



Impacts of Cost of Living Trends on CA School Meal Programs

- Major Problems to California School Meal Programs
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Major Problems

- Cost of Living in CA Higher
- Reimbursement Rates
 - Federal Funding Not Adequate for CA
 - State Funding Has Not Kept Pace with Cost of Living
- Eligibility Scale
 - Kids that should qualify for free are not
 - Kids that should qualify for reduced are not



Cost of Living in CA Higher

Comparative Cost Of Living Indexes

<u>Cost of Living Indexes</u>	<u>San Francisco CA</u>	<u>Anchorage AK</u>	<u>Honolulu HI</u>	<u>United States</u>
Overall	206	114.7	174.8	100
Food	121.4	126.5	125.1	100
Housing	348.6	105.4	277.1	100
Utilities	142.9	84	82.3	100
Transportation	129.1	105.4	122.1	100
Health	166.9	159.1	118.9	100
Misc	110	124.7	121.2	100



Cost of Living in CA Higher

- Stated another way It Is:

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- 79.1 % > expensive to live in San Francisco than in Anchorage
- 17.7% > expensive to live in San Francisco than in Honolulu
- * Source: www.bestplaces.net/col/?salary=50000&city1=038&city2=7360



Reimbursement Rates

- Federal Funding Is Not Adequate for CA
- State Funding Has Not Kept Pace with Cost Of Living



Reimbursement Rates - COL in CA Higher – Federal Funding

- Section 104(a) of Public Law 105-336 amended Section 12(f) of the NSLP
 - Allows adjustments to SFA program reimbursement rates for sponsors in Alaska and Hawaii*
 - *and certain other outlying areas.



Reimbursement Rates - COL in CA Higher – Federal Funding

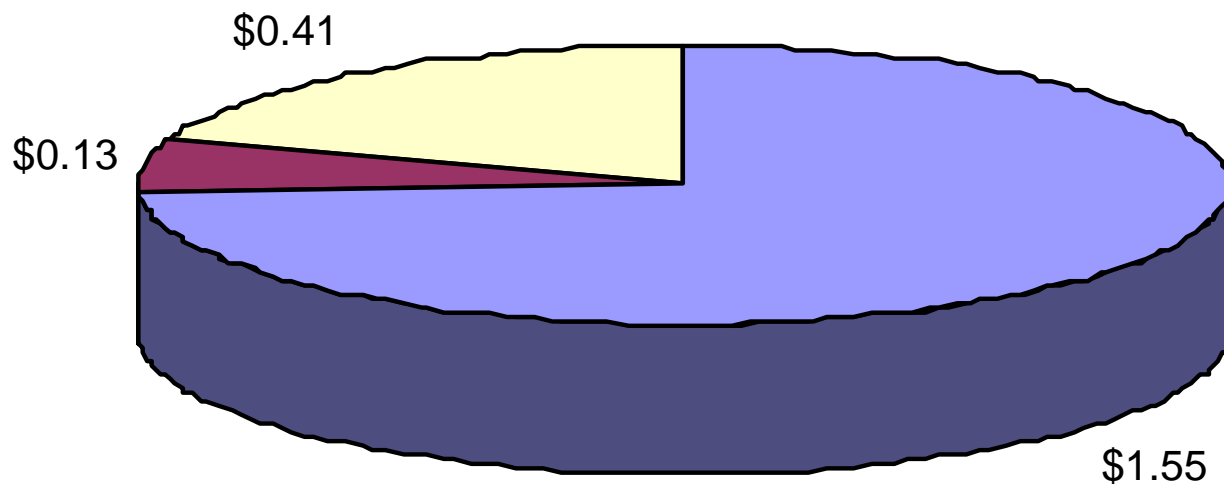
- USDA funding Has Not Kept Pace with the cost of doing business in CA since the 1990's
- Access to NSLP & SBP is limited to school districts that have provided additional funding from the General Fund.

Reimbursement Rates-Federal Funding – Compare

NSLP < 60%	FREE	REDUCED	PAID
CALIFORNIA	\$2.32	\$1.92	\$0.22
ALASKA	\$3.76	\$3.36	\$0.36
HAWAII	\$2.72	\$2.32	\$0.26

State Funding Has Not Kept Pace

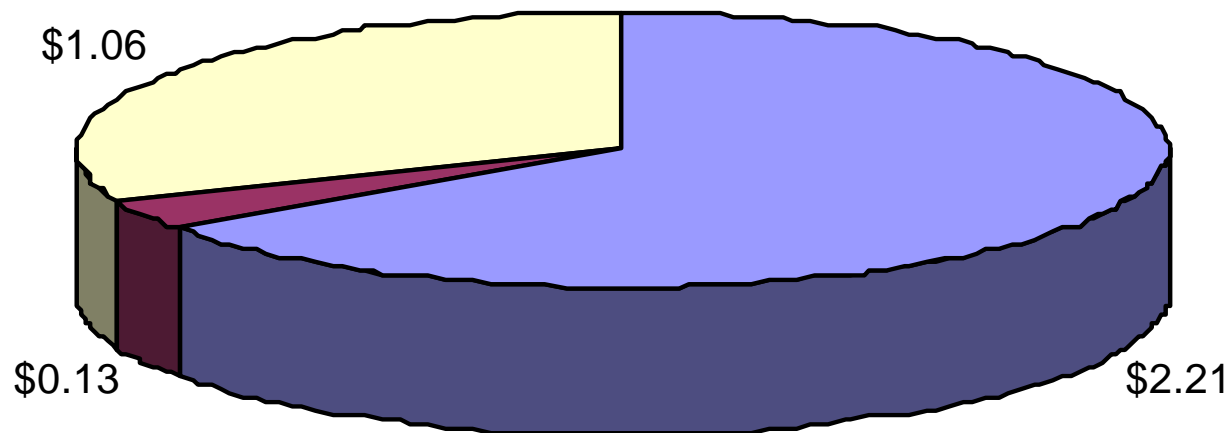
COST OF SCHOOL LUNCH FY 89/90



■ FEDERAL REIMBURSEMENT ■ STATE REIMBURSEMENT ■ SCHOOL COST

State Funding Has Not Kept Pace

COST OF SCHOOL LUNCH FY 03/04



■ FEDERAL REIMBURSEMENT ■ STATE REIMBURSEMENT ■ SCHOOL COST

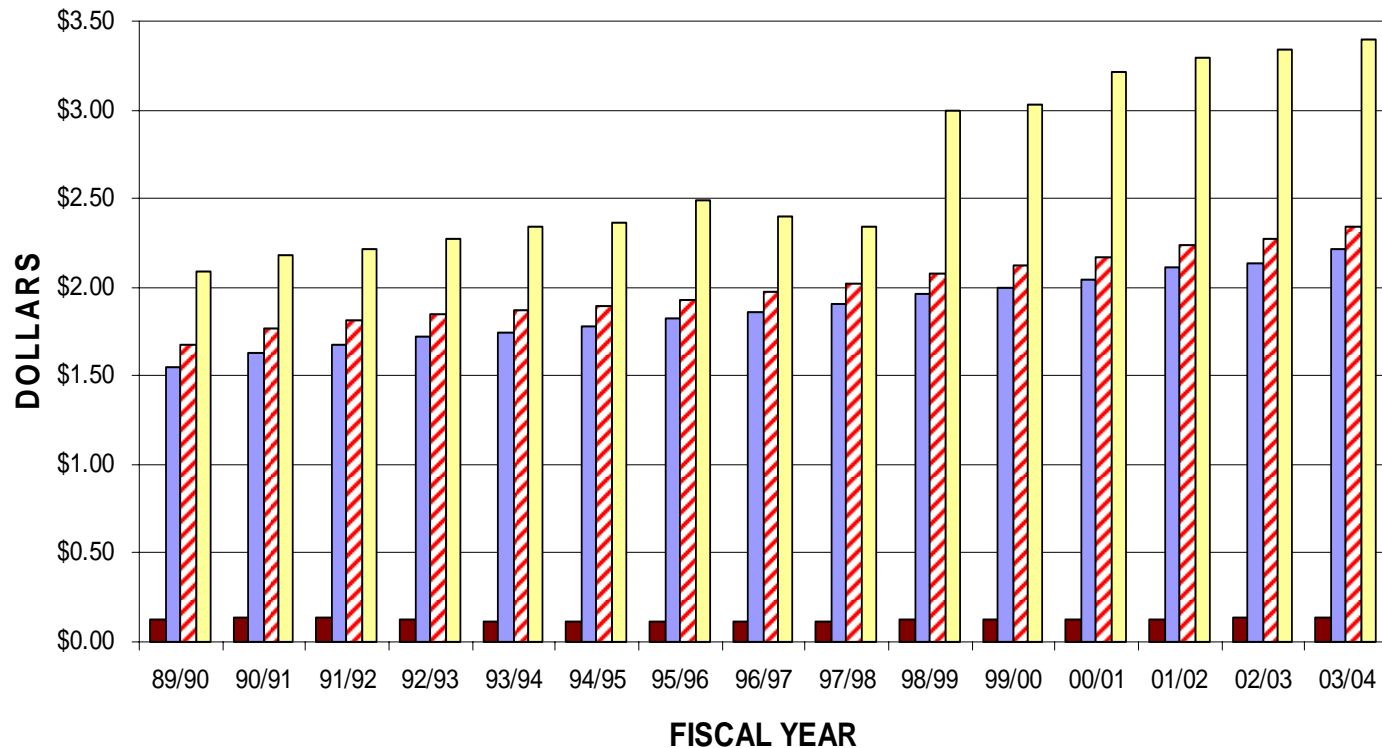


State Funding Has Not Kept Pace

- Cost of School Lunch Increased
 - Increased 61%
- Schools costs Increase 159%
- Federal Contribution decreased
 - Decreased 9%
- States share decreased
 - Decreased 3%

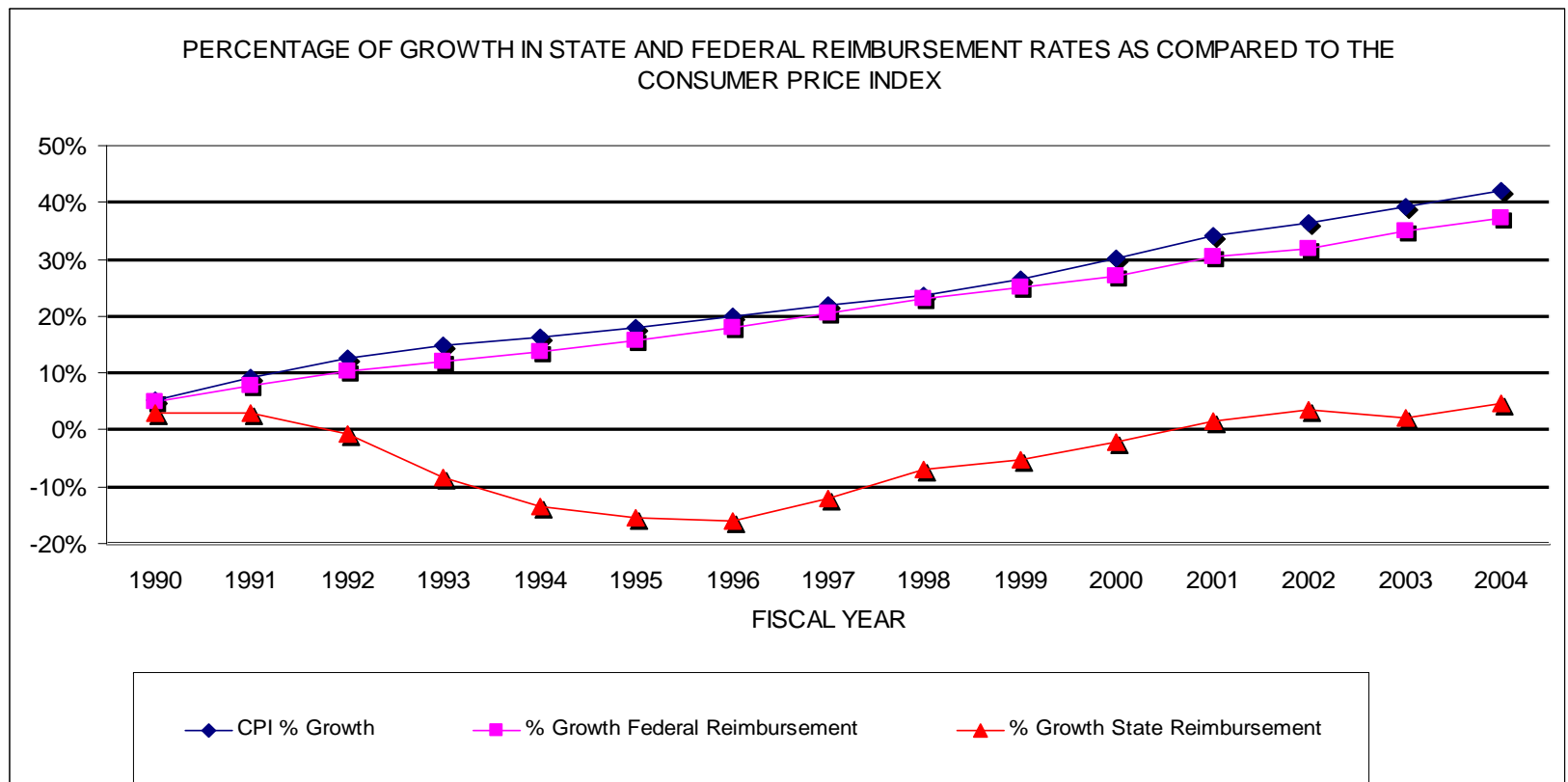
SFA Contributing More to Meet Minimum Costs

REIMBURSEMENT RATES/COST COMPARISON



■ STATE ■ FEDERAL ■ TOTAL REIMBURSEMENT ■ SPONSORS COST/MEAL

State Funding Has Not Kept Pace





Reimbursement Rates Inadequate to cover Costs

- **Wages**
- **Supplies**
- **Repairs**
- **Fuel**
- **Food**
- **Standards & Quality of Food**

■ **A C C E S S**



Eligibility Scale Inadequate to cover Household Expenses

- Housing
 - Food
 - Standards & Quality of Food
 - Transportation
 - Fuel
- Cost to Live!!!



Eligibility Scale Creating 2 Major Problems

1. Kids that should be qualifying for free are not...
 - those that qualify for reduced don't have the \$0.40
2. Kids that should be qualifying for reduced are not!
 - they don't eat – No money for full-priced meal



Eligibility Scale 2005-2006

Household Size	Free Scale/month max	Reduced Scale/month max
2	\$1390	\$1978
3	\$1744	\$2481
4	\$2097	\$2984



Eligibility Scale – Another Problem – Food For Thought

- Cost of a Full – Priced Meal
 - Kids that would like to have access to participate in our meal are being asked to pay more –
 - At minimum – Charge Full Rate of at least Free Reimbursement from Federal & State Combined
 - \$2.50 + + + +



Standards for Beverages and Food – the Impact

- Healthy Learning Environment
- Policymakers want improved nutrition in schools
 - CA has taken the Lead
- Quality of Food



Increased State Funding for School Meals Supports Policy Objectives

- Implement Nutrition Standards
- Increase Participation in Meals
- Create Healthy School Environment
- Increase Funding –
 - Nutrition & Academic Standards Implementation



Need For Increased Funding For School Meals -Priority

- Consequences of lack of funding in quality of Meals
- COLA adjustments Not Annually Adjusted
- From State - Need \$70 million
- From Federal – Need State Adjusted Reim Rate aligned with State Adjusted Eligibility Scale



Cost of Living Trend - Priority

- FUNDING

- PRIORITY

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