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**School Board News, Alexandria, VA**

**Districts' Vending Machine Contracts Increasingly Under Fire**

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Despite threats of a lawsuit, the Seattle school board voted 43 July 17 to renew with restrictions-its lucrative but controversial, exclusive contract with Coca-Cola.

John Banzhaf III, a law professor at George Washington University Law School, who led billion-dollar victories against the tobacco industry, sent school board members an email early in July warning that if they renewed the contract, they might be sued.

**Lawsuits threatened**

He charges that school officials are contributing to childhood obesity by selling sugar-laden beverages in vending machines.

Banzhaf is reportedly considering lawsuits against school boards with similar soft-drink contracts in Dallas, Houston, and Boston. He also plans to campaign against Seattle board members who voted for the contract in the next board election.

Seattle board members insist that the threatened lawsuit was not a factor in their vote to approve a modified contract with Coke.

The five-year deal, which the board has the right to modify or cancel at any time, continues to allow daylong access to vending machines at high schools but bars the sale of soda in middle schools until the end of the day-a move that reduces the district's annual revenue by about \$50,000, school officials say.

It also requires Coke to reserve three slots in each machine for water and 100 percent fruit juice. Seattle's elementary schools do not have soda machines.

On the same day, the board adopted a \$437 million budget for 2003-04 that is \$6.2 million less than the current spending plan and raises the possibility of cuts in teaching and administrative staff

### Revenue Needed

School officials say the reduced budget comes after a “horrendous year” of diminishing state and federal aid and the increased cost for fuel, utilities, and contractual obligations to the employees. Last October, then Superintendent Joseph Olchefske admitted that the district has overspend its budget by \$ 35 million over the past two years.

The Coke contract is expected to bring in \$345,000 in the next school year for sports, field trips, yearbooks, newspapers, drama programs, and other extracurricular activities. Schools get to keep most of the money from their vending machines.

Board members who supported the Coke deal say the district needs the revenue.

"We got a huge outcry of pleas from school administrators asking us to please find funds for school activities. They depend on this money so much. It's kind of hard to turn a deaf ear to them," says school board member Jan Kumasaka.

Dick Lilly, a board member who voted against the contract, says it violates the district's policy against commercialism in the schools.

The 47,000 student district held a special public hearing on the proposed contract in June. Only 14 people attended and only about half of them voiced opposition, says Ron English, the districts' deputy general counsel.

### Health Concerns

Critics cited studies that say the massive amount of sugar in soda pop is at the root of childhood obesity and other health problems and described a moral morass in which the district makes money by selling unhealthy products. Others noted that without the vending machines, students will cross the street to buy soda at stores and the schools will lose a revenue source.

Board members on both sides of the issue agree that the district should look at what it teaches about diet and nutrition and consider how the districts should encourage students to make healthy choices.

The issue of childhood obesity has caused other districts across the nation to re-evaluate their policies on vending machines.

The Pierre, S.D., school board voted July 10 to move toward removing vending machines that dispense soft drinks at the high school and offer healthier choices.

"Nationwide we're dealing with an epidemic of childhood obesity," says board member Bernie Linn, a medical doctor. "I feel the sale of carbonated beverages and snacks on schools grounds and in schools is wrong."

John Wellhoufe, the district's business administrator, says the vending machine sales of soda water and juice netted the schools \$ 50,000 last year.

In Philadelphia, Paul Vallas, chief executive of the school system, announced a plan July 8 to eliminate soft drink machines from schools. The ban won't take effect until the district's School Reform Commission votes on a beverage contract.

### Sodas banned

Three years ago, the Philadelphia school board turned down a 10-year, \$43 million deal with Coca-Cola because of nutritional concerns and because the contract was not lucrative enough.

New York City Schools Chancellor Joel L. Klein issued a regulation recently calling for banning all beverages sold in schools except milk, water, and 100 percent fruit juice. The policy builds on a state law that prohibits junk food from being sold in public schools until after the last lunch period.

The Los Angeles school system approved a soda ban a year ago. School board member Marlene Canter who spearheaded the measure, is now proposing stricter guidelines for the fat, sugar, and sodium content of food sold in schools; limiting portion sizes; and having salad bars and fresh fruit in all district schools.

When the Oklahoma City school district's five-year contract with Great Plains Coca Cola Bottling Co. came up for renewal in July, district officials asked that the machine displays promote healthier, non-carbonated drinks, although soda will still be available.

One of the district's goals is to emphasize healthy drink options for students, says district Chief Operating Officer Manny Soto.

Coke Officials agreed to phase out the old machines over a three-year period. The contract, which will net the 40,000-student district at least \$250,000 a year, won the unanimous approval of the school board, says Soto. "If we perform as we have been, then we will receive \$723,000 a year. If more drinks are sold, we will receive more money."