

The National School Lunch Program, first established in 1946, provides meal assistance to students in public and private schools. The program provides nutritional standards and funding for school lunch and breakfast programs. The federally assisted meal programs are administered by the Minnesota Department of Education (MDE) under the rules established by the United States Department of Agriculture. The federal government sets reimbursement levels for each meal served and provides funding for the meals for students whose families qualify for free or reduced-price meals based on their family income. While the federal government pays the majority of school meals costs, the state of Minnesota also provides funding for school nutrition programs.

## Nutrition Programs

The primary school nutrition programs are school lunch and school breakfast. A school district's school meals program may also include kindergarten milk, snacks, and a la carte items. In Minnesota, approximately 2,000 school sites participate in the program through their respective participant school district, charter school, or nonpublic school.

## Funding for School Meals

**School Lunch.** The federal government pays money for each school lunch served. For the 2022-23 school year, the federal government pays between \$4.33 and \$4.58 for each free lunch served, \$3.93 to \$4.18 for each reduced-price meal served, and \$0.77 to \$0.93 for each fully paid meal served to a student (a fully paid meal is a meal provided to a student who does not qualify for free or reduced-price meals). The state pays 12.5 cents per student lunch served for each free or fully paid meal, and 52.5 cents for each reduced-price lunch served (the 40-cent differential on reduced-price lunches allows all reduced-price eligible students in Minnesota to receive their lunch for free).

**School Breakfast.** The federal government provides a reimbursement for each school breakfast served to a student ranging from 50 cents for fully paid students in low-need schools to \$2.67 for free meal eligible students attending a "severe need" school. The state also pays aid to school districts that participate in the federal school breakfast program. The state pays 55 cents for each fully paid breakfast served and 30 cents for each reduced-price breakfast served for students in first grade through grade 12. For kindergarten pupils and prekindergarten pupils participating in an approved voluntary prekindergarten program, the state pays \$1.30 for each fully paid breakfast, and all qualifying prekindergarten and kindergarten students are eligible for breakfast at no cost to the student. A school district may not charge a fee to a student who is eligible for a free or reduced-price breakfast.

## Special Policies for COVID

For the 2020-21, 2021-22, and part of the 2022-23 school years only, all school meals served to students were free to the student, regardless of the student's family income status. During this time, the federal government was paying the free meals breakfast and lunch reimbursement rates to all participating schools.

## **Determining Free or Reduced-Price Meal Eligibility**

A student qualifies for free and reduced-price meals on the basis of the student's family income. Each year, the federal government determines the federal poverty guidelines (FPG) for that year, which increases by family size. Federal law sets the free meal eligibility at not more than 130 percent of the FPG (\$36,075 for the current year for a family of four) and the reduced-price meal eligibility at not more than 185 percent of the FPG (\$51,338 for a family of four).

A student may qualify through a direct match performed under a data sharing agreement between the Department of Human Services and MDE or through the child's family filling out and returning to the school a "paper form" (the paper form may be filled out and submitted online in some school districts). Once eligible, a student qualifies for free meals for the remainder of the school year (actually through October of the following year) after the direct match or submission of the paper form.

Prior to this fall, the direct match in Minnesota keyed off SNAP and MFIP eligibility data, and the direct match also included students identified as homeless, in foster care, or participating in Head Start programs. Starting with the Fall 2022 count, MDE received approval from the USDA to perform a direct match on Medical Assistance eligibility as well. This direct match significantly expands the number of students whose families qualify as eligible for free meals through the direct match program. While final data is not yet available, MDE estimates that the Medical Assistance match will add about 44,000 more free meal eligible students and 16,000 more reduced-price meal eligible students to Minnesota's free and reduced-price meal count.

The free and reduced-price meal count is also used to determine general education compensatory revenue amounts for school districts for the following school year. The compensatory revenue formula is estimated to generate more than \$700 million in aid for the 2023-24 school year. As a result, changes to the way free and reduced-price meal eligible students are counted, and whether students apply for meals with the paper forms have a major impact on the K12 budget. State aid for the compensatory revenue program is many times greater than the state aid provided to support school nutrition programs.

## **Community Eligibility Provision**

After piloting the program, the federal government made the Community Eligibility Provision (CEP) program available nationwide beginning in 2014. This program allows a school to serve free meals to all of its students. For school sites with at least 62.5 percent free and reduced-price meal programs, the federal funds cover the full costs. Other sites with more than 40 percent free and reduced-price meal eligible students may join the program as well, but these schools may not be made whole given the loss of revenue from parent fees for the fully paid meals. A rough rule of thumb is that a school participating in the CEP program will receive added federal meals funding equal to about 60 percent more funding (not to exceed full funding). Schools participating in CEP reduce costs by eliminating the need for tracking student meal status and by forgoing any need to collect on unpaid meal debts.