



**STAFF REPORT  
ACTION REQUIRED**

**Student Nutrition Program Update on the First Year of  
the Five-Year Plan & 2014 Operating Budget Request**

<b>Date:</b>	September 16, 2013
<b>To:</b>	Board of Health
<b>From:</b>	Medical Officer of Health
<b>Wards:</b>	All
<b>Reference Number:</b>	

**SUMMARY**

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In 2012, the Board of Health endorsed a five-year plan to stabilize and expand student nutrition programs in Toronto. City Council approved a funding enhancement to the Student Nutrition Program for the first year of the plan in 2013.

This report provides a progress update on the first year of the plan and outlines a request to increase the 2014 Operating Budget for the second year by \$1,771,460 aimed at covering inflationary increases, incrementally increasing the City's investment to 14% of total program costs, and funding for 27 new programs in schools serving higher need communities. The report also outlines the mechanisms in place which form the accountability framework providing oversight of the City's investment in the program, and proposes that a review of options for strengthening program governance be undertaken to strategically position the Student Nutrition Program for future investment and expansion.

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 the nutritional health of children and youth 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 \$214,135 net increase to the Toronto Public Health 2014 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 \$1,163,084 to the Toronto Public Health 2014 Operating Budget to be allocated to existing student nutrition programs to increase the City's investment rate to 14% of total program costs from 11.5% in 2013, providing greater stability to existing programs;
3. the Board of Health endorse the request for an additional net increase of \$394,241 to the Toronto Public Health 2014 Operating Budget to extend municipal funding to 27 additional schools in higher need communities to open new student nutrition programs in 2014;
4. the Board of Health forward this report to the Budget Committee with the Toronto Public Health 2014 Operating Budget Request for consideration;
5. the Medical Officer of Health report to the Board of Health on options to strengthen the governance of the Student Nutrition Programs to enhance future capacity for fundraising, accountability, efficiency, and quality assurance, and to best position the program for future growth and success in achieving child health and education objectives; and
6. 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, and the Angel Foundation for Learning.

### **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 11.5% in 2013 to 14% in 2014, reaching 20% by 2017.

The Student Nutrition Program includes funding of \$5,300,380 gross and net in Toronto Public Health's 2013 Approved Operating Budget. Toronto Public Health is requesting an increase of \$1,771,460 gross and net in 2014 for a total of \$7,071,840 gross and net funding. The increase will bring the municipality's share to 14% in 2014.

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 of \$5,300,380 in the 2013 base funding will increase by \$1,771,460 in 2014, \$1,716,804 in 2015, \$1,932,947 in 2016, and \$2,164,099 in 2017 to a total of \$9,068,016 at the end of five years.

<b>2012 Approved Base Budget</b>		<b>\$3,819,580</b>
<b>2013 Approved Funding Increase</b>		<b><u>\$1,480,800</u></b>
<b>2013 Approved Funding for Student Nutrition Programs</b>		<b>\$5,300,380</b>
<b>Focus of Investment</b>	<b>Recommendation</b>	<b>Net Increase</b>
<b>Existing Municipally-funded Programs: Cost of living adjustment based on increases in food costs</b>	Endorse additional municipal funds of \$214,135 to cover increased food costs, based on the 2013 Nutritious Food Basket survey results for Toronto (4.0%), noting that the municipal funding of Student Nutrition Programs is intended to improve access to nutritious foods.	<b>\$ 214,135</b>
<b>Existing Municipally-funded Programs: Stabilization</b>	Endorse additional municipal funds of \$1,163,083 to cover 14% 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 second year of a five year plan to increase municipal investment.	<b>\$ 1,163,084</b>
<b>Expansion to New Programs</b>	Endorse additional municipal funds of \$394,241, at a 14% contribution rate, to provide core government funding to support 27 additional schools open a student nutrition program, reaching approximately 9,121 students.	<b>\$ 394,241</b>
	<b>Total net increase requested:</b>	<b>\$ 1,771,460</b>
	<b>New requested base budget:</b>	<b>\$ 7,071,840</b>

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>

At this same meeting, the Board of Health requested the Chair/Vice-Chair and the Medical Officer of Health to meet with relevant Ministries to further action strategies for student nutrition. Furthermore, the Board of Health requested the Medical Officer of Health to organize a public Student Nutrition Summit to review the findings of the *Nourishing Young Minds* report and develop a strategic direction for its future evolution.

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 bring greater stability to existing student nutrition programs and to expand student nutrition program to higher need 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 an enhancement of \$1,480,800 in the 2013 Operating Budget for year-one of the five-year plan, with \$200,000 contingent on matched funds being requested from the province. In 2012, Toronto received a one-time provincial grant of an additional \$380,000 towards the cost of nutritious food. The additional grant was intended to bring greater stability to existing programs and to support the 19 new student nutrition programs starting in Toronto in 2013.

At its January 15/16, 2013 meeting, City Council requested the Medical Officer of Health and the Board of Health review the accountability framework for the City's financial investment in student nutrition. At its May 7/8, 2013 meeting, Council adopted a report from the City Manager which outlined the accountability and controllership regarding City contributions to Student Nutrition Programs by the Toronto Foundation for Student Success <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX31.5>.

## **ISSUE BACKGROUND**

In 2012, the Board of Health adopted key reports regarding the future direction for Toronto's Student Nutrition Program, confirming the City's commitment to these vital community-based programs.

### **Nourishing Young Minds – A Review of the Student Nutrition Program**

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. The report confirmed a positive impact on the health, learning and behaviour of children and youth who regularly eat breakfast and participate in morning time meal programs. In particular, a literature review identified that eating breakfast was a factor in preventing overweight and obesity. Research by the Toronto District School Board reported that students participating in student nutrition programs showed improved school attendance and student achievement. 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.

### **Cost-shared Partnership Funding Model**

The Board of Health endorsed a cost-shared partnership funding model which proposed that government (municipal, provincial and federal levels) and the private sector each contribute 20% of program costs to match the 20% contributed by parents and local communities. The model highlights the vital role that partnership plays in sustained funding, enabling community-based programs to provide an optimal service.

The five-year plan to gradually increase the municipal investment for Toronto's student nutrition programs reflects the municipal contribution of the shared funding model (Appendix 1). The plan's focus from 2013 to 2017 is two-fold. First, to bring greater stability to existing local programs and second, support expansion for new programs to open in other higher need 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 20% of program costs by 2017. Ultimately, the long-term vision is for student nutrition programs to be delivered in all Toronto schools where students can benefit.

## **COMMENTS**

### **Program Reach**

Each year, more school communities recognize the important health, learning, and social benefits gained when children and youth participate in student nutrition programs. The program benefits reach beyond the students by also providing food skills training and social connections for over 3,000 volunteers in the community, contributing approximately 243,703 hours (2011/12 school year). In 2013, 686 student nutrition programs will operate in 476 school communities across Toronto with the support of a municipal grant, reaching 147,622 children and youth.

### **First Year Status: 2013**

As Toronto's children and youth begin their new school year this September, student nutrition program coordinators and school administrators work to ensure they are able to offer a nutritious, economical and filling breakfast each school day. The 2013/14 school year marks the first year of the incremental increase in the municipal contribution. The impact of the increased financial allocation will be realized over the course of the school year. In addition, many activities detailed in the five-year plan have been initiated during 2013.

## **1. Stabilize**

With a 2013 municipal investment of \$5,300,380, the municipal contribution rate increased from 9% in 2012 to 11.5% in 2013 of the programs' food operating budget<sup>1</sup>. The City's contribution represents \$0.12 per elementary student per breakfast each school day, up from \$0.09 in 2012. The increase factored in a cost of food adjustment, reflecting that the entire municipal grant is dedicated to purchasing nutritious food. With the 2013 school year just beginning, programs will have more funds per student in their budget, putting them in a stronger financial position than they were in 2012. Although they will continue to experience a budget shortfall in 2013, they will be able to operate more days in the school year and provide more complete meals.

## **2. Expand**

This September, the municipal grant will enable 19 new breakfast/morning meal programs to open in higher needs schools reaching 5,890 students. Staff from the partner organizations of the Toronto Partners for Student Nutrition (TPSN) are working with local school administrations and volunteers to ensure that these 19 new sites have the space, equipment, volunteers, additional funding, and other processes in place to begin operations September 2013.

## **3. Government of Ontario Action**

The 2013 provincial grant for student nutrition programs in Toronto remains the same as in 2012 at \$5,336,508. It is important to note that for the past two school years, the Ministry of Children and Youth Services has allocated one-time grants to Toronto student nutrition programs in addition to their annual grant. In 2012, Toronto received a one-time provincial grant of an additional \$380,000 towards the cost of nutritious food. The additional grant was intended to bring greater stability to existing programs and to support the 19 new student nutrition programs starting in Toronto in 2013. Of the total 2013 municipal grant, \$200,000 was contingent on matched funds being requested from the province. Appendix 2 outlines the government funding history since 1998.

An increased provincial investment is anticipated pending the outcomes of two provincial reviews currently underway. First, province-wide consultations are in progress aimed at renewing Ontario's Poverty Reduction Strategy (2008-2013) for the next five year cycle. The provincial grant for student nutrition programs is one component of this strategy. Toronto Public Health is coordinating input into the consultation with other stakeholders. Second, an inter-ministerial working group has been struck to direct government action on implementing the Ontario Healthy Kids Panel recommendations in their report *No Time to Wait: The Healthy Kids Strategy* (March 2013). The report recommends that a universal school nutrition program be established for all Ontario publicly funded elementary and secondary schools and for First Nations communities in the Province. It positions student nutrition programs as an important strategy to prevent childhood obesity and to promote the health and well-being of children and youth in Ontario. The Toronto

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<sup>1</sup> \$47.66M = Projected overall program budgets of local student nutrition programs if they were fully funded and fully implemented (i.e. 5 days/week, 3 food groups per meal); 2013

Board of Health has urged the Province to demonstrate the same leadership displayed by the City by increasing its investment in the Ontario Student Nutrition Program.

#### **4. Engage Key Sector Leaders**

Over the past year Toronto Public Health has engaged with key stakeholders in the private, public and voluntary sectors. In November 2012, the Medical Officer of Health held a roundtable discussion with key corporate and philanthropic organizations to gain their insight on strategic ideas for how to best achieve the goal of strengthening and expanding Toronto's Student Nutrition Program. As a follow-up, in November 2013, a Student Nutrition Forum will bring together government, corporate sector and non-profit leaders to lay the foundation for future fundraising strategies.

The Medical Officer of Health has also met with the Directors of Education from the Toronto District School Board and the Toronto Catholic District School Board, who reaffirmed their support for student nutrition programs. Plans are underway to meet with the Directors of Education in Toronto's two public French Boards. Schools play a critical role in ensuring the success of student nutrition programs through their in-kind contribution of supportive staff, active parent bodies, accessible space for food storage and preparation, and delivery of the program.

#### **5. Program Development**

Toronto Public Health is collaborating on two reviews currently underway by the Toronto Partners for Student Nutrition (TPSN). One study is investigating potential alternative models of food procurement and distribution for local programs. The other will develop a recruitment plan for potential funding partners. In addition, an equipment needs assessment is helping to identify gaps and opportunities to help ensure programs have the infrastructure needed to operate.

### **2014 Operating Budget Request**

In 2014, the Student Nutrition Program will enter its second year of the five year plan to stabilize and expand student nutrition programs in Toronto. The budget priorities for year-two 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 to 14% of total program costs; and
3. extend municipal funding to 27 higher need schools which identify a need in their student population to start a breakfast or morning meal program.

#### **Cost of Food Adjustment**

A net increase to the 2014 operating budget of \$214,135 is recommended to provide a cost of food adjustment for existing programs, based on the results of the Nutritious Food Basket (NFB) surveys for Toronto. Between 2012 and 2013 food costs in Toronto increased by 4.0%, above the historical average of 3% per year. 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 dedicated to the cost of purchasing food by local student nutrition programs.

### **Stabilize Existing Programs**

A net increase to the 2014 operating budget of \$1,163,084 is recommended to bring the municipal contribution rate for municipally-funded existing student nutrition programs to 14% of projected total program level costs (from 11.5% in 2013). The City's contribution would increase to \$0.15 per elementary student per breakfast each school day, up from \$0.12 in 2013. Existing student nutrition programs are defined as those which receive municipal funding in 2013 and will continue to operate, meet funding requirements and require municipal funding in 2014. Currently, most programs are being implemented at about 40% of their full potential due to not being 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. With secured core funding, programs will be in a better financial position to increase the number of breakfasts served and improve nutritional quality and quantities of foods served.

### **Expand to New Programs**

A net increase of \$394,241 is recommended to extend municipal funding to 27 higher need 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 for year-two (i.e., 14% municipal contribution rate).

The intent of the expansion component of the five-year plan is to expand slowly so that new school communities 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. Toronto Public Health has collaborated with the partner organizations in the TPSN to conduct a readiness assessment of 108 higher need schools identified for potentially starting a student nutrition program. Of those schools, 27 higher need schools have been identified in consultation with local school administration as being engaged and ready to start coordinating and planning a breakfast/morning meal program for 2014. Today, these schools are likely struggling to start a program on their own and do not have government core funding or may be in the process of establishing the internal and community structures and connections that would support a program.

These incremental enhancements are in-line with the second year of the five-year plan to bring greater stability to existing student nutrition programs and expand funding to new programs. Core municipal funding will enable all programs to leverage additional community, provincial and corporate funds.



In summary, the Operating Budget request for 2014 is comprised of the 2013 approved base budget (\$5,300,380), a cost of food adjustment (\$214,135), an increase to provide a 14% contribution rate (\$1,163,084) for existing municipally funded programs, as well as extension of municipal funding at the 14% contribution rate to 27 schools in higher need communities to open new programs in 2014 (\$394,241). This represents a total increase of \$1,771,460, bringing the new requested base budget to \$7,071,840 for 2014.

### **Student Nutrition Program Accountability Framework**

The accountability framework for the Student Nutrition Program ensures the accountability of the City's investment. It incorporates financial oversight, policies and procedures, non-financial program supports, and monitoring mechanisms, including:

- TPSN Steering Committee approves municipal and provincial allocations to individual student nutrition programs through a detailed application review process. The TPSN was established by the Toronto Board of Health in 1998, with Chair and secretariat support from Toronto Public Health.
- Annually, City Council grants authority to the Medical Officer of Health to enter into legal agreements with the Angel Foundation for Learning (AFL) and the Toronto Foundation for Student Success (TFSS) to administer the municipal investment in student nutrition programs. These Foundations are independent, not-for-profit charitable corporations, where the AFL is affiliated with the Toronto Catholic District School Board and the TFSS is affiliated with the Toronto District School Board.
- Local student nutrition programs have an obligation to provide monthly reports to their respective Foundation, including their bank reconciliations.
- Toronto Public Health policies and procedures for the Student Nutrition Program ensure that application, appeal, allocation and monitoring practices are consistent with the City Auditor's recommendations regarding the Community Services Grants Program.

The AFL and the TFSS are in full compliance with all of the requirements of the service contracts with the City.

Toronto Public Health provides additional non-financial program supports and monitoring mechanisms which work to ensure the quality of the local programs. These include:

- Public Health Dietitians and Public Health Inspectors jointly provide food safety and nutrition training to the local program coordinators and volunteers. It is a funding requirement that at least one trained person be on site at all times the student nutrition program is in operation. The certificate is renewable every 2 years.
- Public Health Inspectors perform food premise inspections of each program site on an annual basis to ensure safe food practices. To date, there have been no site closures

resulting from these inspections. School and local program coordinators continually cooperate with Public Health Inspectors to promote food safety compliance.

- Public Health Dietitians prioritize the programs, and subsequently visit approximately 60% of the programs each year, based on that prioritization. During these visits, the Dietitians audit the program menu and provide helpful nutrition advice to the local program coordinator. Dietitians are also available on an as-requested basis to all programs throughout the school year.
- Dietitians develop an annual nutritional analysis of the programs to measure program performance relative to the established nutritional standards.

The final component of the accountability framework evolves from the partnership model itself. The TPSN adds accountability, integrity, and strength by virtue of each partner's ability to leverage funds and draw upon the experts of each partnering organization for menu planning, food safety, bulk purchasing, book keeping, fundraising, and volunteer recruitment and retention. However, as the Student Nutrition Program continues to grow, it becomes increasingly important that the governance structure has the capacity to fundraise, and ensure program accountability, efficacy and quality assurance<sup>2</sup>. A review of governance options is recommended to ensure the Student Nutrition Program is best positioned for future investment and expansion to achieve child health and education objectives.

There are currently adequate accountability mechanisms in place to manage the City's contribution to student nutrition programs. To prepare Toronto's Student Nutrition Programs for significant future growth, a review of the programs' governance is recommended.

## **CONCLUSION**

The City continues to play an important role in improving the health and readiness to learn of Toronto's children and youth through high quality student nutrition programs. The cost-shared partnership funding model recognizes that all parts of the community share in the benefits when children and youth are well-nourished. A gradual increase in the City's share of the funding will situate local student nutrition programs for sustainability and success. It will also provide leverage ability for programs to secure added funding from other sectors, in support of the cost-shared funding model. The current accountability framework ensures proper oversight of the City's investment in the Student Nutrition Program, and further examination of options for strengthening governance will ensure capacity for expansions to better serve children and youth.

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<sup>2</sup> "Grassroots Governance: Governance and the Non-Profit Sector", Certified General Accountants of Ontario, 2008.

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## **SIGNATURE**

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Dr. David McKeown  
Medical Officer of Health

## **ATTACHMENTS**

Appendix 1: Summary of Proposed Municipal Investment to Stabilize and Expand Student Nutrition Programs in Toronto, revised June 2013

Appendix 2: Toronto Student Nutrition Programs - Summary of Municipal and Provincial Funding 1998-2013