

HOUSE RESEARCH

Bill Summary

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Subject: School Lunch Aid; Increasing State Reimbursement for Reduced Price Meals

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Overview

School districts and other participants in the school meals program receive state and federal money and federal commodities assistance for school breakfast and school lunch programs.

The federal government pays per meal served according to annual rates established in the federal register. For schools serving less than 60 percent free or reduced price meals, the reimbursement is \$2.86 per free lunch, \$2.46 per reduced price lunch, and \$.27 for each fully paid meal. These amounts are increased by 8 cents per meal in schools that serve more than 60 percent free/reduced price meals and all schools in compliance with federal meal requirements receive another six cents per meal. A student qualifies for a free lunch if the student's family income is 130 percent or less of the poverty level (\$29,965 for a family of four) and for a reduced price meal if the family's income is less than 185 percent of the poverty level (\$42,643 for a family of four). Total federal aid for Minnesota's school nutrition programs totals roughly \$190 million per year. Current state aid for nutrition programs totals about \$19 million per year.

Minnesota's school funding formulas provide additional state aid for school meals. Under current law, the state pays an additional 12 cents for each school lunch served to a student. This bill raises the state aid for each reduced price lunch served by 40 cents (the difference in the federal reimbursement rate between reduced price and free lunch) at a cost of about \$3.5 million per year and requires that participants offer reduced price meals at no charge to eligible students.

Section

- 1** **School lunch aid computation.** Pays program participants (schools and other programs) an additional 40 cents per meal for each reduced price school lunch served. Requires schools to provide reduced price meals at no charge to eligible students.

- 2** **Appropriation.** Appropriates an unspecified amount from the general fund to the commissioner of education to pay for the aid authorized in section 1.