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EFP Takeaways

Paying for Free Lunch: The Impact of CEP Universal Free Meals on Revenues, Spending, and Student Health

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The Study

The Community Eligibility Provision (CEP) of the Healthy, Hunger-Free Kids Act of 2010 allows schools or school districts to provide free meals to all students if more than 40% of them are directly certified as free-meal eligible. School and district uptake has been rapid, but critics worry CEP has unintended consequences for student weight, district finances, and instructional spending. The authors investigate these areas using school and district data from New York State and a difference-in-differences design.

Findings

In this study, CEP increases participation in school lunch and breakfast but has no deleterious effect on student weight outcomes; rather, CEP is associated with declines in obesity for students in secondary grades.

CEP decreases local food service revenues and increases school food expenditures. Yet increased federal reimbursements more than compensate for local food revenue and expenditure changes. Rural districts experience larger impacts than metro and town districts but experience some negative fiscal effects.

The Community Eligibility Provision does not appear to affect instructional spending.

Implications and Recommendations

Increases in school meal participation rates and decreases in obesity rates are promising and contribute to the growing evidence of the positive effects of universal free school meals programs. Still, heterogeneity in fiscal effects – particularly in rural districts – suggests differences across geography matters. As such, there is merit to continuing to allow districts and schools to opt-in or out of CEP based on local conditions and also for states to consider providing financial assistance for CEP in rural places.

The results support widespread availability and adoption of CEP since the federal subsidy rates are sufficiently high in most school districts to offset increased expenditures and lost local school food revenues.

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- Summary of: Rothbart, M. W., Schwartz, A. E., & Gutierrez, E. (2023). Paying for Free Lunch: The Impact of CEP Universal Free Meals on Revenues, Spending, and Student Health. *Education Finance and Policy*, 18(4): 708–737.