

# Addressing Student Meal Debt: A Strategic Approach

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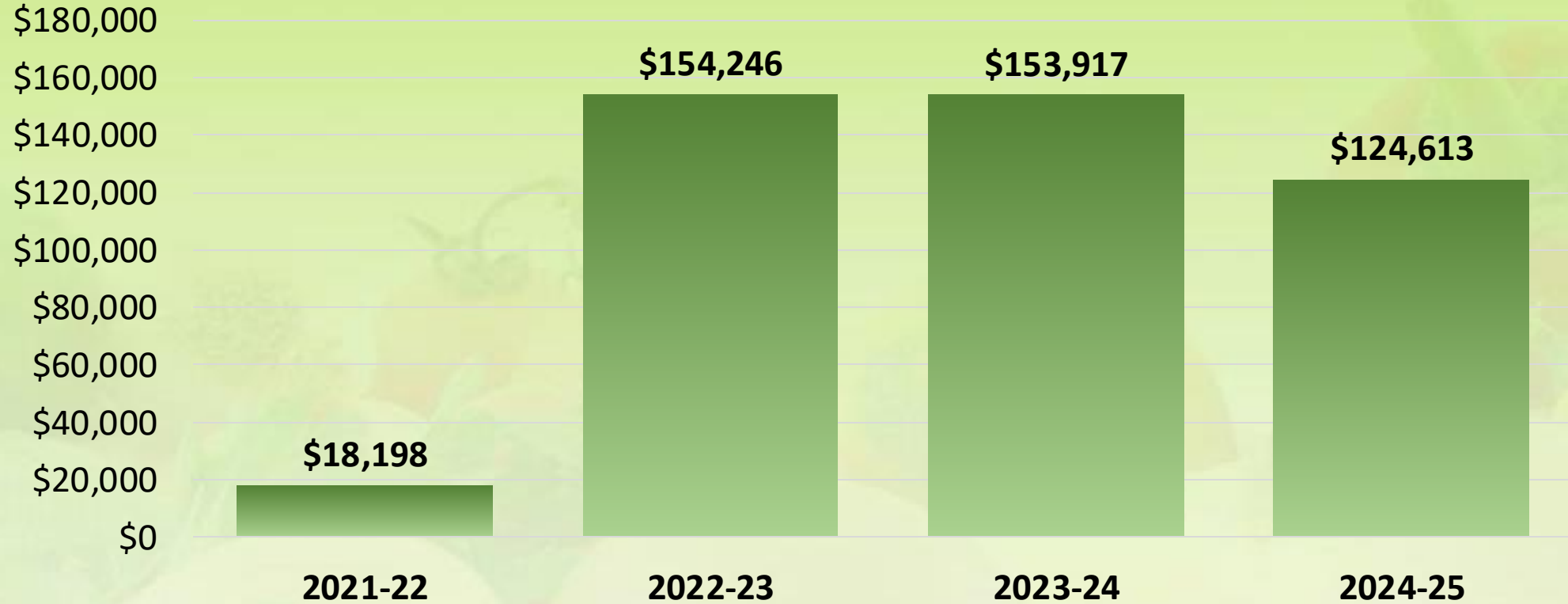
# Overview Of Student Meal Debt

Student meal debt refers to the outstanding balances accumulated when students purchase school meals but do not have sufficient funds to cover the cost at the time of the transaction. This debt can result from various factors including:

- Economic Challenges
- Awareness and Access
- Administrative Hurdles



# Current Debt Situation



# Importance of a Layered Debt Collection Approach



**Weekly Phone Calls**: All accounts with negative balances, even as small as  $-\$0.01$ , receive a weekly phone call to remind families of the balance.



**Enhanced Communication for Higher Debts**: Accounts with balances of  $\$25$  or more receive two weekly warning calls to ensure families are aware and can address their debt in a timely manner.



**Electronic Low Funds Letters**: Courtesy letters are sent electronically for balances between  $\$7.00$  and  $\$.01$ , informing families of their low funds status to preempt further debt accumulation.



**Collection Agency Involvement**: Accounts that reach or exceed  $\$50$  are referred to a collection agency semiannually to ensure rigorous debt recovery efforts.



**Legal Acknowledgement**: Parents sign an acknowledgment of the meal application process, debt handling procedures, and their financial responsibilities each year on July 1st.



**Legal Assessment for High Debts**: Accounts accumulating over  $\$250$  are assessed for potential legal action, emphasizing the seriousness with which the district treats substantial unpaid meal debts.



**Write-Off Policy**: All accounts sent to collections are written off the school's books until successfully collected, helping manage the school's financial records.



**Yearly Rollover for Minor Debts**: Negative balances less than  $\$50$  are allowed to roll over to the next year, providing families a chance to settle smaller debts over time without immediate referral to collections.

# Role of Debt Collection Services

## Services Provided:

- Account Monitoring & Communication
- Payment Plan Management
- Collection of Outstanding Debts
- Compliance with Federal & State Regulations

## Why an External Provider is Needed:

- Preservation of School-Family Relationships
- Resource Optimization
- Accountability and Transparency
- Legal Protection



# Community Impact and Support

## **Without a Debt Collection Service Provider:**

- Growing unpaid meal debt diverts funds from Education.
- Undermines financial accountability and fairness.
- Increases burden on School Staff.
- Sends message that fiscal obligations aren't enforced.

## **With Community Engagement – CPS Lunch for Learners:**

- Donors help reduce meal debt and support families in need.
- Reinforces equity and community dignity.
- Local partners gain recognition and deepen impact.
- Reduces reliance on formal collection processes.
- Promotes shared responsibility across the District.



# Questions and Discussion

