

## **Establishing Unpaid Meal Fee Policies: Best Practices to Ensure Access and Prevent Stigma**

In 2016, the U.S. Department of Agriculture (USDA) published guidance requiring all school districts participating in the National School Lunch or School Breakfast programs to establish and clearly communicate a local meal charge policy by July 1, 2017 for the 2017–2018 school year.<sup>1</sup> Alternatively, per USDA guidance, a policy can be developed at the state level to be implemented by all participating school districts in the state or the state can provide guidelines for school districts and allow school districts the discretion to create a policy that complies with the state requirements. This guide will highlight best practices at the state and local levels to protect children from stigma, ensure that eligible children are certified for free and reduced-price school meals, and make certain that children get the nutrition necessary to learn at school.

### **Background**

The Healthy, Hunger-Free Kids Act of 2010 required USDA to examine schools' policies related to unpaid school meal fees and determine the feasibility of national standards for such policies. After soliciting input through a Request for Comments, hosting a series of webinars, and studying the issue further, USDA determined that states and local school districts would be responsible for establishing local policies. USDA subsequently published guidance requiring school districts to have a policy and clearly communicate the policy to parents and the school community.

Even though USDA did not establish national standards to protect children from stigma and provide a baseline for school districts, the requirement to establish a formal policy presents an important opportunity for state and local advocates to revisit current policies on unpaid meal fees, and ensure that newly established policies consider the impact on children and families. There are multiple opportunities, discussed below, for advocates to engage on both the state and local levels to facilitate adoption and implementation of fair and effective policies.

### **USDA Unpaid Meal Fee Policy Resources**

- [Overcoming the Unpaid Meal Challenge: Proven Strategies from Our Nation's Schools](#) – This handbook contains sample communications with parents, a policy development checklist for school districts, and best practices for avoiding stigma.
- [Unpaid Meal Charge Webpage](#) – USDA created a webpage to house all materials related to unpaid meal charge policies, including relevant guidance and archived webinar materials.
- [Unpaid Meal Charges Guidance and Q&A](#) – This Q&A reviews the requirements for school districts to establish and communicate a meal charge policy.

<sup>1</sup> U.S. Dept. of Agriculture, Food and Nutrition Service. (2016). Memo SP 46 2016: Unpaid Meal Fees: Local Meal Charge Policies. Available at: <https://fns-prod.azureedge.net/sites/default/files/cn/SP46-20160s.pdf>. Accessed on April 21, 2017.

## **Challenges to Implementing an Effective Unpaid School Meal Fee Policy:**

Implementing a policy to handle situations where students do not have money in their lunch account or in hand to pay for the meal can be challenging for school districts. When students are allowed to charge meals, schools must follow up with the household to collect the debt owed. Under federal law, debt that cannot be collected from families must be written off as bad debt, and the school district is required to cover these costs with funds outside of the school meals programs. This typically comes out of the school district's general fund or is sometimes covered by parent-teacher organizations or private donations.

School districts take a variety of approaches to handling unpaid meal fees:

- Some school districts provide regular, reimbursable meals to all students, regardless of their ability to pay.
- Some school districts do not allow students to charge meals when they do not have money in their account or in hand, or may allow a certain number of meals or dollar amount to be charged. Other districts may vary charging policies by age, permitting younger students to accrue charges while high school students may not.
- Some school districts will serve students an “alternate” meal such as a cheese or peanut butter and jelly sandwich, fruit, and milk. School districts may or may not charge students for these meals, and these meals may or may not qualify as reimbursable meals, for which schools would at least receive a nominal federal reimbursement.

Regardless of a school districts' policy, the issue of unpaid meal debt is common across the country. The School Nutrition Association found in an annual survey of school nutrition directors that 76 percent of school districts had some amount of unpaid school meal debt. Amounts of debt vary significantly based on the size of the district and the number of meals that a district will allow a child to charge. Because school nutrition departments often operate on tight budgets with slim margins, many school districts struggle with how to balance concerns about unpaid debt with their mandate to feed children.

Other challenges faced by school districts are uneven or inconsistent application of established policies and clearly communicating these policies to the school community, including principals, parents, and school staff. A key piece of establishing a local meal charge policy includes these key components of training for school nutrition staff, gaining input and buy-in from the school community, and making sure parents are aware of the policy.

## **Guiding Principles for State and Local Unpaid School Meal Fee Policies:**

As school districts and state agencies are developing policies on how to handle situations in which students are unable to pay for a meal, it is important to keep in mind several guiding principles that should be incorporated into every policy to ensure access for eligible students and protect children from stigma and embarrassment.

**1) Schools should work directly with parents to address financial matters. Children should not feel as though they are being punished for their parents' financial difficulties.**

- All communication should be directed at parents. Practices, such as putting stickers or wristbands on children to remind parents to pay unpaid fees, are stigmatizing and should be prohibited.
- School districts should not throw away food that has been served to a child. While it may or may not be feasible to require school districts to serve meals to children without providing additional funding, the practice of throwing away food that a child has already been served is humiliating and wasteful, sends a very strong message to the child about their status, and does not save the district any money as that food cannot be re-used.

**2) Schools should proactively ensure that charges are not being applied to children who actually are eligible for free or reduced-price meals. Eligible families often do not apply for free or reduced-price school meals or face language barriers. In other cases, families that are not eligible at the beginning of the school year become eligible later in the year.**

- School districts should make multiple attempts to engage the household and assist them in applying for school meals. School districts should first attempt to directly certify a child with unpaid meal fees and if the child is not certified, then the household should be provided with a school meal application and be offered assistance with applying.
- For any child coming into a new school district mid-year, the school district should accept the certification for free or reduced-price meals from the previous district, as is allowed under current federal rules. In enrolling new students, school districts should make it part of the process to contact the student's previous school to determine school meal eligibility. In addition, parents or guardians of new students should be provided a school meal application at the time of registration.

**3) High-needs schools should implement options that limit or eliminate fees paid by households.**

- Schools districts should consider eliminating the reduced-price category — a change that helps working and near-poor households who find themselves struggling to cover the costs of school meals for their children. Several states have also eliminated the reduced-price fee for breakfast, lunch, or both.<sup>2</sup>
- Schools with high percentages of low-income students — whether or not they have high unpaid meal fee debt — should look at available options to offer free meals to all children. There are still many schools across the country that could benefit from the [Community Eligibility Provision](#) or [Provision 2](#) which eliminate fees for students, but have not yet implemented them, leaving some students in these communities to accrue unpaid meal debt unnecessarily.

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<sup>2</sup> See FRAC's School Meals Legislation and Funding by State: [http://frac.org/wp-content/uploads/state\\_leg\\_table\\_scorecard.pdf](http://frac.org/wp-content/uploads/state_leg_table_scorecard.pdf)

#### **4) School districts should weigh the cost of collecting school meal debt with what a household owes, especially when a school district is aware of families that are under financial strain.**

- Any efforts to collect fees should not cost more than the value owed to the school. School districts often utilize debt collection services to collect school meals fees. There is little-to-no cost for the school district to send unpaid meal fee bills to debt collectors, making this an attractive option for many districts. However, the cost of fees for the debt collection agency are then passed on to the family, greatly increasing the amount an already struggling household owes. School districts should not shift the burden of collecting fees to a debt collector, especially if the fees charged to the household by the debt collector — on top of the unpaid meal fees owed — are greater than, or close to, the unpaid meal fees owed.
- Households that are certified for free or reduced-price meals — even if there is a prior debt outstanding because the household was not certified at the start of the school year — should not be pursued by schools for unpaid meals at any point during the current school year.

#### **State-Level Policy Examples**

State agencies may establish a policy for all schools in the state to follow or may set guidelines or requirements for school districts in crafting their local policies. Advocates can engage with the state child nutrition agency and their state School Nutrition Association to find out if the state plans to establish a state level policy or guidelines and ensure the policy protects children from stigma and contains provisions to make certain that eligible families are certified for school meal benefits.

In states where the state child nutrition agency is not establishing a state policy, advocates can also look to legislation to provide protections for children and families. Several states have introduced or passed legislation in the 2017 session that address concerns of stigma and collection of unpaid school meal debt, including:

#### **New Mexico**

In April 2017, the [Hunger-Free Students' Bill of Rights Act](#) (SB 274) was signed into law. It is designed to protect students from stigma in the cafeteria and provide guidelines for school districts in the state on collecting unpaid meal debt. New Mexico Appleseed and the New Mexico School Nutrition Association supported the bill, which requires that:

- school districts provide a paper or online school meal application and that the application and instructions are available in a language the parents understand; if a parent cannot read or understand the application, the school district must provide assistance with filling out the application;
- if the school district becomes aware that a student is eligible for free or reduced-price school meals and has not submitted an application, the school must complete an application on behalf of the student;

- the McKinney-Vento Homeless Education liaison in each district must coordinate with the school nutrition department to certify for free meals all children identified as homeless;
- schools serve students a reimbursable meal, regardless of whether the student has money to pay or owes money;
- schools may not throw away a meal after it has been served to a student because they do not have the money to pay or the student owes money;
- if a student owes money for five or more meals, the school must check the direct certification list, make two attempts to provide an application to the household, and have a principal or counselor contact the household to offer assistance;
- schools may not identify or stigmatize children who cannot pay for a meal or require them to do chores or work; and
- schools cannot require a parent or guardian to pay fees or costs from collection agencies hired to collect a meal debt.

## **California**

The [Child Hunger Prevention and Fair Treatment Act of 2017](#), sponsored by the Western Center on Law and Poverty, was introduced in February 2017. The bill would:

- require school districts to develop a plan to ensure students are not shamed or treated differently if the student has unpaid school meal fees, provide an explanation of how staff will be trained on the policy, and how parents and guardians will be assisted in applying for free and reduced-price school meals; plans must be approved by the state department of education and made public;
- prohibit any action directed at a student to collect unpaid meal fees and require communication to be directed at parents and guardians;
- prohibit the use of debt collectors; and
- require school districts to exhaust all options to directly certify a student for free or reduced-price meals when their household has unpaid meal fees. If the school district is unable to directly certify the student, the district must provide the parent or guardian with an application and contact the household in writing and by phone to encourage completion of the application.

## **Texas**

This spring, [HB 2159](#) was introduced with support from Feeding Texas. The bill would require that:

- schools provide a grace period of at least two weeks in which students are served a reimbursable meal, even if they do not have funds in their account or money to pay for the meal in hand;
- school districts must make at least three attempts to contact parents or guardians during the grace period to inform them of the lack of funds, make arrangements for payment, and assist them with completing a school meal application;
- school districts must send home an unmarked white envelope with the student to provide written notice of a negative balance and provide an application for free or reduced-price school meals;
- schools are prohibited from taking any action that publicly identifies a student with an unpaid balance or otherwise stigmatizes the student; and
- schools may accept private donations to pay the negative balances on a student's account if they cannot obtain payment by the household.

In addition, under existing state law, schools may not charge a fee or interest on school meal debt and this would not change under HB 2159.

### **School District-Level Policies**

There are also several opportunities for advocacy and engagement at the district level. Advocates should determine if a school district has an established policy and what it includes, how that policy is communicated with parents, and which stakeholders have been involved in the policy's development.

While school district meal charge policies will vary depending on the size, level of poverty, or financial situation of the school district, there are several key pieces that a policy should address:

- **Charging meals** — A district's policy should clearly define if children will be allowed to charge meals if they do not have money to pay or have a negative balance on their lunch account. Ideally, to prevent hunger during the school day, school districts should allow students to charge meals regardless of their ability to pay.
- **Alternative meal** — Some districts may feel they need to provide a lower cost alternative meal or limit charging for older students. If this is the school's policy, this should be implemented in a manner that does not cause embarrassment or stigma in the cafeteria. Additionally, the alternative meal should be significant enough to avoid hunger for specified age groups and should offer alternatives for children with food allergies. Finally, if the school charges a household for the alternative meal, the amount should not be more than the cost of the alternative meal and children eligible for reduced-price meals should be excluded from paying a fee, especially one that exceeds the reduced-price copay.

- **Avoiding stigma** — School districts should explicitly prohibit taking meals away from children after they have been served, stamping or marking the body of a child, requiring the child to eat in a separate location, requiring the child to go to the principal’s office prior to eating, or any other action that would stigmatize or embarrass children in the cafeteria, in the classroom, or anywhere in the school environment. School districts should also be prohibited from requiring that children “work off their debt” such as wiping down tables or helping to clean the cafeteria.
- **Preventing meal debt** — School districts should proactively work with households to certify all eligible children for free and reduced-price meals to prevent households that are unable to pay from accruing meal debt. In addition, communication with parents and guardians about low or negative account balances can help avoid unpaid meal debt before it accrues.
- **Collection procedures** — School districts should direct all communication at parents and guardians, not children, and take appropriate steps to certify eligible children prior to contacting the household. Schools also should not utilize collection agencies or services that charge households additional fees or interest on their meal debt.

*See Appendix A for a model policy that addresses these five areas that school districts can utilize as a model to build a local meal charge policy.*

Once a school district has established a policy or revised a previous policy, it is essential to communicate the new policy clearly and broadly so that parents and other members of the school community are aware. To do this, school districts should:

- send letters to parents with a copy of the policy enclosed;
- include the policy in the school newsletter;
- post the policy on the school’s website and social media pages;
- use automated calling system to notify parents and let them know where they can obtain a copy either online or in the school office;
- send a press release to local media regarding the new policy;
- communicate the policy to all principals, teachers, and other staff at staff meetings and through email;
- provide training for all cafeteria managers and staff on their role to prevent stigma, overt identification, and embarrassment for children; and
- create a Q&A resource for all school nutrition staff to cover any situation that might arise in the cafeteria.

For questions or additional resources on unpaid school meal fees, contact Jessie Hewins at [jhewins@frac.org](mailto:jhewins@frac.org) or 202-986-2200 x3966.

## **Appendix A: Model School District Unpaid Meal Fee Policy**

ABC School District recognizes the important link between proper nutrition and academic success. The purpose of this policy is to establish a consistent district procedure for charging meals when students do not have money to pay, preventing meal charges, and ensuring eligible children are certified for free and reduced-price school meals.

### Charging meals:

Because hunger is an impediment to learning, no child shall be denied a school meal because of an inability to pay. Children will be served a meal that meets the U.S. Department of Agriculture nutrition standards for school meals.

#### *Alternatives:*

- *Schools can offer students unable to pay a regular menu meal or a lower-cost alternate meal that meets nutrition standards, but does not overtly identify children.*
- *School districts can allow students to charge reimbursable meals up to a certain number of meals or dollar amount and then provide an alternate meal after that.*

Hand stamps, stickers, or any other means of overt identification of children with unpaid meal debt in the cafeteria or the classroom are prohibited. Additionally, children with unpaid meal debt shall not be required to work off their debt, including, but not limited to, wiping down tables or cleaning the cafeteria.

### Preventing meal charges:

To ensure that all eligible families are certified for free and reduced-price school meals, the school nutrition department shall:

- provide all households with school meal applications prior to the start of the school year and/or include instructions for completing online school meal applications;
- provide school meal applications in the primary language of the parent or guardian and provide assistance with completing an application for any household that requests assistance;
- promptly utilize data provided by the state or other school district officials to certify eligible children without an application; and
- assure that any child for which the school district is not able to obtain a completed school meal application, but becomes aware of their eligibility for free or reduced-price school meals shall be certified based on an application submitted by the appropriate school official, as permitted by USDA guidance.

To ensure that households are aware of negative account balances and the potential to accrue meal debt, the school nutrition department will:

- send out low balance notices prior to students needing to charge meals;



- notify and/or work with principals, school counselors, and/or teachers to understand the student and parent’s situation and if a school meal application is needed;
- use automated calling system to notify parents of negative balances; and
- use automated email alerts to notify parents of negative balances.

Collecting unpaid meal debt:

All communication regarding unpaid meal debt shall be directed at parents or guardians. Schools may send children home with a letter in an unmarked envelope.

Prior to contacting households regarding unpaid meal debt, the school district shall ensure that the student is not participating in the Supplemental Nutrition Assistance Program (SNAP), the Temporary Assistance for Needy Families (TANF) program, or other federal programs, which would confer categorical eligibility for free school meals, or is not homeless, migrant, or in foster care, and would allow them to be certified without an application.

Any household with a negative school lunch account balance shall be contacted immediately by school nutrition staff by email, phone, or letter home to provide information on how to apply for free or reduced-price school meals or to add funds to the school nutrition account.

For households that cannot afford to pay their school meal charges, the school district will work with them to establish a payment plan. Households that are subsequently certified for free or reduced-price school meals at a point later in the school year shall not immediately be required to repay school meal debt accrued in that school year. The school district will submit retroactive claims for any meals charged to the household from the date of application to the date of certification, to the extent allowed by USDA guidance.