



## Ensuring All Students Have Access to School Meals Statewide

### *2023–25 Biennial Operating Budget Decision Package*

### Recommendation Summary

Students’ basic needs must be met for them to be able to learn. Our country has a long history of providing free and reduced-price meals to students experiencing poverty, and throughout the pandemic, the federal government provided meals for all K–12 students at no cost to the student or their family, regardless of their economic status. While Washington has made great strides in expanding access to free school meals, it is time to provide universal free meals to all students as part of the school day. The Office of Superintendent of Public Instruction (OSPI) requests funding to provide healthy school meals to all of Washington’s learners. Funding will supplement federal reimbursement and cover costs for schools who are not eligible to participate in federal universal meal options to ensure every student has the same opportunity. Washington has an opportunity to join a growing number of states leading the country in providing free meals to all students.

### Fiscal Details (Funding, FTEs, Revenue, Objects)

Operating Expenditures	FY 2024	FY 2025	FY 2026	FY 2027
Fund 001	\$86,491,000	\$86,456,000	\$86,456,000	\$86,456,000
<b>Total Expenditures</b>	<b>\$86,491,000</b>	<b>\$86,456,000</b>	<b>\$86,456,000</b>	<b>\$86,456,000</b>
<b>Biennial Totals</b>	<b>\$172,947,000</b>		<b>\$172,912,000</b>	
Staffing	FY 2024	FY 2025	FY 2026	FY 2027
FTEs	1.0	1.0	1.0	1.0
<b>Average Annual</b>	<b>1.0</b>		<b>1.0</b>	
Revenue	FY 2024	FY 2025	FY 2026	FY 2027
	0	0	0	0
<b>Total Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Biennial Totals</b>	<b>0</b>		<b>0</b>	
Object of Expenditure	FY 2024	FY 2025	FY 2026	FY 2027
Obj. A	\$85,000	\$85,000	\$85,000	\$85,000
Obj. B	\$29,000	\$29,000	\$29,000	\$29,000
Obj. C	\$30,000	0	0	0
Obj. E	\$28,000	\$28,000	\$28,000	\$28,000
Obj. G	\$6,000	\$6,000	\$6,000	\$6,000
Obj. J	\$5,000	0	0	0
Obj. N	\$86,308,000	\$86,308,000	\$86,308,000	\$86,308,000

## Package Description

### What is the problem, opportunity, or priority you are addressing with the request?

After two years of pandemic-related waivers that allowed for the provision of universal school meals nationwide, the U.S. Department of Agriculture's (USDA) waiver authority will lapse. Beginning in the 2022–23 school year, school meals will return to normal operations, including requiring families to apply for benefits and charging students that have not applied or who do not qualify for free school meals. These charges come at a time when families are still recovering from the financial impact of COVID-19, and the cost of food continues to rise. As an example, a Washington family of five with a household income of \$61,000 will be charged approximately \$4 for each school lunch. Add in breakfast, and this could easily be \$400 per month for three children. Across the state, 330,000 students will return to being charged for breakfast and lunch.

With the return of charging for meals, the stigma around school meals also returns. Historically, there has been a stigma around participation in school meal programs, especially breakfast. Viewed as a program for “poor” students, many hungry students opt out of eating for fear of identifying themselves in front of their peers. This is a tremendous opportunity to fully invest in our student's well-being by making free school meals a standard component of the school day and providing healthy school meals for all our learners.

### What is your proposed solution?

This request is for state funding to supplement federal meal reimbursement dollars so all of Washington's students have access to free meals at school. Under this proposal, school meals will be free for all families without disrupting school district food service programs or financing. Similar to how Washington has supplemented the copay for students eligible for reduced-price meals, state funding would supplement the cost of meals for students who pay for the meals, ensuring all students would have access at no charge, regardless of their meal eligibility status.

This solution will build on legislation passed in 2022 (House Bill [HB] 1878) that significantly increased the number of schools serving universal meals through USDA's Community Eligibility Provision (CEP) claiming option. With the expansion of CEP under HB 1878, it is estimated that beginning in the 2022–23 school year, approximately 51% of all Washington students will attend a school participating in CEP. However, even with districts working diligently to maximize the number of schools that can join CEP, federal regulations limit which schools are eligible to participate. The need and benefit of universal meals is becoming widely recognized, as other states such as California, Vermont, and Massachusetts move forward with state-supported universal meal programs.

### What are you purchasing and how does it solve the problem?

Under this proposal, state funding will cover the cost of breakfast and lunch that would normally be paid for by the families of students who aren't eligible for free or reduced-price meals. School meals are funded on a reimbursement basis, meaning funding is only provided for the meals that were served to students. Specifically, state funds would pay the difference between the USDA Free Rate of \$4.35 (for High Need Lunch) and the USDA Paid Rate of \$0.79, resulting

in the need for \$3.56 in state funds for each lunch in this scenario. This supplemental reimbursement would be paid to districts in place of receiving money from families.

If the Legislature invests in this proposal, every student will be able to rely on a healthy breakfast and lunch each day as part of their learning experience. Along with the financial support to families, universal meals also eliminates the stigma around school meals. Historically, there has been a stigma around participation in school meal programs, especially breakfast. Viewed as a program for “poor” students, many hungry students opt out of eating for fear of identifying themselves in front of their peers.

Universal meals also decreases districts’ resources expended on tracking and collecting meal debts. Contacting families and collecting money for meal charges not only takes a significant amount of time, but also contributes to a negative experience between families and schools. Providing universal access to school meals at no cost to the student or their family eliminates this problem.

Finally, when meals are free for all students, participation rates significantly increase. In turn, this provides economy of scale for food and meal production costs and allows school nutrition programs to focus their time and energy on providing quality, nutritious meals.

To implement this change, \$30,000 in one-time funding is needed to update the Washington Integrated Nutrition System (WINS), OSPI’s child nutrition data system.

### What alternatives did you explore and why was this option chosen?

After two years of universal free school meals provided through flexibilities authorized by Congress, families are returning to being charged for school meals in fall 2022. OSPI staff have explored other options, but none are feasible at this point.

Future changes in the federal law may open the door for alternative funding models to achieve the goal of healthy school meals for all students (examples below), but at this time, the federal government has not changed the law to allow for universal meals.

Examples of potential future changes in federal law are:

- Statewide CEP: One potential alternative is statewide CEP, where the entire state is brought into the CEP program to provide universal meals. Although this would still require state funding, it would reduce the amount needed. Current federal regulations do not allow for statewide CEP.
- CEP improvements: Another potential alternative that would impact the state cost of providing universal access to school meals is a change to the CEP multiplier. The current CEP multiplier is 1.6, and an increase would decrease the state funding requirement.

## Performance Measures

### Performance outcomes:

If this request is funded, students and families will experience multiple positive outcomes, including:

- Increased equity by allowing all students in Washington’s public schools to have access to a healthy breakfast and lunch each day regardless of their income, eligibility status, or location. This proposal would save a family of five around \$400 per month.
- Removal of the stigma around school meals, especially school breakfast. By making meals free for all students, it removes the stigma around school meals being for ‘poor students.’

In addition, if this request is funded, schools and school districts will also experience multiple positive outcomes, including:

- Increased administrative efficiencies:
  - Removal of the Paid Lunch Equity Tool, an administrative process to annually determine how much a district is required to charge for paid meals.
  - Elimination of the time intensive work around tracking and collecting unpaid meal debt. Districts have a prescriptive process they must follow including email, letters, and phone calls to families.
- Increased meal participation, which has the following benefits:
  - Generates more revenue to invest in the school meals program, such as more scratch cooking or other innovative improvements.
  - More funding for additional food service staff to prepare healthy meals and support students.
- Improved Breakfast After the Bell program, allowing flexible meal counting processes. Universal meals result in faster and easier meal counts that support Breakfast After the Bell, especially breakfast in the classroom.

## Assumptions and Calculations

### Expansion or alteration of a current program or service:

For years, the Legislature has supplemented the costs of reduced-price meals for eligible students by paying the \$0.30 breakfast copay with state funds and the lunch copay for students in K–3. In 2021, the Legislature went further with House Bill 1342 and \$4.4 million in funding to supplement the remaining reduced-price lunch copays. As a result, any student who is eligible for reduced-price meals pays nothing for breakfast or lunch. This proposal is similar in that it will supplement meals for students who are not eligible for free or reduced-price meals.

### Detailed assumptions and calculations:

Roughly half of Washington’s K–12 public-school students attend a school that already provides universal meals through USDA’s Community Eligibility Provision (CEP). This request and the modeling outlined below assumes the Legislature will provide supplemental funding in fiscal year (FY) 2023 of \$26.5 million (M) to reflect the increased caseload in school year 2022–23,

bringing the total to \$50M (\$21.5M current and \$28.5M additional) in FY24, and \$52M (\$21.5M current and \$30.5M additional) in FY25. OSPI’s 2023 supplemental budget request to right-size CEP has additional details.

If additional funding is not provided, the budget request to right-size CEP schools would increase significantly. With the increase, the total would climb to more than \$175 million per year, as CEP brings in more federal funding which lowers the overall cost of universal meals.

The USDA provides reimbursement to schools for meals served based on different per-meal rates. The cost to reimburse schools that cannot operate CEP because they do not meet eligibility thresholds set by the federal government are outlined below.

This per-meal reimbursement rate will vary based on the meal (breakfast or lunch) and the category of school, with USDA reimbursement rates being higher in identified ‘high needs schools.’ The modeling used the difference between the federal free and paid reimbursement rates (‘Breakfast Gap’ and ‘Lunch Gap’).

**Table 1. 2022–23 USDA Reimbursement Rates**

	<b>Breakfast</b>	<b>Lunch</b>
<b>Free Rate</b>	\$2.67	\$4.35
<b>Paid Rate</b>	\$0.50	\$0.79
<b>Gap</b>	\$2.17	\$3.56

Because the federal government paid for universal meals for the past two years to mitigate the impacts of the pandemic, there isn’t any recent data on meal participation by eligibility category (i.e., Free, Reduced-Price, or Paid). The modeling for this proposal looked at four years of pre-pandemic meal participation rates and calculated, to a 95% confidence interval, the percentage of total meals that were claimed as Paid. These percentages were then used to determine the ‘proxy paid meals’ using school year 2021–22 participation data, calculating the number of meals that is assumed to be claimed at the paid rate under non-universal meal service.

The result is an estimated 21,454,745 lunches and 4,575,758 breakfasts that need to be reimbursed by the state, aligning to the gap outlined in Table 1. The total cost of filling the gap is \$86,308,000 per year.

**Workforce assumptions:**

This request includes funding for a 1.0 FTE Administrative Program Specialist 2 to help administer the universal meals program. The cost is \$147,000 in FY24 and \$142,000 annually thereafter.

**How is your proposal impacting equity in the state?**

This proposal will significantly increase equity in Washington state. By providing access to healthy school meals to all our learners, we can guarantee students have access to the nutrition they need to learn and lead healthy lives. Many families across the state, including families with

concerns around disclosing documentation status, decline to apply for free school meals due to stigma or fear of repercussions. By making school meals part of the school day for every student, just like textbooks or desks, we can make sure all students have the tools they need to be successful.

## **Strategic and Performance Outcomes**

### **Strategic framework:**

This proposal aligns with Results Washington Goal 1: World-class Education, and Goal 4: Healthy and Safe Communities. Hungry students cannot learn. By providing school meals to all Washington students every day, we can ensure they are ready for the school day. School meals model healthy eating habits, along with an introduction to a variety of fruits and vegetables that support student health.

This proposal also aligns with OSPI's Strategic Goal #1: Equitable Access to Strong Foundations. We can guarantee students have strong foundations by making sure every student has access to the nutrition they need each day.

### **Initial objectives:**

- Begin universal free school meals in the 2023–24 school year.
- Support school districts in making the transition from standard claiming to universal meals by holding webinars and trainings, as well as going on site visits to provide technical assistance.

## **Other Collateral Connections**

### **Intergovernmental:**

OSPI partners with the Department of Social and Health Services (DSHS) to share data to directly certify students for free school meals. This request would not change or impact this partnership.

### **Stakeholder response:**

OSPI facilitates and participates in a significant range of committees and workgroups, regularly engaging with a variety of stakeholders to ensure voices are heard and ideas are incorporated. This request is informed by feedback and input from a variety of diverse stakeholders. Specifically, a coalition of anti-hunger advocates, as well as the Washington School Nutrition Association, and the Washington Chapter for the American Academy of Pediatrics have indicated their support of this proposal.

### **Legal or administrative mandates:**

N/A

### **Changes from current law:**

OSPI will propose legislation to amend Chapter 28A.235 RCW to define this universal meals program and remove unnecessary language; specifically, sections related to districts charging students who are not eligible for free school meals (RCW 28A.235.140 [5]).

### State workforce impacts:

The supplemental state revenue would allow districts to further invest in their meal programs, including increasing meal quality, and expanding staff positions and hours to support more scratch cooking.

### State facilities impacts:

N/A

### Puget Sound recovery:

N/A

## Other Documents

### Reference documents

Additional details surrounding this proposal are available upon request.