

# Best Practices for Preventing or Reducing School Meal Debt

School breakfast and lunch provide students the nutrition they need in order to continue to learn throughout the school day. Any student who attends a school that participates in the school nutrition programs can participate. Students certified for free school meals do not pay for their meals. Students certified for reduced-price meals can be charged a maximum of 30 cents for breakfast and 40 cents for lunch, and those who are not certified for free or reduced-price school meals, generally are charged the cost of their meal.

When students who are not certified for free school meals arrive in the cafeteria without cash in hand or in their school meal account, they can start to accrue school meal debt. School meal debt is a challenge for the majority of school districts — a recent school nutrition report found that 3 in 4 school districts had unpaid school meal debt. In response to this challenge, the U.S. Department of Agriculture (USDA) has required all school districts that participate in the school nutrition programs to have a policy for how the district will respond. States are allowed to, and a number have, set policies for the school districts in their states.

Recognizing the educational and health benefits of the school nutrition programs, many school districts and a number of state policies include providing a reimbursable school lunch to students regardless of their ability to pay. These districts can take important steps to reduce or eliminate the school meal debt that this approach can incur. Strategies include offering school breakfast, school lunch or breakfast and lunch at no charge to all students when it is financially viable; taking steps to ensure that all students who are eligible for free or reduced-price school meals are certified to receive them; implementing USDA policies that can help reduce school meal debt; and responding quickly when students begin to accrue debt.

---

## Offer School Meals Without Charge

Schools with significant numbers of low-income students are often able to offer school meals at no charge to all students. This will increase participation, which can help generate economies of scale. In addition, federal options to offer school meals at no charge reduce administrative work for the school that can result in cost savings.

- **Community Eligibility Provision:** Community eligibility schools offer school breakfast and lunch at no cost to all students, regardless of their income level. Schools that implement community eligibility do not have to process and verify school meal applications. Instead, schools are reimbursement based on the percentage of students certified for free school meals without a school meal application (called the identified student percentage, ISP), which includes students who live in households that participate in the Supplementary Nutrition Assistance Program (SNAP), the Temporary Assistance for Needy Families (TANF), Food Distribution Program for Indian Reservation (FDPIR) or who are homeless, in foster care, live in migrant households, or

participate in Head Start. The ISP is multiplied by 1.6 to determine the percent of meals reimbursed at the free rate. The rest are reimbursed at the paid rate. For example, if the ISP is 50 percent, 80 percent of the breakfasts and lunches are reimbursement at the free rate, and 20 percent are reimbursed at the paid rate. To be eligible, a school, group of schools, or a school district must have an ISP of at least 40 percent. In the 2016-2017 school year, nearly 21,000 schools across the nation adopted the community eligibility provision, including nearly 2,200 between 40% and 50% ISP and over 6,000 schools with an ISP between 50% and 60%. FRAC's webinars on operating CEP at lower ISPs are available on our recordings [resource page](#). Eligible school districts must notify the state child nutrition agency that they are implementing community eligibility by June 30 for the subsequent school year.

- **Provision 2:** Schools using Provision 2 (referring to a provision of the National School Lunch Act) do not need to collect, process, or verify school meal applications or keep track of meals by fee category for at least three out of every four years. Schools collect school meal applications and count and claim meals by fee category during year one of the multi-year cycle, called the “base year.” Those data then determine the federal reimbursement and are used for future years in the cycle. Provision 2 schools have the option to serve only breakfast or lunch, or both breakfast and lunch, to all students at no charge, and use economies of scale from increased participation and significant administrative savings to offset the cost of offering free meals to all students.
- **Nonpricing:** No fees are collected from students, while schools continue to receive federal reimbursements for the meals served under the three-tier federal fee categories (free, reduced-price, and paid). School districts may elect to do this to minimize the administrative costs of collecting and tracking school meal fees. Nonpricing is generally only an option for school breakfast, unless the school district chooses to use non-federal funds to cover the costs of providing free lunches to children who are not certified to receive free or reduced-price school meals.
- **Eliminate the Reduced-Price Copay:** School districts that determine it is not financially viable to offer free meals to all students can consider eliminating the reduced-price copay for breakfast and lunch, just for breakfast, or just for lunch. Families whose children qualify for reduced-price school meals are often struggling to make ends meet, which can result in school meal debt. The cost can be applied to the school nutrition account, and, for many schools, the increased participation makes it a financially viable option.

### **Certify Every Eligible Student for Free or Reduced-Price School Meals**

Families who are eligible for free or reduced-price school meals usually are struggling to make ends meet. This increases the importance of ensuring that they are able to participate in school breakfast and lunch and are not sitting in their classroom hungry. It also increases the likelihood that if eligible students are not certified to receive free or reduced-price school meals, their families have difficulty paying school meal charges. School districts can take a number of steps to better certify eligible students.

- **School Meal Application Campaign:** At the start of each school year, as well as critical when families are more likely to become eligible (e.g. following seasonal employment), school districts should conduct an aggressive outreach campaign that encourages families to submit their school meal applications. Strategies can include broadly distributing the school meal application and explaining why it is so important; providing application assistance at back-to-school night, afterschool programs, and all other outreach opportunities to connect with parents; incentivize submitting the school meal application by offering prizes to classrooms or schools with the best return rates; and working with trusted community stakeholders, such as churches or social service agencies, to promote applying. Strategies can also include messaging that inform families that they can apply for free and reduced-price school meals at any time during the school year, including if a job is lost, a wage earner leaves the household, a new family member joins the household, etc.
- **Ensure School Meal Applications are Accessible:** Language barriers, misunderstandings about eligibility, and concerns about data sharing can all be obstacles that hinder households from completing and turning in an application. A crucial first step is to make sure that applications and application assistance are available in all the languages represented within the school district. Schools also can consider using web-based applications that can be easier to fill out. Schools also should remind households throughout the school year that they can submit a school meal application at any point during the school year.
- **Improve Direct Certification Systems:** [Direct certification](#) systems allow for students from low-income households who participate in SNAP, TANF, FDPIR, and in some states Medicaid to be certified for free school meals without the need for a household to complete a school meal application. In addition, schools can and should certify students who are homeless, migrant, in foster care and Head Start without an application. A strong and comprehensive direct certification system also yields a higher ISP that is used to qualify schools for universal school meals through the Community Eligibility Provision. For example, performing direct certification as often as possible to certify newly eligible households and extending categorical eligibility to all children in the household if another child has been certified can bring students into free school meals before school meal debt can accumulate.
- **Partner to conduct SNAP education and application assistance to families**  
This is an important strategy to ensure families have the information they need to determine if they should apply for SNAP, especially in states with low SNAP participation rate for families with children. Children whose households participate in SNAP are the largest group of students that are directly certified for free school meals. Unfortunately, some SNAP eligible households with children do not participate. Families may be unaware that they are eligible to receive SNAP benefits or not know how to apply. SNAP education and application assistance can help bring eligible families into SNAP, whose children are then certified to receive free school meals.

## Implement Policies to Minimize Debt

USDA has mandatory and optional policy options for school districts and states that can help minimize school lunch debt, while also reducing gaps in school meal access. Many of these policies can prevent weeks' worth of debt, or more, from accumulating for low-income households that are waiting to be certified for free and reduced-price school meals. These policies are described in the [Eligibility Manual for School Meals Determining and Verifying Eligibility](#).

- **Certify Students Using the School Meal Application's Submission Date:** School districts are allowed (but not required) to certify a student for free or reduced-price school meals as of the date that a complete school meal application is submitted instead of the date that the application is approved.
- **Carry-Over Free or Reduced-Price Eligibility:** At the start of a new school year, school districts can carry over a students' eligibility for free or reduced-price school meals for up to 30 operating days or until a new eligibility determination is made, whichever comes first. School districts are required to do this for students who attended the district the previous year. USDA encourages school districts to carry over eligibility for 30 days or until a new determination is made (whichever comes first) for new students who were certified for free or reduce-price school meals by the previous district.
- **Provide Special Consideration for Students who Attended a Provision 1, 2, 3, or Community Eligibility School:** When a student transfers to a new school during the school year, school districts must provide free reimbursable meals to that student for up to 10 operating days or until a new eligibility determination is made (whichever comes first) if they came from a school that offered free meals through Provision 1, 2, 3, or community eligibility. State agencies have the discretion to allow districts to provide free reimbursable meals for up to 30 operating days or until a new eligibility determination is made. At the state agency discretion, school districts also can carry over up to 30 days or until a new eligibility determination is made, whichever comes first, free meal eligibility for a student who attended a school (in or out of the district) the prior year that operated under Provision 1, 2, 3, or community eligibility.
- **Accept New Students' Certification for Free or Reduced-Price School Meals:** School districts are allowed and encouraged to accept the certification made by another district when a student transfers into the district during the school year. This certification also is used to provide carry-over eligibility at the start of the subsequent school year. Eligibility for free and reduced-price school meal benefits for children from non-provision and non-CEP schools are required to transfer to schools within the same LEA.
- **Certify students who are known to be eligible for free or reduced-price school meals.** If a school official has knowledge that a student is eligible for free or reduced-price school meals, and the district's efforts to certify the student have failed, the official can submit a school meal application on behalf of the household. This can be used only for individual cases and is not meant to be a solution to unpaid school meal debt.

## Respond Quickly When Students Accrue Debt

When students start accruing debt, responding quickly allows families to be informed before the debt becomes too large to address, and creates the opportunity to encourage eligible families to apply for free or reduced-price school meals.

- **Institute Consistent Communications About School Meal Accounts:** School districts can use technology to keep families updated on their school meal account balances and to provide reminders that households can apply for free and reduced-price school meals at any time during the school year. Automatic texts and emails can be sent to families when their account balance is low, before any debt even accrues. School districts also should set policy for when households with school meal debt will be contacted, how they will be contacted, and how frequently. School districts also can consider streamlining notifications about any and all school debt (sports, books, uniforms, etc.) into one notification.
- **Encourage Families to Apply for School Meals:** When families start accruing school meal debt, it can be a sign of a change in the household finances, such as recent unemployment or a decrease in working hours, an illness, or the loss of the primary wage earner from the household. The family may have become eligible for free or reduced-price school meals and are unaware that they can apply for free or reduced-price school meals at any point during the school year. Quickly reaching out to families with school meal applications if school lunch debt is accruing, and offering them assistance in filling out the form, can help minimize the amount of time an eligible student is not certified for free school meals.
- **Reduce or Eliminate a Student's Ability to Purchase Competitive Foods:** Competitive foods, such as snacks and sodas, compete with the school breakfast and lunch programs and can draw money out of students' school meal accounts. Many school districts will provide the reimbursable school meal to students when they have accrued school meal debt, but limit purchasing competitive foods. School districts can arrange the environment of the cafeteria so that competitive foods are only accessible once a student has gone through the lunch line.

For more information on responding quickly to households that are accumulating debt, visit our [Best Practices for Engaging With Households about School Meal Debt](#) resource.

Additionally, for more information regarding unpaid school meal fees, check out FRAC's [Establishing Unpaid Meal Fee Policies: Best Practices to Ensure Access and Prevent Stigma](#), and visit the U.S. Department of Agriculture's [Unpaid School Meal Charge website](#).