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[HF 2467](#) – School Student Lunches, Food Shaming (LSB5528HV.1)  
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Fiscal Note Version – As Amended and Passed by the House

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### **Description**

[House File 2467](#) as amended and passed by the House has two sections regarding student lunch debt in Iowa schools:

- Section 1 allows school districts to seek setoff for certain lunch debt pursuant to Iowa Code section [8A.504](#).
- Section 2 requires school districts to provide information twice annually to all parents and guardians regarding the application process for Free and Reduced Meals, and additionally if a student owes lunch debt for five or more meals. This section also encourages school districts to provide a reimbursable meal to any student requesting it; makes provisions prohibiting publicly identifying students with lunch debt; allows districts to create an unpaid student meals account into which they may deposit moneys received from outside sources for paying student meal debt; and requires the Department of Education to work with school districts on creating a model of best practices.

The Bill is effective July 1, 2018.

### **Background**

There are an estimated 433 School Food Authorities (SFAs) in the State, made up of the 333 school districts and 100 nonpublic schools. Currently, school districts are not required to offer meals to students with negative meal account balances; school boards are required to maintain policies regarding the handling of students with meal debt. Public schools in Iowa served an estimated 17.0 million breakfasts and 62.3 million lunches in FY 2017. In that year, if all students had eaten school lunch every day of the 180-day school year, there would have been 87.0 million lunches served.

In order to be compliant with the U.S. Department of Agriculture's (USDA) requirements for the National School Lunch Program (Free and Reduced Lunch Program), SFAs provide information annually to all parents and guardians regarding free and reduced lunch. Some school districts may already notify families multiple times of the program application process, and many districts complete targeted follow-up with families that have lapsed applications.

### **Assumptions**

#### **Section 1**

- Districts will be unable to retrieve funds under the described setoff procedure in Section 1 because they do not have access to parents' Social Security numbers. It is assumed districts will not use additional staff time if they are not able to use the setoff procedure.

## **Section 2**

- School Food Authorities already notify families of the Free and Reduced Lunch Program at least once in order to meet USDA requirements; a second notification may incur additional cost if districts are not already notifying a second time.
- Increased staff time will be needed to sort and identify the students with more than five unpaid meals and to subsequently contact these families each week of the school year.
- It is assumed that both the second notification and notification after five or more unpaid meals will be completed by a clerical staff member, at an estimated cost of \$12 per hour.
- School Food Authorities that participate in the USDA's Free and Reduced Lunch Program are required to offer meals at cost. It is estimated that reduced-price breakfasts cost \$0.30 per meal to districts; reduced-price lunches cost \$0.40 per meal. This is the total that would not be reimbursed if the meal remained unpaid.
- It is estimated that full-price breakfasts cost \$1.50 per meal; full-price lunches cost \$2.75 per meal. These costs will vary by school district.

## **Fiscal Impact**

The estimated increase in cost in staffing across all SFAs is \$245,600, or an estimated average of \$570 per SFA. This includes an estimated \$58,500 for the second notification regarding the Free and Reduced Lunch Program: 217 hours of staff time to produce and send the notification and the cost of sending the notification. The total also includes \$187,100 for the account monitoring and notification for students with more than five unpaid meals; this total assumes that account monitoring and notification take 433 hours, or an hour per week per SFA for 36 weeks. It is possible that some of the SFAs will be able to complete the extra work with staff already available; however, this will be dependent on the SFA's staffing levels.

The offering of a reimbursable meal to students with meal debts is not mandatory, and it is not possible to determine at this time how many SFAs may choose to participate in such a model.

## **Sources**

Department of Education  
LSA analysis and calculations

/s/ Holly M. Lyons

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March 12, 2018

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The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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