

# National Alliance for Nutrition and Activity

## Dispelling School Food Funding Myths



**Across the country, schools are switching to selling healthier foods and are not losing revenue.** According to the U.S. Department of Agriculture (USDA) and the Centers for Disease Control and Prevention (CDC), “students will buy and consume healthful foods and beverages – and schools can make money from selling healthful options.”<sup>1</sup> Their survey of 17 schools and school districts found that, after improving school foods, 12 schools and districts increased revenue and four reported no change. The food service department of the one school district that initially lost revenue later saw its revenues increase and surpass previous levels.<sup>2</sup>

**While school vending contracts provide a discretionary source of funding for school administrators, they generate an average of \$18 per student per year for schools and/or school districts.**<sup>3</sup> An average school beverage contract provides only one-quarter of one percent of the average cost of a student’s education.<sup>3,4</sup>



Also, the money comes out of the pockets of children, and schools typically get to keep only 33% of the funds.<sup>3</sup> In Austin Independent School District, students spent \$504,000 per year on products from school vending machines, but their schools received only \$90,000 of the proceeds.<sup>5</sup>

**School vending revenue appears to be largely a shift in funds from school foods service to the vending account.** The Texas Department of Agriculture estimates that Texas schools raise \$54 million per year from vending sales, while the state’s school food service operations likely lose at least \$60 million per year to the sale of foods sold outside of the meal programs.<sup>6</sup> In effect, money from students (and their parents) is making up for the loss to schools of available federal reimbursements for school meals.

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<sup>1</sup> Food and Nutrition Service, U.S. Department of Agriculture; Centers for Disease Control and Prevention, U.S. Department of Health and Human Services; and U.S. Department of Education. FNS-374, *Making it Happen! School Nutrition Success Stories*. Alexandria, VA, January 2005.

<sup>2</sup> Wes Clark, personal communication, September 27, 2006.

<sup>3</sup> CSPI. *Raw Deal: School Beverage Contracts Less Lucrative Than They Seem*. Washington, D.C.: CSPI, 2006.

<sup>4</sup> National Center for Education Statistics, U.S. Department of Education (DoEd). *Current Expenditures for Public Elementary and Secondary Education: School Year 2003-2004*. Washington, D.C.: DoEd, 2006.

<sup>5</sup> Carey Dabney, personal communication, December 2, 2005.

<sup>6</sup> Texas Department of Agriculture. *School District Vending Contract Survey*. Accessed on March 5, 2004 at <[www.agr.state.tx.us/foodnutrition/survey/](http://www.agr.state.tx.us/foodnutrition/survey/)>.

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