

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.¹ 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.

¹ 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/SP46-2016os.pdf>. Accessed on December 1, 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 already has 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.

- School 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 also have eliminated the reduced-price fee for breakfast, lunch, or both.²
- 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.

² See FRAC's School Meals Legislation and Funding by State: 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 also can look to legislation to provide protections for children and families. Several states have taken steps to set statewide policy that address concerns of stigma and collection of unpaid school meal debt. A few examples are below.

New Mexico

In April 2017, the [Hunger-Free Students' Bill of Rights Act \(SB 374\)](#) 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.

Oregon

In June 2017, the House declared an emergency and passed [House Bill 3454](#) that sets policy on how school district deal with unpaid school meal debt. The bill was supported by Partners for a Hunger Free Oregon. HB 3454 requires that

- school districts under the National School Lunch Program and School Breakfast Program must provide a USDA reimbursable meal to every student that requests one, regardless if the student can or cannot pay, unless a parent or guardian has provided written permission to withhold a meal from the student;
- students may not be instructed to throw away their meal if the meal already has been served;
- school districts cannot publicly identify, mark or stigmatize a student who cannot pay for their meal or has accumulated school meal debt;
- school districts cannot require students who cannot pay for their meal to do chores or work in exchange for a meal;
- communication concerning school meal debt must be directed to the parent or guardian and not with the child; and
- parents or guardians are not required to pay the fees from collection agencies that may have been hired to collect the meal debt.

Another requirement is for households that owe money for five or more school meals, the school district must first attempt to directly certify the students for free or reduced-price meals. If the

household is not certified as eligible through direct certification, the school district must make at least two attempts to contact the household for the completion of a meal application. When appropriate, reasonable assistance with completing the application must be offered for parents/guardians who fail to complete the application.

West Virginia

In August 2017, West Virginia became the first state to develop a school meal debt policy through its state agency. The West Virginia State Department of Education's new policy protects students with unpaid school meal fees by mandating that:

- school districts can never deny a meal or serve an alternative meal to students with school meal debt;
- students cannot be required to work in the school in exchange for a school meal;
- school districts cannot exclude students with debt from extracurricular activities and/or graduation ceremonies;
- publicly identifying students with debt through stamps, stickers, or other identification mechanisms is prohibited; and
- all communication concerning school meal fees must be directed toward parents/guardians.

California

The [Child Hunger Prevention and Fair Treatment Act of 2017 \(SB 250\)](#), backed by the Western Center on Law and Poverty, was signed and passed into law in October 2017. For school districts participating in the National School Lunch Program or School Breakfast Program, this bill decrees the conditions that follow must be met.

- School districts cannot shame or treat differently a student that has unpaid school meal fees. School districts cannot serve an alternate meal to a student due to unpaid meal debt.
- Unpaid school meal policies must be publicly shared.
- School districts must direct all communication to parents and guardians.
- The use of debt collectors for school meal debt is prohibited.
- School districts shall 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 contact the household by writing and by

phone, no later than 10 days after the account becomes negative, to encourage completion of the application.

- Parents or guardians shall be reimbursed for any school meal debt that was paid when the household would have been identified as eligible for free or reduced-price school meals by the district's review.

In addition to addressing school lunch debt, SB 250 also bans the practice of denying a school meal as a form of punishment.

School District-Level Policies

There also are 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 also should 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—and required—for school districts 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 adopt the practices that follow.

- 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.
- Create a Q&A resource for all school nutrition staff to cover any situation that might arise in the cafeteria.

To review how large school districts across the nation have established their unpaid meal fees policy, visit FRAC’s [Unpaid School Meals Fees: A Review of 50 Large School Districts’ Policies](#). For questions or additional resources on unpaid school meal fees, contact the Food Research & Action Center, 202-296-2200, frac.org.

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 if it is distributed discreetly through normal school communication channels with families.

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.