



2015 Position Paper Reauthorization of the Healthy, Hunger-Free Kids Act

Modify Section 205, Paid Lunch Equity of the Healthy, Hunger-Free Kids Act, by exempting SFAs that had a positive fund balance at the end of the previous school year.

School meal prices, just like restaurant prices, differ from one community to the next, as schools must take into account local food and labor costs and what families are able and willing to pay. Section 205 required many SFAs to increase their paid meal prices regardless of these local conditions.

SNA's 2014 State of School Nutrition [Survey](#) revealed that Paid Lunch Equity requirements are the primary driving force behind meal price increases. Results indicate 88% of those who increased full paid lunch prices in 2012/13 attributed the increase to the Paid Lunch Equity provision.

When school meal prices increase, even gradually, student lunch participation declines.

In a subsequent SNA [survey](#), more than half (58%) of school nutrition operators reported that Paid Lunch Equity requirements are a "serious" or "moderate" challenge for their programs.

The [Government Accountability Office](#) (GAO) found that Paid Lunch Equity mandated price increases "are another change that state and SFA officials believe likely influenced lunch participation." GAO cited SFA officials stating that these price increases, timed with implementation of new nutrition standards, "led some students to stop buying school lunches because they felt they were being asked to pay more for less food."

GAO also cited concerns that the resulting participation declines could "hinder the program's ability to improve the diet and overall health of all schoolchildren and potentially increase stigma in the cafeteria for low-income students."

Recognizing problems with the Paid Lunch Equity requirement, USDA offered a temporary exemption to the rule for SFAs in strong financial standing. Congress should permanently narrow Section 205 to apply only to SFAs with a negative fund balance.