



HNS 10-2022

MEMORANDUM

To: School Food Authorities Operating the National School Lunch Program

From: Melissa Conner, Associate Superintendent
Health and Nutrition Services Division

Date: December 22, 2022

Subject: Question and Answer Guidance on the Reduced-Price Meal Fee Subsidy Effective January 1, 2023

On December 14, 2022, the Arizona Department of Education (ADE) announced the allocation of \$6.75 million dollars for schools to offer meals free of charge to students who qualify for reduced-price meal benefits in the National School Lunch Program (NSLP) and School Breakfast Program (SBP), in Arizona. This funding is provided through ADE's Elementary and Secondary School Emergency Relief (ESSER) set aside project funds. Currently, families with students who qualify for reduced-price meal benefits may incur a fee of up to \$0.40 for each lunch and up to \$0.30 for each breakfast. The ESSER funds will be used to subsidize these meal fees for students and will be provided to the NSLP and SBP operators by ADE as per meal reimbursement. The ADE expects that these funds will lessen or remove financial barriers to meal access that students and households might experience.

School Food Authorities (SFAs) are responsible for notifying families of this subsidy, continuing to collect and correctly certifying reduced-price eligible applications, and claiming meals served to reduced-price eligible students without collecting a fee for these meals. The ADE is responsible for determining SFAs' eligibility for the additional monthly reimbursements for reduced-price meals claimed through the SBP and NSLP and providing the reimbursement. This guidance is in effect from January 1, 2023, through June 30, 2024, or until funding has been exhausted.

This question-and-answer memorandum is designed to provide an overview of requirements related to funding that has been allocated to subsidize reduced-price meal fees in the NSLP and SBP, in Arizona.

Questions and Answers

1. How will the SFA be reimbursed for the reduced-price meals?

Eligible SFAs will continue to receive Federal reimbursement based on meals claimed by students in the reduced-price category. ADE will provide the 40 cents per reduced-price meal for lunch and 30 cents for breakfast that would normally be paid by the student. ADE will calculate the reduced-price subsidy by the number of reduced-price meals submitted in the monthly claim. The SFA will receive both federal reimbursement and funds by ADE in the reimbursement.

2. Will reduced-price eligible students be claimed with the free eligible student meals?

No, SFAs will continue to claim student meals in the category for which they are eligible. Meals served to students who are eligible for reduced-price meals must be claimed in the reduced-price category.

3. Can SFAs decline this funding subsidy?

No. The subsidy, in the form of reimbursement, will be calculated for each site based on the site's monthly claim for SBP and NSLP meals. Starting January 1, 2023, all SFAs that collect payment for reduced-price meals must stop collecting payments from reduced-price eligible students.

4. Are all SFAs eligible for reduced-price meal subsidy funds?

No. Eligibility for the reduced-price meal subsidy is dependent on the type of SBP/NSLP operated at the school/site. Sites that currently charge a meal fee to students who qualify for reduced-price meals are eligible. Sites that operate a non-base year under Provision 2 or 3 or Community Eligibility Provision (CEP) are not eligible; however, SFAs currently operating a Provision 2 or 3 base year or beginning a new Provision 2 or 3 base year for School Year (SY) 2023-2024, are eligible.

5. Will a site still be eligible if it has already elected to offer reduced-meals at no cost to students (per SP 17-2014) and cover the reduced-price meal payments with funds from the nonprofit food service account?

Yes. Schools will receive the reduced-price meal subsidy and no longer need to offset the reduced-price meal fee with funds from the nonprofit food service account.

6. Will this subsidy apply to reduced-price snacks claimed through the NSLP Afterschool Care Snack Program (ASCSP)?

No. Funding is allocated for the NSLP and SBP; not the ASCSP.

7. How will SFAs be notified if funding is exhausted prior to June 30, 2024?

ADE will reassess the remaining funds available prior to the start of SY 2023-2024 and ensure SFAs are provided ample notification should the \$6.75 million dollars of funding be exhausted mid 2023-2024 school year.

8. If an SFA has pre-paid funds in student accounts, or collects funds from reduced-price eligible students for meals served after January 1, 2023, does that money need to be refunded?

Yes. SFAs that have collected pre-payment or collect payment to purchase a reduced-price meal after January 1, 2023, must ensure funds are carried over or refunded to the student/household.

9. May SFAs use any portion of these funds for collecting meal debt accrued so far this year from the reduced-price eligible students?

No. Reduced-price meal subsidy funds may only be used to offset the reduced-price meal fees beginning January 1, 2023.

10. Can a student, who is eligible for reduced-price meals has outstanding meal charge debt, be refused a meal until the meal debt has been repaid?

No, the SFA is receiving the reduced-price meal subsidy for all reduced-price meals served starting January 1, 2023. Therefore, the student is eligible to receive a meal at no cost and must be provided with a meal at the time of meal service. SFAs may not restrict households' access to meals provided at no-cost through this subsidy.

11. If a student has outstanding meal charge debt, can the SFA continue to charge the reduced-price meal fee while also receiving the subsidy until the student's account has been repaid?

No. Effective January 1, 2023, only paid students may be charged for meals. SFAs may continue to work with the households on a repayment plan while the child receives meals at no cost.

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