



Highlights of [GAO-09-584](#), a report to the Chairman, Committee on Education and Labor, House of Representatives

## Why GAO Did This Study

In fiscal year 2008, about 31 million children participated in the National School Lunch Program and more than 10 million children participated in the School Breakfast Program each school day. The U.S. Department of Agriculture's (USDA) Food and Nutrition Service (FNS) spent \$11.7 billion on the school meal programs in that year. The majority of school meals are provided for free or at a reduced price to low-income students. Some states and school districts have chosen to implement programs that eliminate the reduced-price fee (known as ERP programs) and instead provide free meals to students eligible for the reduced fee. GAO was asked to provide information on (1) what is known about the states and districts that have eliminated the reduced-price fee for school meals, (2) the experiences of states and districts that have ERP programs with respect to participation, errors, and costs, and (3) the factors that may help or hinder the establishment or continuation of ERP programs. To obtain this information, GAO interviewed FNS officials, interviewed officials from state- and district-level programs, and conducted a Web-based survey of the 35 districts identified as having ERP programs. However, because the universe of ERP programs is unknown, survey results cannot be generalized to all districts with ERP programs. USDA did not provide formal written comments, but FNS provided technical comments, which were incorporated where appropriate.

[View GAO-09-584](#) or [key components](#). For more information, contact Kay E. Brown, (202) 512-7215, [brownke@gao.gov](mailto:brownke@gao.gov).

## SCHOOL MEAL PROGRAMS

### Experiences of the States and Districts That Eliminated Reduced-Price Fees

#### What GAO Found

GAO identified 5 states and an additional 35 school districts in 19 other states that eliminated the reduced-price fee for school meals, primarily to increase participation or reduce hunger. States and districts eliminated reduced-price fees for either breakfast or lunch or, in some cases, for both meals. Further, some ERP programs included all grades, and some covered only the early school years.

One state- and most district-level officials GAO interviewed or surveyed reported that ERP programs have increased the rate of participation among students who are eligible for reduced-price meals. Participation may increase for a number of reasons; however, for those districts that implemented ERP programs in the most recently completed school year (2007-2008) and provided participation data, their average increase in the participation rate among reduced-price-eligible students was greater than the national change in this rate over the same year. ERP programs involve additional costs to states and districts, as they bear the cost of the reduced-price fees that these students otherwise would have paid. For the state and district ERP programs that experienced increased participation, FNS reimbursements, and thus federal costs, also increased. While the increased reimbursements partially offset program costs, state ERP programs covered their remaining costs with state funds and districts used a variety of revenue sources. The majority of district-level officials reported that their districts experienced benefits from the ERP programs, such as a decrease in the burden on staff to collect unpaid meal fees from reduced-price-eligible students who received school meals but who charged these meals and built up a balance of unpaid meal fees.

State officials GAO interviewed cited support from legislators and nonprofit organizations in establishing ERP programs in state law. Supportive school boards and superintendents were a major factor in establishing district-level programs. Most state officials indicated that a loss of state funding would threaten program continuation, while some district-level officials indicated they would try to raise additional revenue or reduce expenditures to cover program costs. As of late 2008, officials from all 5 states and most district-level ERP programs planned to continue their programs.