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Reaganomics and its effects on pricing and participation in the regular paying sector of the National School Lunch Program in Dade County public high schools

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REAGANOMICS AND ITS EFFECTS ON PRICING
AND PARTICIPATION IN THE REGULAR PAYING SECTOR
OF THE NATIONAL SCHOOL LUNCH PROGRAM IN
DADE COUNTY PUBLIC HIGH SCHOOLS

A Hospitality Project Presented to
the Faculty of the School of
Hospitality Management
Florida International University

In partial fulfillment of the
requirements for the Degree of Master of Science
in Hospitality Management

by
Robert H. Bosselman

April 1982

Committee in Charge:

Dr. Lendal H. Kotschevar, Chairperson

Professor Rocco M. Angelo

This project, having been approved in respect to form and mechanical execution, is referred to you for judgment upon its substantial merit.

Dean Gerald W. Lattin
School of Hospitality Management

The project of Robert H. Bosselman is approved.

Dr. Lendal H. Kotschevar
Chairperson

Professor Rocco M. Angelo

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TO
OUR
CHILDREN'S
CHILDREN

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Problem

This research proposes to examine the effects of Reaganomics on pricing and participation in the regular paying sector of the National School Lunch Program in Dade County Public High Schools.

Subproblems

The first subproblem is to examine the effects of Reaganomics on pricing in the regular paying sector of the National School Lunch Program in Dade County Public High Schools.

The second subproblem is to examine the effects of Reaganomics on participation in the regular paying sector of the National School Lunch Program in Dade County Public High Schools.

Hypotheses

The first hypothesis is that Reaganomics has resulted in price increases to the regular paying sector of the National School Lunch Program in Dade County Public High Schools.

The second hypothesis is that Reaganomics has decreased the percentage of the regular paying sector participating in the National School Lunch Program in Dade County Public High Schools.

Delimitations

This study is limited to Dade County Public High Schools.

This study will be limited to the National School Lunch Program only.

This study will not evaluate the concept of Reaganomics.

This study will not evaluate the National School Lunch Program in Dade County Public High Schools.

Definitions

Reaganomics. Term used to describe President Ronald Reagan's economic philosophy. Characterized as a "veneration of the free enterprise system as the great creator of wealth"¹ coupled with a belief that "government intervention is the stifler of that system."²

National School Lunch Program. A federal program begun in 1946 and administered by the Department of Agriculture. Its purpose is to provide lunch to the nation's school children.

Regular paying student. A student who is not classified as economically disadvantaged and pays the established full price for a school-provided lunch. This amount is determined by the individual school district.

Reduced-price student. A student who is classified as somewhat economically disadvantaged and pays a reduced rate for a school-provided lunch. This rate is determined by the

¹Time, September 22, 1980, p. 10.

²Ibid., p. 10.

Department of Agriculture.³

Free lunch student. A student who is classified as economically disadvantaged and receives a school-provided lunch for free.⁴

Assumptions

The first assumption is that no changes will occur in the political/economic structure of this country for the duration of this study.

The second assumption is that no changes will take place in the National School Lunch Program for the duration of this study.

The third assumption is that no changes will take place in the Dade County School Lunch Program for the duration of this study.

Importance of Study

October 1, 1981 will be remembered as the day a new direction in United States economic policy had its dawn. On that day, the start of fiscal year 1982, \$35 billion in budget cuts enacted by Congress took effect. The most significant aspect of this legislation is the shrinking of social programs, many of them dating from the New Deal era. Whether or not the current policy is the remedy for this nation's economic woes cannot be answered at this time. What can be stated now

³Geoff Gould, School Lunch Breakthrough, (National School Public Relations Association, 1972), p. 23-26.

⁴Ibid.

is the fact that many social programs are now facing decreasing funding, the result of which appears to be decreased services in the coming years.

The National School Lunch Program is an example of such a social program. As such, it merits current attention. The program, which is actually one of the smaller social programs, has achieved significant success in raising this nation's nutritional levels. Like many programs it started small in size but large in goals, and like the system which created it has grown out of proportion. During the last fifteen years the total federal budget outlay of the United States rose 450 percent, yet the funding of the National School Lunch Program rose 700 percent.⁵

School lunch programs represent one of the largest mass feeding industries in our society. Many students rely heavily on this program for daily nutritional intake. The nutritional benefits cannot be measured in economic terms, therefore even students from advantaged background may be nutritionally deficient. The nutrition goal is the basic goal underlying the National School Lunch Program. However, the thrust of the new economic policy appears not to recognize school lunch programs as social agents for children's nutrition. This change can be described more clearly as that from an entitlement program to a welfare program. Both programs have similar goals, providing eligible recipients with guaranteed benefits; but the former aided all children while the

⁵Time, October 12, 1981, p. 35.

latter provides only for the neediest.

The recent federal cutback may seemingly create additional problems in the National School Lunch Program. Local programs are faced with increased labor and energy costs, rising food costs, shrinking enrollments and often a lack of managerial talent. Many critics charge that through continuous price increases all but government funded lunches will drop from the program. They theorize that such an occurrence would cause school districts to terminate their lunch programs.

A reaction of that nature seems unfairly harsh to all recipients of the service. It does appear that change will occur in the National School Lunch Program. Through an examination of the current situation in Dade County public high schools it is felt that a realistic outlook on the future of school lunch programs may be obtained. Specifically, this research will focus on the regular paying sector of the program. It is through the participation of these individuals that many school feedings programs exist today. Therefore, it would seem that the effects of the new legislation on these students would provide information helpful in future program formulation. This information is of value to schools, school districts, legislators, parents and children themselves. If the time has come to restructure the National School Lunch Program then everyone affected should be aware of the possible outcomes.

THE REVIEW OF THE RELATED LITERATURE

ORIGINS OF NATIONAL LUNCH PROGRAMS

Europe

The first school feeding program known to researchers was founded around 1790 in Munich, Germany. It came about as a part of a charity program. An American expatriate, Benjamin Thompson, also known as Count Rumford, founded the Poor People's Institute as part of his campaign against vagrancy. The main purpose of the facility was to put unemployed adults to work making clothing for the Bavarian army. Children of these adults did some part-time work, but the majority of their daily activity was spent in classes learning reading, writing and arithmetic. In addition, the entire family was fed a daily meal composed primarily of a barley, pea and potatoe soup. Since Thompson's funds were low, meals were developed that provided good nutrition yet cost little to prepare. Eventually, he received additional support and established a series of municipal soup kitchens to aid the poor. Word of Thompson's creation spread to other European nations, among them England, France, Scotland and Switzerland.

In a sense, school feeding programs were a result of the Industrial Revolution. As society freed itself from the previous necessary use of child labor, the number of unemployed children of school age increased, arousing public con-

cern toward education.⁶ The noted French novelist, Victor Hugo, developed a hot lunch program for local schools while in exile on the island of Guernsey about the year 1865. In 1867, the Ministry of Public Education in France recognized the school canteen. Lunch meals were made available for two cents, while those unable to pay were given the meal free of charge. It is estimated that as a result of this action, 464 school lunch programs were begun in France.⁷

In Germany, philanthropic societies picked up child feeding programs where Count Rumsford had left off. By 1896 over 75 cities operated school feeding programs. An interesting incident occurred in the following year. A bill was introduced in the Reichstag that would provide school meals in all cities. However, legislation was not passed due to fear of rapidly overpopulating the cities.⁸

Volunteer groups composed of parents, teachers and municipal employees formed in many European countries. The provision of a meal during school hours, served free or at cost, was thought to encourage school attendance. By the 1890s in Holland, municipalities began assisting the volunteer organizations with school feeding operations. The year 1900 brought a Royal Decree ordering municipalities to supply food and clothing to school children in need of such assis-

⁶Bessie Brooks West et al., Food Service In Institutions, 5th ed. (New York: John Wiley, 1977), p. 13.

⁷U.S., Department of Agriculture, Food and Nutrition Service, The National School Lunch Program, by Gordon W. Gunderson, FNS-63 (Washington, D.C.: Government Printing Office, 1971), p. 2.

⁸Ibid.

tance. Holland became the first country to adopt national legislation which specifically dealt with the provision of school lunches.

Italy followed the other European nations in establishing lunch programs at municipal schools. Milan and San Remo led the way for other Italian cities with programs begun in 1896. Before the start of World War I, Italy could boast of serving a higher percentage of students a school lunch than any other country.⁹ North of Italy in Switzerland, programs were begun in 1894. By 1903 it was estimated that perhaps eight percent of Swiss school children were being provided with meals.¹⁰ At that time a National Order was passed requiring municipalities to provide food and clothing for children in need. In 1906, funds were authorized to provide for school feeding. A Dr. Erismann of Zurich analyzed the lunches and found them poor in nutrition. He recommended that the meal provide 816 calories, at that time considered to be half a child's daily requirement. In addition, he felt that menus should emphasize protein and fat, suggesting food values of 40 grams protein, 26 grams fat and 100 grams carbohydrates for a child of ten.¹¹

Recognition of school feeding as an important consideration in England did not become apparent until the time of the Boer War. A statement from an army officer that only two of

⁹Marion Cronan, The School Lunch, (Peoria, Illinois: Charles A. Bennett Co., Inc., 1962), p. 10.

¹⁰Ibid.

¹¹U.S., Department of Agriculture, FNS-63, p. 4.

every five men were physically fit for service aroused immediate national attention.¹² The British Parliament suggested that lunches be supported by private funds if possible, but public funds would be available if costs could not be met. The Education Act, passed in 1905, contained the Provision of Meals, transferring the responsibility of school feeding from private groups to educational authorities. Schools were authorized to install facilities capable of serving hot meals to children; free to needy students and at cost to others. Following the First World War England expanded its program with the intention of providing a free lunch to all students. Aided by years of prosperity, England developed the finest and largest program in the world, which by 1939 serviced nearly 700,000 school children with free meals.¹³ A sample menu from the early British program is exhibited on the next page.

The United States

The United States followed Europe's lead in school feeding programs. Initial programs were started by private societies and associations interested in child welfare and education. One such program, the Children's Aid Society of New York, began service in 1853 to students attending vocational schools. Other small programs developed in American cities during the latter half of the nineteenth century. Mrs. Ellen H. Richards is credited with inaugurating school feeding in Boston in 1894.

¹²Marion Cronan, The School Lunch, p. 9.

¹³U.S. Department of Agriculture, FNS-63, p. 3.

EXHIBIT I

MENU

BRADFORD, ENGLAND
1909

MONDAY	Irish stew, baked currant pudding, bread
TUESDAY	Pea soup, baked jam roll, bread
WEDNESDAY	Shepherd's pie, boiled currant pudding, bread
THURSDAY	Minced meat and potatoes, suet pudding, bread
FRIDAY	Meat in batter, bread

Source: Marion Cronan, The School Lunch, (Peoria, Illinois: Charles A. Bennett Co., Inc., 1962), p. 9.

She prepared and packed lunches at the New England kitchen, which she managed at the time. Also in 1894 the Starr Center Association began serving lunches in Philadelphia schools. It was not until the turn of the century and the publication of two books that widespread interest in such programs became aroused.

Poverty, by Robert Hunter, published in 1904, and Bitter Cry of the Children, by John Spargo, published in 1906, voiced what remains today a valid concept of school feeding programs: what is the sense of providing free education to children if they do not receive enough food to enable them to learn? Hunter wrote,

"If it is a matter of principle in democratic America that every child shall be given a certain amount of instruction, let us render it possible for them to receive it, as monarchical countries have done, by making full and adequate provision for their physical needs."¹⁴

Spargo expressed his feelings in a somewhat stronger manner;

"Only we in the United States have ignored the terrible problem of child hunger. At any rate, it would be far better to feed them first, neglecting their education altogether, than to waste our substance in the brutally senseless endeavor to educate them while they starve and pine for bread."¹⁵

Significant efforts at developing school feeding programs began in many large cities following the publication of

¹⁴Robert Hunter, Poverty, (New York: The Macmillan Company, 1904), p. 217.

¹⁵Bitter Cry of the Children, quoted in Bernard Bard, The School Lunchroom, (New York: John Wiley and Sons, Inc., 1968), p. 84.

the two aforementioned books. In September 1908, the Women's Educational and Industrial Union started a hot lunch program in Boston. An advisory committee was established to set program policy and a director of school lunches appointed to administer the program. By the start of 1910 programs were underway in elementary schools in the city of Boston. A sample school menu is displayed on the following page.

New York City programs were initiated shortly after Boston's in 1908. The program in New York City is noteworthy in that its intended goal was to provide one-third of the child's daily required nourishment. The requirement was based on volume since nutrient levels had not yet been established. Five years after it began, the school feeding program in New York City served nearly 25,000 children daily. In Philadelphia the program started by the Starr Association was transferred to the jurisdiction of the School Board in 1909. Lunches were based on sound nutritional principles and the program directed by a home economics graduate. The School Board established a Department of School Lunches in 1912, which serviced all city high schools. Under the original program, light, heat and cooking gas were supplied by the Board of Education; otherwise the school lunch program was self-supporting. This principle remains the basis for many programs today. By 1915 all public elementary and secondary schools were included in the school lunch program.

Other cities started programs at similar times, among them Milwaukee, Cleveland, Cincinnati, St. Louis, Chicago and

EXHIBIT II

SCHOOL LUNCH MENU

WOMEN'S EDUCATIONAL AND INDUSTRIAL UNION

BOSTON, MASSACHUSETTS

WEDNESDAY, NOVEMBER 13, 1912

Beef and Barley Soup	\$.04
Sliced Ham Sandwich	.05
Lettuce or Cheese and Olive Sandwich	.03
Orange Marmalade or Jam Sandwich	.03
Boston Baked Beans	.05
Creamed Eggs	.05
Celery and Nut Salad	.05
Graham or White Bread and Butter	.02
Corn Muffin	.02
Coffee Roll	.02
Crust	.01
Strawberry Ice Cream	.05
Sponge Cake	.02
Cup Custard	.05
Milk or Cocoa	.03
Apple or Banana	.02

Source: Marion Cronan, The School Lunch, (Peoria, Illinois: Charles A. Bennett Co., Inc., 1962), p. 15.

Los Angeles. Smaller cities and rural areas followed the lead set by the metropolitan areas. A survey of school lunch programs was conducted by the Bureau of Municipal Research in New York in 1918. It was reported that in cities with population greater than 50,000, 76 percent had some type of lunch offered in high schools, but only one quarter of the cities surveyed maintained an elementary school program.¹⁶ The reasoning behind this difference was that high schools were regional, requiring students to be present for most of the day. Lunch service was considered an essential aspect of the school's programs. Elementary schools however, were usually in neighborhood locations where most students could go home for lunch.

Further support for school lunch programs followed World War I. Evidence of malnutrition was found in many of the young men called for service. The period of 1918-1930 was one of expansion in school lunch programs. Support for such programs came from school districts, school-oriented associations, philanthropic organizations and concerned individuals. By 1931 it was estimated that 76,000 schools had lunch programs in operation.

The New Deal Approach

The catastrophe known as the Great Depression began in late 1929, threatening to destroy the school lunch program along with many other aspects of American society. Some

¹⁶U.S. Department of Agriculture, FNS-63, p. 9.

states and municipalities, expressing fear of widespread hunger and malnutrition among children, proposed legislation that aided schools in providing lunch to students. The federal government soon recognized that states and localities did not possess the resources to maintain school lunch programs, and under then President Hoover, it was decided that assistance would be provided. The Reconstruction Finance Corporation, originally established to assist business, granted loans in 1932 to several towns in Missouri which were then able to continue serving school lunches. The loans were provided to pay for labor accumulated in the preparation and service of lunch.

Hoover was replaced in early 1933 by President Franklin D. Roosevelt, whose New Deal policies helped the United States recover from the trauma of the Depression. Roosevelt's initial programs which aided school lunch were the labor-oriented Civil Works Administration and the Federal Emergency Relief Administration. At the end of 1934 aid reached 39 states, employing 7,442 women. Additional labor assistance was brought about in 1935 with the creation of the Work Projects Administration. The purpose of this project was to supply work for needy people on public works projects. Workers for school lunches were assigned to the Community Service Division. Under this program, individuals throughout the United States found work in school lunch programs. A direct result of this "free" labor was that prices were kept low, allowing participation of children to rise dramatically.

By March of 1941 the WPA program extended to all states as well as the District of Columbia and Puerto Rico. Numerically, it aided over 23,000 schools serving an estimated two million lunches daily and employing nearly 65,000 people. Another 1935 creation, the National Youth Administration, provided job training for unemployed, needy young people. At its peak in 1942 almost 16,000 youths were employed in lunch programs, and together with the WPA served an estimated 25 percent of all students.¹⁷ These labor programs declined shortly thereafter as World War II provided for work in defense industries, while many people were pressed into actual combat service. The Work Projects Administration was terminated by President Roosevelt in 1943.

Of all Roosevelt's legislation, perhaps none affected the school lunch program more profoundly than Public Law 320, more commonly referred to as the Commodity Donation Program. This bill, passed by Congress in August 1935, made available to the Secretary of Agriculture an amount of money equal to 30 percent of gross receipts from duties collected under the customs law each calendar year. This money was intended to be used to encourage domestic consumption of certain agricultural commodities. The depression had seriously hurt farmers in that much of their production was not purchased, resulting in increasing surpluses, lower prices and meager farm incomes. The object of the law was to remove surplus food from the market and utilize it so as not to inter-

¹⁷Time, October 12, 1981, p. 34.

fere with normal farm sales. The school lunch programs of the nation were determined to be a perfect outlet for such goods. In 1942 the commodity program reached nearly 80,000 schools and over five million students. As with the federal labor programs, the commodity program declined in influence with the escalation of World War II. Surplus farm products were utilized for United States and Allied troops. By April 1944 only 34,000 schools serving five million students still maintained lunch programs.¹⁸

Although many of the federal government's initial efforts at maintaining school lunch programs were diminished by the onslaught of World War II they provided the base for further federal legislation. In July 1943, Public Law 129 was passed amending Section 32 of the 1935 Agricultural Act. It authorized funding not greater than \$50 million to maintain school lunch programs through June 1944. The law provided cash subsidy payments to sponsoring agencies (schools or districts) for the purchase of food for the programs but did not allocate anything for labor or equipment. In 1944, Public Law 367 was passed, again setting aside \$50 million for school lunch programs. This legislation also initiated federal regulation of the lunch program. The law stipulated that cash payments to sponsoring agencies could not exceed the cost of food purchased; accurate records were to be maintained of the cost of food; and the total payments of federal funds in any state could not exceed the total amount provided

¹⁸U.S. Department of Agriculture, FNS-63, p. 13.

for food purchases, including the value of donated services and supplies. The following year, 1945, \$50 million was again appropriated for lunch programs. In December 1945 an additional \$7.5 million was allocated by Congress for the program. As a result of this funding the school lunch program was revived in many schools and by April 1946 included over 45,000 schools serving 6.7 million students.

Despite the increased federal funding major problems existed which underlie the school lunch program. During World War II the armed forces reported many servicemen exhibited signs of malnutrition, and it was felt that malnutrition was a major factor in those individuals not qualifying for active duty. Local schools still hesitated to initiate or restart programs since the government was acting only on year-to-year allocations, and donated commodities had decreased substantially. In many schools there were no facilities to serve as a lunchroom, or even a kitchen, and to purchase such equipment was an expensive undertaking. Basically, establishing a school lunch program was looked upon as a high risk investment.

Birth of a Program

The Congress of the United States, aware of the problems in the school lunch program recognized that the expansion of the program was hampered by a lack of legislation. The National School Lunch Act was introduced on June 4, 1946 by Senator Allen Ellender of Louisiana, pledging aid to the states

for operation of school lunch programs and recognizing such programs as permanent, integral elements of schools. Section Two of the Act describes its purpose as "...a measure of national security, to safeguard the health and well-being of the Nation's children, and to encourage the domestic consumption of nutritious agricultural commodities...."¹⁹

Section Four of the legislation clearly explained how the funds allocated to the program were to be appropriated to the states. States with a per capita income lower than the United States average would receive a greater proportion than those states with a per capita income higher than the United States average. A second factor in fund appropriation was the actual number of children between the ages of five and seventeen in the state. Section Five of the Act allocated \$10 million of the total funds for equipment purchases. Section Six allocated an amount up to 3 1/2 percent of the total funds which were to be used for administrative expenses. If any of these funds remained at the end of the year, the Secretary of Agriculture was authorized to purchase additional commodities. Section Seven of the legislation established the matching funds principle of the school lunch program. The initial principle stated that the federal:state ratio for the years 1947-1950 would be 1:1; for 1951-1955, 1:1.5; and after 1955, 1:3. States in which the per capita income was less than the national average had their matching fund requirement reduced by the percent difference obtained from the United

¹⁹U.S. Congress, House, Committee on Agriculture, Public Law 396, 79th Congress, 1946, 60 Stat. 231.

States: states ratio. The individual states were also allowed to include in their matching funds children's payment for lunches, money paid out by the school board and the value of food, equipment, labor or other donations to the program.

Section Nine of the Act established the minimum nutritional requirements for three separate types of lunches termed acceptable. Type A was created to meet one-third to one-half of the minimum daily nutritional requirements of a ten-to-twelve year old child. The Type B lunch was created to provide a supplementary lunch in schools where adequate facilities for preparing Type A were not available. The minimum requirements established by Section Nine are found on the following page. The Type C lunch provides for children to be served a one-half pint unit of whole milk. Schools were reimbursed for a portion of the cost of food purchased for the program. Payments would be on a monthly basis and determined by a set rate per meal for the number of meals served which met the nutritional requirement. The initial rates of reimbursement established were \$.09 for a Type A lunch; \$.06 for a Type B; and \$.02 for Type C. The federal budget proposed for the National School Lunch Program in June 1946 totaled \$68 million.

Federal regulation also increased with the advent of a new program. States were required to enter into written agreements with the Secretary of Agriculture concerning the receipt and disbursement of federal funds and foods; as well as the supervision of the programs to ensure compliance. In

EXHIBIT III

MINIMUM NUTRITIONAL REQUIREMENTS

	TYPE A	TYPE B
Milk, whole	1/2 pint	1/2 pint
Protein-rich food consisting of any of the following or a com- bination thereof:		
Fresh or processed meat, poultry meat, cheese, cooked or canned fish	2 ozs.	1 oz.
Dry peas or beans or soybeans, cooked	1/2 cup	1/4 cup
Peanut Butter	4 Tbls.	2 Tbls.
Eggs	1	1/2
Raw, cooked, or canned vege- tables or fruits, or both	3/4 cup	1/2 cup
Bread, muffins or hot bread made of whole grain cereal or enriched flour	1 portion	1 portion
Butter or fortified margarine	2 tsp.	1 tsp.

Source: Gordon W. Gunderson, The National School Lunch Program,
FNS-63, (Government Printing Office, 1971), p. 16.

addition, schools were made to enter into agreements with state educational agencies, agreeing to serve lunches which met the minimum nutritional requirements set forth by the Secretary of Agriculture. Schools were required to serve meals without cost or at a reduced rate to children who were determined to be unable to pay the full cost. Schools were also required not to segregate or discriminate such students in any way; to maintain constant records of food cost and purchases; to utilize donated commodities and to operate on a non-profit basis.

Increasing Role of Legislation

As with many federal programs the school lunch program was greatly affected through increased legislation. Section 416 of the Agricultural Act of 1949 authorized the Secretary of Agriculture to donate commodities acquired under the price support of the Commodity Credit Corporation for distribution to the school lunch program. This quantity was in addition to the amount obtained under Section 32 of Public Law 320. In 1952, the first amendment to the National School Lunch Act was passed, changing the fund apportionment formula for Hawaii, Alaska, Puerto Rico, Guam and the Virgin Islands. The 1950s were a decade of growth for the National School Lunch Program, but this growth dealt with increased numbers of schools and children participating. Federal funding of the program did increase but only in limited amounts. In Exhibit Four on the following page one can see the changes which took place during the 1950s affecting the school lunch program.

EXHIBIT IV

TRENDS IN SCHOOL LUNCH PROGRAMS

1947-1958

	1947	1958	Percentage Increase
UNITED STATES POPULATION	143 mil.	173 mil.	21
SCHOOL ENROLLMENT	N/A	N/A	100
SCHOOL LUNCH PARTICIPATION	4.5 mil.	11.4 mil.	153
FEDERAL FUNDING	81 mil.	100 mil.	23.5

Source: Marion Cronan, The School Lunch, (Peoria, Illinois: Charles A. Bennett Co., Inc., 1962), p. 24.

By 1961 it became apparent that the low income states and districts, whom the program was designed to benefit the most, actually were under a burden of not being able to pay their share of the program cost. Very often schools could not be assisted due to lack of facilities or space necessary for lunch preparation. Congress reacted by appropriating \$10 million intended for direct commodity purchase, to be distributed among the needy schools which did not have a lunch program or served at least twenty percent of their lunches to free or reduced price classified students. This pilot program operated only in fiscal year 1962, extending aid to 270 schools serving 25,000 children.²⁰

October 1962 brought a significant change in the National School Lunch Act. Congress amended the Act in terms of apportioning funds and reimbursement rates. Section Four was altered to apportion funds on the basis of participation in the individual state program and the assistance need rate of the state. The participation rate was defined as the amount equal to the number of lunches served in the preceding year by schools participating in the program under the terms of the National School Lunch Act. The assistance need rate was defined by the relationship of the state per capita income to the national average. A state whose per capita income was greater than or equal to the national average was labeled at a rate of five. States with per capita income less than

²⁰U.S. Congress, House, Public Law 87-112, 87th Congress, 1961, 60 Stat. 230; 75 Stat. 231.

the national average were assigned a rate equal to five multiplied by the ratio of federal to state per capita income. When reduced to interpretation; if adequate federal funds were apportioned; no state would receive an allotment of less than five cents per lunch, while states whose per capita income was less than the national average would receive no more than nine cents per lunch.²¹

Section Eleven of the Act was amended to provide for special assistance in the form of cash reimbursement for lunches served free or at a reduced price. The funds allocated were based on five factors: economic environment of the district, the need for free or reduced price meals, the percent of free or reduced price meals served, the price of lunch in individual schools compared with the state average, and the need for additional assistance as evidenced by the individual school lunch financial position. Both of these amendments affected the states dramatically and were phased in over three years to allow for adjustment. An additional resolution passed by Congress in October 1962 established an annual National School Lunch Week, to be commemorated each year beginning the second Sunday in October.

Problems continued to plague the program however, preventing it from reaching all school children. The philosophy that the program be financially self-sustaining hurt the neediest areas in particular. Many administrators believed that a neighborhood school allowed for a child to go home for

²¹U.S. Department of Agriculture, FNS-63, 1971, p. 18.

lunch. Unfortunately, in economically depressed areas, if the child went home there often was nothing there to feed her/him. Another factor which remains even today is a level of antipathy in many areas toward any form of federal aid. Finally, there was the inadequacy of the program itself; namely the fact that financially the program had not kept pace with increasing participation rates, and the matching funds law did not stipulate that state funds be derived from state tax revenues.

A Department of Agriculture survey in 1962 was conducted in 5,000 schools across the United States. At the time of the survey it was estimated that there existed 97,000 schools nationwide. The results of the survey indicated that 30,000 schools offered no food service or had no cafeteria; 61,850 participated in the federal program; and 4,325 offered lunches outside the federal program.²² Other aspects of the survey pointed out the neglect of the economically deprived areas. In the southwest segment of the country it was found that schools which had foodservice also had a low percentage (4 percent) of students classified as needy; schools with no facilities averaged 22 percent needy students. Similar results (5 percent, 27 percent) were obtained from the southeast segment of the country.

A 1964-1965 survey conducted primarily in larger cities found disappointing data as well. The problems related almost exclusively to elementary schools, reflecting the belief

²²Bernard Bard, The School Lunchroom, (New York: John Wiley and Sons, Inc., 1968), p. 77.

that these are usually neighborhood schools, therefore children can go home for lunch. Some selected results indicate the seriousness of the problem: Boston, no service in 160 elementary schools; Chicago, 200 elementary schools without service; Cleveland, no elementary school service; Pittsburgh, no elementary school service; San Francisco, St. Louis and Indianapolis all had service in only half of their elementary schools.²³ Exhibits V and VI which follow display the problem mentioned above figuratively.

In 1966 the National School Lunch Program received additional Congressional support through passage of the Child Nutrition Act. Its purpose was basically similar to that expressed in Section Two of the National School Lunch Act. The concern for school children's nutritional well-being was probably best described by then President Lyndon Johnson, who had been a schoolteacher earlier in Texas; "I know what it is to teach children who are listless and tired because they are hungry, and realize the difference a decent meal can make in the lives and attitudes of school children."²⁴ The new law also authorized a Special Milk Program and a Breakfast Program. Section Five of the Child Nutrition Act was a reworking of Section Five of the 1946 law, providing federal funds for equipment purchases. The new Section Five stated that the state or district would pay one-fourth of the purchase price; the federal agency would receive a detailed des-

²³Ibid., p. 16.

²⁴Ibid., p. 88.

EXHIBIT V

PERCENTAGE OF PUBLIC SCHOOLS AND OF PUPILS

WITHOUT LUNCH SERVICE - BY SCHOOL

LOCATION, SIZE, AND GRADES TAUGHT

MARCH 1957 AND MARCH 1962

	Percentage of Schools Without Lunch Service ^a		Percentage of Pupils Enrolled as Percentage of All Pupils	
	1957	1962	1957	1962
United States	43	32	20	16
Regions:				
Northeast	46	34	29	20
Southeast	24	15	7	5
Midwest	60	45	30	25
Southwest	28	19	11	9
West	35	31	14	12
Schools Located in:				
Counties < 100,000	45	32	17	12
Counties of 100,000 to 1,050,000 ^b	35	29	18	17
21 Largest Metro Areas	41	34	26	21
Size of Schools (Pupils)				
Under 250	61	51	38	36
250-499	25	23	25	22
500 or more	15	13	13	10
Grades Taught:				
Elementary	52	40	29	25
Junior and Senior High	17	11	9	5
Other combinations	11	7	7	4

^aSchools without lunch service as a percentage of all schools.

^bIn 1957, the counties were classified as having population of 100,000 to 700,000.

Source: U.S. Department of Agriculture, Marketing Economics Division, Economic Research Service.

EXHIBIT VI

NEEDY PUPILS IN PUBLIC SCHOOLS NOT HAVING
LUNCH SERVICE - BY SCHOOL LOCATION

MARCH 1962

	<u>Schools</u>	<u>Pupil Enrollment</u>
United States	7,586	687,375
Regions:		
Northeast	1,985	198,621
Southeast	1,229	101,887
Midwest	2,836	193,729
Southwest	756	89,053
West	780	104,085
Schools Located In:		
Counties < 100,000	4,325	285,405
Counties of 100,000 to 1,050,000	2,505	334,399
21 Largest Metro Areas	756	67,570

Source: U.S. Department of Agriculture, Marketing Economics
Division, Economic Research Service.

cription of the equipment; and a detailed explanation of how the equipment would extend lunch service would accompany the fund request. Section Seven of the 1966 legislation allocated funds to employ additional personnel in state administration of existing programs where staffing or funding was inadequate.

Further amending of the National School Lunch Act took place in 1968. Section Nine was updated with respect to nutritional requirements, while Section Thirteen was extended to include children in service institutions. This particular section became known as the Special Food Service Program for children. By the end of 1968 the National School Lunch Program reached 18.9 million students with over \$160 million of federal funds, and an additional \$276 million in donated commodities. While this figure represents an increase in participation and funding, it by no means signifies program success. The number of children served was actually just one-third of the total school enrollment, and only half of students enrolled in schools with lunch programs. A more important point to stress however is that in 1946, twelve percent of all lunches were provided free or at a reduced rate, and yet in 1968, that figure remained unchanged.²⁵

Early in 1968 two events took place which again drew national attention to school feeding. One was a CBS-TV documentary shown in May 1968, which portrayed areas of extensive poverty in the United States, arousing immediate response

²⁵U.S. Department of Agriculture, FNS-63, 1971, p. 21.

from the populace. The second was a study conducted by a coalition of women's groups concerned with school lunch participation. Their report, entitled Thy Daily Bread, was issued in April 1968 containing numerous instances of continuing hunger and child malnutrition in parts of America. The people of the United States were shocked by these accounts of deprivation in their own country. Many felt that the social programs enacted had eradicated many of the problems they now witnessed on television or in print.

The national election of 1968 brought to power Richard Nixon, an individual not widely known for his social compassion. In early 1969 though, President Nixon created the Food and Nutrition Service, the purpose of which was to administer all federal food programs. Previous to this enactment, programs had been directed through various agencies of the federal government. A White House Conference later that year recommended that every school child have lunch available, and that every needy child be provided a lunch free or at a reduced price. The following year Congress passed additional amendments to the National School Lunch Act that prompted program expansion.

Section Nine of the original law was amended to establish uniform national guidelines of eligibility for free or reduced price lunches. Sponsoring agencies were to serve free to all children from families with incomes at or below the federally designated poverty index, while students from fami-

lies whose income was up to 125 percent of the poverty index were to receive reduced price meals for not more than twenty cents. The effect of this change was immediately seen in the expansion of the program to over 79,000 schools serving 24.5 million children by 1971. Another segment of the 1970 ruling allocated funds on a sliding scale that required schools to offer subsidized meals to all students. It was felt that individual schools could not earn enough money to meet their share of the cost of free and reduced rate lunches unless students from more affluent backgrounds also bought lunches, although at a somewhat higher rate. Thus, every lunch served under the auspices of the National School Lunch Program was subsidized by the government.

The Nixon Factor

The 1970 changes would prove to be the critical point in the history of the national program. The legislation led to an expansion of the program, both in participation and in budgetary outlay. However, the Department of Agriculture was already looking to the future, conducting operations with a reduced program in mind. In a 1971 interview, Assistant Secretary of Agriculture Richard E. Lyng stated, ". . . our goal in the immediate future is to try and simplify the school lunch program."²⁶ The federal government was looking at the program as though it was still a grant, yet the legislation passed would change that role markedly. It was the Agriculture Department's strong contention that states could assume more control of their programs.

Legislators continued to redesign the school lunch program so that more students would be eligible for meals at free or reduced price levels. The appropriation for fiscal year 1972 totaled \$615 million, the highest total ever allocated for the lunch program. Senators Humphrey and McGovern began lobbying for a universal free school lunch system at this time. The late Senator Humphrey declared that the means test for lunch aid had helped to create "an economic caste system"²⁷ within the United States. Both senators felt strongly that the free lunch ought to be an essential element

²⁶School Lunch Journal, June 1971, p. 64.

²⁷Facts on File Yearbook 1971, p. 812.

of the entire educational process.

A report issued in April 1972 confirmed to officials that the program was now helping many more students with lunch. Average daily participation had increased eighteen percent from January 1969 through January 1972.²⁸ Those students classified as receiving free or reduced price lunches increased from three to eight million in number, but the regular paying sector decreased in total from 18.4 million to 17.1 million.²⁹ Further legislative paperwork altered eligibility requirements in May 1972. The poverty line was designated at \$4,110 for a family of four. Any child from a family whose income was 115 percent or less of this figure was determined to be eligible for a free lunch. The reduced price eligibility criteria was extended to any child whose family income fell in the range of 115 to 130 percent of the poverty index.

At the Republican National Convention in Miami that year, the Republicans boasted of their social program growth. Since Nixon's election in 1968, Federal support for school lunch had doubled, while the number of needy students participating in the program had increased dramatically. However, the picture was not as rosy as the GOP painted it. In October, the Citizens Board of Inquiry into Hunger and Malnutrition released a statement calling for a drastic change in federal food programs. The Board wanted the programs replaced by

²⁸Institutions/Volume Feeding, April 1, 1972, p. 18.

²⁹Ibid.

direct cash payments to localities. It was felt that the programs were characterized by bureaucratic waste, budget cutting and private profit. Following a pattern set by defense and antipoverty programs, the Department of Agriculture gave high profits to companies providing supplies and assistance to the lunch program. In fiscal 1972, the Department had returned \$418 million of its budgetary outlay to the United States Treasury.

The board was not the only voice of criticism heard. Administrators, school officials, lunch directors and even parents complained about the program. The majority of problems centered on two areas, communication and program accountability. Since the states were allowed to include students' payments as part of their matching funds the incentive for states to raise their own revenues was reduced. This was placing the burden of the program primarily on the regular paying children and their parents. The apportionment formulas created through legislation actually favored low participation rates in practice. It was also noted that surplus goods were not identified until they were made available. Many felt strongly that this action did not favor schools, but rather catered to the strong farm lobby. Rodney E. Leonard, a former Department of Agriculture administrator, wrote in his controversial publication Why Child Nutrition Programs Fail, " . . . legislation and the form of its administration are predicated on economic interests."³⁰ Later

³⁰Why Child Nutrition Programs Fail, quoted in Geoff Gould, School Lunch Breakthrough, (Washington: National School Public Relations Association, 1972), p. 61.

in the same writing he expands on the problem,

"While the appropriations committees tell the administration to go slow on more funds for schools in economically depressed areas, there is no similar record of caution on funds to purchase meat when cattle prices fall."³¹

Rapid Growth in The Seventies

Despite the tide of criticism the federal government continued to increase its role in the lunch program. By 1973 total allocation for the program exceeded \$1.5 billion, more than three times the amount allocated in 1968 before Richard Nixon entered the White House. Federal support for all lunches was now ten cents, while free lunches were reimbursed with \$.45 and reduced price \$.35. The income levels for eligibility were raised to \$4,200 for the free lunch limit, while \$7,200 was established as the ceiling on reduced price lunch eligibility. A bill was passed in late 1973 containing an automatic escalator provision. Designed to offset rising food prices the law took effect in fiscal year 1975 and led to unprecedented increases in federal support. Further changes occurred in late 1975, again opening the program to more students. The new legislation raised the limit for free lunch eligibility to 125 percent of the poverty index, computed at that time to be \$5,010. The eligibility limits for reduced price status were raised to 195 percent of the poverty line, an amount equal to \$9,770 annual income. It was estimated that as of September 1975 some

³¹Ibid., p. 62.

sixteen million children paid full price, ten million received free meals and at least 600,000 qualified for reduced price meals.³²

President Gerald Ford attempted to veto this 1975 legislation, but his veto was overridden. The President felt that the program would be expanded to include children from families not in need of federal subsidies. Early in 1976 Ford presented to Congress a proposal which unfortunately was ahead of its time. The program he presented gave the American people an early indication of federal block grants. President Ford wanted to consolidate fifteen child nutrition programs into a single \$2.4 billion unit. The program would be administered by the states and only poverty level families would be eligible for benefits. It was predicted that ten million children would be eliminated from the lunch program by such action, and in addition, subsidy payments for all but needy meals would cease. The President's proposal was completely ignored by the Congress.

Despite decreasing enrollments in the 1970s, participation in lunch programs increased or remained at stable levels. A chart on the next page shows data for several American cities. At this time criticism began to mount, primarily concerning the nutritional value of the Type A lunch and the incredible amounts of waste generated by the lunch program. A report by the Food and Nutrition Service indicated that

³²"Who'll Get \$2.8 Billion in School Lunches", U.S. News and World Reports, October 27, 1975, p. 67.

EXHIBIT VII

Selected Cities Enrollment Trends & Participation (000)

City	Enrollment (000)		Percentage Change	Av. Daily Type A Lunches (000)		Lunch Participation Percentage of Enrollment	
	1975	1972		1975	1972	1975	1972
New York	1384.5	1150.5	+20.3	537.4	428.3	38.8	37.2
Los Angeles	609.2	628.1	-3.0	261.8	206.8	43.0	32.8
Chicago	525.4	561.9	-6.5	282.9	243.5	53.8	43.3
Philadelphia	267.5	276.5	-3.3	116.7	46.5	43.6	16.8
Detroit	260.9	280.0	-6.8	107.3	102.6	41.1	36.6
Houston	207.6	226.4	-8.3	82.5	76.4	39.7	33.7
Baltimore	173.2	185.6	-6.7	84.4	71.7	48.7	38.6
Indianapolis	159.2	89.9	77.9	62.8	34.5	39.4	38.4
Dallas	155.4	167.7	-7.3	68.4	53.3	44.0	31.8
Phoenix	140.3	144.7	-3.0	68.3	65.3	48.7	45.1
Washington	131.4	141.7	-7.3	60.6	60.3	46.1	42.6
Cleveland	122.2	141.1	-13.4	63.4	39.3	51.7	27.9
San Diego	126.1	126.5	-.3	29.6	25.6	23.5	20.2
Memphis	115.9	150.3	-22.9	64.9	71.7	56.0	47.7
Tampa	113.3	53.4	+112.2	71.9	36.9	63.5	69.1
Jacksonville	109.9	126.3	-19.4	57.3	68.8	52.1	54.5

Source: U.S.D.A. Urban School Studies, Institutions/Volume Feeding, March 15, 1977, p. 102.

roughly fifteen percent of the total lunch was discarded.³³ A major portion of the wasted food was vegetables, a traditional dislike of children. A ten week survey by the Chicago Tribune found a much higher waste factor and suggested that the \$600 million estimate of the Food and Nutrition Service was far too conservative. The Tribune also analyzed lunches for nutritional value and found that many children were receiving poor nutrition in lunch meals. A study conducted in New York City prior to the Tribune's study found that over forty percent of the school lunches served did not meet Type A requirements.³⁴ While participation rates remained high, this was due to increased numbers of students receiving free and reduced price meals. Many of the regular paying students began to drop out of the program, finding alternatives in fast food, junk food, no food at all or brown bagging from home.

While many programs continued, losing regular paying students but increasing the subsidized lunches, a shift in the lunch program was occurring. Many schools were unaffected as they served primarily lower to lower-middle income students. However, schools whose population consisted of middle and upper income students were in trouble. Some dropped lunch programs altogether while others developed a la carte programs. In New Lebanon, New York, a decision was

³³"Would You Eat Your Child's School Lunch", Family Health/Today's Health, September 1977, p. 40.

³⁴Ibid., p. 41.

made to drop the federal program and replace it with a self-supporting pupil-run program, which became an immediate success.³⁵ Benton, Arkansas turned to McDonald's for assistance and increased their participation factor by fifty percent.³⁶ In Clark County, Nevada, Len Fredrick created the Combo lunch,³⁷ a variation of the fast food theme that turned Clark County's program around. Even the United States Congress and Senate were aware of the problems. The School Lunch Act had been amended to now present students with a choice; choose three of the five Type A components, and still be counted as a reimbursable lunch.

As the 1970s came to a close, a new President had entered office. Jimmy Carter would become the first President to cut the school lunch budget. He emphasized that the program was for needy students and subsidies for middle- and upper-income families would be cut. The Department of Agriculture had investigated family income levels in all states to estimate how many children were eligible for free or reduced price meals. The results obtained indicated that far too much reimbursement was being paid, and while this was only a preliminary report, its findings were strong ammunition for the President's proposed program slashes.

³⁵"The National School Lunch Program", Phi Delta Kappan, February 1979, p. 437.

³⁶"Big Mac Goes to School", Newsweek, October 4, 1976, p.

³⁷Len Fredrick, Fast Food Gets An "A" in School Lunch, (Boston: Cahners Books, 1977), p. 60.

The public image of the school lunch program was poor at this time. It was stereotyped as wasteful, unaccountable and unresponsive to children's needs. At the close of 1979 over 93,000 schools were involved in the lunch program, serving 27.4 million students. It was the largest institutional feeding program in the world, supported by \$3.5 billion in federal support.³⁸

The 1980s would present the school lunch program with critical choices. A new President was elected in 1980, a man dedicated to reducing the size of government and its influence on our lives.

³⁸"What the Country Really Thinks About School Food Service", Food Management, July 1980, p. 44.

REAGANOMICS

A Leader is Born

Ronald Reagan's national political exposure occurred on October 27, 1964, when he made a thirty minute speech for Barry Goldwater's dying campaign. In his speech, Reagan did not center on Goldwater, but rather argued for the conservative cause. Reagan had not become a Republican until 1962, and in fact had been approached by Democrats in the 1940s to run for public office.³⁹ As a young man, he idolized President Franklin D. Roosevelt, and in many ways modeled his own oratorical style after Roosevelt's.

Following his dramatic speech in the fall of 1964, Reagan was approached by several California businessmen with the suggestion that he run for governor. He defeated incumbent Governor Brown with a plurality that had been surpassed in only one previous California gubernatorial race. With his election as California Governor, Reagan assumed national political stature. In 1968 his name was often mentioned as a presidential candidate but he did not actively campaign for office. At the Republican convention he announced himself a candidate as an alternative to Richard Nixon, accumulating 182 delegate votes in only two days.

³⁹Hedrick Smith et al., Reagan, the Man, the President, (New York: Macmillan Publishing Co., 1980), p. 10.

The California Plan

Reagan's political life had as its base the California governorship. The concepts behind his administration then are similar to those held today. He was elected on a platform of curbing growth in government, reduction of welfare costs, lowering of taxes, and restoring order on college campuses, particularly the University of California at Berkeley. All but the latter remain today as part of Reagan's basic philosophy. Although he campaigned as a hard-line conservative, by performance Reagan was considered to be a moderate.

As Governor, Reagan achieved some success in goal attainment. He was alarmed by the rising welfare rolls and proposed a new approach. State case loads were reduced by nearly 400,000 cases while grants to those truly needy were increased over forty percent.⁴⁰ It can be argued that the size of California government did or did not increase during his administration. The level of state employees remained stable throughout his terms of office. Reagan did increase taxes though, as basically every major tax except the gasoline tax went up. State and local taxes doubled, while actual spending increased from \$4.6 to \$10.2 billion during the years 1967-1975.⁴¹ During his term state control over the educational system was tightened. Reagan considered student activity as communist agitation, and showed little tolerance for the rising

⁴⁰"Reagan's Real Record in California," U.S. News and World Reports, February 9, 1976, p. 14.

⁴¹Congressional Quarterly Inc., "Candidates '80," January 1980, p. 60.

tide of student protests. Although he reduced university related spending by 27 percent in the first two years of his term,⁴² by the end of his eight years in office the university budget was double what he had inherited.

Higher Ambitions

Upon leaving Sacramento in 1974 Ronald Reagan decided to attempt a serious presidential bid. He fell just short of seizing the Republican Presidential nomination from incumbent Gerald R. Ford. The central theme of his candidacy was to reduce inflation, limit the federal government's role and return many functions to state and local offices. Said Reagan in early 1976, "I just have to believe that the federal government is performing a great many tasks that are none of its business, that it should not be performing, and that it is not equipped to perform."⁴³

In that 1976 campaign Reagan erroneously placed a price tag on the transfer price of federal programs to the states. His proposal consisted of a \$90 billion cut in federal spending offset by a \$25 billion tax cut, the ultimate goal being the balancing of the federal budget. States would not be required to pick up programs which were undesirable or unaffordable. If the program was felt to be necessary the state had to raise its own taxes to pay for it. Ronald Reagan credits President Franklin D. Roosevelt, Dwight D. Eisenhower and John F.

⁴²Ibid.

⁴³"Where Reagan Stands," U.S. News and World Reports, May 31, 1976, p. 21.

Kennedy with the concept of returning programs to the states.

Following his defeat by Gerald Ford, Reagan returned to California to rebuild his political machine. He remained in touch with the public through his radio commentaries, newspaper column and speaking engagements. An organization founded by him, Citizens for the Republic (CFTR), aided many political candidates in the 1978 elections. As the Carter Administration dragged on, Reagan continually criticized its performance. A good many of his broadcasts, columns and speeches spoke of an era of national renewal based on less government.

Reaganomics Becomes a Reality

When Gerald Ford announced that he would not actively campaign for office, Ronald Reagan became the Republican front-runner for the 1980 election. While once again portraying himself as a conservative, many critics charged him with softening his positions. Reagan in 1980 was essentially the same Reagan the public had seen in 1976. His national economic policy was now dubbed Reaganomics, and represented a synthesis of ideas over the previous four years. Reagan believed that the United States was in the wake of stagflation, a chronic condition characterized by stagnating production and continuous inflation.

The revised economic policy reflected both conservative populist views and Big Business-Big Finance influences. In addition, Reagan had become a convert to the supply-side theory proposed by Arthur Laffer. On September 9, 1980, Ronald

Reagan revealed his "Strategy for Economic Growth and Stability in the 1980s." The program can be broken down to four key areas. The first, lower taxes, was based on the Kemp-Roth bill which proposed a reduction in personal income taxes of thirty percent over a three year period. In addition, depreciation rates would be accelerated to spur investment and stimulate growth. The second element of the program was less spending in the federal government. This was to be accomplished by ending waste, extravagance, abuse and fraud in federal programs. Reduced federal regulation was the third point to the new economic policy. Reagan felt that excessive regulation prohibited business investment and inhibited worker productivity. Less regulation therefore would lead to a growing economy, increased levels of employment and lower inflation. The final element of the 1980 Reaganomics was the balancing of the federal budget.

Although the 1980 race for President was considered to be a close contest, election day brought a Ronald Reagan landslide. Despite charges that his hard-line approach and Reaganomics would do more harm than good, candidate Reagan defeated an incumbent President in a manner similar to Roosevelt's ousting of Hoover in 1932. Conditions now are very different than in 1932, yet both incoming Presidents faced crisis points in our national history. Roosevelt pledged himself to a "new deal for the American people"⁴⁴ at the Democratic Convention, while on his Inauguration calling "for

⁴⁴"F.D.R.'s Disputed Legacy," Time, February 1, 1982, p. 20.

action, and action now."⁴⁵ Reagan also recognized the need for action, proposing a bold experiment in conservatism.

The President's Program

Only one month after assuming office, President Reagan presented his plan for recovery. The most striking feature to most observers were the spending cuts in 83 programs totaling \$49.1 billion.⁴⁶ Reduced taxes, relaxed depreciation legislation, a relaxing of federal regulation and a tight control of the money supply represented the other major points of the program. In the summer of 1981 the President proposed his "New Federalism"⁴⁷ at a meeting of the nation's Governors. President Reagan had decided to turn many programs back to the states. This would enable him to balance the federal budget while states would have to finance their own programs, although some federal block grants would remain accessible.

By early fall of 1981 disenchantment with the President's programs grew. Early critics had been supporters of programs cut, but the new critics centered directly on the economic proposals of the President. Interest rates were still at high levels, inhibiting investment and making a balanced

⁴⁵Ibid., p. 23.

⁴⁶"The Reagan Revolution," U.S. News and World Reports, March 2, 1981, p. 18.

⁴⁷'New Federalism,' Old Rap, Newsweek, August 24, 1981, p. 20.

budget by 1984 a dim reality. The effect of a large tax cut in addition to increased defense spending suggested to many that bigger deficits loomed in the future.⁴⁸ Indeed, the Reagan tax cut may be his economic Trojan Horse. The individual tax cuts and reduction in corporate taxes will result in the federal government's loss of some \$750 billion in tax revenue by 1986.⁴⁹ The hoped for investment by industry has not yet materialized since interest rates have remained high.

Today, one year after taking office, the President continues to express self-confidence in his economic programs. The New Federalism projected last summer became a reality in the recent State of the Union Address. Starting in fiscal year 1984, certain social programs will be transferred to states and localities. The New Federalism concept represents the President's optimism about this country's future. In his national address the President declared, "We've laid the foundations for economic recovery and national renewal."⁵⁰ The President's record thus far shows that inflation has dropped from the double figures of recent years, but unemployment remains high (8.5 percent),⁵¹ and economic growth as measured by the

⁴⁸ "Why Wall Street Worries", Newsweek, September 21, 1981, p. 29.

⁴⁹ "Stewing in Its Own Largesse", Time, February 1, 1982, p. 16.

⁵⁰ "An Unhappy Anniversary", Time, February 1, 1982, p. 12.

⁵¹ WTVJ, "Evening News", 6 February 1982.

gross national product recently registered a decline. The country is in a recession and projected budget deficits to the end of the President's term in 1984 are currently estimated to exceed \$300 billion.⁵² On February 6, 1982, the President announced his new 1983 fiscal budget containing \$27 billion in further program cuts while proposing a \$92 billion deficit.⁵³ The President's program is based on projected values of a 5.2 percent increase in economic growth, inflation of 5.5 percent, unemployment of 7.9 percent and interest rates at 10.5 percent,⁵⁴ all achieved by the completion of fiscal year 1983.

⁵²"An Unhappy Anniversary", Time, February 1, 1982, p. 12.

⁵³NBC, "Weekend Evening News", 6 February 1982.

⁵⁴Ibid.

A Reagan Lunch

Shortly after assuming office, President Reagan presented the annual State of the Union Address. While pledging that "school lunches for children of low income families will continue,"⁵⁵ Reagan proposed a 35 percent reduction in the school lunch budget. The reduction was based on a two-front approach.

The first area of reduced benefits would come from federal subsidies. Subsidies for full price meals served would be cut from \$.325 to \$.215, while reduced price meal subsidies dropped from \$1.04 to \$.8025. The second phase of reduction dealt with a tightening of eligibility standards. The cost of a reduced price lunch climbed from \$.20 to \$.40, with only children from families with incomes under \$15,630 eligible. The income level cutoff for a free lunch also was lowered, in this instance to \$10,990. In addition, eligible income levels for the free meals would not be made known to parents filing for benefits so as to control the large number of fraudulent claims. Another means of control requires all adult household members to list their social security numbers on the application.

The President's objection to the program centered on the fact that it was not truly helping the neediest. A Census Bureau survey released in early March 1981 seems to support this view. The data collected indicated that nearly five

⁵⁵New York Times, 19 February 1981.

million households were reached via school lunches, their median income registering \$9,190. However, 57.3 percent of the families receiving subsidized meals have annual incomes above the poverty line, and 21.8 percent of those families earn more than \$15,000 annually.⁵⁶

The immediate response to the President's proposal was highly critical. It was predicted that many local programs would be dropped with the result being that the poor would eventually be hurt. Mary Nix, President of the American School Food Service Association, commented that the Reagan proposals could mean as many as 40,000 schools closing lunchrooms.⁵⁷ The federal government's response to criticism was plainly spoken. It was the Administration's contention that the school lunch program had become a direct form of income supplementation rather than nutrition supplementation.

At this point though, the nutrition goal of the program became intertwined with the financial morass. As compensation for the proposed cuts the government was recommending changes in the nutritional design of school lunches. The protein requirement, fruit and vegetable serving, and milk serving were each assigned reduced levels. Such a move alters the Recommended Dietary Allowance provided by a school lunch. Formerly lunches were prepared which provided one-third to one-half of a child's Recommended Dietary Allowance

⁵⁶Facts on File Yearbook 1981, (Washington: Facts on File, Inc.), p. 234.

⁵⁷Washington Post, 11 March 1981.

Under the proposed guidelines, only one-fourth of a child's Recommended Dietary Allowance would be provided. This move was seen by many as a positive approach to combat meal cost and control waste.

On August 13, 1981, the Omnibus Reconciliation Act of 1981 was signed by President Reagan. This Act, also known as Public Law 97-35, initiates major changes in the funding, procedures and direction of federal assistance to state and local school districts for child nutritional programs. Specific elements of the law include reduced support for paid meals, decreased support for reduced price meals, tightened income eligibility, required verification and simplified program rules. Exhibits 8-10 on the following pages display the reimbursement and income level effects of the new law.

Additional elements of the law which affect the school lunch program are not as overwhelming as reimbursement or income eligibility, but nonetheless they affect school programs nationwide. The new law sets a limit on the Special Milk Program such that it will be available only to schools which are not receiving federal subsidies for other food programs. Under the new law the Food Service Equipment Assistance Program is eliminated. This program, started in 1967, allocated over \$250 million to schools for upgrading or initiating school food service. Finally, the new legislation eliminates from all federally subsidized food programs any nonprofit school with annual tuition in excess of

EXHIBIT VIII

FEDERAL REIMBURSEMENT TO LOCAL SCHOOL DISTRICTS

NATIONAL AVERAGE PAYMENT FACTOR (in cents)

SEPTEMBER 1, 1981 - JUNE 30, 1982

Program	Basic Cash		Special Cash		Commodity Value		Total
School Lunch							
All Lunches	10.50*				11.00	=	21.50*
Free	10.50*	+	98.75	+	11.00	=	120.25*
Reduced Price	10.50*	+	58.75	+	11.00	=	80.25*

*12.5 cents in districts where 60 percent or more of lunches served in school year 1979-80 were served free or reduced price. Total reimbursement is 23.50 paid, 122.25 free and 82.25 reduced price in such districts.

Source: Food and Nutrition Service Executive Summary, 1981.

EXHIBIT IX

INCOME POVERTY GUIDELINES

AUGUST 13, 1981 - JUNE 30, 1982

Family Size	Poverty Level Guidelines	Guideline Level when increased by 30%85% (free) . . . (reduced)	
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48 States, District of Columbia,
Territories (excluding Guam)

1	\$ 4,310	\$ 5,600	\$ 7,970
2	5,690	7,400	10,530
3	7,070	9,190	13,080
4	8,450	10,990	15,630
5	9,830	12,780	18,190
6	11,210	14,570	20,740
7	12,590	16,370	23,290
8	13,970	18,160	25,840
Each add'l family member	+1,380	+1,790	+2,550

Alaska

1	\$ 5,410	\$ 7,030	\$10,010
2	7,130	9,270	13,190
3	8,850	11,510	16,370
4	10,570	13,740	19,550
5	12,290	15,980	22,740
6	14,010	18,210	25,920
7	15,730	20,450	29,100
8	17,450	22,690	32,280
Each add'l family member	+1,720	+2,240	+3,180

Hawaii and Guam

1	\$ 4,980	\$ 6,470	\$ 9,210
2	6,560	8,530	12,140
3	8,140	10,580	15,060
4	9,720	12,640	17,980
5	11,300	14,690	20,910
6	12,880	16,740	23,830
7	14,460	18,800	26,750
8	16,040	20,850	29,670
Each add'l family member	+1,580	+2,050	+2,920

Source: Food and Nutrition Service, Federal Register, Vol. 46,
No. 169, September 1, 1981.

EXHIBIT X

A COMPARISON OF 1981 AND 1982 MEAL REIMBURSEMENT
LEVELS AND INCOME LIMITS FOR FREE AND
REDUCED PRICE MEALS

	1982 New Law (Sept.1981-Jn.1982) (cents)	Former Law (July 1981-Sept.1981) (cents)	1981 Law (Jan.1981-Jn.1981) (cents)
Paid Lunch	10.5 cash <u>11.0 commodities</u> 21.5 meal total	17.75 cash <u>14.75 commodities</u> 32.50 meal total	16.0 cash <u>13.5 commodities</u> 29.5 meal total
Reduced Price	10.50 basic 58.75 special <u>11.00 commodities</u> 80.25 meal total	17.75 basic 71.50 special <u>14.75 commodities</u> 104.00 meal total	16.0 basic 63.5 special <u>13.5 commodities</u> 93.0 meal total
Income Limit For Reduced Price Meals	\$15,630.	\$17,440.	\$15,490.
For Free Meals	\$10,990.	\$11,520.	\$10,270.

\$1,500. An interesting note here is that this researcher, during his career as a Director of Food Services, operated two private school food operations in upstate New York. Both had tuition in excess of \$4,000 annually, yet were able to receive over \$10,000 each year in government assistance. Quite obviously, neither institution was in need of assistance, but the federal reimbursement was enthusiastically received by each school.

Today, less than a year after the Reagan Plan was first proposed, results can be seen nationwide. A report in Food Management states that 400 schools have completely dropped their lunch program.⁵⁸ The Miami Herald puts the figure closer to 1,000 schools, citing a report by the National Association of School Lunch Administrators.⁵⁹ Reports nationwide indicate reductions as high as thirty percent in the quantity of reduced price meals served. Connecticut reports a 15-20 percent decline in total participation; New Jersey, 20-30 percent decline; and California, 30-35 percent decline in participation.⁶⁰ It is widely believed that this drop is attributable to middle- and upper-income students. However, the poor are also affected, as vividly shown on national television. A CBS-TV news team visited a Brooklyn school, Public School 292, which has registered a decline in

⁵⁸Food Management, January 1982, p. 42.

⁵⁹Miami Herald, 15 February 1982.

⁶⁰Food Management, January 1982, p. 42.

free lunches served daily from 900 to 700 meals.⁶¹ While it was the contention of the school administration that the decline could be attributed to illegal aliens and previously "qualified" students dropping out, the social problem faced by this nation was presented at the end of the report. The camera panned the lunchroom, catching the sights and sounds of children eating, and also focusing on the empty stares of those children with nothing to eat. These children were fed though, as they received the leftover scraps of food from their classmates' plates.

Perhaps a look at what has transpired in England can help us focus on America's future. Prime Minister Thatcher's policies are very similar to Ronald Reagan's. The central element in her recovery plan was a massive reduction in public spending. One of the areas deeply affected through spending decreases was the education budget, of which school feeding is a part. Today, local authorities are in control of their own programs, and many lunch programs have been dropped since they are not considered to be part of the curriculum.⁶² Despite massive cuts in social programs, total public spending has increased, a recession has long gripped the country and it has faced high levels of unemployment.

⁶¹CES, "Evening Report", 5 January 1982.

⁶²Today's Education, September-October 1981, p. 20.

Pricing and Participation

Although the National School Lunch Program has existed by law since 1946, only twenty studies have been conducted on participation issues. Of these studies, only six had sample data representative of the nation. In response to the recent legislative action, the Department of Agriculture has organized a task force whose responsibility is to develop statistical models capable of forecasting the effects of policy and legislative changes on nutrition program participation and cost. The results of the task force will not be known until later this year.

Past program analysis has revealed data on factors affecting participation, as well as documenting the relationship between price and participation. The statistically reliable associations which explain participation rates are as follows:⁶³

1. Schools which serve a la carte items generally exhibit lower lunch participation rates, regardless of price category.
2. Larger schools usually experience lower participation rates, regardless of price category.
3. Lunch participation rates are generally higher in rural areas.
4. Availability of commercial food outlets has a negative effect on participation.

⁶³U.S. Department of Agriculture, Response to Senate Resolution 90, Food and Nutrition Service, May 4, 1981, p. 19.

5. Presence of a food management company is usually equated with low participation.
6. Participation rates are higher when lunch periods are shorter.
7. Participation rates are lower in satellite systems, regardless of price category.
8. Participation rates are higher in schools where the manager of food operations has received formal food service training.

Data collected on the effects of pricing on participation indicate a linear negative relationship between the variables. Analysis predicts that a one cent increase in the price of a school meal lowers the average daily participation rate by one half of one percent.⁶⁴ This applies to all price categories of student meals.

Early studies on the National School Lunch Program resulted in pricing being labeled as the most important factor in participation. Kriesberg in 1962⁶⁵ found that where price was fifteen cents or less, participation was as high as sixty percent; whereas if price exceeded forty cents, participation levels dropped to 23 percent. In a similar study in 1968, Freund⁶⁶ discovered that prices less than 27.5 cents resulted

⁶⁴Ibid., p. 20.

⁶⁵U.S. Department of Agriculture, Food Service in Public Schools, Economic Research Service, Marketing Research Report 681, (1964), p. 11.

⁶⁶U.S. Department of Agriculture, Lunch Programs in the Nation's Schools, Economic Research Service, Agricultural Economic Report 219, (1971), p. 28.

in participation levels of 56 percent or more, while prices in excess of 37.5¢ resulted in participation levels of 39 percent or less.

In the early 1970s a major study on school lunch was conducted in the State of Washington. This study verified earlier findings of an inverse relationship between price and participation. The Washington study, which included 85 percent of the entire state, found that a five cent increase in price led to a six percent reduction in participation.⁶⁷ A study conducted in Fairfax County, Virginia,⁶⁸ in 1976 found that a ten percent increase in price resulted in a six percent drop in participation.

Despite these studies, little knowledge actually exists which can be used to predict lunch program participation. There is an apparent need for further research on the role of non-price factors in determining participation. As mentioned previously, the federal government is just now embarking on such a study.

The government's concern most likely originated when federal budget costs began to spiral in the latter 1970s. Since 1970, total program expenditures have doubled, in-

⁶⁷Hoppe, Robert A. and West, Donald A., "Pricing and Participation Rates in the National School Lunch Program in Washington Public School Districts," Nutrition and the School Age Child, (Fall 1979), p. 100.

⁶⁸Braley, G., "Impact of Price Increase on School Lunch and Breakfast Program Participation, Fairfax County, Virginia," Food and Nutrition Service Administrative Report 1976, quoted in School Food Service Research Review, 1 (Fall 1977), p. 13.

creasing the government's share of the program to fifty percent. As recently as 1960, the federal government's role was only twenty percent, lower than the state average of twenty-five percent, and far less than children's payments, which totaled 55 percent of the program revenue. By 1972 however, the federal role equaled that of children's payments while the state role had been reduced somewhat. This can be justified as a result of the Nixonian legislation which opened the door to massive increases in free and reduced price lunch service. It is interesting to note that the two states with consistently the highest participation rates, South Carolina and Louisiana, donate more state revenue to their program than most other states. Both states also have a higher than average number of free and reduced price students.

A report by Department of Agriculture official Stephen J. Hiemstra in 1977⁶⁹ noted that while the price of the program had doubled in eight years, participation was increasing only four percent each year. In addition, this participation factor was a result of increases in the free and reduced price sector. Paid lunches were actually decreasing in number at a rate equal to one for every four free or reduced price lunch gained. The exhibit on the following page depicts the numerical story. According to the federal government participation as a percentage of enrollment had increased from 49

⁶⁹ Hiemstra, Stephen J., "Price and Participation in Child Nutrition Programs," School Food Service Research Review, 1 (Summer 1977), pp. 11-14.

EXHIBIT XI

NATIONAL SCHOOL LUNCH PROGRAM PARTICIPATION
 NINE MONTH AVERAGE
 (million)

Fiscal Year	Free	Reduced Price	Paid	Total
1969	2.9	a	16.5	19.4
1970	4.6	a	17.8	22.4
1971	5.4	0.9	17.8	24.1
1972	7.5	0.4	16.6	24.5
1973	8.4	0.2	16.1	24.7
1974	8.8	0.3	15.5	24.6
1975	9.4	0.6	14.9	24.9
1976 ^b	10.0	0.8	14.7	25.5

^a - prior to 1971, free and reduced price reported together

^b - preliminary

Source: Stephen J. Hiemstra, "Pricing and Participation In Child Nutrition Programs," School Food Service Research Review, 1 (Summer 1977), p. 12.

percent in 1969, to 57 percent in 1976.⁷⁰

Other factors which have been identified as possible participation indicators include menu choice, food quality, availability of alternative food sources, transportation availability, open versus closed campus, distance of school to home and time allowed for lunch period. As stated previously, very little research has been conducted analyzing these factors and their relationship to program participation. In his 1968 survey, Freund⁷¹ found that participation was an average of seven percent less in schools with open campuses. A study in Louisiana schools by Law⁷² found that even with a choice menu, more students chose the Type A lunch over the sandwich plate alternative. The results of that survey should be reconsidered since the schools surveyed were closed campuses, and the price of the Type A lunch was much lower than the alternative, thanks to the federal and state reimbursements.

The recent action by the federal government toward the school lunch program has forced many areas to reconsider their programs. Price increases began almost two years ago in anticipation of such legislative action. The Washington

⁷⁰ Ibid., p. 12.

⁷¹ U.S.D.A., Agricultural Economic Report 219, (1971), p. 29.

⁷² Helen M. Law, et al., "Sophomore High School Students' Attitudes Toward School Lunch," Journal of American Dietetic Association, 81 (January 1972), pp. 38-41.

Post⁷³ reported on a survey conducted in Arkansas of 110,000 parents which found that if lunch prices were doubled, at least 90 percent would drop from the lunch program. In the Brown Deer School District of Milwaukee a survey⁷⁴ found that if price went higher than \$1.25 parents would not pay for the Type A lunch. An analysis of four alternative lunches was made from a 67 percent parental response. A combination type lunch was preferred by 30 percent of the respondents; a bag lunch prepared at home was chosen by 26 percent, 23 percent decided on a la carte service and 21 percent chose the Type A lunch. Significant parental comments were that the Type A lunch was wasteful while the combo lunch required less labor to produce and children enjoyed it more.

The program established in Clark County, Nevada by Len Fredrick was previously cited in this review. At this time a more detailed analysis of that program can be made, possibly indicating potential results for Dade County. The exhibit on the following page displays relevant figures from 1970 through 1982. Upon introducing his combo program in the fall of 1974, Len Fredrick registered a 30 percent increase in Type A meals served and nearly doubled the amount of federal reimbursement received. Except for the 1977-78 school year, Type A lunches served increased annually,

⁷³Washington Post, 19 March 1981.

⁷⁴Milwaukee Journal, 2 July 1981.

EXHIBIT XII

CLARK COUNTY SCHOOL LUNCH PROGRAM
MEALS SERVED AND FEDERAL REIMBURSEMENT

Year	(000) Type A	(000) A La Carte	(000) Federal Reimbursement
1970-71	1,023	2,545	\$ 257
1971-72	1,972	2,064	550
1972-73	2,274	2,172	638
1973-74	2,906	2,223	821
1974-75 ^a	4,094	2,156	1,533
1975-76	5,085	1,750	2,040
1976-77	6,150	1,450	2,400
1977-78	5,994	1,790	2,865
1978-79	6,641	1,867	3,218
1979-80	7,345	1,932	3,819
1980-81	7,236	2,022	4,175
1981-82 ^b	5,600	N/A	3,025

^a - combo program introduced

^b - preliminary figures

Source: Clark County School Foodservice Department.

peaking in 1979-80 with over 7.3 million served. A la carte meals, which had outsold Type A meals in the late 1960s and early 1970s dropped in popularity until 1977-78 when they began increasing their share of lunches served. Last school year, when it became apparent that budget cuts were on the way, the program registered a drop in Type A lunches served and an increase in a la carte sales. With the projected decrease in government spending for the 1981-82 school year a significant drop in Type A lunches served is expected. Projected a la carte sales are unavailable but would seemingly increase. Federal spending has gone from 14 percent of the total revenue in 1970-71 to 45.2 percent in 1980-81 and will decrease to an estimated 35 percent during the 1981-82 school year.

It is clear that the Reagan budget cuts are affecting the National School Lunch Program. To what extent nationally can only be guessed, but here in Dade County, this researcher aims to unravel the figures and present clear information on the lunch program's future. No earlier studies relating government spending to either pricing or participation were found, although data available makes it possible at this time. This study will hopefully show that a relationship exists between the variables of government spending, pricing and participation. In addition, the information may be of use to Dade County as they approach the final years of this century, faced with the prospect of running their food service operation without federal government support.

THE DATA

The data of this research are of two kinds: primary data and secondary data. The nature of each of these two types of data will be given briefly below.

The primary data. The data obtained through observation of Dade County high school lunch programs is one type of primary data. The data recorded by the researcher through direct inquiry of lunch program officials represents another type of primary data.

The secondary data. The published studies, texts, unpublished dissertations and theses dealing with the National School Lunch Program comprise the secondary data.

THE CRITERIA FOR THE ADMISSIBILITY OF THE DATA

The data for this research is genuine, pertinent to the problem, unbiased and can be examined critically as to its authenticity, relevance, validity and reliability.

Government studies and studies performed for state and local school districts cited in this study shall be limited to those which this researcher has access.

RESEARCH METHODOLOGY

The pursuit of a solution to a particular problem does not occur under random conditions. Each researcher creates a design for the purpose of collecting and analyzing data. It is the data that determines the research design, or methodology. The researcher must take into consideration the source and limitations of the data to be analyzed in the resolution

of the stated problem.

In this particular study, the data utilized can be classified as observable, quantifiable data. It is the purpose of this research to evaluate and interpret the data by means of a proper statistical procedure. Through analysis the data can be summarized so as to yield insight to the hypotheses. The process of interpretation makes possible a plausible explanation through comparison to previous research.

The methodology described above is designated the analytical survey method, and is deemed appropriate for the intended study.

Leedy⁷⁵ defines the purpose of the analytical survey method as the probing of data by statistics in order to determine inference. Each statistical procedure is composed of set data requirements specific to the demands of the statistical procedure. The data to be utilized in this project must be defined so as to clarify the research methodology. This research will center on one group, the regular paying student in Dade County public high school lunch programs. The proposed study is concerned with examining the effects of one variable on two separate variables associated within the research topic area. The data can be described as discrete, arising from a counting process and measured on an ordinal scale.

⁷⁵Paul D. Leedy, Practical Research, 2nd edition, (New York: Macmillan Publishing Co., Inc., 1980), p. 132.

In this research it is the measurement of the relationships between the variables which is the relevant point. The process of relating two variables in terms of each other is referred to as correlation. Correlation indicates mutual association but does not show if the variables are responsive to one another. The goal of this project mandates one variable to be examined in terms of its responsiveness to another variable, therefore regression analysis will be the statistical pathway chosen. The independent, or predictor variable of the research is defined as Reaganomics, or more precisely, the level of federal government spending on the National School Lunch Program. The dependent or responsive variables of this research are pricing and participation in the regular paying sector of the National School Lunch Program in Dade County public high schools.

Regression analysis as a form of statistical description can be expressed graphically within a correlational matrix called a scatter plot. The predictor variable is measured on the x axis while the responsive variable is measured on the y axis. The line of regression, which is the best linear approximation of the relationship between the variables, can be determined through regression analysis. Since all theoretical regression models are approximations, the researcher looks for the least squares fitted line. Least squares parameter estimators have been used by researchers frequently as they have ideal statistical properties. They are easy to calculate, have known probability distributions,

are unbiased estimators of the regression parameters and contain the lowest variances of all unbiased linear functions of the responses.⁷⁶

The line of regression determines r , known as the correlation coefficient, and measures the degree of linear association between two variables. The determination of r does not conclude the research, but instead opens the research to interpretation as to statistical significance. Statistical significance when referred to a correlation usually describes whether or not the correlation obtained differs from zero at a given level of confidence.⁷⁷

The correlation coefficient indicates the strength of the relationship between the variables. This statistic reaches its largest values, ± 1 , when all points in the data set lie on a straight line. The closer the statistic is to zero the more random is the data set. One of the aims of this study proposes to suggest an outlook for the National School Lunch Program based on what the research uncovers. Prior to making any reasonable predictions the correlation coefficient and its square, the coefficient of determination, r^2 , must be considered sufficiently large by the analyst. In order to make a prediction that is in any way accurate, a correlation of at least .65 must be obtained. As correlations

⁷⁶Richard F. Gunst and Robert L. Mason, Regression Analysis and Its Application, (New York: Marcel Dekker, Inc., 1980), p. 66.

⁷⁷Walter R. Borg and Meredith Gall, Educational Research, 3rd edition, (New York: Longman Inc., 1979), p. 512.

move toward 1.0, the top of the range, predictions can be made on an accurate basis within a small margin of error.

It must be pointed out that the presence of either positive or negative correlation does not indicate causality. A cause and effect relationship is only one reason for obtaining correlation. Variables might appear to be correlated if other conditions are present; such as when both variables affect each other; if the two variables are both related to a third variable; or it may simply be coincidence that the variables are associated.⁷⁸

THE SPECIFIC TREATMENT OF THE DATA FOR EACH SUBPROBLEM

Subproblem One. The first subproblem is to examine the effects of Reaganomics on pricing in the regular paying sector of the National School Lunch Program in Dade County Public High Schools.

THE DATA NEEDED

The data necessary for the resolution of subproblem one are (a) the level of federal spending on the National School Lunch Program in Dade County Public High Schools, and (b) the level of pricing in the regular paying sector of the National School Lunch Program in Dade County Public High Schools.

THE LOCATION OF THE DATA

The data are located in the files of the Dade County School Foodservice Accounting Offices, the Lindsey Hopkins Building, Miami, Florida.

⁷⁸David L. Sjoquist, et al. Interpreting Linear Regression Analysis, (Morristown, New Jersey: General Learning Press, 1974), p. 19.

THE MEANS OF OBTAINING THE DATA

The data will be requested of the Chief Accountant of the Dade County School Foodservice Department. Prior verbal permission for release of the data has been obtained. The letter requesting the data is displayed in the Appendix.

THE TREATMENT OF THE DATA

Analysis. The level of federal government spending or Reaganomics, has been identified in this problem as the predictor variable. The pricing levels in the Dade County National School Lunch Program were identified as a responsive variable. Therefore, the pricing level is a function of federal government spending and can be expressed linearly as $P_1 = \alpha_1 + \beta_1 S + E_1$. P_1 designates price, while S denotes federal government spending. α_1 represents the intercept parameter, β_1 denotes the slope parameter and E_1 stands for the statistical error associated with the data, since actual data rarely fall exactly on a straight line. The equation $P_1 = \alpha_1 + \beta_1 S + E_1$ is designated equation A.

The data will be presented in graphical form so as to visually display the relationship. While it is expected that a decrease in S results in an increase in P_1 , the analysis is performed so that the direction and magnitude of the change in P_1 may be indicated. S will be measured on the x axis, while P_1 will be measured on the y axis. β_1 is representative of the slope, and describes the changes in P_1 as change occurs in S . While this research is concerned with the recent changes in federal policy toward the lunch program, the graph

will present data from fiscal year 1977 to the present. This inclusion of pre-Reagan era data is useful in that more information is available for analysis, thus assisting the researcher in the quest for trend analysis. Through the use of the equation A, the data can be summarized for analytical interpretation.

INTERPRETATION

The purpose of interpretation is to search for the broader meaning of the answers found in the analysis. Through the process of regression analysis it is felt that a linear association between the variables may be demonstrated. If the variables are not associated, then the research also indicates that Reaganomics has minimal effect on the pricing variable. However, a strong association between the variables will result in an r value approaching ± 1 , and will indicate that Reaganomics can be a predictor for the pricing variable.

In order to determine how accurate the line of regression has identified the relationship between the two variables, the goodness of fit of the regression line will be evaluated. Essentially, the goodness of fit measures closeness and is measured by r^2 , the coefficient of determination. The closeness is measured as the percent of total variation in the responsive variable as explained by the regression line. The closer the data points are located to the regression line, the ratio of variation will be closer to ± 1 . As the predictor variable explains less of the variation in the responsive variable the value of r^2 moves toward zero.

Subproblem Two. The second subproblem is to examine the effects of Reaganomics on participation in the regular paying sector of the National School Lunch Program in Dade County Public High Schools.

THE DATA NEEDED

The data necessary for the resolution of subproblem two are (a) the level of federal government spending on the National School Lunch Program in Dade County Public High Schools, and (b) the participation levels in the regular paying sector of the National School Lunch Program in Dade County Public High Schools.

THE LOCATION OF THE DATA

The data are located in the files of the Dade County School Foodservice Accounting Offices, the Lindsey Hopkins Building, Miami, Florida.

THE MEANS OF OBTAINING THE DATA

The data will be requested of the Chief Accountant of the Dade County School Foodservice Department. Prior verbal permission for release of the data has been obtained. The letter requesting the data is displayed in the Appendix.

THE TREATMENT OF THE DATA

Analysis. The level of federal government spending is again identified as the predictor variable. The participation levels of the regular paying sector in Dade County high schools is designated the responsive variable in this subproblem. Therefore, the participation level is a function of government spending and can be expressed linearly as $P_2 =$

$\alpha_2 + \beta_2 S + E_2$. P_2 designates participation, while S denotes federal government spending. α_2 represents the intercept parameter, β_2 denotes the slope parameter and E_2 stands for any statistical error associated with the data, as actual data rarely can be plotted on a straight line. The equation $P_2 = \alpha_2 + \beta_2 S + E_2$ is designated equation B.

The data will be presented in graphical form so as to visually display the relationship. While it is expected that a decrease in S results in a decrease in P_2 , the analysis is performed so that the direction and magnitude of the change in P_2 may be indicated. S will be measured on the x axis, while P_2 will be measured on the y axis. β_2 is representative of the slope, and describes the changes in P_2 as change occurs in S . While this research is concerned with the recent changes in federal policy toward the lunch program, the graph will present data from fiscal year 1977 to the present. This inclusion of pre-Reagan era data is useful in that additional information is available for analysis, thus assisting the researcher in the quest for trend analysis. Through the use of equation B, the data can be summarized for analytical interpretation.

INTERPRETATION

The analysis of the variable relationship through linear regression allows the researcher to seek underlying meanings to the answers obtained. If the variables are not associated, then the research also indicates that Reaganomics has minimal effect on the participation variable. However, a

strong association between the variables will result in an r value approaching ± 1 , and will indicate that Reaganomics can be a predictor for the participation variable. As in subproblem one, the goodness of fit of the regression line will be evaluated.

IV. The Population of the Study

The early child feeding programs in Dade County are similar in origin to the rest of the nation. Individuals concerned with child welfare initiated programs, and these were soon joined by larger organizations composed of parents, teachers and local officials. By 1929 there were an estimated twenty-three separate programs in Dade County. The New Deal Era and the birth of the National School Lunch Program in 1946 allowed Dade County to grow rapidly in nutritional services provided. In the 1958-59 school year, the average daily total of lunches served was 76,600, a figure equal to sixty percent of attendance. By the end of the 1962-63 school year that number had risen to 112,471 lunches per day, again equal to sixty percent of attendance. As of June 1981 Dade County ranked as the fifth largest school district in the United States, surpassed only by New York, Los Angeles, Philadelphia and Houston. The school system, encompassing over 250 schools in 27 municipalities, serves approximately 145,000 lunches daily. Its estimated annual sales of \$45 million are larger than many individual state's programs.

At present, approximately 220,000 students attend Dade County public high schools. This represents the lowest total in many years, and can be attributed to the decreasing en-

rollments which began in the 1970s. It also represents a case of flight from county schools as more families, wary of the dangerous environment in the Miami area, are pulling their children out of public schools and entering them in private institutions. During the 1980-81 school year nearly 8,500 students left the system, a number unparalleled in local school system history. The decline was more than twice the average annual loss registered in the years 1974-1979.

Today, Latins comprise 38 percent of all students, with non-Latin whites and blacks both equalling 31 percent of the total. Only seven years ago the breakdown was 44 percent non-Latin white, 29.5 percent Latin and 26.5 percent black. The increase in Latin students can be attributed to the refugee influx, while the decrease in non-Latin white represents flight from the school system. Exhibit XIII on the following page depicts the demographic changes in Dade County over the past thirty years.

While the participation percentage of lunches served has been decreasing in recent years, the total number of high school lunches served has remained at 15-19 percent of the school district total. Certain schools have registered declines while newer schools have increased their totals. Lunches are planned on a system-wide basis through the use of an innovative computer program. Differences in lunches at individual schools reflect the area of the school, the population of the school, the demographic constituency of the school and past foodservice experience with the proposed

menu. The exhibits which follow in the Results section present the data obtained for the study.

V. RESULTS

EXHIBIT XIV

DADE COUNTY SCHOOL LUNCH PRICE
PAID LUNCH - SECONDARY SCHOOL

1972 - PRESENT

8/31/81	-	PRESENT	\$1.00
9/20/80	-	8/31/81	.80
8/27/79	-	9/20/80	.65
8/29/78	-	8/27/79	.65
8/29/77	-	8/29/78	.65
8/23/76	-	8/29/77	.65
9/2/75	-	8/23/76	.65
3/31/75	-	9/2/75	.65
8/15/74	-	3/31/75	.60
9/4/73	-	8/15/74	.55
9/5/72	-	9/4/73	.50

Source: Office of Director of Food Sources
Dade County Public Schools

EXHIBIT XV
REIMBURSEMENT RATES
DADE COUNTY SCHOOLS

1977 - PRESENT

	<u>All Lunches</u>	<u>Reduced Price</u>	<u>Free</u>
10/81 - PRESENT	\$.105	\$.5875	\$.9875
8/81 - 10/81	.1775	.715	.915
1/81 - 6/81	.16	.635	.835
8/80 - 12/80	.185	.735	.835
2/80 - 6/80	.1775	.695	.795
9/79 - 2/80	.17	.6625	.7625
2/79 - 6/79	.1575	.5150	.7150
8/78 - 1/79	.1525	.5825	.6825
1/78 - 6/78	.145	.55	.65
9/77 - 12/77	.14	.53	.63
PERCENT CHANGE	(25.0)	10.8	56.7

Source: Office of Director of Food Services
Dade County Public Schools

EXHIBIT XVI

DADE COUNTY LUNCH REIMBURSEMENT
AUGUST 1981 - JANUARY 1982

	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY
CATEGORY NUMBER	REIMBURSED NUMBER	REIMBURSED NUMBER	REIMBURSED NUMBER	REIMBURSED NUMBER	REIMBURSED NUMBER	REIMBURSED NUMBER
ALL LUNCHES	128,010	\$22,722. 2,758,162	\$489,574. 2,741,033	\$287,808. 2,268,538	\$238,196. 1,822,984	\$191,413. 2,367,952
REDUCED PRICE	5,479	3,917. 154,681	110,597. 176,236	103,539. 185,730	109,116. 155,383	91,288. 198,673
FREE	70,691	64,682. 1,684,611	1,541,419. 1,643,258	1,622,717. 1,229,278	1,205,025. 1,002,288	989,759. 1,304,158
PAID ^a	51,840	n/a	918,870	n/a	921,539	n/a
TOTAL	204,180	\$91,321. 4,597,454	\$3,141,590. 4,560,527	\$2,014,041. 3,671,546	\$1,552,337. 2,980,655	\$1,272,460. 3,870,783

^a included in All Lunches

EXHIBIT XVII

COMMODITIES DISBURSED - DADE COUNTY HIGH SCHOOLS
AUGUST 1980 - JUNE 1981

SCHOOL	AUG.	SEPT.	OCT.	NOV.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	TOTAL
CENTRAL	\$2896.	\$3317.	\$669.	\$5646.	\$4723.	\$3802.	\$6688.	\$4878.	\$13024.	\$2226.	\$47869.
ARAL CITY	2663.	1942.	789.	5973.	3741.	3132.	4524.	4855.	7006.	43.	34668.
MIAMI BEACH	987.	2929.	1023.	4106.	1096.	535.	1592.	2030.	2868.	876.	17042.
DADE-ML.	-0-	3799.	1440.	7580.	3785.	2280.	3981.	6283.	7964.	4895.	42007.
DADE	1823.	-0-	3483.	5560.	3191.	2553.	5579.	3238.	4702.	1654.	31783.
DADE GABLES	1266.	-0-	2841.	2523.	1316.	1114.	3516.	821.	4606.	-0-	18003.
AMERICAN	3495.	-0-	2775.	8414.	4670.	3628.	5461.	6135.	7485.	-0-	42013.
DADE PARK	2606.	1487.	4457.	2949.	3064.	1723.	4153.	2750.	6091.	1026.	30806.
DADE	1429.	1184.	511.	4618.	1801.	1957.	4926.	5116.	7392.	1479.	30413.
DADE	4515.	3132.	3611.	2877.	2803.	5268.	5756.	5510.	2253.	-0-	35725.
DADE	1636.	575.	4056.	6552.	3627.	3800.	4794.	3364.	7742.	2687.	38833.
MIAMI-NW	1711.	3571.	583.	5450.	4037.	3568.	6172.	6346.	8297.	3545.	43280.
DADE	1322.	-0-	2446.	3852.	1449.	1837.	2326.	2314.	2468.	426.	18440.
MIAMI	1891.	325.	2124.	3686.	3892.	3180.	5456.	2701.	5634.	3257.	32146.
DADE	2137.	-0-	4578.	6690.	3801.	2802.	3226.	2625.	5202.	2900.	34261.
MIAMI	1164.	-0-	1164.	2419.	495.	373.	1549.	1907.	1664.	540.	11275.
MIAMI B.	-0-	-0-	2226.	4672.	1988.	2781.	2486.	3622.	7663.	1200.	26638.
DADE	3422.	-0-	1742.	5881.	4849.	2137.	6083.	5274.	13167.	309.	42864.
MIAMI	1948.	1174.	3110.	4875.	2732.	3233.	2962.	3282.	5430.	2137.	30883.
DADE	1263.	1342.	476.	4250.	2570.	2443.	4678.	4094.	4810.	1258.	27186.
DADE	521.	604.	49.	954.	417.	642.	495.	643.	1014.	278.	5617.
DADE SPRINGS	2141.	2273.	1629.	3208.	1570.	1658.	3523.	3265.	8609.	177.	28053.
DADE	499.	-0-	2130.	4657.	1991.	1320.	2293.	1922.	4838.	1649.	21299.
N. MIAMI	978.	-0-	2957.	4310.	2295.	2050.	2971.	2288.	4513.	1082.	23394.
DADE	1308.	-0-	2221.	5988.	3537.	235.	2921.	4827.	6419.	617.	28073.
TOTAL	\$43851.	\$27654.	\$53890.	\$117690.	\$69440.	\$57048.	\$98111.	\$90910.	\$509851.	\$34261.	\$742571.

EXHIBIT XVIII

DAILY AVERAGE - DADE COUNTY LUNCHES SERVED

August 1981 - JANUARY 1982

CATEGORY	AUGUST	SEPTEMBER	PERCENT CHANGE	OCTOBER	PERCENT CHANGE	NOVEMBER	PERCENT CHANGE	DECEMBER	PERCENT CHANGE	JANUARY	PERCENT CHANGE	CUMULATIVE PERCENT CHANGE
ALL LUNCHES	128,010	137,908	7.7	137,052	(0.6)	133,443	(2.6)	130,213	(2.4)	131,553	1.0	2.8
REDUCED PRICE	54,79	7,734	41.2	8,812	13.9	10,925	24.0	11,099	1.6	11,037	(0.6)	101.4
FREE	70,691	84,231	19.2	82,163	(2.5)	71,781	(12.6)	71,592	(0.3)	72,453	1.2	2.5
PAID ^a	51,840	45,944	(11.4)	46,077	0.2	59,737	10.1	47,522	(6.3)	48,062	1.1	(7.3)
TOTAL	204,180	229,873	12.6	228,027	(0.8)	216,149	(5.2)	212,904	(1.5)	215,043	1.0	5.3

^a included in All Lunches

EXHIBIT XIX

PAID LUNCHES

DADE COUNTY - HIGH SCHOOLS, 1977-1981

School	1977-1978	1978-1979	Percent Inc. (Dec.)	1979-1980	Percent Inc. (Dec.)	1980-1981	Percent Increase (Decrease)
Miami Central	15,532	18,372	18.3	20,292	10.5	13,832	(31.8)
Miami Carol City	56,630	40,615	(28.3)	36,085	(11.1)	25,313	(29.9)
Miami Beach	16,451	22,028	33.9	28,783	30.7	27,882	(3.1)
Hialeah-Miami Lakes	89,040	110,951	24.6	119,747	7.9	87,680	(26.8)
Hialeah	131,364	152,281	15.9	153,211	.61	122,189	(20.2)
Coral Gables	95,559	105,220	10.1	108,879	3.5	91,142	(16.3)
American	56,446	53,754	(4.8)	59,967	11.6	52,914	(11.8)
Miami Coral Park	152,628	166,118	8.8	174,462	5.0	162,592	(6.8)
Miami Edison	3,894	5,157	32.4	12,002	132.7	11,216	(6.5)
Miami Killian	99,345	151,168	52.2	166,481	10.1	152,397	(8.4)
Miami Norland	50,102	60,518	20.8	56,889	(6.0)	48,037	(15.6)
Northwest Miami	12,663	11,936	(5.7)	13,630	14.2	14,290	4.8
Miami Palmetto	71,858	102,284	42.3	103,782	1.5	85,987	(17.1)
Miami	49,569	56,294	13.6	101,300	80.0	66,349	(34.5)
Miami Sunset	Not Open	110,576	n/a	178,746	61.6	161,185	(9.8)
North Miami	56,637	64,656	14.2	49,079	(24.1)	32,807	(33.2)
North Miami Beach	91,173	81,929	(10.1)	71,461	(12.8)	68,115	(4.7)
South Dade	67,198	63,364	(5.7)	55,361	(12.6)	43,921	(20.7)
South Miami	117,568	132,100	12.4	137,421	4.0	105,955	(22.9)
Southwest Miami	98,864	131,981	33.5	116,497	(11.7)	78,571	(32.6)
Miami Jackson	6,024	9,523	58.1	9,147	(3.9)	9,443	3.2
MacArthur South	1,336	1,423	6.5	1,078	(24.2)	835	(22.5)
Miami Springs	70,210	73,973	5.4	76,778	3.8	62,876	(18.1)
Southridge	71,012	93,341	31.4	94,195	.91	85,675	(9.0)
Homestead	Not Open	Not Open	n/a	43,319	n/a	70,549	62.9
TOTAL	1,481,103	1,819,562	22.9	1,988,592	9.3	1,681,752	(15.4)

AVERAGE DAILY PAID LUNCHES - DADE COUNTY HIGH SCHOOLS
AUGUST 1981 - JANUARY 1982

SCHOOL	AUG.	SEPT.	PERCENT CHANGE	OCT.	PERCENT CHANGE	NOV.	PERCENT CHANGE	DEC.	PERCENT CHANGE	JAN.	PERCENT CHANGE	CUMULATIVE PERCENT CHANGE
CENTRAL	33	21	(36.4)	52	147.6	71	36.5	47	(33.8)	54	14.9	63.6
CITY	120	103	(14.1)	116	12.6	145	25.0	115	(20.7)	118	2.6	(1.7)
E.B.	129	117	(9.3)	134	14.5	164	22.4	144	(12.2)	150	4.2	16.3
E-M.L.	445	444	(0.2)	443	(0.2)	493	11.3	413	(16.2)	408	(1.2)	(8.3)
LEAH	489	528	8.0	571	8.1	649	13.7	577	(11.1)	573	(0.7)	17.2
REAL ADLES	357	445	24.6	471	5.8	535	13.6	475	(11.2)	477	0.4	33.6
VERKAW	247	275	11.3	250	(9.1)	261	4.4	228	(12.6)	243	6.6	(1.6)
REAL ARK	1001	945	5.6	899	(4.9)	890	(1.0)	758	(14.8)	741	(2.2)	(26.0)
ISSON	27	43	59.3	62	44.2	70	12.9	58	(17.1)	56	(3.4)	107.4
ILLIAN	901	852	(5.4)	864	1.4	911	5.4	758	(16.8)	724	(4.5)	(19.6)
ALAND	311	227	(27.0)	215	(5.3)	245	14.0	205	(16.3)	211	2.9	(32.2)
AMI-MW	22	54	145.5	64	18.5	114	78.1	89	(21.9)	112	25.8	409.1
MAETED	392	418	6.6	421	0.7	427	1.4	386	(9.6)	380	(1.6)	(3.1)
AMI	408	334	(18.1)	294	(12.0)	343	16.7	285	(16.9)	277	(2.8)	(32.1)
SET	974	1005	3.2	1014	0.9	989	(2.5)	856	(13.4)	829	(3.2)	(14.9)
MIAMI	149	172	15.4	159	(7.6)	167	5.0	122	(26.9)	128	4.9	(14.1)
M.B.	346	372	7.5	430	15.6	419	(2.6)	352	(16.0)	368	4.5	6.4
DADE	277	255	7.9	270	5.9	325	20.4	297	(8.6)	289	(2.7)	4.3
MIAMI	597	606	1.5	572	(5.6)	579	1.2	517	(10.7)	526	1.7	(11.9)
P. MIAMI	516	485	(6.0)	494	1.9	516	4.5	453	(12.2)	446	(1.5)	(13.6)
CKSON	44	38	(13.6)	31	(18.4)	40	29.0	33	(17.5)	33	-0-	(25.0)
CARTWHA	6	2	(66.7)	2	-0-	13	550.0	9	(30.8)	13	44.4	116.7
MIAMI INGS	363	252	(30.6)	276	9.5	366	32.6	313	(14.5)	311	(0.6)	(14.3)
THARGE	382	326	(14.7)	347	6.4	470	35.4	417	(11.3)	439	5.3	14.9
NESTEAD	366	242	(33.9)	308	27.3	343	11.4	294	(14.3)	306	4.1	(16.4)
TAL	8902	8561	(3.8)	8759	2.3	9545	9.0	8201	(14.1)	8212	0.1	(7.8)

EXHIBIT XXI

DADE COUNTY PAID LUNCHES,
REIMBURSEMENT AND COMMODITIES, 1977-1981

Year	#Paid Lunches	Reimbursement	Commodities
1977-1978	9,447,727	\$3,624,613	\$4,150,000 est.
1978-79	10,355,032	4,059,027	4,250,000 est.
1979-80	10,626,906	4,595,394	4,266,587
1980-81	8,864,521	4,637,089	4,181,182

EXHIBIT XXII

PAID LUNCHESES
DADE COUNTY - MONTHLY RECORD

AUGUST 1981 - JANUARY 1982

School	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Total
Central	33	447	1056	1213	653	978	4380
Carol City	120	2172	2312	2462	1615	2125	10,806
Miami Beach	129	2452	2686	2792	2020	2691	12,770
Hialeah-Mia.Ia.	445	9325	8853	8384	5778	7350	40,135
Hialeah	489	11081	11417	11038	8080	10306	52,411
Coral Gables	357	9339	9429	9096	6654	8580	43,455
American	247	5766	5004	4438	3187	4371	23,013
Coral Park	1001	19855	17973	15129	10616	13343	77,917
Edison	27	900	1237	1190	812	1014	5,180
Killian	901	17889	17278	15489	10607	13032	75,196
Norland	311	4769	4295	4170	2870	3795	20,210
Miami-N.W.	22	1125	1283	1942	1245	2016	7,633
Palmetto	392	8776	8427	7253	5398	6842	37,088
Miami	408	7019	5876	5839	3995	4994	28,131
Sunset	974	21098	20284	16818	11982	14916	86,072
N. Miami	149	3608	3183	2847	1708	2305	13,800
N.M.Beach	346	7807	8595	7119	4932	6630	35,429
South Dade	277	5351	5394	5532	4162	5197	25,913
South Miami	597	12720	11434	9841	7240	9474	51,306
S.W. Miami	516	10184	9878	8776	6342	8028	43,724
Jackson	44	796	621	672	467	598	3,198
MacArthur	6	47	41	216	120	237	667
Miami Springs	363	5284	5512	6227	4383	5604	27,373
Southridge	382	6841	6945	7991	5837	7903	35,899
Homestead	366	5079	6163	5835	4122	5512	27,077
TOTAL	8,902	179,730	175,176	162,309	114,825	147,841	788,783

EXHIBIT XXIII

DADE COUNTY LUNCH REIMBURSEMENT
PAID LUNCHES - PUBLIC HIGH SCHOOLS

AUGUST 1981 - JANUARY 1982

School	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Total
Central	\$ 5.86	\$ 79.34	\$ 110.88	\$ 127.37	\$ 68.57	\$ 102.69	\$ 494.71
Carol City	21.30	385.53	242.76	258.51	169.58	223.13	1300.81
Miami Beach	22.90	435.23	282.03	293.16	212.10	282.56	1527.98
Hialeah-Mia.Lk.	78.99	1655.19	929.57	880.32	606.69	771.75	4922.51
Hialeah	86.80	1966.88	1198.79	1158.99	848.40	1082.13	6341.99
Coral Gables	63.37	1657.67	990.05	955.08	698.67	900.90	5265.74
American	43.84	1023.47	525.42	465.99	334.64	458.96	2852.32
Coral Park	177.68	3524.26	1887.17	1588.55	1114.68	1401.02	9693.36
Edison	4.79	159.75	129.89	124.95	85.26	106.47	611.11
Killian	159.93	3175.30	1814.19	1626.35	1113.74	1368.36	9257.87
Norland	55.20	846.50	450.98	437.85	301.35	398.48	2490.36
Miami-N.W.	3.91	199.69	134.72	203.91	130.73	211.68	884.64
Palmetto	69.58	1557.74	884.84	761.57	566.79	718.41	4558.93
Miami	72.42	1245.87	616.98	613.10	419.48	524.37	3492.22
Sunset	172.89	3744.90	2129.82	1765.89	1258.11	1566.18	10637.79
N. Miami	26.45	640.42	334.22	298.94	179.34	242.03	1721.40
N.M.Beach	61.42	1385.74	902.48	747.50	517.86	696.15	4311.15
South Dade	49.17	949.80	566.37	580.86	437.01	545.69	3128.90
South Miami	105.97	2257.80	1200.57	1033.31	760.20	994.77	6352.62
S.W. Miami	91.59	1807.66	1037.19	921.48	665.91	842.94	5366.77
Jackson	7.81	141.29	65.21	70.56	49.04	62.79	396.70
MacArthur	1.07	8.34	4.31	22.68	12.60	24.89	73.89
Miami Springs	64.43	937.91	578.76	653.84	460.22	588.42	3283.58
Southridge	67.81	1214.28	729.23	839.06	612.89	829.82	4293.09
Homestead	64.97	901.52	647.12	612.68	432.81	578.76	3237.86
TOTAL	\$1580.15	\$31902.08	\$18393.55	\$17042.50	\$12056.67	\$15523.35	\$96498.30

EXHIBIT XXIV

91

COMMODITIES DISBURSED - DADE COUNTY PUBLIC HIGH SCHOOLS
SEPTEMBER 1981 - JANUARY 1982

SCHOOL	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	TOTAL
CENTRAL	\$ 1468.	\$ 4850.	\$ 5366.	\$ 3108.	\$ 4711.	\$ 19503.
ARAL CITY	1455.	5493.	2635.	2198.	2626.	14407.
MIAMI BEACH	793.	2865.	2688.	1084.	331.	7761.
HIALEAH - M.L.	1095.	2310.	4299.	3792.	3267.	14763.
HIALEAH	987.	4064.	2926.	2581.	2305.	12863.
ORAL GABLES	691.	2329.	1121.	649.	706.	5496.
AMERICAN	3541.	6592.	2320.	1093.	3459.	17005.
ORAL PARK	1097.	3119.	2711.	2279.	945.	10151.
EDISON	1298.	4049.	2783.	1604.	2248.	11982.
SILLIAN	2202.	4022.	4187.	3057.	5392.	18810.
VORLAND	1133.	4600.	3502.	3166.	2225.	14626.
MIAMI - NW	2013.	6855.	4788.	4521.	5056.	23233.
PALMETTO	844.	3739.	1836.	2483.	998.	9900.
MIAMI	912.	4199.	3634.	4235.	2476.	15456.
SUNSET	1239.	4998.	2332.	1313.	2458.	12340.
NORTH MIAMI	933.	2382.	2148.	1467.	1019.	7949.
MIAMI BEACH	1110.	3983.	3504.	3843.	2326.	14766.
OUTH DADE	2425.	5687.	4554.	2209.	3184.	18059.
OUTH MIAMI	1220.	4963.	2917.	1634.	2835.	13569.
JACKSON	724.	2709.	3669.	3267.	1773.	12142.
MACARTHUR	159.	1075.	794.	969.	1189.	4186.
MIAMI SPRINGS	2257.	1423.	2474.	4258.	3237.	13649.
SOUTHRIDGE	1015.	2367.	2157.	1775.	1410.	8724.
W MIAMI	863.	3097.	2158.	2382.	801.	9301.
HOMESTEAD	1531.	4699.	4423.	2147.	2394.	15194.
TOTAL	\$ 33005.	\$ 96469.	\$ 75926.	\$ 61114.	\$ 59321.	\$ 325835.

Results

Hypothesis I.

The first hypothesis to be tested in this research was to determine the effects of Reaganomics on pricing in the regular paying sector of the Dade County High School Lunch Program. The hypothesis that Reaganomics would cause an increase in the price of a regular student lunch.

Price of a regular student lunch held stable at sixty-five cents for the year 1977-1980 while federal spending rose from \$7.75 million to \$8.86 million, an increase of approximately fifteen percent. During 1980-81, a decrease in federal spending of \$40,000 was accompanied by an increase in price of fifteen cents. This was the first price increase in a regular priced school lunch in over five years.

The amount of federal spending to be allocated to Dade County during 1981-82 is estimated at \$8.725 million, a decrease of \$100,000 from 1980-81. In August 1981, Dade County increased the price of a regular school lunch to \$1.00, a twenty cent increase over 1980-81, which represented a 35 percent increase in price since the 1979-80 school year ended. Other segments of the lunch program experienced price increases as well. The Combo lunch, similar to a regular lunch except that a milkshake replaces milk and dessert, increased in cost from \$.65 in 1980-81, to \$1.00 in 1981-82. The Salad Bar lunch increased by an identical amount. The Jumbo lunch, identical to the regular lunch but with an additional ounce of

meat or meat alternate, increased in price twenty-five cents, as did the Low-Calorie lunch. Alternative items available to students also increased in price. Milk is the most significant example, now selling at \$.22 per carton compared to \$.10 last school year. Fresh fruit increased in price by \$.10, from \$.25 to \$.35 a piece.

From the information available it can be said that an increase in government spending results in pricing stability in school lunches. This seems obvious as with increased federal support a school district need not rely on student payments or even state-allocated monies. This point can be best illustrated by the fact that a regular priced high school lunch in Dade County cost \$.65 from March 1975 through September 1980. This researcher could not find any other food service operation in Dade County that was able to hold its price stable for the same 5 1/2 year period.

Action taken by the federal government in 1980 led to a reduction in federal support from the National School Lunch Program, the first time the program had not increased its expenditures. Dade County responded to this decrease, an almost negligible four percent, by increasing the price of a regular priced lunch by fifteen cents, or a twenty percent increase. This price increase, which on paper would appear adequate to cover any decreased federal allocation, did not in reality enable Dade County to operate on a financially sound basis. Despite the price increase, the district lost money on every lunch it served, resulting in a significant budget deficit in June

1981.

It became apparent in early 1981 that federal budget cuts would hit the National School Lunch Program. In anticipations of further reductions in federal support, Dade County increased the price of a regular student lunch to one dollar, a twenty-five percent increase over 1980-81. The estimated decrease in federal money to the Dade County program is projected to be eleven percent in 1981-82. However, this additional price increase is still not sufficient to allow the program to operate without a loss. Every day, every lunch served to a Dade County student, regardless of school, meal type, or service, results in a loss to the foodservice program.

From the data available it appears that decreases in federal spending are associated with price increases in local school foodservice programs. From the data available in this study it would appear that a one percent decrease in federal allocation is accompanied by a three percent increase in price at the local level.

This research was to have utilized regression analysis to analyze the relationship between federal spending and pricing. However, the price of a regular lunch in Dade County public high schools has remained stable, at \$1.00 since August 1981, the beginning of the Reaganomic effect on the National School Lunch Program. For this reason,

a regression analysis will not be performed on the pricing factor. Such results would not provide the researcher with sufficient information to accurately state any effects current federal spending has on pricing in the regular paying sector of the National School Lunch Program in Dade County public high schools.

Results

Hypothesis II

The second hypothesis of this research dealt with the effects on participation by changes in federal spending. The hypothesis stated that decreases in federal allocations would be accompanied by decreases in participation in the regular paying sector of the lunch program.

Data available in Dade County indicates that in the years 1977-1980, federal spending on the National School Lunch Program increased in Dade County by fifteen percent. During that period, the number of regular paying students participating in the National School Lunch Program rose by over 500,000 students, an increase of approximately thirty percent. It would be reasonable to assume therefore that increased federal spending results in an increased participation level among regular paying high school students. This factor must be examined in the light of the price factor as well, for it would seem that the increased federal spending would hold down the cost of a lunch, making it an attractive buy to those students paying full price.

The decrease in federal spending of four percent in the 1980-1981 school year was matched by a 15.4 percent decrease in the regular paying sector of Dade County high school lunch programs. Numerically this translates to over 300,000 less regular priced lunches served annually. The projected decrease in federal expenditures to the Dade County school lunch program for 1981-82 have resulted in a decreased number of reg-

ular paying students participating in the program. Results from August through January indicate a decrease of eight percent over last school year.

An examination of each high school during the years of 1977 through 1981 shows that of 25 area high schools only 3 increased the number of regular paying students participating in the National School Lunch Program. One of these schools, Homestead, can be discounted as it was in its second year of operation and could have been predicted to increase its student enrollment, leading to increased student lunch involvement. While more schools exhibit participation increases during the August 1981 to January 1982 period, these increases could reflect the number of students no longer qualifying for a free or reduced-price lunch.

Graph II presents the graphical relationship between spending and participation during the months of August 1981 to January 1982 in Dade County high schools. The data are loosely scattered on the graph, with extreme points observed on either side of the regression line. The three extreme points above the regression line represent schools of large populations, which receive higher than average government monies. The increased amount of participation in these schools can be attributed to several factors of which the age of the school, proximity to commercial establishments and the dining room environment are examples. The two extreme data points below the regression line represent two schools heavily populated by disadvantaged students. The

GRAPH II

9.9

EFFECT OF FEDERAL SPENDING
ON REGULAR SCHOOL LUNCH
PARTICIPATION AUG. 1981 - JAN. 1982

REGULAR LUNCH PARTICIPATION (THOUSAND)

P_2

$$P_2 = -6118 + 2.23S + 1$$

FEDERAL GOVERNMENT SPENDING (THOUSAND)

S

amount of government money received by these schools is higher than the average in the county, but most of the meals served fall into the free or reduced price category.

The results of regression analysis as indicated in Graph II show that as government spending decreases participation decreases. A one percent decrease in government spending is accompanied by a 1.16 percent reduction in participation at the local level. The slope of the regression line is 2.23 and the y-intercept measured at -6118. The correlation coefficient, r , is measured at $-.45$, indicating a minor degree of correlation between spending and participation. The goodness of fit of the regression line, r^2 , equals $.2025$, and explains twenty percent of the variation in the responsive variable.

Results

Findings

The hypotheses of this research intended to show that the effect of Reaganomics on the National School Lunch Program was a negative factor. The results obtained from the statistical analysis indicate that a negative factor does exist between the reduced spending and the variables of pricing and participation in the Dade County Lunch Program.

It was found that decreased spending at the federal level leads to an increase in the price of a regular high school lunch. However, in the

case of pricing at the local level no accurate prediction can be made as to the relationship of government spending to pricing. Two distinct factors that affect the results need be discussed here. The initial factor is that the data represent only Dade County high schools, where no pricing difference occur, as compared with other counties in the state of Florida. The data is thus restricted to the values of a limited area, and are random. A more accurate projection of the spending-pricing relationship may then be obtained through an analysis of the entire state of Florida. The second factor to be considered is that pricing is determined at the local level, and is therefore subject to many factors, of which government spending is but one. While government spending has an effect on local programs it is but one variable of consideration to officials administering the program.

In the case of participation it was found that decreased levels of federal spending lead to a decrease in participation in the regular paying sector of the National School Lunch Program in Dade County public high schools. Regression analysis performed on the data found a minor degree of correlation between the variables of participation and federal spending. Predicting participation levels based on levels of government spending may be only somewhat accurate. Again, the data used for this research must be taken into consideration. The regression graph represents approximately one-half of a school year. A more accurate presentation may be obtained from an analysis of a complete school year operations. Another point

to raise is that the data is from one county, and while distinct differences exist in the schools of the study, more data would be obtained from an analysis of all Florida Public high schools. Government spending is but one factor in determination of participation in school lunch programs. While the level of government spending has an effect on participation at the local program level it is but one variable for program administrators to consider.

VI. Conclusions and Recommendations

Conclusions

The aim of the researcher was to obtain information that would enable accurate predictions of the National School Lunch Program. The results obtained from the research however, do not allow the researcher to accurately predict the program future, particularly with respect to the effect of government spending on pricing and participation in the regular paying sector.

The program does warrant attention, not only on a local basis, but on a national scale as well. The issue of discussion is concerned with one of our basic needs, that of food, and more accurately, the nutrition of the nation's children. Looking back to the origins of lunch programs and to the National School Lunch Act of 1946 one recognizes that the goal of the programs were headed by a concern for the nutritional well-being of children. Somewhere in the past thirty-five years the program in this county has become burdened with legislative jargon resulting in program overexpansion and inefficiency.

Every school child should receive the level of nutrition adequate to meet their daily requirements. There has been sufficient research completed that points to the fact that if a child is hungry or lacks adequate nutrition their educational

experience will be handicapped. This society prides itself on being the most highly educated and well fed group of people that has ever existed. For this basic reason it is felt that the National School Lunch Program is necessary for this society's well-being. The value of the program is far too often measured in economic terms, overlooking the beneficial social and nutritional results.

An idealist would say that the program should provide a free lunch to every child or at least charge no more than a nominal fee. Such a program on a national scale is possible, however, it is not feasible at this moment in our country's history. What is needed at this point is a reawakening of the populace to the program's goals, and how this nation can work in unison to operate a successful program. It is clear that the intentions of the program designers has become somewhat exaggerated over the past thirty-five years. If the program is not performing in an acceptable manner than it is the people's responsibility to examine it closely, without bias, and decide if change is necessary, and in which direction should the change take place.

Through the election of Ronald Reagan, the populace voiced their concern over the role of the federal government in their daily lives. If this nation desires less of a federal role then the individual states must assume greater responsibility for areas of public concern. Essentially it all comes full circle back to the people. This country became somewhat convinced that the federal government could solve many of the

social ills. However, this misconception resulted in shifting responsibilities from the people to the government, an antithesis to our nation's principles.

Since nutrition is a prime need of every American, the federal government should maintain a role in setting nutritional standards for the country. A national nutritional policy that clearly defines government commitment should be conceived, firmly limiting the federal role and capability. The use of government donated commodities remains one of the most beneficial programs initiated during the New Deal Era. Such provisions enable schools to provide nutritious meals to all children. This program should continue, with the federal government examining the export of such goods to other countries, particularly those whose basic ideology runs counter to America's. The program was designed for domestic consumption, not to assist foreign nations unable to successfully produce adequate agricultural products. While this may appear to be a selfish motive, this nation's first responsibility is to its own people, in particular, the children, the future of this society.

Another area of national concern is the establishment of nutritional standards. Recent changes advocated for the school lunch program are not in the best interests of the children. The reason for initiating the changes was economical, yet this is the problem with government recommendations. The nutritional goal is the underlying goal of the program and therefore should not be subject to an economic test. The area of federal reimbursement is another area of current change.

EXHIBIT XXV

TALLY OF NATIONAL SCHOOL LUNCH PROGRAM DROPOUTS
STATE PUBLIC SCHOOLS AND DISTRICTS

<u>State</u>	<u>No. Schools</u>	<u>No. Districts</u>
Alaska		2
Arizona	7	
Arkansas	15	
California		9
Colorado	5	2
Connecticut	23	
Kentucky	2	1
Michigan	37	
Montana	4	3
Nebraska	7	
New Hampshire	6	
New Jersey	100	
New York	2	
Oklahoma		2
Oregon	6	1
Pennsylvania		3
South Dakota		1
Tennessee	6	4
Virginia	9	
Washington	50	13
Wisconsin	38	5
Wyoming	1	

Source: Nation's School Report, December 7, 1981.

Perhaps no other area is as important to the program's future as this. An elimination of subsidies for regular paying students may seemingly cause the termination of many local programs. Exhibit XXV on the preceding page indicates the changes that have occurred since the 1981-82 school year began. Many areas are beginning to experiment with the use of catering services for their programs.

There is no right or wrong choice in the question of lunch programs. Each district needs to examine its goals and purposes, as well as the children it serves. No child should go hungry or lack adequate nutrition. Terminating programs is not the answer unless the alternative matches the needs of the program. The children are the future and making them victims will only serve to alienate them from society; the end result of which is a less productive, less innovative and a less unified society.

Recommendations

The conclusion section dealt with the National School Lunch Program as viewed from a total system viewpoint. The recommendations will center on the program here in Dade County.

Probably the most important point to consider in Dade County is that at present the lunch program operates at a deficit. To allow this situation to continue would surely undermine all the effort thus far extended by those individuals responsible for creation of the local program. Just ten years ago this school district was recognized as one of the leading school lunch programs in the nation. Today the program still exists but is the concern of legislators, administrators, local officials, parents and children. Obviously it is time to closely examine the program as to its direction. One point that strikes this researcher is the political nature of the argument in past months. Surely the feeding of children is not a political issue, but rather a cultural issue. If local officials and program administrators engage in meaningless dialogue the losers are the children, and yet the children have no voice in what affects them. In order to successfully meet the challenges of the future Dade County must be unified in its efforts. This means working together rather than engaging in antagonistic exchanges.

While the researcher centered on pricing and participation in the regular local sector, an overall view of the lunch program was observed. It seems to be a valid statement that the role of the federal government will be less than it has been in the past. The reaction at the local level appears to

center on one area, increase prices. This action most probably will result in a reduced number of regular lunches served, while lunches to economically disadvantaged students will continue at stable levels. This direction could eventually result in a stagnant local program, one serving a minimum number of regular paying students and a majority of disadvantaged students. A program whose main recipients are disadvantaged youth is a program whose existence depends solely on legislative action. Such a program is not fair to those students, for they are products of a background over which they have no control. In addition, such a program would label the students receiving the services. This labeling only serves to alienate these individuals from the mainstream of society. What is needed is a program responsive to all students' nutritional needs.

The school lunch program in Dade County is currently in the beginning phases of a change. The administration has recognized the problems of deficit operations, reduced federal spending and flight from county schools, and has formed a committee to study the current situation. It is too early to predict what action Dade County will actually take to set the school lunch program back on stable operating conditions. As in any program analysis the first step is to identify program goals. In the case of Dade County's school lunch program there are three basic goals. First is of course the reason behind all school feeding programs, the nutritional well-being of the children. The second goal is the value of the program to the community. The third goal is to recognize the recipients of

the service, the children.

The nutritional health of children must remain the main consideration of any future program. It is necessary that all children receive proper nutrition so that they are able to achieve to their fullest potential in class situations. To deny children in this manner will hinder them from reaching individual goal attainment, the end result of which will be less productive adults inhabiting Dade County in the future.

The value to the community cannot be measured solely through economic means. It is true that the program provides many jobs, directly and indirectly, and could be considered a minor area business. The real value of the program is its social value, one that cannot be measured in dollars and cents. The program serves to teach children proper nutritional habits, important throughout an individual's entire life not just during school years. This training can be carried home and to the community at large, reaching adults whose nutritional health may be somewhat lacking. Nutrition is a knowledge which must be carried throughout one's life. The principles and habits formed in one's early life serve to develop the individual into one of society's productive adults.

The area which perhaps needs to be recognized more accurately here in Dade County as well as in other areas of the county is that of the student market. The school district must answer the question, is it really serving the student's needs, or does it merely provide a foodservice? The key to a successful school feeding program is to provide students

with the food they want, and will eat. Often, adherence to legislated programs translates into dull, repetitious meal cycles which do not attract students' attention. An important tool of use here is that of merchandising, both individual items as well as entire meals. The more aware the student is of available food choices, the more apt he or she is to try one, rather than falling prey to established commercial vendors. Another aspect of this line of thought is the communication factor. The key is to make people aware, to make them recognize and acknowledge facts of nutrition. The line of communication should be circular, such that the system is constantly adjusting to the needs of the students, as reflected by student feedback, parent feedback as well as administrative feedback.

Two additional points of interest are also recommended for further observation in Dade County. The first is that the schools should take a good look at their cafeterias and decide if these areas are conducive to good nutritional habits. No one likes to sit day after day in the same drab environment. Such a situation would make the school feeding problem all the more difficult to overcome. Why should children be treated any different than adults in this instance? Unless we were forced into such a situation, this researcher doubts that any of us would like to sit and eat lunch in the same dull environment day after day. It is no wonder that the lunch room is often the scene of student outbursts. The second topic of discussion deals with management. The more qualified or

professional the individual manager is, the better that the school feeding program will be operated. Past research has shown that programs run by such individuals experience higher participation rates. Local officials, parents and students should insist upon constant program evaluation of which management evaluation is a major part. An area that Dade County is strong deals with training, an essential element for all levels of employees. Such a program should continue, perhaps emphasizing stronger managerial characteristics of accountability, feasibility and public/personnel relations.

Throughout the time of this research, the researcher was constantly reminded of the financial limitations of the system. Indeed, it seems at this point to be the number one concern. It is the researcher's opinion that the states have fallen back on their responsibilities in this area. Almost from the onset of the National School Lunch Program states found ways to reduce their load of responsibility. This more than any other instance led to the increased federal role. The states must resume their rightful level of fiscal responsibility in the National School Lunch Program. This researcher does not believe that states would allow child feeding programs to completely terminate. Therefore, the states must increase their role, without relying on increased student payments. What the researcher proposes is a realistic choice, one that demonstrates the concern of the people for a program of immeasurable social value. The proposal is three-fold, and can be applied on a state-wide basis, or by county. Revenue

may be produced through the levy of additional taxes on cigarettes and liquor. These two items represent a large market in the state of Florida, and the transfer of one percent of sales to the child feeding programs would surely show parents' concern. The other means of revenue production would be through a tourist tax, levied on hotels, motels and inns. In the state of Florida, the tourist industry provides a massive amount of total revenue and a small percent transferred to child feeding programs would lend much needed assistance. These proposals can enable Dade County, as well as the state of Florida, to meet the challenges of tomorrow with a stable school lunch program. The challenge is clear; change now for survival or continue operating at a deficit to ensure program extinction within a limited time reference. A dynamic area such as Dade County, an area most likely to grow in size over the next twenty years, must start today in order to operate successfully tomorrow.

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Appendix A

880 S.W. 129 Place, #201
Miami, FL 33184

Mr. Edward Campbell
Accounting Supervisor
Dade County School Foodservice Program
Lindsey Hopkins Building
Miami, FL 33132

Dear Mr. Campbell:

As a graduate student in Hospitality Management at Florida International University it is my responsibility to produce a thesis for the requirements of a Master of Science degree. Past work experience and current national conditions in school lunch programs has prompted me to attempt a study on the school lunch program in Dade County.

My proposed research deals with pricing and participation in the regular paying sector in Dade County high school lunch programs. Data necessary for analysis in this project includes lunch prices, participation totals, reimbursement rates, and federal commodities received, all of which are included in your area of the local program.

At your earliest convenience I would request a meeting with you so that a thorough explanation of my project may be presented.

Sincerely,

Robert H. Bosselman

Appendix B

DADE COUNTY PUBLIC HIGH SCHOOLS

American High School
Coral Gables High School
Hialeah High School
Hialeah-Miami Lakes High School
Homestead Senior High School
Miami Beach Senior High School
Miami Carol City High School
Miami Central High School
Miami Coral Park High School
Miami Douglas MacArthur South High School
Miami Edison Senior High School
Miami Jackson High School
Miami Killian Senior High School
Miami Norland Senior High School
Miami Palmetto Senior High School
Miami Senior High School
Miami Southridge Senior High School
Miami Springs Senior High School
Miami Sunset Senior High School
North Miami Beach Senior High School
North Miami High School
South Dade Senior High School
South Miami High School
South West Miami High School

Appendix C

Computations

$$d = \bar{y} - \beta \bar{x}$$

$$\beta = \frac{\sum x_i y_i - [(\sum x_i)(\sum y_i)/N]}{\sum x_i^2 - [(\sum x_i)^2/N]}$$

$$\text{EQUATION 1} \quad P_1 = \alpha_1 + \beta_1 S + E_1$$

$$\text{EQUATION 2} \quad P_2 = \alpha_2 + \beta_2 S + E_2$$

Confidence level γ ; assumed at 95 percent

$$F(c) = \frac{1}{2} (1+\gamma)$$

$$\text{Variance of } x \text{ values} = S_x^2 = \frac{1}{n-1} \sum (x_i - \bar{x})^2$$

$$\text{Covariance of sample} = S_{xy} = \frac{1}{n-1} (\sum x_i y_i - n\bar{x}\bar{y})$$

$$b = S_{xy}/S_x^2$$

$$\text{Variance of } y \text{ values} = S_y^2 = \frac{1}{n-1} \sum (y_i - \bar{y})^2$$

$$q = (n-1)(S_y^2 - b^2 S_x^2)$$

$$k = c q / (n-2)(n-1) S_x^2$$

$$\text{Confidence interval} = b - k \leq b + k$$

$$\text{Correlation coefficient} = r = S_{xy}/S_x S_y$$

$$\text{Test for regression coefficient} = t_o = (b - \beta) (n-2)(n-1) S_x^2 / q$$

$$\text{Residual } y_i - \hat{y} = (y_i - \bar{y}) - \beta (x_i - \bar{x})$$

$$\text{Sum of Squares due to regression} = \frac{[\sum x_i y_i - (\sum x_i)(\sum y_i)/N]^2}{\sum x_i^2 - (\sum x_i)^2/N}$$

$$\text{Corrected sum of squares} = \sum y_i^2 - (\sum y_i)^2/N$$

$$r^2 = \text{Corrected sum of squares}/N-2$$

Appendix C (continued)

$$\text{Residual sum of squares} = (n-1)S_y^2 - \frac{[(n-1)S_{xy}]^2}{(n-1)S_x^2}$$

Estimate of variance = residual sum of squares/N-2

Standard deviation = estimate of variance

Appendix D

PARTICIPATION

$$\Sigma x_i = 422,299$$

$$\Sigma x_i^2 = 7,819,186,650$$

$$(\Sigma x_i)^2 = 178,336,445,401$$

$$\bar{x} = 16,892$$

$$\Sigma Y_i = 788,783$$

$$\Sigma Y_i^2 = 38,202,068,132$$

$$(\Sigma Y_i)^2 = 622,178,621,089$$

$$\bar{Y} = 31,551$$

$$\Sigma x_i Y_i = 14,853,297,452$$

$$\beta = 2.23$$

$$\alpha = -6118$$

$$F(c) = 2.065$$

$$Sx^2 = .166$$

$$Sxy = 63,721,258$$

$$b = 383,863,000$$

$$Sy^2 = 140$$

$$q = -570,950,238,231,691,640$$

K = negative square root, impossible to calculate

r = use alternative method of obtaining value

$$= \frac{N \cdot \Sigma x_i Y_i - \Sigma x_i \cdot \Sigma Y_i}{\sqrt{N \cdot \Sigma x_i^2 - (\Sigma x_i)^2} \cdot \sqrt{N \cdot \Sigma Y_i^2 - (\Sigma Y_i)^2}}$$

VITA

The researcher was born September 15, 1953 in Troy, New York. His youth was spent in the Capital District area of New York State.

Upon graduation from the State University of New York at Buffalo with a Bachelor of Arts degree in Biology, the researcher joined a New York-based food management corporation. His early assignments involved health care centers and college feeding. Approximately fifteen months later the researcher joined an Albany-based food management company and relocated to the Albany area. As Director of Food Services his corporate responsibilities included in-flite services, industrial catering, commercial vending and school feeding programs.

In 1980 the researcher resigned his corporate position and entered Florida International University as a master's candidate in Hospitality Management. Following his graduation in April 1982 he will enter a doctoral program at Oklahoma State University in the Department of Foods, Nutrition and Institution Administration.