

Fresh Perspectives Series

Examining common misconceptions surrounding school meals to offer guidance on how to steer the conversations within your community!



Claim: “School Meals Are Paid For by the School's General Education Fund”

Let's Take a Closer Look...

School nutrition departments operate as **self-sustaining, not-for-profit** "restaurants" within the district. They receive financial support from the United States Department of Agriculture (USDA) for providing “**reimbursable meals**.” A reimbursable meal is one that adheres to the meal pattern and includes sufficient food to promote a healthy diet. Here's how the reimbursement process works:



USDA allocates funds to ADE (Arizona Department of Education).



ADE distributes reimbursement funds to school nutrition programs based on the number of free, reduced-price, or paid meals served each month.



Reimbursement for school meals is maintained in a separate account from other school funds.

The Code of Federal Regulations (CFR) clearly outlines how these funds can be used, and are not permitted to support other departments within the school. School food service funds must be allocated for labor, equipment, food, kitchen utilities, and enhancements to the program

Crucial Points to Chat About...

Here are our recommended points to offer up during any discussion to effectively **explain how funding, revenue and financial support works** in your program:

- Explain that federal reimbursements do not cover the “full cost” of every meal served which includes food, labor, equipment, supplies, and administrative overhead. Furthermore, any adult meals served cannot be reimbursed with federal funds, requiring school meal programs to charge, or find another avenue to pay for these meals.
- Inform that schools are prohibited from using federal funds to pay off unpaid meal debt.
- Clarify that schools do not make money or profit from selling lunches. Any surplus revenue must be reinvested back into the program for things like kitchen equipment or better ingredients.
- Discuss additional funding sources for school meals:
 - **Federal:** Schools that opt in to the USDA Foods in Schools Program can receive cash subsidies and "commodity" foods for every qualifying meal served.
 - **State:** Arizona provides subsidies for schools serving reduced-price meals, aiding lower-income families and assisting in reducing school meal debt.
 - **Local:** Includes student payments for meals and "competitive foods" like those from vending machines and a la carte sales.