,793). This represents a total increase of \$1,257,416, bringing the new requested base budget to \$5,076,996 for 2013.

Program Expansion Considerations

The program review also called for outlining a plan to enable additional schools to address nutrition needs by starting and sustaining a nutrition program. With an urgent need to maximize the potential of existing programs to increase their capacity to provide more breakfasts on a daily basis to participating students, it is not realistic to propose expansion of funding to additional schools in the next five years, which will mean extension of the moratorium.

There are well over 300 elementary schools in Toronto that will not be able to access core funding for initiating programs due to the moratorium. Of these elementary schools, almost one-third of them would be considered higher need schools (i.e. defined by the

school boards as having a significant proportion of students coming from low income areas) and could benefit from having a program.

Potentially, should any of the existing programs close in the future, any higher need schools that are currently waitlisted could be considered for funding eligibility. Otherwise, the plan does not propose expansion within the next five years while there is an urgent need to stabilize existing programs. In the long-term future, the vision is that student nutrition programs would be available in any Toronto schools where children/youth could benefit from having one. This does not, however, mean that every school in Toronto would necessarily implement a nutrition program.

Full Day Kindergarten

Full day kindergarten (FDK) is due to be fully implemented in Toronto elementary schools by 2014-15. Meeting nutrition needs has been identified as an issue for FDK students in a report [2012 Ontario Budget Impact on Child Care and Status Updates](#) presented earlier this year by the General Manager, Children's Services, to the Community Development and Recreation Committee. Since stabilization of existing programs is the focus of the proposed multi-year plan for increased municipal investment, only the FDK students attending a school with an existing student nutrition program would be eligible to participate in a cost-shared funded program.

CONCLUSION

The proposed shared funding model for the Student Nutrition Program in Toronto will enhance sustainability of existing student nutrition programs and optimize their benefits for participating children and youth. The associated five year plan for incrementally increased municipal investment will provide more breakfast meals in higher need schools and will signal the City's commitment to a vital community program with demonstrated health and educational benefits.

Other funding partners, including the Province of Ontario and the federal government should increase investments in student nutrition, particularly in view of the benefits of such programs for the prevention of childhood obesity, which has been identified by both the provincial and federal governments as a major public health issue. Increased investment by the private sector as called for in the shared funding model is also needed to ensure that the community as a whole realizes the full benefits of improved nutrition for children and youth.

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