

Backgrounder: GAO Study on Competitive Foods 9/05*

(Note: competitive foods are foods and beverages sold outside the nutritionally regulated school lunch and breakfast programs, such as out of vending machines, school stores or cafeteria a la carte lines)

- Although there have been improvements to the school food environment in some schools and states, almost all (9 out of 10) schools sell foods out of vending machines, cafeteria a la carte (snack) lines, or school stores. Those foods are “largely unregulated by the federal government in terms of nutritional content.”
- The new GAO study shows that the availability of junk food in schools has not decreased over the last five years. It has increased in middle schools, and stayed the same in elementary schools and high schools (the availability of these foods and beverages couldn't have increased any further in high schools since almost all high schools already had them five years ago).
- Many schools still have exclusive soft drink contracts; 75% of high schools have exclusive soft drink contracts. Over 5 years, the percentage of middle schools with exclusive beverage contracts more than doubled, from 26% to 65%.
- While some (the beverage industry and some state legislators) maintain that high schools should be excluded from policies to improve school foods, this study makes clear that the sale of junk food is a much bigger problem in high schools than elementary schools. School foods policies should especially focus on high schools.
 - 90% of high schools have vending machines, compared to 45% of elementary schools.
 - The quarter of high schools with the most vending machines have 10 or more vending machines per school, compared to 3 or more machines in the top quarter of elementary schools.
 - As children move from elementary to middle to high schools, the availability of unhealthy options increases – and kids have more disposable income.
- Cafeteria a la carte lines offer a range of options from healthy (low-fat milk, fruit, vegetables, and yogurt) to unhealthy (fatty baked goods, sports drinks, and juice drinks). However, in school vending machines, 3 out of 4 of the most prevalent items are nutritionally poor choices – soda, juice drinks, and sports drinks. In school stores, 5 out of 6 of the most commonly sold items are of poor nutritional quality. The most commonly available item in school stores is candy.
- Money raised from selling soda and junk food in schools is not a philanthropic donation from the soft drink and snack food industries. The money comes out of the pockets of children and their parents, and Coke, PepsiCo and other companies take a cut of that money.

* GAO conducted a nationally representative web-based survey of principals and school food service directors from 656 schools, which describes school foods sold in the school year 2003-2004.

- Some high schools raise substantial amounts of money from selling food outside the school meal programs; 30% of high schools raise more than \$125,000 a year. However, half of high schools raise less than \$50,000 a year, and much of that amount is from a la carte sales in the cafeteria.
 - 40% of middle schools raise less than \$5,000 a year and three-quarters raise less than \$50,000 a year.
 - Half of elementary schools raise less than \$1,000 a year from vending and other foods sold outside of school meals.
 - It is unclear what percentage of the revenue is profit for the schools and, in the case of a la carte, how much of the sales revenue is profit and how much simply covers the cost of the food.
- Funds from the sale of a la carte items in the cafeteria are generally used to subsidize school meals. Revenue from vending and other food sales are used for a variety of purposes, including field trips, assemblies, athletic equipment & uniforms, school supplies, and general overhead. While the total amount of money raised is often only a small percentage of a school's operating budget, the funds provide a flexible source of discretionary money for principals for a variety of projects and school needs, and therefore are popular with school administrators.
 - This study was unable to assess the effect of school food improvements on revenue. However a recent study by the U.S. Department of Agriculture (USDA) and Centers for Disease Control and Prevention found that in 17 schools and districts that measured revenue before and after improving the nutritional quality of school foods, 12 increased revenue and 4 had no change in revenue.
 - In the schools visited for this GAO study, changes to the nutritional quality of foods sold out of vending machines, a la carte, and school stores often increased participation in school meals.
 - For example, after improving the nutritional quality of their competitive foods, Richland County School District One (Columbia, South Carolina) lost about \$300,000 in annual a la carte sales, but in the same year increased revenue by about \$400,000 from increased school lunch participation. (As the nutritional quality of foods sold out of vending machines, school stores, and the cafeteria a la carte line improve, they become more similar to school meals, which are required by USDA and Congress to be nutritionally balanced. Children then purchase more school meals, rather than building their own meals out of candy, soda, French fries, and other foods sold out of vending machines, school stores, and a la carte.)
- In all the districts studied by GAO, improvements to school foods resulted from the actions of motivated individuals who initiated and led the effort. While such grassroots initiatives are terrific, it seems unlikely that there will be individuals with enough time, expertise, and motivation to improve the foods in all 85,000 of the nation's public schools. Federal action to improve school foods is necessary given the ubiquity of junk food in schools, the skyrocketing rates of childhood obesity, and the fact that, dating back to the Truman Administration, the federal government has overseen the nation's school food programs.