

Survey Report: COVID-19 Budget Deficits in School Food

Update on school districts' needs and priorities
for the 2021 state budget

December 11, 2020



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Introduction

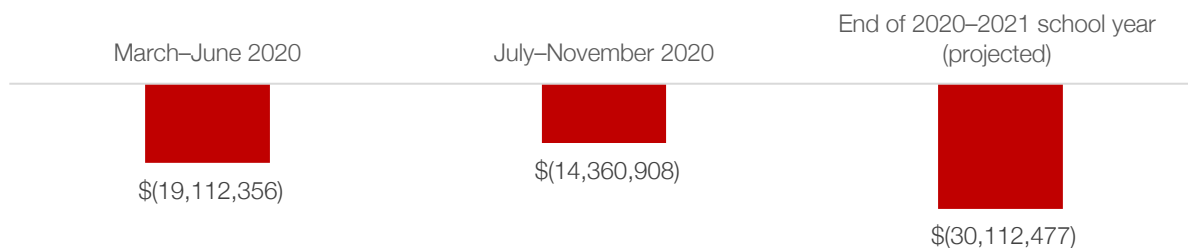
The Center for Ecoliteracy continues to track school food budget deficits during COVID-19, providing this end-of-year update that builds on [results from August 2020](#) and [results from May 2020](#). Food Service Directors from 28 public school districts in California responded to the survey as of December 11, 2020. These school districts collectively represent **466,100 students** and **777 schools** from across the state. In a typical year, **these school districts would have served over 64 million meals** with an average of 58% of students who qualified for free or reduced priced meals. The responding school districts range in size from a single school with less than 200 students to districts with hundreds of schools and more than 100,000 students.

This report presents a summary of these public school districts' needs at the end of 2020 as they continue to provide emergency meals to California students, and projections for their budget deficits at the end of the 2020-21 school year.

COVID-19 has resulted in or increased budget deficits for 71% of responding school districts.

Many school nutrition programs are facing millions of dollars in deficits despite their continued commitment to providing food to during the pandemic to students in need. The 11 public school districts who shared their complete budget details had a **combined deficit of over \$19 million from March through June 2020**. This deficit shrank slightly from July through November 2020, as some students returned to school and the state allocated additional funding. Even still, the school food service directors project that their **combined budget deficits will increase to over \$30 million by the end of the 2020–21 school year**. For some districts, their budget deficits are projected to double or even triple by the end of the school year. The average deficit per school district at the end of the school year is projected to be \$2.7 million, or \$86 per student. If we use these data to project financial impacts across the state, our estimates suggest that **California's school food programs could be facing as much as \$558 million of debt by the end of the school year**.¹

School Food Budget Deficits



¹ Initial estimates are based on survey responses from 11 school districts that serve 5% of California's public school students. These 11 districts provided full budget information for all three time periods. Other districts skipped these particular questions or were not asked them because they did not have COVID-19 budget deficits.

School districts are trying new ways to combat these growing budget deficits and feed hungry students during these difficult times. Many are using USDA flexibilities to provide seven days of free meals, serving three meals a day, delivering food to bus stops and housing complexes, and partnering with community organizations to provide additional services to families at meal sites. However, these budget deficits persist due to a number of factors:

- (1) **Increased costs per meal:** COVID-19 has created new expenses, such as meal packaging and PPE.
- (2) **Reduced meal participation:** School meal budgets are calculated based on a per-meal reimbursement. Revenues have dropped considerably with responding districts serving an average of 61% of the meals they did when students were in school, in part due to the loss of some paid meal students which typically make up about 17% of participation in the school meal program.
- (3) **Staff salaries:** Based on language included in the 2020 California state budget, layoffs have laudably been prohibited through July 2021. Many districts are struggling to continue to pay fixed or increasing costs for staff salaries when their revenue has dropped.

California's \$0.75 per meal for March through August 2020 will help, but the pandemic is not over.

In the 2020 budget, the California Legislature allocated \$192 million to provide an additional \$0.75 per meal for school breakfasts and lunches served from March through August 2020. When asked whether this funding would cover their deficit for that time period, only one district responded “yes” while a third were “unsure” and the remaining 60% said that it would not be enough to cover deficits during that time period. This funding expires just as school nutrition directors report increasing budget deficits.

Feeding students and keeping frontline staff employed are top priorities for school districts.

One of the few silver linings of the pandemic in school nutrition is that, thanks to USDA waivers, schools are able to provide free meals to all children until September 2021. The few districts that have balanced budgets credit these waivers with being able to meet the need in their communities. When these flexibilities end in July 2021, many school food directors are concerned about the impact that this will have on their students and their staff who have worked tirelessly to provide essential meals during the ongoing crisis:

“The waivers helped greatly, the budget shortfall next school year should not hurt the frontline workers who have been doing essential work since the pandemic hit.”

— Eric Enciso, Director Nutrition Services, Colton Joint Unified School District

“Kids and families are struggling! Access to fresh, healthy, free meals at school is essential to ensuring equitable nutrition for all children.”

— Erin Primer, Food Service Director, San Luis Coastal Unified

“Our programs need to be fully funded. We should not have to worry about how to cover costs if we are doing the right thing feeding our children.”

— Anonymous school food service director

“It is difficult to break even when you are required to keep all staff. Had it not been for having half our students return in-person, we were looking at a deficit of \$(4.4 million) instead of \$(1.2 million).”

— Anonymous school food service director



About the Center for Ecoliteracy

The Center for Ecoliteracy, founded in 1995, is an internationally recognized leader in systems change innovations in education for sustainable living. The Center advances ecological education in K–12 schools and is recognized for fostering leadership and systems change, pioneering work with school food systems and garden education, and integrating ecological principles and sustainability into school curricula.