



HNS TA 01-2022

TECHNICAL ASSISTANCE MEMORANDUM

To: School Food Authorities Operating the National School Lunch Program

From: Melissa Conner, Associate Superintendent
Health and Nutrition Services

Date: July 19, 2022

Subject: Transitioning Back to Charging for School Meals

Original Signed

School Food Authorities (SFAs) have inquired about the requirement to collect school meal eligibility. Specifically, operators are interested in knowing how the signing of Keep Kids Fed Act of 2022 (KKFA) and 23 statewide waivers will provide flexibilities and financial resources to SFAs for School Year 2022-2023 (SY 2022-23).

Arizona Department of Education (ADE) Health and Nutrition Services (HNS) understands the importance of free and reduced-price meal eligibility data and encourages program operators, along with administrators involved with student eligibility data, to review the student eligibility requirements for this school year. Additionally, ADE is aware that due to operating under nationwide COVID-19 waivers for the last two years, households are not used to submitting applications to determine payment for school meals. The purpose of this memorandum is to reiterate the requirements surrounding free and reduced-price meal eligibility for the National School Lunch Program (NSLP) and to highlight the available flexibilities provided to schools when anticipating unpaid meal charges.

Staff Training Help

Staff that are new to, or need a refresher on student eligibility, are encouraged to participate in the training that HNS has suggested based on job duties outlined in the [Training Curriculum for Arizona Child Nutrition Professionals](#). The training curriculum for the Student Eligibility Specialist provides over 14 hours of available training.

School Meal Eligibility

Neither the KKFA nor statewide waivers extend the flexibilities granted by USDA that previously allowed for all children to receive meals at no charge. Because of this, starting in SY 2022-23, SFAs

will return to doing what they did before COVID-19 and determine eligibility for a free or reduced-price meal at the local level through certifying the school meal applications or determining categorical eligibility for students. Eligibility determinations for SY 2022-23 can be assigned any time throughout the school year, beginning on July 1, 2022.

For the purposes of the NSLP, “eligible” means that a student has been certified by the SFA as qualifying for free or reduced-price meal benefits based on family size and income guidelines published by the United States Department of Agriculture (USDA). To be eligible for free meals, a student must either reside in a household with an income at or below 130% of the federal poverty level; or that participate in specific nutrition assistance programs; or be determined as homeless, migrant, or runaway. Students in households whose income falls between 130% and 185% of the federal poverty level qualify for reduced-price meal benefits.

SFAs may obtain eligibility information through:

- Household Application for Free and Reduced-Price Meals
- CNP Direct Certification database and/or
- appropriate agency documentation supporting a status of homeless, migrant, runaway, Head Start/Even Start, or foster.

SFAs currently operating NSLP Special Provision Options (SPO) in a non-base year or CEP cycle, may not be required to obtain eligibility information and should operate in accordance with the requirements of the approved provision of the NSLP.

Household Application for Free and Reduced-Price Meals

Household Applications for Free and Reduced-Price Meals can be distributed to families prior to the beginning of the school year, but applications cannot be processed by the SFA earlier than July 1, 2022. SFAs required to obtain eligibility information may use the Household Application for Free and Reduced-Price Meals template provided by HNS or may choose to create a custom document and submit it to HNS annually for approval. These applications can be paper-based, scannable, or electronic. Custom or electronic formats must be approved by HNS prior to distribution. Any information requested on a Household Application for Free and Reduced-Price Meals that is not required for a student’s certification of eligibility must not create a real or perceived barrier to participation in Child Nutrition Programs. Household Applications for Free and Reduced-Price Meals that request additional data outside of what is required, must be considered complete and processed even when the additional data is not provided.

Direct Certification

Direct Certification is the process of determining which students are eligible for free meal benefits based on documentation obtained directly from the appropriate state or local agency. In Arizona, SFAs are to use a computer matching system referred to as CNP Direct Certification. SFAs will search the current enrollment with records to determine which students qualify for free meal benefits. When the database searches the records, a student enrollment record that matches with an assistance program record will yield a match result which will qualify the matched student plus all household members enrolled in the school or district for free meal benefits. The child is considered “directly certified” or certified for free meal benefits directly from the source agency and eliminating the need for school meal program applications from the household. Further, the CNP Direct Certification portal is enhanced to identify

partial matches. Partial matches must be confirmed within CNP Direct Certification in order to qualify as a direct certification match resulting in free meal benefits.

USDA regulation states that direct certification must be conducted at least 3 times per program year for all enrolled students. While there are no maximum number of times SFAs can conduct direct certification, SFAs at minimum must attempt to match their entire enrollment against agency records within CNP Direct Certification at different intervals to ensure all households who have not yet matched in CNP Direct Certification and are participating in assistance programs receive free meal benefits. Direct certification should be conducted at minimum:

- near or around the beginning of school (before sending household applications but no sooner than July 1);
- 3 months after initial effort;
- 6 months after initial effort;
- as best practice, when new students enroll; and
- before verification and April 1 data submission.

SFAs participating in Provision 2/3 Non-Base Year, or the Community Eligibility Provision (CEP) are required to conduct direct certification once per year for the required April 1 Identified Student Reporting.

SFAs should confirm an email address has been subscribed to the email notification feature within CNP Direct Certification to be alerted when a student newly matches in the system.

Ineligible Documentation for School Meal Benefits

Not all income forms and/or assistance programs are allowable methods to qualify a student for school meal benefits. Income eligibility forms for other programs (e.g. ESEA income eligibility form) do not qualify as an acceptable substitute for the Household Application for Free and Reduced-Price Meals. Such forms may be collected by the school but will not support meal benefits for the child during meal service and thus are not suggested for use by the school when the Household Application for Free and Reduced-Price Meals is used.

The temporary nutrition assistance benefit, Pandemic-Electronic Benefit Transfer (P-EBT) does not qualify a child for free or reduced-price meal benefits. P-EBT issuance is not a measure of categorical eligibility.

Disclosure Reminders

Schools may receive numerous requests for individual student eligibility data or aggregate data, such as the total number of children eligible for free and reduced-price meals in the school or district, in order to provide additional benefits to low-income students or provide additional funding through grants or programs to schools with high populations of low-income students. ADE uses individual student eligibility data for A-F Accountability, School Report Cards, as well as federal reporting associated with programs under the Elementary and Secondary Education Act (ESEA). For specific local education program/services, SFAs must determine if parental consent is required prior to disclosing any student information. A common example of a program that would require written consent from a parent or guardian prior to disclosure of an individual student's eligibility information is a state or local waiver of

fees (for books, athletic activities, uniforms, etc.). Disclosure consent can be added to the Household Application for Free and Reduced-Price Meals or can be provided as a separate document. The disclosure consent signed by a parent or guardian permits an SFA to disclose the household's eligibility status or other school meal application data, as appropriate, to the requesting recipient of the information. SFAs should review existing disclosure requirements found in:

- [SP 16-2016; CACFP 06-2016; SFSP 10-2016: Disclosure Requirements for the Child Nutrition Program](#)
- [Section 5 of the USDA Eligibility Manual for School Meals, July 2017](#)

Flexibilities to Provide Support When Charging for Meals

The nationwide waiver that resulted in serving meals to all students, regardless of eligibility, at no charge has expired. Children who do not have established eligibility, or do not qualify as free or reduced-price eligible based on the eligibility standards, will be charged for school meals. These individuals may not have the funds in their school meals account or in-hand to cover the cost of the meal at the time of the meal service. The KKFA and statewide waivers provide some flexibility and additional financial resources to support schools in the anticipation of unpaid meal charges. The flexibilities for SY 2022-23 do not guarantee all operations will be able to offer all meals at no cost to all students. These flexibilities will allow SFAs to assess if potentially lowering or eliminating lunch prices would be feasible but still allow operations and meal quality to be maintained without the revenue generated from charging students for meals.

Current regulation, outside of waivers and flexibilities, allows schools to operate under a special discretion that reduced-price meals could be served at no-cost to students who would otherwise qualify for reduced-price benefits. Schools electing to take advantage of this flexibility continue to receive federal reimbursement based on meals claimed by students in the reduced-price category. For example, a student with reduced-price meal benefits will not be charged the reduced-price, but the school must claim the meal in the reduced category and will only receive the reimbursement set for reduced-price meals. The cost associated with covering the reduced-price student payments may be funded from the nonprofit food service account as stated in memorandum [SP 17-2014: Discretionary Elimination of Reduced Price Charges in the School Meal Programs](#).

Statewide Waiver #25: Paid Lunch Equity

USDA has offered a flexibility in the price adjustment of paid meals and will not require SFAs to meet Paid Lunch Equity (PLE) price increase requirements, regardless of the financial status of the SFA (Statewide Waiver #25). Arizona has opted into the waiver allowing all SFAs to be exempt from the PLE requirement, including those with a negative balance in their non-profit school food service account. This includes decreasing paid lunch prices from their previous levels; however, schools should carefully review their budgets before adjusting their paid lunch prices in SY 2022-23. Operators will need to make individual assessments to ensure that schools are charging an equitable price for the paying student lunch price, coupled with Federal paid reimbursement. Schools electing to take advantage of this flexibility continue to receive federal reimbursement based on meals claimed by students in the established eligibility category for free, reduced and paid.

Statewide Waiver #26: Use of Prior Year Eligibility Determinations for School Year 2022-2023 Carryover

USDA allows SFAs to use the previous year's eligibility determinations for the first thirty operating days of the new school year. This allows for children who were certified for free or reduced-price meal benefits in the prior school year to continue receiving meals at no cost, or at a reduced cost, while new documentation is submitted and processed by the school with the intent of preventing an accrual of unpaid meal charges. USDA is providing the flexibility for SFAs that do not have eligibility on file from SY 2021-22, due to not collecting income applications last school year, to use the most recent available eligibility data from SY 2019-2020 for the thirty-day carryover period in SY 2022-23. If an SFA collected applications in SY 2021-2022, the SFA must use this data for SY 2022-23 carryover. At the end of the thirty-day carryover period, any student that does not have eligibility will be required to pay full-price for the meal until sufficient eligibility documentation is obtained. Further, the SFA is only permitted to claim the paid rate of meal reimbursement for the meals served to students who do not have free or reduced-price eligibility established after thirty days into the new school year.

Communicating to Households

Parent Letter

SFAs are encouraged to use the Parent Letter as a platform to explain carryover eligibility and the transition away from offering all meals at no charge due to the expiration of the COVID-19 pandemic waivers. A parent letter is provided as a cover letter with the Household Application for Free and Reduced-Price Meals. This can further explain why only some students will receive meals at no charge in the first 30 operating days. While schools are not required to notify parents and guardians about the end of the carryover period, school officials are encouraged to send expiration reminders to families via email, text message, auto-dialed calls, or mailed notices. Reminding families that their free or reduced-price meal benefits will end after the carryover period and encouraging households to submit a new application may reduce the risk of households accruing unpaid meal charges.

Notification of Benefits

Once eligibility is determined, SFAs are required to notify the household within 10 operating days of eligibility status after an application is received. The Notification of Benefits is a letter to inform households of their eligibility status and if denied meal benefits, a reason for the denial. HNS has provided a template, however if an SFA would like to customize this template and provide additional information, this is allowable once approved by HNS.

Unpaid Meal Charge Policy

All SFAs operating the National School Lunch Program and/or School Breakfast Program must have a written unpaid meal charge policy. The policy must be communicated and provided in writing to all households with children within the SFA and all school or district-level staff members responsible for policy enforcement. To prevent children who are eligible for free or reduced-price school meals from accruing unpaid meal charges, schools should ensure families are aware of the household application and return their application prior to the first day reimbursable meals are offered, in addition to obtaining student eligibility through Direct Certification.

The following are methods SFAs could use to communicate the policy to families:

- Include a letter to households explaining the meal charge policy when sending “back-to-school” packets with student registration materials;
- Include the policy in the print versions of student handbooks, if provided to parents and guardians annually; and/or
- Include the written policy when using existing notification methods to inform families about applying for free or reduced-price meals, such as distributing household applications at the start of the school year.

For additional information on meal charge policies, please see:

- [SP 29-2017](#): 2017 Edition of *Overcoming the Unpaid Meal Challenge: Proven Strategies from Our Nation’s Schools*
- [SP 23-2017](#): Unpaid Meal Charges: Guidance and Q&A
- [SP 47-2016](#): Unpaid Meal Charges: Clarification on Collection of Delinquent Meal Payments
- [SP 46-2016](#): Unpaid Meal Charges: Local Meal Charge Policies

SFAs are encouraged to distribute this information to administrators and school leaders. To assist SFAs with internal and external inquiries about SY 2022-23, please visit the revised [HNS Webpage](#) to serve as information portals directed to Administrators and School Leaders, and Parents and Families.

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1. *mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;*

2. fax: (202) 690-7442; or
3. email: program.intake@usda.gov.

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