

NATIONAL SCHOOL LUNCH PROGRAM



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The National School Lunch Program (NSLP) is a federally assisted meal program operating in public and nonprofit private schools and residential child care institutions. The program offers nutritionally balanced meals that meet requirements set forth by USDA, providing low-cost or free lunches to eligible children each school day.

ADMINISTERING SCHOOL NUTRITION PROGRAMS



- The Food and Nutrition Service (FNS), a division within the United States Department of Agriculture (USDA), administers the program at the Federal level.
- FNS communicates regulations with each State agency. In Arizona, the School Nutrition Programs are administered by the Health and Nutrition Division at the Arizona Department of Education (ADE).
- ADE then operates the program through agreements with Local Educational Agencies (LEAs).

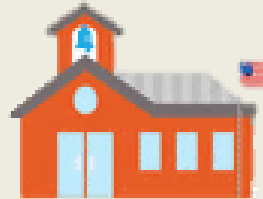
FUNDING SCHOOL NUTRITION PROGRAMS



ADE is awarded Federal funds to operate the Child Nutrition Programs.



LEAs will use reimbursement funds as well as revenue from student meals to operate the National School Lunch Program.



FEDERAL FUNDS

State Administrative Expense and Child Nutrition Programs Block Funding

Arizona Department of Education is awarded funds from USDA for all Child Nutrition Programs:

(1) to provide to Local Educational Agencies (LEAs) for meal reimbursement referred to as Child Nutrition Programs Block Funding. Block Funding is awarded based on forecasted meal reimbursements for the upcoming program year and can be adjusted based on actual meal reimbursement.

(2) administrative expenses, referred to as the State Administrative Expense (SAE) and is provided over a two year span.

	Funds provided to ADE
Child Nutrition Programs Block Funding (10/1/16-9/30/17) GAD:7AZ300AZ3	\$428,379,536.41*
SAE 10/1/2016-9/30/18 GAD: 7AZ300AZ2	\$5,801,231.00*

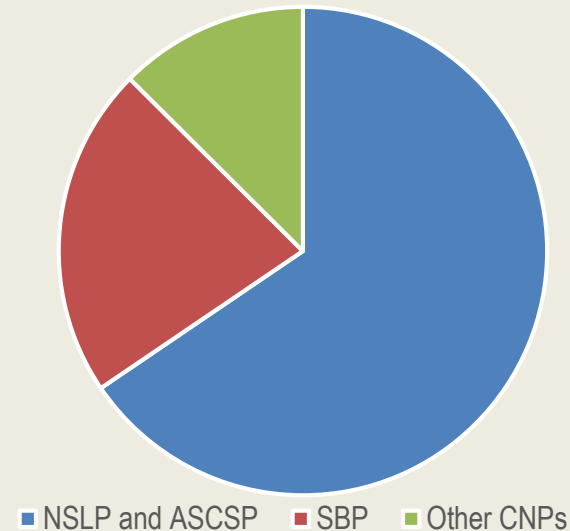
**Values provided from the most recent Grant Award Documents (GAD).*

FEDERAL FUNDS: CNP BLOCK FUNDING

Funding Distributed to LEAs

- LEAs will submit a monthly claim that provides site-level meal counts for the National School Lunch Program, After School Care Snack Program and School Breakfast Program they are participating in.
- In 2017 (October 1, 2016 – September 30, 2017), ADE has passed through \$249,009,150 to subrecipients claiming meal reimbursement for lunch and snack, and \$83,416,477 meal reimbursement for breakfast.

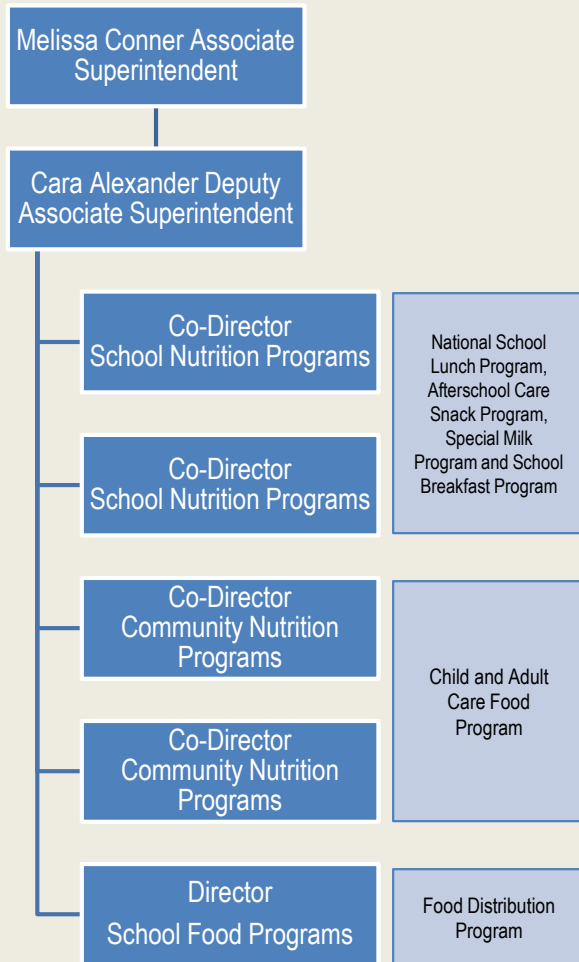
Percentage of Expenditures per Program



Percentage of CNP Block Funding used for NSLP, ASCSP, and SBP reflective of FY 2017, Quarter 4 reported values.

Other CNPs represent the Child and Adult Care Food Program and School Milk Program.

FEDERAL FUNDS: SAE

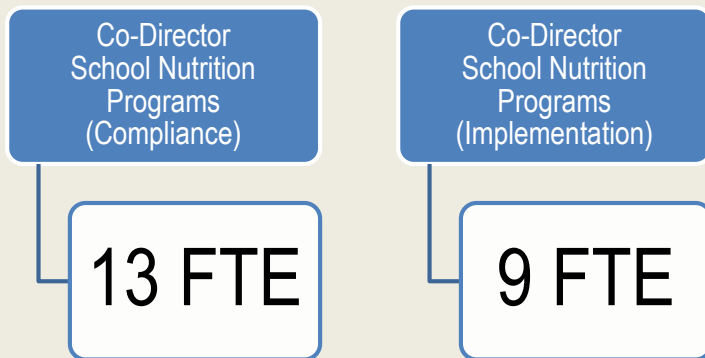


State Administrative Expense

Per 7 CFR 235.1, Arizona Department of Education receives funds for administrative expenses incurred in supervising and giving technical assistance in connection with activities undertaken by them under the:

- National School Lunch Program (includes After School Care Snack Program)
- Special Milk Program
- School Breakfast Program
- Child and Adult Care Food Program and;
- Food Distribution Program

SCHOOL NUTRITION PROGRAMS

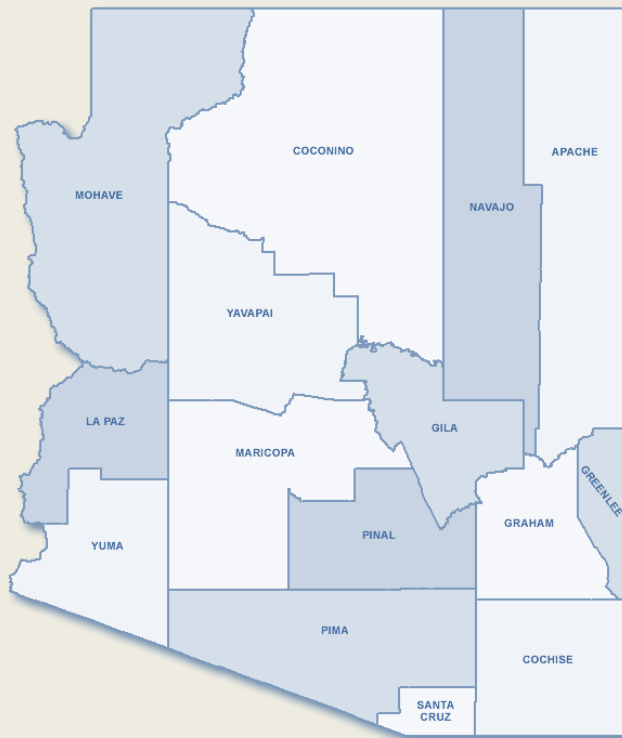


The School Nutrition Programs (SNP) administers the USDA Child Nutrition Programs: National School Lunch Program, School Breakfast Program, Afterschool Care Snack Program and Special Milk Program.

The team is led by two Co-Directors, (1) Compliance and (2) Implementation.

- The Compliance Team conducts on-site Administrative Reviews
- Implementation Team provides regional training and technical assistance to the schools operating the program

STATE MONITORING: ON-SITE REVIEWS



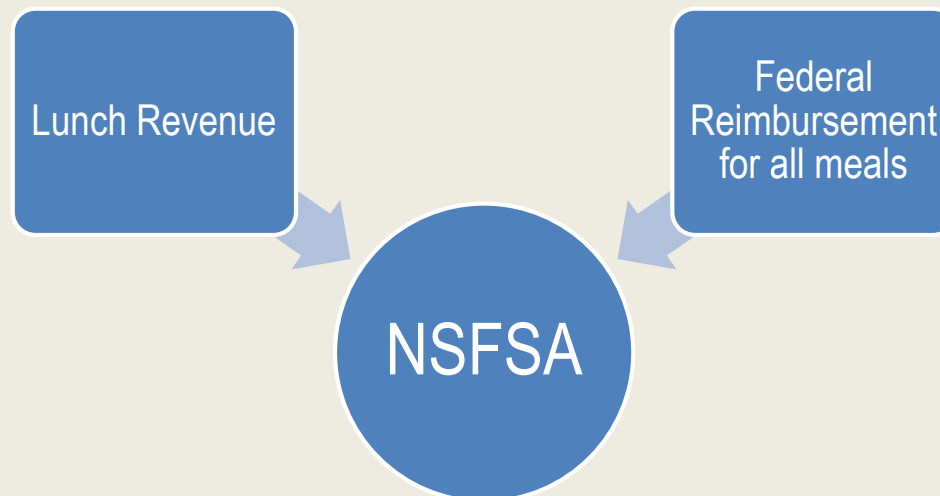
Per USDA regulations, all Local Educational Agencies (LEAs) participating in the School Nutrition Programs are to be reviewed every three years.

	No. of LEAs Reviewed	No. of Sites Reviewed
PY 2015	187	273
PY 2016	204	258
PY 2017	196	269
Anticipated PY 2018	193	277

STATE MONITORING: RESOURCE MANAGEMENT

During an Administrative Review, ADE staff will assess all funds generated by the school food service.

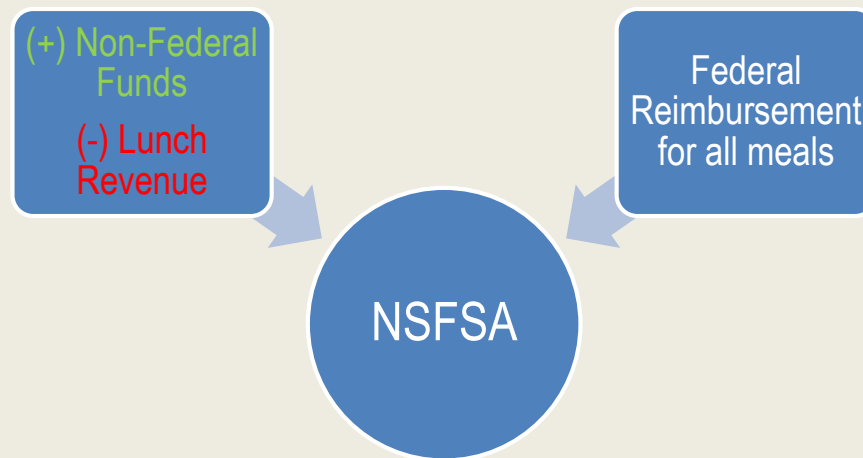
- Maintenance of the Nonprofit School Food Service Account (NSFSA): The State Agency must ensure that revenues and expenses under the NSFSA are in accordance with 7 CFR 210.14. The NSFSA expenses must be allowable – used only for operation and improvement of the school food service.



LUNCH REVENUE

Allowable use of Federal Reimbursement

- Federal reimbursement covers a portion of school food service operation and maintenance, but may not cover the cost of unpaid meal charges.
- Debt created by unpaid meal charges may not be absorbed by the NSFSA, but must be restored using non-Federal funds (i.e. school district's general fund, special funding from State or local governments, school or community organizations, or any other non-Federal sources.) ([SP 47-2016](#))



OPERATING LOSSES DUE TO MEAL CHARGES

Currently, if a student is unable to pay for lunch, the LEA may:

1. Not allow a negative student balance and refuse the student a meal.
2. Provide a student a reimbursable alternate meal at no cost to the student.
3. Provide the student the same reimbursable meal as other students and charge the established school lunch price to the student's account, resulting in a negative student balance.
4. Provide the student a non-reimbursable alternate meal and charge the student (may differ than the price of established school lunch price), resulting in a negative student balance.
5. Provide the student a non-reimbursable alternate meal and does not charge the student.

In all scenarios, the cost of the food must be returned to the Nonprofit School Food Service Account (NSFSA), either by the household or covered through non-Federal funds.

MEAL CHARGE POLICY: GUIDELINES AND RESTRICTIONS

SP 46-2016

- USDA released policy that State agencies and LEAs have discretion in developing the specifics of individual policies including the level at which the policy is developed.
- By July 1, 2017, LEAs must institute and clearly communicate a meal charge policy, which would include, if applicable, the availability of alternate meals for children participating at the reduced or paid rate but do not have funds to cover the cost of the meal at the time of service.

HNS 14-2017

- ADE released State guidelines and restrictions for LEAs written meal charge policy to ensure that all students and parents are treated in a respectful manner, regardless of their economic circumstances. (See table on next slide for specific guidelines and restrictions.)

SP 47-2016

- USDA released policy that clarifies operating losses may not be absorbed by the NSFSFA, but must be restored using non-Federal funds.

ADE GUIDELINES AND RESTRICTIONS (HNS 14-2017)

Actions not allowed to be implemented or included in the written policy	Encouraged alternative actions
Announcing or publicizing the names of children with unpaid meal charges	Communicating privately with individual families about their child's outstanding balance
Requiring children with unpaid meal charges to use a different serving line to pick up an alternate meal	Serving children with unpaid meal charges the regular reimbursable meal (or a low-cost, reimbursable alternate meal) in the same serving line
Using hand stamps, stickers, or other physical markers to identify children with meal charge debt	Communicating payment reminders directly to adults in the family over the phone or via email
Sending clearly marked notices home with children who have an outstanding balance	Sending discrete reminders in a plain, white envelope, or sending reminders with other communication materials sent to all families
Enlisting volunteers, especially the parents or guardians of other students, to request payment from a family with unpaid meal charges	REQUIRED: Allowing only appropriate officials trained on USDA's confidentiality requirements who have a need to access a child's account balance or eligibility information to request payment from families with unpaid meal charges unless the family gives approval
Suggesting or requiring children with unpaid meal charges to work for a meal or to pay back their debt	Working with families to develop a payment plan to pay back meal charge debt
Throwing a child's meal in the trash if they are unable to pay	Serving children who are unable to pay the regular reimbursable meal or discreetly providing a low-cost, reimbursable alternate meal
Serving unappealing alternate meals as a strategy to embarrass children with unpaid meal debt	Ensuring the alternate meal (if opting to provide one) is a healthy meal and does not single out children with unpaid meal charges

QUALIFYING FOR MEAL BENEFITS

Unpaid lunch revenue does not impact students that are eligible to receive free lunch benefits. Lunch revenue does impact students receiving reduced-price lunch benefits. These students are able to purchase lunch at the reduced rate of 40 cents.

Children can qualify for free or reduced-price school meals based on documentation submitted by the household or documentation obtained by the LEA.

- **Household Application:** A form available to all households. Households are instructed to provide either participation in an Assistance Program or their household size/income.
- **Direct Certification:** LEAs are able to certify children as eligible for free meal benefits using participant data from outside agencies, eliminating the need for an application.

QUALIFYING FOR MEAL BENEFITS

Income and Household Size

- Children from families with incomes at or below 130 percent of the Federal poverty level are eligible for free meals. Those with incomes between 130 and 185 percent of the Federal poverty level are eligible for reduced-price meals.

Categorical Eligibility

- Through participation in certain Federal Assistance Programs, such as the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Food Distribution on Indian Reservations (FDPIR).
- Status as a homeless, migrant, runaway, or foster child.
- Children enrolled in a federally-funded Head Start Program, or a comparable State-funded pre-kindergarten program

QUESTIONS?

Thank you for your interest in the
Child Nutrition Programs.