

School Meals Debt

Addressing Unpaid School Meals Fees

The upcoming Child Nutrition Reauthorization offers Congress the opportunity to address school meals debt, which is a common problem for school districts across the country.¹ School meals debt can occur when students who are not certified to receive free school meals arrive in the cafeteria without cash in hand or in their school meals account to pay for their meals or for the “reduced-price” copayment. Numerous news stories have covered the issue, highlighting school districts’ practices that provide partial meals of weak nutritional value; that identify and embarrass students who owe school meals debt; and that reflect the financial struggle for school districts as they contend with school meals debt and the impact it has on their school budgets.

This is not a new challenge. The Healthy Hunger-Free Kids Act of 2010 specifically directed the U.S. Department of Agriculture (USDA) to examine the issue of unpaid school meals fees and determine if there should be a national policy.² In response to that directive, USDA did not adopt a policy; it only required school districts to set their own policy for unpaid school meals fees, and allowed states to develop statewide policies.³ USDA did not, however, establish any national standards for what districts need to include in their policies, nor did it provide any minimal protections for children and families.

Unpaid school meal debt is a complicated issue. In order to fully address it, the policy response must address the underlying causes driving it in addition to the way the issue

is unfolding for families and schools across the country. First and foremost, because the School Nutrition Programs are designed to serve free school meals only to children who are certified to receive free meals and charge all other students, there are many children who need access to free school meals who fall through the cracks: These are children who are eligible for free school meals, but were

Unpaid School Meals Fees: A Review of 50 School Districts’ Policies

In the fall of 2019, FRAC [reviewed the unpaid school meals fees policies](#) of 50 school districts and found a significant variation among the school districts’ policies. Some districts have established very strong and clear policies that ensure students are able to access nutritious meals at school, despite a balance on a student’s school meals account or lacking the means to pay for the meal at the point-of-sale. These school districts’ policies also discourage stigma and embarrassment from occurring in the cafeteria. Many school districts, however, have policies that omit language concerning important procedures and practices. Policies that are too vague leave room for school personnel to act independently, which may or may not be conducive to creating a safe and healthy environment for students. The differences in policies across districts lead children to have very different experiences in the cafeteria, underscoring the need for a national solution to school meals debt.

¹ School Nutrition Association. (2018). *School Nutrition Operations Report*. This source is available to the public for purchase at <http://schoolnutrition.org/Publications/Bookstore/>.

² Section 143 of the Healthy Hunger-Free Kids Act. Public Law 111-296; December 13, 2010 entitled “Review of Local Policies on Meal Charges and Provision of Alternate Meals.” Available at: https://fns-prod.azureedge.net/sites/default/files/PL_111-296.pdf. Accessed on May 7, 2019.

³ U.S. Department 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 May 7, 2019.

missed in the certification process, and children who are not quite eligible for free meals, but whose families are still struggling to make ends meet. In order to qualify for free school meals, a family of three must earn less than \$28,000 a year. This leaves families struggling to afford school meals fees, schools having a hard time collecting school meals fees from those families, and, ultimately, children who are stigmatized and hungry.

Improving certification processes so that children who are eligible for free school meals are not missed and taking steps to expand eligibility to additional children in need would significantly address the problem of unpaid school meals fees.

Offering free school meals to all students completely eliminates the issue. More than 28,500 high-needs schools are now offering free school meals to all students under the federal Community Eligibility Provision, but only 65 percent of the eligible schools have implemented it. More should be done to support the adoption of community eligibility.

To directly address school meals debt, Congress should enact provisions that protect students and families and support school nutrition finances. Both the [No Shame At School Act \(S. 1907/H.R. 3366\)](#), introduced by Senator Tina Smith (D-MN) and Representative Ilhan Omar (D-MN), and the [Anti-Lunch Shaming Act of 2019 \(S. 1119/H.R. 2311\)](#), introduced by Senator Tom Udall (D-NM) and Representative Debra Haaland (D-NM), include the important provisions and requirements that follow.

■ **Prohibit stigma and shaming.** While many school districts do not take actions that single out or overtly identify a child, such as placing stamps or stickers on the child, taking away a meal from a child that has already been served, withholding educational opportunities from a child, or requiring them to do chores if they are unable to pay for their school meals, too many school districts do. These practices can cause embarrassment for affected students and negatively impact the culture of the cafeteria and the school. The practice of throwing away food that a child already has been served is particularly humiliating as it sends a very strong message to the child about their status, and it does not save the district any money as that food cannot be reused. Congress should prohibit all of these practices.

How are Children Certified for Free or Reduced-Price Meals?

Children from families with incomes at or below 130 percent of the Federal Poverty Level (FPL) are eligible for free school meals, while children from families with incomes between 130 and 185 percent of the FPL qualify for reduced-price meals.

Most children are certified for free or reduced-price meals via applications collected by the school district at the beginning of the school year or during the year. However, children in households participating in the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and the Food Distribution Program on Indian Reservations (FDPIR), as well as foster youth, migrant, homeless, or runaway youth, and Head Start participants, are “categorically eligible” (automatically eligible) for free school meals and can be certified without submitting a school meal application.

School districts are required to “directly certify” children in households participating in SNAP for free school meals through data matching of SNAP records with school enrollment lists. School districts also have the option of directly certifying other categorically eligible children as well. Some states also utilize income information from Medicaid to directly certify students as eligible for free and reduced-price school meals.

Schools also should use data from the state to certify categorically eligible students. Schools can coordinate with other personnel, such as the school district’s homeless and migrant education liaisons, to obtain documentation to certify children for free school meals. Some categorically eligible children may be missed in this process, requiring the household to submit a school meals application. However, these households are not required to complete the income information section of the application.

■ **Ensure that children eligible for free or reduced-price school meals are certified to receive them.** When a family accrues school meals debt, it often is a sign that it is struggling to make ends meet and may be eligible for free or reduced-price school meals. Children who are eligible for free or reduced-price school meals are sometimes missed in the application process. This may be the result of a change in household income during the school year, or the student may have been missed by the direct certification systems (automatic eligibility for free meals because of enrollment in some other means-tested program) at the beginning of the school year. To ensure that all eligible students are being certified for free or reduced-price school meals and not accruing school meals debt, Congress can require school districts to certify for free school meals students who are categorically eligible (such as students who are homeless or in foster care), instead of giving districts the option of doing so, and can direct school districts to conduct direct certification and to contact families about filling out a school meals application when they start accruing school meals debt.

■ **Require school districts to direct communications about unpaid school meals fees to the parents or guardians, not the students.** Any written communications to the parent or guardian about debt should be distributed discreetly through normal school communication channels and in a way that does not stigmatize the student.

In addition, the No Shame At School Act includes the following guidelines.

■ **Allow districts to claim free and reduced-price school meals retroactively for students who are certified to receive them during the school year.** This, combined with the additional efforts to certify eligible families, as described above, will reduce significantly school meals debt for school districts and families. Currently, school districts can certify students for free or reduced-price school meals as of the date that the application has been processed. By not allowing retroactive reimbursement, the struggling family still carries the debt, even if it is certified for free or reduced-price school meals, and the district still must cover the debt if the family cannot pay.

■ **Prohibit the use of debt collection services to collect school meals fees.** Using debt collection firms often passes additional fees onto 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 those fees or any other charges meet or exceed the amount that is owed for school meals.

In order to ensure that the underlying causes of unpaid school meals fees are addressed, Congress can take the following steps so that children who need access to free school meals are eligible to receive them and schools receive the necessary support to be able to offer meals to all students at no charge.

■ **Ensure children being raised by grandparents or other relatives are automatically eligible for free school meals.** The Healthy Hunger-Free Kids Act of 2010 expanded automatic eligibility for free school meals to include children in foster care.⁴ However, many children, particularly those impacted by the growing opioid epidemic, are not formally in foster care and instead are placed in the care of grandparents or other relatives. These kinship care arrangements are often the preferred and less traumatic route for children who cannot remain with their parents. Under current law, these children are not automatically eligible for free school meals, limiting their access to nutritious meals that are linked to improved academic achievement and health. Congress can ensure that the rising number of children who are placed with grandparents and other family members due to the opioid epidemic are automatically eligible for free school meals. This approach is taken in the [Caregivers Access and Responsible Expansion \(CARE\) for Kids Act of 2019](#) (S. 2760).

■ **Bolster community eligibility so more eligible high-needs schools can implement the Community Eligibility Provision.** Schools, groups of schools, and school districts with at least 40 percent of enrolled students who are certified for free school meals without an application can implement community eligibility. The reimbursement is based on the percentage of enrolled students who are directly certified for free school meals. The school's percentage of such students, called the

⁴ 42 U.S.C. 1758(b)(5)(E)

Identified Student Percentage, is multiplied by 1.6 to determine the percentage of meals reimbursed at the free rate, and the rest are reimbursed at the significantly lower paid rate. Increasing the percentage to 1.8 percent would make it financially viable for more high-poverty schools to participate, and would compound the numerous rewards of participation in school meals and reduced administrative costs. This approach is taken in the [School Hunger Elimination Act of 2019 \(S. 2752\)](#).

■ **Expand Medicaid direct certification to all states.** The Healthy, Hunger-Free Kids Act of 2010 first authorized demonstration projects to examine the use of Medicaid data for direct certification. By allowing all states to directly certify low-income children who are enrolled in Medicaid to receive free school meals, Congress can build on the success of the demonstrations to simplify enrollment for more children eligible for free meals. This approach is taken in the [School Hunger Elimination Act of 2019 \(S. 2752\)](#).

■ **Provide school breakfast and lunch at no charge to all children.** Currently, only students from homes with incomes below 130 percent of the FPL are eligible for

free school meals. Many struggling families do not qualify for free school meals, and school meals fees can be barriers to participation. Offering free meals to all students eliminates the cost barrier for children whose families' income is near the cutoff line to receive free school meals. By having every student participate in school meals, this provision would eliminate the stigma some children fear of being labeled "poor" by their classmates. Offering meals at no charge means that schools no longer have to collect unpaid meal fees from families or foot the bill for meals served when children do not have money to pay. Removing this dynamic between families and schools allows school nutrition staff to focus on preparing and serving healthy meals to children, and it eliminates a significant financial burden for school districts and families. This approach is taken in the Universal School Meals Program Act ([S. 2609/H.R. 4684](#)).

By enacting these provisions in the upcoming Child Nutrition Reauthorization, Congress can assure that the school cafeteria is a positive and supportive environment for all students, more students who are eligible for free and reduced-price school meals will be certified to receive them, and school finances will improve.