



## THE NEED FOR SCHOOL NUTRITION BUDGET RELIEF

School nutrition departments play an important role within schools and school districts, ensuring that students are nourished and ready to learn. Even as schools have closed their doors during the coronavirus pandemic, they have continued to feed students and support families facing hardship. Many school nutrition departments are struggling financially and may not be able to continue, though. **Federal relief is needed to meet the scale of the crisis.**

### Separate Budget

The school nutrition department's budget is separate from the district's budget and general fund.

- The school nutrition department pays for the staff who prepare meals or oversee operations as well as food, supplies, equipment, and equipment maintenance.
- The school nutrition department also pays a share of the district's expenses for utilities, janitorial services or waste removal, or it pays for its own expenses separately.
- School districts often charge overhead or indirect costs to the school nutrition budget, such as a share of the district's administrative staff costs.

### School Nutrition Funding Sources

The school nutrition budget is funded through a combination of revenue streams. Many school nutrition departments have had to get creative to supplement federal meal reimbursements. These are some common revenue sources:

- **Federal government reimbursements for meals served:**
  - In schools with a traditional reimbursement model, the school nutrition department receives a higher rate of reimbursement for meals served to students eligible for free meals, a lower rate for meals served to students eligible for reduced-price meals, and a small per-meal subsidy for students who do not qualify for free or reduced-price meals.
    - Schools that participate in another funding option like the Community Eligibility Provision (CEP) or Provision 2, provide meals at no out of pocket cost to all students and are reimbursed on a modified funding structure.
  - In addition to breakfast and lunch, some schools may serve snacks or meals after school as well as during summer vacation.
    - The federal government often provides a flat reimbursement rate for these meals or snacks, and they are served free of charge to all students.
    - However, this option is usually only available to schools and sites in areas where at least half of students qualify for free or reduced-price school lunches.
- **Student payments for meals:**
  - Students eligible for reduced-price meals are required to pay a co-payment for meals.
  - Students who do not qualify for free or reduced-price meals must pay the full price for meals.
- **Student payments for other food**, like a la carte items (items sold individually and not a part of a reimbursable meal), beverages in vending machines, snacks from a concession stand or snack shop, etc.

- **Payments from adults who buy meals at schools**, like teachers or coaches.
- **Payments for catering services**, such as when the school nutrition department provides food for a school board meeting or a PTA event.

For more information on how school meals are funded, see [How School Meals Reach Kids](#).

## Current Financial Challenges

School nutrition departments are generally expected to be financially self-sufficient and stay in the black. Even in the best of times, though, they must walk a tightrope: school nutrition departments are limited by federal law from keeping more than a few months' worth of operating expenses in their account. If the school nutrition budget goes into the red, it may get bailed out by the district's general fund. School nutrition departments are struggling now with higher costs and falling revenue as they try to meet students' needs under unprecedented circumstances.

### Higher Costs

- Many school nutrition departments are trying to keep staff on payroll so that they have vetted and trained staff ready when schools reopen. Or, it may have been directed by union, district, or state policy.
  - This means they are often paying for more staff than they need for the current level of meal service and reimbursements.
  - Many are also paying overtime or hazard pay for those who are currently working. Some are even paying overtime for those working on top of usual wages for everyone.
- Their food costs are higher:
  - Supply chain issues have led to higher food costs overall.
  - The foods easiest to put in grab-n-go style meals tend to be more expensive.
  - Shelf-stable items, used to package multiple days of meals at a time, tend to be more expensive.
- They are spending more on packaging so that meals can be bagged or boxed for easy pick-up or delivery.
- They may spending money to deliver meals via bus routes or directly to students' homes.
- They are spending more on protective equipment and cleaning supplies

### Falling Revenue

- They have lost all supplementary revenue from a la carte sales, adult meals, and other sources.
- Many districts are serving dramatically fewer reimbursable meals, some around 20-30% of their usual number and others even less:
  - Many schools are serving meals through the summer meals programs since these offer the most flexibility under the current circumstances.
    - However, summer meals programs are typically limited to locations where more than half of students are eligible for free or reduced-price lunches.
    - States have now received waivers allowing them to provide meals at more locations than previously qualified, but that did not kick in until well after schools closed.
    - Even now, not every school may qualify, so those may not be serving meals at all, or serving a small fraction of their usual meals by targeting them to the students eligible for free or reduced-price meals.
  - Even in eligible areas, not all families may be able to come pick up meals during the distribution times due to work conflicts or transportation challenges. This could be particularly difficult in rural areas where families would need to drive a significant distance to pick up meals or in areas where many families rely on public transportation.

School nutrition departments need federal relief in order to prevent them from tapping already strained district budgets. Charitable dollars and grants may be able to support offset some losses or purchase needed equipment for some districts, but this is not sufficient. The need is too great across the country to ensure that all schools are ready to serve hungry students in the Fall.



No Kid Hungry is committed to ending childhood hunger in the United States by helping to launch and improve programs that provide kids with the food they need.