

Subject School Meals; Establishing Income Limits; Increasing LOR Funding

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Overview

The National School Lunch Program, first established in 1946, provides federal meal assistance to lower-income students in public and private schools. Minnesota passed its full funding for school meals for all students during the 2023 Legislative session.

The federally assisted meal programs are administered by the Minnesota Department of Education under the rules established by the United States Department of Agriculture (USDA). The federal government annually sets reimbursement levels for each meal served based on a student's family income, adjusted by family size. Under the federal program, a student is eligible for a free meal if the student's family income is less than or equal to 130 percent of the federal poverty guideline (FPG) and a student is eligible for a reduced-price meal if the family income is between 130 percent and 185 percent of the FPG. For the 2024-2025 school year, these income limits for a family of four are \$40,560 for a free meal and \$57,720 for a reduced-price meal.

Minnesota provides free meals for all students, beginning with the 2023-2024 school year, by providing state aid to pay what was formerly the parents' share of the meal cost for one free lunch and one free breakfast for all students, regardless of family income.

H.F. 2201 limits free school meals to students from families with income at 500 percent or less of the FPG (\$156,000 for a family of four). This change to Minnesota's school meals program is estimated to save \$85 million per year in state aid. H.F. 2201 adds this same amount of aid to the Local Optional Revenue (LOR) program by adding a new first tier of LOR aid equal to \$92 per pupil unit.

Summary

Section	Description
1	<p>School meals policies; definitions.</p> <p>Defines “free meal” (130 percent of the federal poverty guideline (FPG) or less) and “reduced-price meal” (between 130 percent and 185 percent of the FPG) that match the definitions used by the federal government under the national school lunch program. Creates a new category of school meals eligibility called “enhanced school meal.” Sets the eligibility for an enhanced school meal at between 185 percent and 500 percent of the FPG. Defines “application for educational benefits” as the paper and online forms used for school meal eligibility for a student whose eligibility is not determined through the direct certification process.</p>
2	<p>School lunch aid amounts.</p> <p>Continues the additional 12.5 cents of supplementary aid paid by the state to schools participating in the national school lunch program.</p>
3	<p>Enhanced school meals program.</p> <p>Limits Minnesota’s current free meals for all students program to students eligible for free, reduced-price, or enhanced school meal eligibility (500 percent of the FPG or less).</p>
4	<p>Enhanced school meals program aid amount.</p> <p>Requires the state to pay the portion of each school lunch not paid by the federal government for any school meal served to a free, reduced-price, or enhanced meal eligible student.</p>
5	<p>Transfers from other funds.</p> <p>Authorizes a school to establish free meal eligibility standards higher than the state-determined level (500 percent of the FPG or less) and authorizes the school to transfer funds into the meals program from any other source of revenue the school receives.</p>
6	<p>No fees. [School meals]</p> <p>Limits the “no fee” policy for school lunch to those students whose family incomes are at or below 500 percent of the FPG.</p>
7	<p>Revenue calculation. [Charter school general education revenue]</p> <p>Includes the new first tier of Local Optional Revenue (LOR) in the definition of general education revenue received by charter schools.</p>

Section	Description
8	Local optional revenue. Creates a new first tier of LOR equal to \$92 per pupil unit. Requires this tier of LOR to be paid entirely through state aid beginning in fiscal year 2026.
9	Appropriations. Appropriates an unspecified amount for general education aid and school lunch aid.



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