

Frequently Asked Questions USDA's New Smart Snacks in Schools rule

On June 27, 2013, the USDA passed its interim final rules for competitive foods called, "Smart Snacks In School". "Competitive foods" are snacks and beverages that are sold apart from the NSLP and thus "compete" with breakfast and lunch for student spending.

Smart Snacks In School sets limits on what can be sold in school vending machines, a la carte lunch lines and in student stores. There are two components for snacks — one is a restriction on the ingredients of the snacks, which requires whole grains, dairy, fruit, vegetables and other protein sources (like beans); the other component sets specific limits on calories, sugar, fat, and sodium.

This is the first time in history they the USDA will be regulating all a la carte sales within school districts nationally. While the law is not yet finalized, the impacts of the new law will be felt to varying degrees within every district Whitsons manages. The information contained herein is designed to help you comprehend and understand the mandate so that your teams can be trained. The new a la carte standards are intended to level the field nationally as it relates to which foods may or may not be sold in school. However, each state always has the ability to exceed the USDA standards so you will need to fully comprehend your state's specific competitive food policy. In addition, individual districts may exceed the USDA standards in their own wellness policies, and you must therefore be familiar with your district's policy.

This document pertains only to the new competitive food and smart snack rules, which are mandatory as a minimum standard.

FAQ: When Do Schools Need to Comply with Smart Snacks In School?

July 1, 2014.

FAQ: What exactly are the standards within the interim Smart Snacks in Schools ruling?

Ingredient Rules

Any competitive food sold must be a:

- a. Fruit
- b. Vegetable
- c. Dairy product
- d. Protein-rich food (meat, beans, poultry, seafood, eggs, nuts, seeds)
- e. Whole-grain rich food (first ingredient is a whole grain or product is 50% whole grains by weight)
 - Combo food that has at least ¼ cup fruit and/or vegetable
 - *Exception until July 1, 2016 – A food is allowed if it contains a minimum of 10% of the Daily Value of calcium, potassium, Vitamin D or fiber*

Nutrient Standards

All competitive foods must meet each of the following nutrient limits:

- a. Calories:
 - Max 200 calories for snacks and sides
 - Max 350 calories for entrees (outside the school lunch program)
- b. Sugar: Max 35% sugar by weight (some fruit exceptions below)
 - Canned and frozen fruits with no added ingredients except water, or packed in 100% juice, extra light syrup or light syrup are exempt from the sugar maximum standards.
 - Dried whole fruits or vegetables, dried whole fruit or vegetable pieces and dehydrated fruits or vegetables with no added nutritive sweeteners OR with nutritive sweeteners that are required for processing and/or palatability purposes (cranberries, tart cherries, or blueberries) are exempt from the sugar maximum standards.
 - Products consisting of only exempt dried fruits with nuts and/or seeds with no added nutritive sweeteners or fats are exempt from the sugar maximum.
- c. Sodium: Max 230mg sodium for snacks (200mg after July 1, 2016)
- d. Fat: Max 35% calories from fat (as packaged or served; some exceptions for reduced fat cheese and nuts apply. See below.)
 - Seafood with no added fat, such as water packed tuna, is exempt from the nutrient standards.
- e. Sat Fat: Max 10% calories from fat (as packaged or served; some exceptions for reduced fat cheese and nuts apply. See below.)
 - Entrée items served as an NSLP or SBP entrees are also exempt from the standards if they are sold a la carte on the day of or day after service in the program meal but must meet the trans fat standards
- f. Trans fat: 0g as served.

A La Carte Entrée Rules

All a la carte entrée items must meet the nutrient standards mentioned above (along with the accompaniments if included as a part of the food item served). Any entrée item offered as a part of the lunch program or the breakfast program on the same day or the day after is exempt from all these nutrient standards. Exempt entrees that are sold as competitive foods must be offered in the **same or smaller portion sizes as in the NSLP and SBP.**

Side dishes offered as part of the NSLP or SBP and sold a la carte must always meet the nutrition standards contained in the smart snacks in school rule.

Beverage Rules

All grade levels may sell:

- a. Water or carbonated water; unflavored low-fat milk; flavored or unflavored fat-free milk and soy alternatives; and 100% fruit or vegetable juice. Size limits: 8 oz. for elementary schools and 12 oz. for middle (6-8) and high schools (9-12).
- b. High schools may also sell other lower calorie and calorie free flavored and/or carbonated beverages that meet the following rules:
 - Lower calorie beverages may contain up to 40 calories per 8 oz. portion OR up to 60 calories per 12 oz. portion; max beverage size is 12 oz.

- Calorie free beverages may contain up to 10 calories per 20 oz. OR less than 5 calories per 8 oz. AND no more than 2.5 servings in the 20 oz. container; max beverage size is 20 oz.
- c. Note: caffeine only permitted in high schools

All of the products available for next year are being sourced to comply with the MINIMUM standards set by Smart Snacks in School. If your particular state and/or district has even more restrictive standards, many of these products may not comply. Accounts in states that impose additional restrictions will automatically have non-compliant items on their order guides. If your district has additional restrictions on top of the state-added restrictions, you need to contact the Nutrition department immediately so that we can assess your particular needs on a case by case basis. Expect that this process to take some time, depending on the level of additional restrictions imposed by your district.

FAQ: Do Schools Need to Get Rid of their Vending Machines and Student Stores?

Absolutely not. Many schools rely on vending machines to fund their underfunded school programs and to ensure students, especially athletes, have access to snacks when they need an energy boost or meal after school hours. The Smart Snacks in Schools rule just ensures that snacks and beverages sold outside of school meals are wholesome and setting a positive example.

FAQ: Can States and/or Schools Make Their Own Rules?

States and/or schools may keep their current rules if they are more strict than the Smart Snacks In School rules. Additionally, they may enhance the Smart Snacks in School rules to make them even more stringent. For example, California has sugar limits for its drinks and Smart Snacks in School rules do not, so CA schools could keep their own beverage standards. Ultimately, it will be up to the California Department of Education.

FAQ: What are the Time Restrictions? Do the Old Ones Still Apply?

[Smart Snacks In School](#) do not have “time and place” restrictions. These new standards apply up until 30 minutes after the end of the school day. Smart-Snacks-In-School-compliant foods can be sold any time. Foods that do not meet the standards can be sold 30 min after the school day ends.

FAQ: Are there Fines for USDA/Smart Snacks In School Violations?

No.

During reviews of local education agencies (LEAs) and schools where noncompliance is identified, the appropriate response is technical assistance, in conjunction with a corrective action plan to assist schools in working toward compliance. As stated in the interim final rule, there are currently no financial penalties associated with noncompliance with these standards identified during an administrative review.

FAQ: What sales impact will the new Smart Snacks in School have on my existing program?

The effect on a la carte sales will be different by account based on their particular sales mix. There will be restrictions on the items allowed to be sold, so some of the snack and beverage products now served will no longer be eligible under the new guidelines. Based on the sales mix of the products being eliminated, some accounts will be impacted more than others. It all depends upon current offerings and volume of the items that will no longer be available. Manufacturers are working to reformulate existing products and develop new products to meet the new restrictions. However, we still do not know which products will be reformulated, especially in beverages, and we may not see a large variety available for Fall 2014.

FAQ: Will the new snack and beverage products available next year cost more?

YES, in some cases. The selections will be limited and, outside of water, many of the new beverage products that will be available will cost more than their former counterparts. Therefore each district be approve a new higher sell price well in advance of the start of the school year. Ask Purchasing for a copy of new beverage items for the upcoming school year, along with costs, so your clients can approve the proper selling prices. It is important to note that new products are being approved continuously, so anticipate that the list will evolve. Some existing products like Snapple ice tea may be reformulated to comply with the new standards, which may significantly alter the impact of the new regulation in some markets. We still do not yet have all the product answers but are working on them.

Even under the under Smart Snacks in School, there will be no lack of snack products available, unless your particular state or district chooses to take a more restrictive stance. By far, the biggest impact will be with beverages. While we will have some additional beverage choices available next year, purchase prices for Whitsons and selling prices to students will be much higher, thereby reducing overall demand.

Ice Cream offerings will also comply with the new standards, but in many districts this will require a price increase. However, this information is NOT yet available.

FAQ: Will Otis Spunkmeyer Cookies be available for sale in the next school year?

Yes. Either Otis Spunkmeyer or David's Cookies will be available for sale next year, but only in the whole grain and low fat varieties. No matter the manufacturer, low fat whole grain cookies will be available but Whitsons is anticipating a decline in cookie sales next year in the order of 50% for those districts who have not yet switched over to the whole grain low fat cookies. If your program is already serving these cookies, you sales will be unaffected.

FAQ: When creating budgets for existing business, what a la carte sales figure should I use?

For budgeting purposes or rebidding existing business, Whitsons has a more detailed a la carte analysis based on the exact sales mix of each account; no two are the same. It is imperative to use that analysis for your budgets, so request this information for budgeting purposes.

FAQ: Will a la carte sales need to be tracked in the POS by item?

Yes. Under the new rule, it is now required that ALL A la carte sales be tracked by item in POS systems. This will require reprogramming over the summer and cashier retraining to properly identify a la carte items on the register at the point of purchase.

This is a requirement that will be audited by each state during future Administrative Reviews. Anticipate that the state auditor will ask for a la carte sales mix information, in addition to everything else currently contained within the audit. The FSD will need to comply by providing a complete listing of each snack served, along with their respective quantities sold year to date. Therefore, printouts will be required on a la carte snacks. **BE PREPARED FOR THIS!** Make POS changes in June and ensure a report exists to retrieve this information. Retrain staff. **DO NOT WAIT!**

If your program does not have a POS system, or your current POS system is unable to track a la carte sales, the responsibility for tracking is **STILL REQUIRED**. Ask your client for new a POS system that can comply. If that fails, the sales tracking will need to be done by hand at each register by the cashier. In these instances, the FSD will need to create a spreadsheet with all the items listed on it by day. The cashiers will need to track individual sales on the spreadsheet as sold and the FSD will need to keep them on file for the audit.

FAQ: Will my a la carte entree sales be affected by the new Smart Snacks in School regulation?

Maybe; it all depends upon how you menu. Like snacks, there is both a calorie and sodium limit on all a la carte entrée items sold. The restriction is so severe that almost no a la carte entrées will get past this regulation. However, that does not mean a la carte entrees cannot be sold. Contained within the ruling on page 9, the USDA has specifically carved out language that states if the entrée item is sold as a meal on one day, it can also be sold a la carte that same day or the next day and **STILL** be exempt from the snack standard, even though it is technically an a la carte sale. So entrees sold a la carte either have to be sold that same day as a meal or as a meal from the previous day. This distinction in language means menuing is important.

FAQ: Does the new rule regarding a la carte entrees effect the way my menu is planned?

Yes it does. Monthly menus now must be written with all available daily entrée items if they are to be sold a la carte. For this purpose, concept menus work best in the secondary grades as they are specifically designed around this idea. So if you are using grid menus now in the secondary levels, but offer a food court concept servery, in order to keep the sales flowing, you will want to switch instead from grid menus to concept menus.

Concept menus are better designed around Whitsons' food court offerings than grid menus, as they allow for more menu choices. However changing menu styles may require client approval beforehand. Remember, if the item is not on the menu, it cannot be offered as a meal and thus would need to pass the strict calorie and sodium requirements for a la carte entrees. **THIS IS A**

CRITICAL NUANCE OF THE NEW RULES. The key is making sure the menu items are listed on the menus each day.

FAQ: My program uses a tiered pricing structure; will the tiered pricing structure be affected by the new Smart Snack in School regulations?

No. It will not. Whitsons has long used a tiered meal approach to SN. Under a tiered meal system, the school nutrition program can offer more than just the traditional single reimbursable meal price. The lunch program can offer two prices for a reimbursable meal. A tiered meal price program will offer a more expensive menu option that may be a larger portion size or a more desirable menu item(s), with the idea of getting the paid student meal type to trade up to the higher priced item.

The tiered meal concept is designed around attracting the elusive full paid student meal type in districts with low free and reduced meal counts. The reason for the restriction on how the tiered meal program is used is because, under USDA requirements, the free or reduced meal type student must also have access to these tiered menu items at no additional cost. Therefore, offering tiered meals in districts with high free and reduced meal counts is financially non-viable for the client because these menu items typically cost more to offer and would serve to undermine the financial returns Whitsons is contractually obligated to provide the District annually. Under the new snack regulations the tiered meal concept is perfectly acceptable.

FAQ: Will the new Smart Snacks in School regulations affect the premium a la carte entrée concept?

Yes.

This is especially true in NY where Whitsons has used the concept of premium a la carte to distinguish more expensive entrée a la carte items from traditional snack and beverages sales. Premium a la carte items can be salads, sandwiches, pizza, burgers, or other entrée style food sold without the other components required under the NSLP. However, in light of the new a la carte regulations, this concept is no longer viable and must be converted to the tiered meal price structure. If you currently offer premium a la carte, please speak with your DM to discuss how to transition to a tiered meal program.

FAQ: Will the conversion rate used in NY to convert a la carte sales be changing this year?

Yes, but it all depends upon when the account was last bid. In NY, the conversion rate has now been fixed at 3.35 for the upcoming cycle. All existing contracts bid in '12/'13 and currently at 3.65 conversion rate will be lowered to 3.35. And while this will help mitigate the financial impact of the SSIS, the overall loss in a la carte sales will not be made up by the conversion rate change. All contracts that commenced in the '11/'12 school year or before will keep their existing conversion rates.