

# Strategies to Bring Negative Balances Back to Black

Hopkins Public Schools  
Hopkins, MN

Glen Ritter, Assistant Director  
Jared Switch, Business & Technology Coordinator

# Why are we here?



- Current Balances - black or red?
- National or local issue?
- What can we do?

# It's been making headlines for years....



## Schools have rising unpaid meal bills

**Hillsborough officials are seeking a collection agency to get parents to pay up for lunches charged to their kids.**

By MELANIE AVE

Published February 5, 2004

TAMPA - Stuck with an unpaid tab of over \$500,000, the Hillsborough school system plans to hire a collection agency to get deadbeat parents to pay for all the chicken nuggets and dinosaur potatoes their kids are consuming gratis.

"We work with people, but some just don't pay," said Hillsborough School Board chairman Glenn Barrington.

Administrators sought bids for the collection work last fall, but ultimately were not satisfied with the terms they were offered. School officials still hope to negotiate with a collection agency by the end of the school year, or at a minimum, improve their own methods for collecting on unpaid meals.

The idea to hire an outside firm grew out of a discussion in the fall by board members, who were shocked to learn that the district absorbed the loss of \$575,000 in uncollected revenue last year from parents who did not pay for meals.

The debt appears to be an escalating problem. In 1996, Hillsborough lost \$112,000.

# It's been making headlines for years....



Wellesley staff and parents still owe more than 169K in lunch debt

By Teddy Applebaum  
GateHouse News Service  
Posted May 18, 2011 @ 12:50 PM  
Last update May 18, 2011 @ 01:06 PM

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Wellesley — A total of about 1,670 Wellesley fees, according to data released by school c

The data were made public as part of an at that billing issues could be partly to blame said they said the debt was more than \$10

After initially blaming families for not pay know they owed money. Superintendent c business manager Ruth Quinn Berdell, h

"Ruth and her staff have been working h

At the meeting, officials explained that n \$169,400, around \$41,800 is from May a \$36,518 is from previous years, officials

But perhaps the most extraordinary stati debt. Even more telling is that just 20 of

"I know who those individuals are," Ben about how to deal with that money."



## Louisiana Schools to Report Parents Who Don't Pay Up for School Lunch

By Edmund DeMarche

Published November 08, 2010 | FoxNews.com

It's a good, old-fashioned food fight.

Parents in Louisiana who can afford to pay for their children's school lunch -- and whose kids go three straight days without paying -- will be reported to the state Department of Family and Children Services.

The kids won't go hungry. Under the new statute which began last week, sponsored by state Rep. Nancy Landry and passed unanimously over the summer, students who do not qualify for a free lunch and who do not

Unpaid school lunches cost taxpayers \$500,000

Article Comments (36)

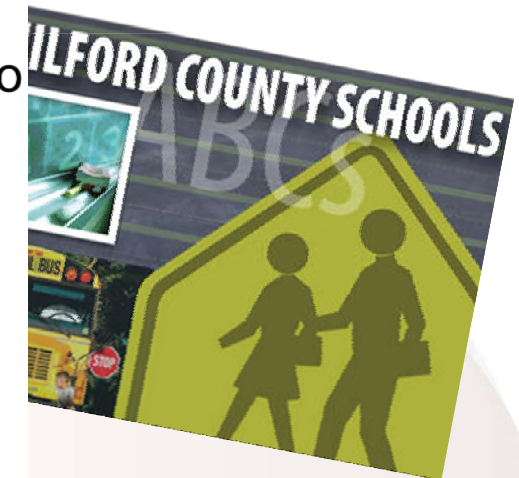
WEDNESDAY, APRIL 25, 2012 (Updated 10:21 am)

By MORGAN JOSEY GLOVER  
Staff Writer

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# It's been making headlines for years....



## CCS' Unpaid School Lunch Accounts Go Into Collection

By Steve Wainfor



Unpaid lunch money is a problem Columbus City Schools said it's been trying to address for over two years with little to show for it.

Now, parents owe more than \$1 million to the school lunch fund and the district is ready to take them to collections.

"The district has taken several steps over the years to try and reduce this debt. Steps including increase outreach to get additional students to participate in the free or reduced lunch program and working with the principals within the schools and their families," said Joe Brown, Food Service Director for Columbus City Schools.

# Lunch debts piling up for school districts

Updated 10/9/2009 1:21 PM | Comments 731 | Recommend 50 | E-mail | Print | Reprints & Permissions | [RSS](#)



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By Kelly Wilkinson, The Indianapolis Star

Students at Daniel Webster School 46 get lunch in June. All of the kids at this Indianapolis school get free or reduced lunch.

By Emily Bazar, USA TODAY

More children are getting into school lunch lines without being able to pay, creating a financial burden for school districts.

Some schools are toughening their policies — limiting students to two or three unpaid meals, creating payment plans and using collection agencies.

**GAO AUDIT:** Schools slow to get alerts about tainted food

**SPOTLIGHT:** The real cost of cheap school lunches

It's a growing problem that reflects families' economic struggles nationally, says Dora Rivas, president of the School Nutrition Association.

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# Unpaid Meal Charges



- Unpaid meal charges have increased significantly
- Push to establish a national policy to address this issue

# We talked on “The Hill” about it....



## 2012 Legislative Issue Paper

*Since 1946 the National School Lunch Act has functioned successfully as a grant-in-aid program. Continuing the historic support for child nutrition, the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296) made a number of important changes to strengthen the programs. The statute, among other things, limited indirect expenses, established professional standards and required nutrition guidelines for all competitive foods and beverages sold in schools.*

**In order to fully embrace these changes, in a fiscally challenging environment, we ask Congress to consider the following:**

- Unpaid meal charges owed to the School Food Authority (SFA) by families participating in the program have increased significantly. Congress should require USDA to establish a consistent, national policy on how to address the debt incurred by the unpaid meal charges.



# “The Hill” Talking Points...



## 2012 SNA Legislative Issue Paper Talking Points

**Unpaid Meal Charges:** *Congress should require USDA to establish a consistent, national policy on how to address the debt incurred by unpaid meal charges.*

- School nutrition programs have experienced an increase in the number of children who “charge” their school meals when parents fail to pay for school breakfast or lunch. As a result, some schools have accumulated substantial unpaid meal debts, threatening their ability to cover the cost of meeting new federal nutrition standards for school meals. To make matters worse, the paid meal equity provision of the Healthy, Hunger-Free Kids Act forced some schools to raise meal prices regardless of local economic conditions. Schools often see a rise in unpaid meal charges as a result of price increases.
- Currently, individual school districts must determine if students will receive alternate or unpaid meals, how many meals can be charged and how to handle meal charge debts. Congress should require USDA to establish clear regulations on how all schools must respond to requests for unpaid meals and how to manage the debt incurred by providing them.

# What Causes Negative Balances?



- Time
- Job situation/Economy
- Meal Prices
- Communication Barriers

# Hopkins Financial Data



- 2010 – 2011 FY
  - Total Balances (Free, Reduced, Full Pay) - <\$11, 313>
    - 35% Free families
  - Up \$3,400 from previous year
- Current FY - \$8,080
  - High School recovered \$1,676 in funds.

# What can you do?



- Hopkins Public Schools decided to form a Negative Balance Task Force
  - Who was involved?
    - 16 member task force made up of food service staff, principals, counselors, interpreters
  - How often did we meet?

**3 times**

# Negative Balance Task Force

- Why get involved?
  - Signs of Hunger
    - Students Struggling to Focus
    - Fast Eating
    - Distracted
    - Often Sick

# Negative Balance Task Force

- What were the goals?
  - Identifying and assessing the situation
  - Help the parents/guardians meet their responsibilities
  - Determine roadblocks
  - Develop future methodology and proper delivery systems to meet the challenges of our community.



# Negative Balance Task Force

## – What were the results? Admin Office

- Continued representation at orientation/back-to-school days
- Online Educational Benefits Application.
- Continue to develop ways to reach ESL families
- Educate Families and School Staff (Compensatory Revenue)
- Quarterly Cashier Meetings
- Automated Negative Balance Calls
  - Once a week on all negative accounts (Wednesdays)
  - Once a week on all Elementary under \$8.00 (Thursdays)
  - Once a week on all Secondary under \$10.00 (Tuesdays)

# Negative Balance Task Force

- What were the results? **Admin Office**
- Created best practices for cashiers
  - Daily
    - » Review negative balances prior to lunch service
    - » Call the Guardian of students with negative balances
    - » During lunch service, remind students of negative balance (send envelope with student as reminder)
  - Weekly
    - » Review with school administration
    - » Work with Counselors and Student Liaisons

# Negative Balance Task Force

- What were the results? **Admin Office**
  - Created Cashier Log Book. Mandatory for all cashiers to use.
    - Copy of Standard Operating Procedures
    - Copy of Meal Charge Guidelines
      - » High School has separate one from JH & Elem
    - Copy of Visiting Students & Guest Meal Guidelines
    - Visiting student/guest meal log
    - Monthly Tabs with Negative Balance log per month



# Negative Balance Task Force

- What were the results? **Admin Office**
  - Cashier Log Book – Negative Balance Log

[illegible]

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# Negative Balance Task Force

- What were the results? **Admin Office**
  - Cashier Log Book – Negative Balance Log

**Cashier Visiting Student Guest Meal Log**[illegible]

# Negative Balance Task Force

– What were the results? **High School**

- Added Self Addressed envelop for families
- Representation at High School orientation
- HS Kitchen staff to work closely with students and counselors when contacting parents.
- Create a process to eliminate students from going to a cash line when meal account is negative.



# Negative Balance Task Force

- What were the results? **Jr. High & Elementary**
  - Utilize ELL specialists at Orientation/Back-to-School Days.
  - Create uniform Open Houses.
  - Make sure all cashiers create and maintain relationships with school offices, counselors, equity specialists.
  - Collect \$10.00 up front from families to pay for meal charges before application is processed.
  - Provide applications in all necessary languages

# Where do we go from here?



## Questions?

