

# School Meals Programs

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#### **KEY FINDINGS**

- > The federal National School Lunch Program and National School Breakfast Program ("school meals programs") reimburse participating schools for meals served to eligible students.
- > Student eligibility is based on household income; eligible students receive free or reduced-price meals.
- > School and district participation is optional. All school districts in Utah and about three-quarters of charter schools participate in school meals programs.
- > During the 2023-2024 school year, about 198,000 Utah students qualified for free or reduced-price meals, over 30% of enrolled students.
- ➤ In Fiscal Year 2024, Utah received over \$322 million in federal dollars for school meals programs; additionally, the Legislature appropriated about \$50 million from the Liquor Tax to support school meals programs.
- ➤ As of July 2024, Utah school districts reported approximately \$2.67 million in outstanding school lunch debt. Students accumulate school lunch debt if they cannot pay for standard or reduced-price meals.

# Background

## **School Meals Programs**

The federal government provides students with free and reduced-price meals at participating schools through multiple school meals programs, all administered by the Food and Nutrition Service at the U.S. Department of Agriculture. During the school year, this includes the National School Lunch Program and the National School Breakfast Program. These programs are optional for LEAs and schools. LEAs and schools may participate in additional federal and state nutrition programs, including summer meal and grocery benefit programs.<sup>1</sup>

To participate, students' families must meet income guidelines, which are a percentage of the federal poverty guidelines.<sup>2</sup> Depending on household income and size, students receive either free or reduced-price meals, which are subsidized by federal dollars.

## **Key Terms**

**Local Education Agencies (LEAs):** School districts and charter schools.

**Schools:** Charter or district schools.

**School Meals Programs:** The National School Lunch and School Breakfast Programs, which provide federally subsidized free and reduced-price meals.

**Paid Meals:** Meals purchased by students who are not eligible for free or reduced-price meals. The federal government provides a small subsidy.

**USBE:** Utah State Board of Education.



## **School Meals Programs**

## **National School Lunch Program**

- Eligible students receive **free** or **reduced-price** lunch.
- Federally funded, income-based program based on federal poverty levels.
- Reduced-price lunch cost: \$0.40.

## **National School Breakfast Program**

- Federally funded, income-based program that provides **free** or **reduced-price** breakfast to eligible students.
- Utah statute requires schools participating in the National School Lunch Program to also participate in the National School Breakfast Program (opt-out available).
- Reduced-price breakfast cost: \$0.30.

# Family Eligibility and Participation

To participate in school meals programs, families must meet federal income eligibility requirements, which are based on the federal poverty guidelines and are different for each program. These income requirements account for both household income and size. According to USBE staff, more Utah students are eligible for school meals programs than participate daily.

Families apply for school meals programs through their student's school. While families may apply for school meals programs at any point during the school year, they must renew their application yearly. LEAs generally offer application renewal during the school enrollment process.

## **Eligibility**

Household income requirements for school meals programs are a percentage of the federal poverty guidelines.

**Free**: up to 130%

Reduced-price: 130% to 185%

Direct certification grants automatic eligibility to the following students:

- From households eligible for certain federal assistance programs.
- In foster care or Head Start, and migrant, homeless, or runaway youth.

## **Application and Renewal**

Parents apply through the school at any time during the school year.

Families participating in the prior school year have 30 days at the start of a new school year to renew their application.

Directly certified families and families attending a school or district that is a Community Eligibility Provision site typically do not need to apply yearly (see page 4 for additional information).



## **School Lunch Debt**

Neither state statute nor USBE policy requires LEAs to report on school lunch debt. The Utah Lunch Debt Relief Foundation, which collects this information independently and directly from school districts, found that districts had approximately \$2.67 million in outstanding school lunch debt as of July 2024.<sup>3</sup> This does not include school lunch debt at charter schools.

Students typically accrue school lunch debt in the following ways:

- Unpaid costs of reduced-price meals for eligible students (\$0.30 for breakfast, \$0.40 for lunch).
- Unpaid lunch costs accrued between the time parents apply and become eligible for school meals programs.
- Unpaid meal costs for students who are ineligible for school meals programs and do not pay for their meals.

As of July 2024, Utah school districts reported about \$2.67 million in outstanding school lunch debt.

While federal guidelines require schools participating in school meals programs to have a policy on unpaid meal charges, there is no federal or state direction on what should be included in this policy.<sup>4</sup> Thus, LEAs' approaches to school lunch debt vary widely.

In September 2024, Utah Governor Spencer Cox redirected \$1.2 million of federal American Rescue Plan funds as a

competitive grant to reimburse LEAs for paying down school lunch debt for students from low-income families.<sup>5</sup> Applications were due to USBE by September 25, 2024, and LEAs had until December 10, 2025, to request reimbursement.

## School and District Participation

LEA participation in school meals programs is a local decision and is not required by state or federal policy. However, Utah law requires all schools participating in the National School Lunch Program to offer breakfast through the National School Breakfast Program, although schools may request a waiver. Virtual-only schools may not participate in school meals programs.

Participating schools seek federal reimbursement through USBE for free and reduced-price meals they provide to eligible students. The state superintendent sets a reimbursement rate based on multiple factors, including the federal reimbursement rate, statewide participation rates in school meals programs, and the amount of state liquor tax revenues collected (see page 5).<sup>7</sup>

## Participating Schools and Students, 2023-2024 School Year

During the 2023-2024 school year, close to 673,000 students were enrolled in Utah's public education system.<sup>8</sup> In that same school year, over 198,000 students qualified for free or reduced-price lunch through school meals programs. Nearly 80% of participating students – over 158,000 students – qualified for free meals, while close to 40,000 students qualified for reduced-price meals.<sup>9</sup>



In the 2023-2024 school year all the state's school districts and nearly three-quarters of charter schools participated in school meals programs. Additionally, about 78 schools in 10 LEAs offered free breakfast for all students. <sup>10</sup> During the current 2024-2025 school year, over 80 schools are currently offering free lunch and/or breakfast as CEP or Provision 2 sites (more information on page 4). <sup>11</sup>

## School Meals Served, 2022-2023 School Year

During the 2022-2023 school year – the most recent year for which this data is available – participating schools served 49.1 million lunches and 11.5 million breakfasts through school meals programs.<sup>12</sup>

### **Direct Certification**

Some students are automatically eligible for school meals programs through a process known as direct certification. This eliminates the need for families to apply for school meals programs.<sup>13</sup>

To be directly certified, a student's household must be eligible for certain federal assistance programs, or the student must fall into a specific category – for example, be homeless or in foster care.

Direct certification is a data-matching process.

Participating schools and LEAs match participation data for some federal assistance programs with school enrollment data. Students identified as eligible for school meals programs are then automatically enrolled, and participating schools and LEAs check for direct certification multiple times throughout the year. Most states, like Utah, provide LEAs access to applicable state-level data through data-sharing agreements.

Utah began participating in direct certification during the 2016-2017 school year and is one of 43 participating states.<sup>14</sup>

# Direct Certification Eligibility Assistance Programs

- Medicaid
- Supplemental Nutritional Assistance Program (SNAP)
- Temporary Assistance for Needy Families (TANF)
- Food Distribution Program on Indian Reservations (FDPIR)

## **Student Categories**

- Homeless
- Foster care
- Migrant
- Runaway
- Head Start

## **Options for Schools with High Percentages of Low-income Students**

Schools or LEAs that demonstrate a widespread student need for school meals programs can participate in options that reduce the administrative burden for schools and simplify the application process for families. These options include the Community Eligibility Provision (CEP) and Provisions 1, 2, and 3 of the National School Lunch Act. <sup>15</sup> The difference between these options lies in how schools gather eligibility data, and the factors used to determine student eligibility.

Utah currently has multiple schools and LEAs operating as CEP sites and a few operating as Provision 2 sites. <sup>16</sup> Both options allow participating schools and LEAs to offer free breakfast and/or lunch to all enrolled students.



### Community Eligibility Provision (CEP)

CEP sites provide free meals to all enrolled students schoolwide or districtwide, regardless of a student's eligibility. Individual schools and LEAs that can demonstrate widespread need for school meals programs can apply to be a CEP site.

Schools or districts are eligible if 25% or more of a school or district's enrolled students directly certify, meaning they are eligible for some federal assistance programs or fall into specific categories. <sup>17</sup> (More information about direct certification is on page 4.) Schools seek federal and state reimbursement for eligible students' meals and cover the remaining costs.

Currently, 64 individual charter and district schools in Utah are CEP sites. In addition, San Juan School District is a districtwide CEP site, meaning the district's 12 schools offer school meals to all enrolled students; this is the only districtwide site in Utah. <sup>18</sup>

# Community Eligibility Provision

- Eligible schools and districts in high-poverty areas serve free meals to all students without collecting individual applications.
- Participation is based on the percentage of enrolled students who would directly certify (more information above).
- Schools pay the difference between reimbursable meals and total meal costs.

## Cost for School Meals Programs

For Fiscal Year 2025, the Child Nutrition line item in the state budget was appropriated \$374 million to administer federal food programs and sub-programs in schools. This included \$322.8 million in federal funds and a mix of income tax and liquor tax funds.<sup>19</sup>

The current federal funding appropriated to LEAs through USBE covers the full price of free meals and the cost of reduced-price meals, above the price students pay; the current state funding provides an additional reimbursement for meals and additional support for costs associated with school meals programs.

Students eligible for reduced-price meals pay \$0.30 for breakfast and \$0.40 for lunch. The student costs for reduced-price are federally established and LEAs cannot set prices above those rates. Meal prices for students paying full price can vary between LEAs in Utah; the average price is \$2.17 for breakfast and \$3.56 for lunch. See Table 1 for comparison between the average and reduced-price for breakfast and lunch.

Table 1: Lunch Cost Comparison Between Average and Reduced Price in Utah

Average Price		Reduced-Price	
Breakfast	\$2.17	Breakfast	\$0.30
Lunch	\$3.56	Lunch	\$0.40

Source: Office of the Legislative Fiscal Analyst



## **Federal and State Reimbursement Rates**

As directed in USBE rule, the state superintendent sets a reimbursement rate for paid, reducedprice, and free meals. This rate is based on federal reimbursement rates and includes additional state-level funding.

Federal reimbursement rates for lunch are higher in schools where 60% or more of students are eligible for school meals programs and higher for breakfast in districts where 40% or more of students were eligible in a prior year. The federal government provides a small reimbursement for paid meals, and the state offers a small reimbursement for all school lunches.

See Table 2 and 3 for reimbursement rates by school meals program.

Table 2: Reimbursement Rates for Participating Schools in Utah, National School Lunch Program

Tyme of Doymont	Percentage of school population eligible		
Type of Payment	Less than 60%	60% or more	
Paid	\$0.40	\$0.42	
Reduced price	\$3.85	\$3.87	
Free	\$4.25	\$4.27	
State reimbursement	\$0.80	\$0.80	

Source: Utah Reimbursement Rates: "Reimbursement Rates" Utah State Board of Education.

Federal Reimbursement Rates: "School Meal Programs, National Average Payments/Maximum

Reimbursement Rates (July 1, 2023 – June 30, 2024)," Food and Nutrition Service, U.S. Department of Education.

**Table 3: Reimbursement Rates for Participating Schools in Utah, National School Breakfast Program** 

Type of Daymont	Percentage of school population eligible in a prior year		
Type of Payment	Less than 40%	40% or more	
Paid	\$0.38	\$0.38	
Reduced price	\$1.98	\$2.43	
Free	\$2.28	\$2.73	

Source: Utah Reimbursement Rates: <u>"Reimbursement Rates"</u> Utah State Board of Education. Federal Reimbursement Rates: <u>"School Meal Programs, National Average Payments/Maximum Reimbursement Rates (July 1, 2023 – June 30, 2024),"</u> Food and Nutrition Service, U.S. Department of Education.



# State Efforts to Expand Access to School Meals

Over the past several years, multiple states have taken action to expand student access to school meals either by:

- 1. Paying the costs of reduced-price meals, or
- Providing universal free school meals.

## **Efforts in Other States**

Currently, eight states provide universal school meals, including Colorado, New Mexico, and California. Two states used federal American Rescue Plan dollars to provide universal free school meals in the 2022-2023 and 2023-2024 school years.<sup>20</sup>

Between 2022 and 2024, at least 25 states plus D.C. attempted legislative or budgetary action to expand access to school meals or provide universal free school meals. Although many actions stalled, a few states – like Arizona and Washington, among others – successfully funded free meals for more students or eliminated the reduced-price meal category.<sup>21</sup>

### Utah

Eliminating the Reduced-price Meals Category
At current enrollment and reimbursement rates, Utah
would spend about \$2.8 million annually to eliminate the
reduced-price meal category.

Eliminating the reduced-price meals category means that schools continue to seek federal reimbursement for reduced-price meals, and the state pays the student cost.

Eliminating the reduced-price meals category in Utah would cost the state about \$2.8 million annually, at current enrollment and reimbursement rates.

In states that eliminate the reduced-price meal category, students either get free meals or pay for their meals. Currently, eligible students, about 40,000, pay \$0.30 for breakfast and \$0.40 for lunch.

#### Universal School Meals

As mentioned previously, some schools and districts in Utah offer universal free lunch and breakfast for all students, typically in schools or districts with a high percentage of low-income students.<sup>22</sup>

It is difficult to provide an exact price tag on the cost of providing free school meals to all students in Utah. According to an analysis by staff with the Office of the Legislative Fiscal Analyst, it could cost between \$103 million and \$288 million annually to provide universal free lunch to every student. This figure is based on projected enrollment for the 2024-2025 school year and actual school meal costs from prior years.<sup>23</sup>



### **Additional Resources**

- <u>Utah Food Security Council</u>: Created by the Legislature in 2022 (<u>S.B. 133</u>) to provide policy recommendations to address food insecurity.
- USBE's Child Nutrition Programs
- U.S. Department of Agriculture, Food and Nutrition Service
- Utah Lunch Debt Relief Foundation
- Utahns Against Hunger
- Food Research & Action Center

## **Endnotes**

<sup>1</sup> Other nutrition programs include the following:

- Summer Electronic Benefit Transfer for Children, <a href="https://www.fns.usda.gov/ops/summer-electronic-benefit-transfer-children-sebtc">https://www.fns.usda.gov/ops/summer-electronic-benefit-transfer-children-sebtc</a> and <a href="https://www.fns.usda.gov/summer/sunbucks">https://www.fns.usda.gov/ops/summer-electronic-benefit-transfer-children-sebtc</a> and <a href="https://www.fns.usda.gov/summer/sunbucks">https://www.fns.usda.gov/summer/sunbucks</a>
- Seamless Summer Option/Summer Food Service Program, <a href="https://schools.utah.gov/cnp/schoolnutritionprograms/sso">https://schools.utah.gov/cnp/schoolnutritionprograms/sso</a> and https://schools.utah.gov/cnp/communityprograms/sfsp
- Afterschool Snack Program, https://schools.utah.gov/cnp/schoolnutritionprograms/asp
- Special Milk Program, <a href="https://schools.utah.gov/cnp/schoolnutritionprograms/smp">https://schools.utah.gov/cnp/schoolnutritionprograms/smp</a>
- Fresh Fruit and Vegetable Program, <a href="https://schools.utah.gov/cnp/schoolnutritionprograms/ffvp">https://schools.utah.gov/cnp/schoolnutritionprograms/ffvp</a>

See USBE's Child Nutrition Programs website for additional programs. <a href="https://schools.utah.gov/cnp">https://schools.utah.gov/cnp</a>

<sup>&</sup>lt;sup>2</sup> "Poverty guidelines," Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, January 17, 2024. <a href="https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-quidelines">https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-quidelines</a>.

<sup>&</sup>quot;Income Eligibility Guidelines," Food and Nutrition Service, U.S. Department of Agriculture, last updated May 1, 2024. <a href="https://www.fns.usda.gov/cn/income-eligibility-guidelines">https://www.fns.usda.gov/cn/income-eligibility-guidelines</a>

<sup>&</sup>quot;National School Lunch Program Factsheet," Food and Nutrition Service, U.S. Department of Agriculture, last updated June 11, 2024. <a href="https://www.fns.usda.gov/nslp/factsheet">https://www.fns.usda.gov/nslp/factsheet</a>

<sup>&</sup>lt;sup>3</sup> The Utah Lunch Debt Relief Foundation, a Utah-based nonprofit, collects information about school district lunch debt directly from school districts. They do not collect information about school lunch debt from charter schools. Per the organization, this information is accurate as of July 2024. <a href="https://www.utldr.org/">https://www.utldr.org/</a>

<sup>&</sup>lt;sup>4</sup> "Unpaid Meal Charges: Local Meal Charge Policies," Policy Memo SP 46-2016, Food Nutrition Service, U.S. Department of Agriculture, July 8, 2016. <a href="https://www.fns.usda.gov/cn/unpaid-meal-charges-local-meal-charge-policies">https://www.fns.usda.gov/cn/unpaid-meal-charges-local-meal-charge-policies</a>



- "Unpaid Meal Charges," U.S. Department of Agriculture. https://fns-prod.azureedge.us/sites/default/files/cn/UnpaidMealsFactSheet.pdf
- <sup>5</sup> "Media Release: Gov. Cox reverts funds to the Governor's Emergency Education Relief Program," Governor of Utah Spencer J. Cox, September 3, 2024. <a href="https://governor.utah.gov/press/media-release-gov-cox-reverts-funds-to-the-governors-emergency-education-relief-program/">https://governor.utah.gov/press/media-release-gov-cox-reverts-funds-to-the-governors-emergency-education-relief-program/</a>
- <sup>6</sup> Schools may apply to the state board for a waiver from the requirement to participate in the National School Breakfast Program for financial or logistical hardship. See Utah Code <u>53G-9-205.1(3)</u> and <u>R277-723</u>.

#### <sup>7</sup> R277-727

- <sup>8</sup> "Fall Enrollment by Grade Level and Demographics, October 1, 2024 School Year 2024-2025," Enrollment/Membership Reports, Utah State Board of Education. https://schools.utah.gov/datastatistics/reports#CNP/NSLP
- <sup>9</sup> Staff from the Utah Legislature's Office of the Legislative Fiscal Analyst developed this estimate based on USBE data.
- "October 31 Survey Reports (2023)," Child Nutrition Program (CNP)/National School Lunch Program (NSLP), Utah State Board of Education. <a href="https://schools.utah.gov/datastatistics/reports#CNP/NSLP">https://schools.utah.gov/datastatistics/reports#CNP/NSLP</a>
- <sup>10</sup> USBE staff, email message to author, December 6, 2024.
- <sup>11</sup> "CEP/Provision Schools Report, USBE, School Year 2025," Child Nutrition Program (CNP)/National School Lunch Program (NSLP), Utah State Board of Education.

USBE staff, email message to author, December 6, 2024.

- <sup>12</sup> "2023 Annual Report," Child Nutrition Programs, Utah State Board of Education. https://www.schools.utah.gov/cnp/ cnp /resources/reports/2023AnnualReport.pdf
- 13 Code of Federal Regulations, Title 7 § 245.9
- "Direct Certification Improves Low-Income Student Access to School Meals: An Updated Guide to Direct Certification," Food Research & Action Center, November 2018. <a href="https://frac.org/wp-content/uploads/direct-cert-improves-low-income-school-meal-access.pdf">https://frac.org/wp-content/uploads/direct-cert-improves-low-income-school-meal-access.pdf</a>
- <sup>14</sup> "National School Lunch and School Breakfast Program Demonstration Projects to Evaluate Direct Certification with Medicaid," Food and Nutrition Service, U.S. Department of Agriculture, last updated October 10, 2024. <a href="https://www.fns.usda.gov/cn/direct-certification-medicaid-demonstration-project">https://www.fns.usda.gov/cn/direct-certification-medicaid-demonstration-project</a>
- <sup>15</sup> *Richard B. Russell National School Lunch Act,* Public Law 118-42. https://www.govinfo.gov/content/pkg/COMPS-10333/pdf/COMPS-10333.pdf
- <sup>16</sup> In Utah, fewer than 20 schools are currently Provision 2 sites, and no schools or districts are currently Provision 1 or 3 sites.
- <sup>17</sup> "Final Rule: Child Nutrition Programs CEP Increasing Options for Schools," Food and Nutrition Service, U.S. Department of Agriculture, September 26, 2023. <a href="https://www.fns.usda.gov/cn/fr-092623">https://www.fns.usda.gov/cn/fr-092623</a>
- <sup>18</sup> "CEP/Provision School Report, USBE, School Year 2025," Utah State Board of Education. https://www.schools.utah.gov/datastatistics/reports#CNP/NSLP
- <sup>19</sup> "Child Nutrition," COBI FY24-25, Utah Legislature. https://cobi.utah.gov/2024/1545/overview



<sup>20</sup> "State Show Us What Is Possible with Free Healthy School Meals for All Policies," Alexis Bylander, Food Research & Action Center, September 6, 2023. <a href="https://frac.org/blog/free-healthy-school-meals-for-all-policies">https://frac.org/blog/free-healthy-school-meals-for-all-policies</a>

"States that Have Passed Universal Free School Meals (So Far)," Marissa Sheldon, Hunter College New York City Food Policy Center, April 9, 2024. <a href="https://www.nycfoodpolicy.org/states-with-universal-free-school-meals-so-far-update/">https://www.nycfoodpolicy.org/states-with-universal-free-school-meals-so-far-update/</a>

Food Research & Action Center, November 2024. https://frac.org/healthy-school-meals-for-all

- <sup>21</sup> "States that Have Passed Universal Free School Meals (So Far)," Marissa Sheldon, Hunter College New York City Food Policy Center, April 9, 2024. <a href="https://www.nycfoodpolicy.org/states-with-universal-free-school-meals-so-far-update/">https://www.nycfoodpolicy.org/states-with-universal-free-school-meals-so-far-update/</a>
- <sup>22</sup> USBE staff, email message to author, December 6, 2024.
- <sup>23</sup> This estimate is based on current eligibility for free and reduced-price meal programs and current enrollment, then adjusted for absenteeism. The amount would change annually based on enrollment, participation, and inflation. In addition, other states implementing universal free meals report higher participation than expected. Staff from the Utah Legislature's Office of the Legislative Fiscal Analyst developed this estimate.