Student Meal Accounts
&
School Food Services Funding

Deer Lodge School District | October 30, 2026
















Dairy Pure

Understanding our School Meal Program

Where the money comes from, where it goes, and why unpaid balances matter.

- ★ Overview of current outstanding meal account balances
- ★ How school meals are funded
- ★ The impact of unpaid balances on district resources
- ★ Free and Reduced price meal applications
- ★ Why the Community Eligibility Provision (CEP) is not currently feasible



Current Outstanding Meal Account Balances

As of October 30, 2026

Total Outstanding Patron Balance

$69,803.63

Student Accounts

$67,377.47

96.5% of total

Adult Accounts

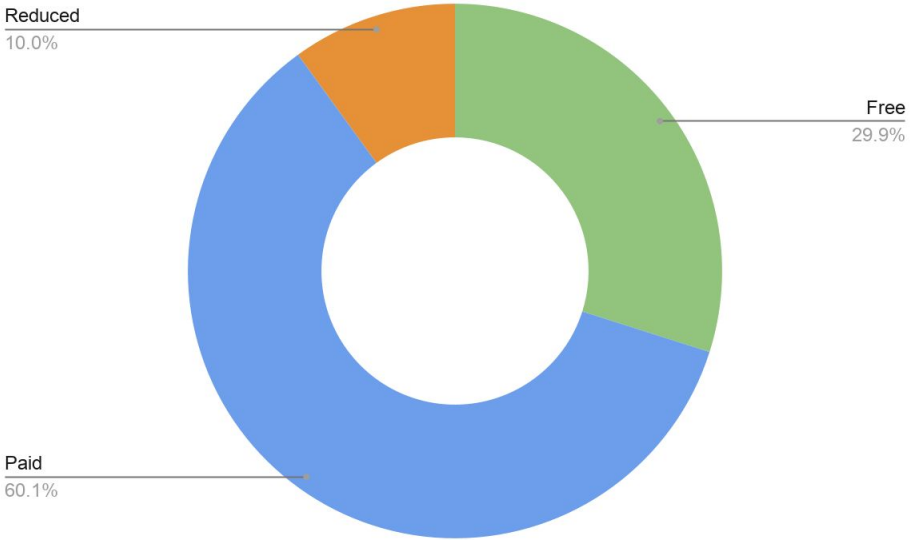
$2,426.16

3.5% of total

- ★ These outstanding balances have accumulated over the past four years.
- ★ The total includes both student and adult meal accounts.
- ★ The balances represent charges that have not yet been collected.

Breaking Down Student Meal Debt

Total Student Balance $67,377.47



Percentages reflect the share of total outstanding student meal debt, not the share of enrolled students.

Eligibility Status	Outstanding Balance	Share
Paid	$40,485.30	60.1%
Reduced	$6,751.08	10.0%
Free	$20,141.09	29.9%
Total	**$67,377.47**	**100%**

- ➔ **Outstanding balances exist across all three eligibility categories**
- ➔ **A family's current meal status does not necessarily reflect its status when the charges occurred.**

Why Do Families on Free Status Owe Money?

- ➔ Families may qualify for free meals today but did not qualify when previous charges were incurred.
- ➔ Meal balances accumulated before free eligibility was established remain on the account.
- ➔ Approval for free meals does not automatically erase previously accumulated debt.
- ➔ The district continues to carry those outstanding balances.

Important Distinction: The $20,141.09 associated with students currently on free status does not mean they are being charged for meals that qualify as free.

Adult Meal Account Balances

Total outstanding adult balance: $2,426.16

Category	**Amount**
Duty Lunches - District Responsibility	$983.03
Staff Personal Meal Accounts	$1,443.13
Total	$2,426.16

- ★ K–8 duty lunches are an expense the district is responsible for covering.
- ★ The remaining $1,443.13 represents unpaid personal meal charges owed by staff.
- ★ Separating these categories provides a more accurate picture of the outstanding balances.

How Is Our School Food Program Funded?

School food services are supported through multiple revenue sources.

- Federal meal reimbursements: Payments received for eligible breakfasts and lunches served.
- Family payments: Money collected for paid and reduced-price meals.
- Adult meal purchases: Revenue from meals purchased by staff and other adults.
- Other applicable food service revenue: Additional funding or program receipts, when available.

Money collected from meal accounts is deposited into the School Food Services Fund — Fund 112.

Fund 112 pays for operating the district's food service program, including food, personnel, supplies, and other eligible operating expenses.

How the Federal Government Helps Pay for Meals

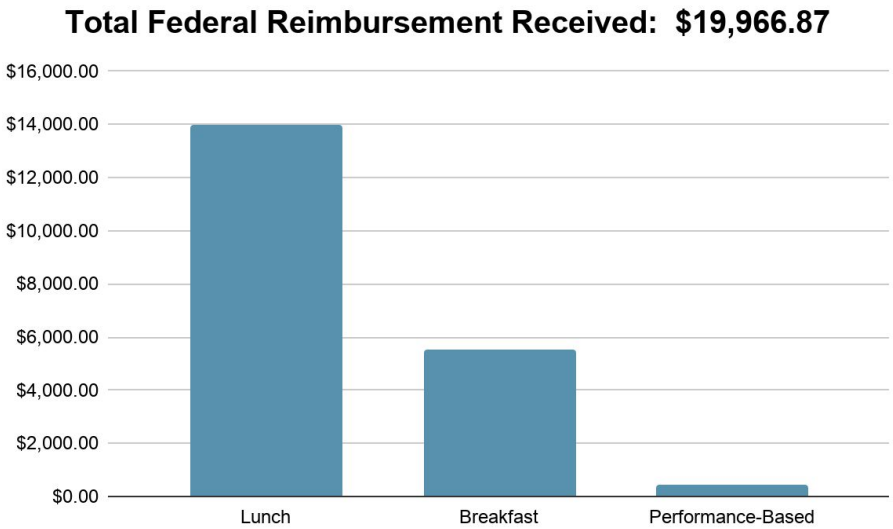
The federal government reimburses the district through the National School Lunch Program and School Breakfast Program.

- The district reports eligible meals served each month.
- Reimbursement rates vary depending on whether meals are served to students qualifying for free, reduced-price, or paid meals.
- Free meals receive the highest federal reimbursement.
- Reduced-price meals receive a substantial federal reimbursement.
- Even paid meals receive a smaller federal subsidy.

The federal government helps cover the cost of meals, but it does not automatically cover all expenses associated with operating the program.

September 2026: Actual Federal Reimbursements

Based on the district's September 2026 reimbursement claim



Reimbursement Category	Amount
National School Lunch Program	$13,969.55
School Breakfast Program	$5,544.08
Performance-Based Reimb	$453.24
Total	**$19,966.87**

- ★ 5,036 reimbursable lunches served
- ★ 2,773 reimbursable breakfasts served
- ★ 7,809 total reimbursable meals served during September
- ★ Averaged out reimbursement from Feds - $2.55/meal

What Does the Federal Government Pay Per Meal?

Actual September 2026 reimbursement rates

Student Eligibility	**Lunch**	**Breakfast**
Free	$4.76	$3.05
Reduced	$4.36	$2.75
Paid	$0.45	$0.42

- An additional $0.09 per eligible lunch was received through performance-based reimbursement.
- The district receives federal funding for eligible paid meals as well as free and reduced-price meals.
- Families' payments and federal reimbursements work together to support program operations.

These figures reflect the actual September claim, rather than a projection.

What Happens When Meal Accounts Go Unpaid?

- ➔ Money collected from student meal accounts is used to help operate the food service program.
- ➔ Food, labor, and supply expenses continue regardless of whether families pay their balances.
- ➔ When meal account revenue is not collected, the district must still pay its expenses.
- ➔ If the School Food Services Fund cannot cover its costs, the district must supplement it with other allowable district resources.
- ➔ Historically, that support has often come from the General Fund.

The financial impact of unpaid meal balances extends beyond the cafeteria.

The Impact on Other Educational Resources

In some years, the district has had to transfer approximately $20,000 from the General Fund to help support the food service program.

Example of funding redirected to Food Services

$20,000

That same amount could otherwise help fund:


One part-time classroom aide, with additional funds remaining


New desks or furniture for multiple classrooms


Needed building maintenance and repairs

- ★ When the district supplements the food service program, fewer dollars are available for other educational priorities.
- ★ Unpaid meal balances ultimately affect the resources available to support students throughout the district.

These are illustrative examples of alternative uses for district funds, not specific approved purchases.

What Is the Community Eligibility Provision (CEP)?

The Community Eligibility Provision is a federal program that allows qualifying schools to provide breakfast and lunch to all students at no charge, regardless of household income.

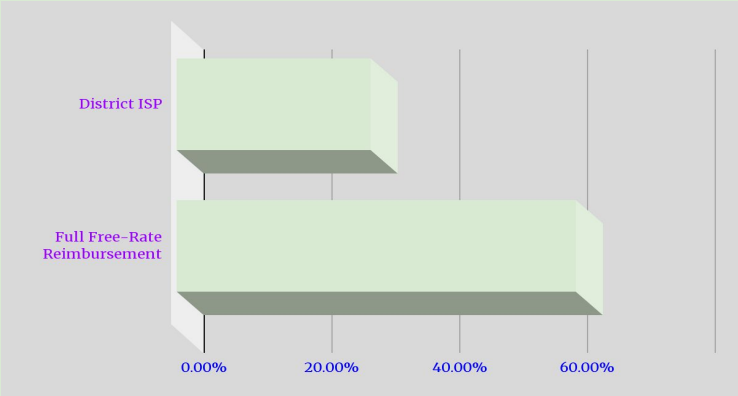
- ➔ Families do not have to submit individual free and reduced-price meal applications for CEP meals.
- ➔ Schools receive federal reimbursement based on their Identified Student Percentage (ISP).
- ➔ The ISP is primarily based on students identified through qualifying assistance programs or other categorical eligibility.
- ➔ Schools must have an ISP of at least 25% to qualify for CEP.
- ➔ However, qualifying for CEP does not necessarily mean the program is financially sustainable.

Why CEP Is Not Currently Cost-Effective for Our District

District Identified Student Percentage (ISP)

30.39%

To Receive all meals reimbursed at the Federal Free Rate our ISP must be 62.5%.



- Our district's previously calculated ISP was 30.39%.
- Under the CEP formula, this would result in approximately 48.6% of meals being reimbursed at the federal free rate.
- The remaining 51.4% would receive the substantially lower paid reimbursement rate.
- Families would no longer pay for regular reimbursable meals, eliminating that source of revenue.
- The district would have to cover any funding shortfall from other allowable resources.

Bottom line: Although our district meets the current minimum eligibility threshold, our ISP is too low to make CEP financially attractive under our existing funding circumstances.

Why Free & Reduced-Price Meal Applications Matter

- ★ Applications help determine whether students qualify for free or reduced-price meals.
- ★ Qualifying families can receive substantial savings on breakfast and lunch costs.
- ★ Approved applications allow the district to claim the appropriate federal reimbursement for meals served.
- ★ Families who believe they may qualify should apply, even if they have not qualified in the past.
- ★ Completing applications helps ensure that available resources are used appropriately.

A completed application can benefit both the family and the school district.

How Our Community Can Help

"We encourage you to talk to anyone you know who has children in the school district to fill out the application for free or reduced lunch for their children.

Completing the application reflects an effort to help the children and good stewardship of available resources."

- Trustee Clark



Additional points:

- Encourage families to complete meal applications each school year.
- Remind families to update their eligibility information when household circumstances change.
- Encourage families with outstanding balances to contact the district office to discuss their accounts.
- Help spread accurate information about how the school meal program operates.

Our Commitment to Feeding Students

Every Student Deserves to Eat

“The District DOES NOT and WILL NOT prohibit students from eating breakfast or lunch at the school based on unpaid accounts or not qualifying for free or reduced meals.”



- ★ Students will continue to have access to school breakfast and lunch.
- ★ Financial concerns regarding meal accounts are matters for the district and families to address.
- ★ Our goal is to maintain a financially responsible food service program while continuing to meet the needs of students.

Final Takeaways

- ★ The district currently carries $69,803.63 in outstanding meal account balances, accumulated over four years.
- ★ Of that amount, $67,377.47 is attributable to student accounts.
- ★ Unpaid balances reduce the revenue available to operate the food service program.
- ★ When other district funds must supplement food services, fewer resources remain available for other educational needs.
- ★ Federal reimbursements and household meal applications are important to the financial sustainability of the program.
- ★ The district remains committed to feeding students regardless of their family's financial circumstances.

Our goal is simple: Feed our students, support our families, and be responsible stewards of district resources.