

**Subject** Community Eligibility Provision; School Meals and Compensatory Revenue

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## Overview

School meal programs are funded through parent fees, federal funds, and state aid payments. School meals programs operate under the rules established by the federal government which provides several different types of support. The federal government provides more than \$300 million per year to Minnesota's schools and other sponsors of school lunch programs and Minnesota's school formulas add roughly \$30 million per year in state aid for school nutrition programs. The majority of the federal money is allocated to schools based on the counts of free and reduced-price eligible students at each school.

About a decade ago, the federal government created the community eligibility provision (CEP) program which allows high poverty school sites to serve free meals to all the students attending that school site, regardless of the family income status of each student. The CEP funding provided by the federal government is sufficient to cover the full costs at higher poverty sites, but for qualifying school sites with a lower concentration of students eligible for free or reduced-price meals, the federal funds don't cover the full costs.

H.F. 1985 establishes a framework and state funding source to encourage all qualifying school sites to participate in the CEP program.

## Summary

Section	Description
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<b>1</b>	<b>School lunch aid computation.</b>
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	Creates a new state category of school lunch aid for sites participating in the CEP program. Sets the aid amount as the difference between the total federal nutrition funding for lunches for that site and the amount necessary to fully reimburse each student meal served at that site.
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<b>Section</b>	<b>Description</b>
<b>2</b>	<p><b>Community eligibility provision participation and technical assistance</b></p> <p>Defines terms for use in the statute including “community eligibility provision,” “qualifying school sites,” “local educational agency,” and “identified student.”</p> <p>Sets the purposes of the program.</p> <p>Requires the Department of Education (MDE) to annually compile the list of all eligible CEP sites and notify school districts of their qualifying sites.</p> <p>Beginning with the 2022-2023 school year, requires all school sites qualifying for full reimbursement under CEP to participate in the CEP program.</p>
<b>3</b>	<p><b>Program reimbursement [Breakfast.]</b></p> <p>Creates a new state funding source as part of the state’s school breakfast aid for sites participating in the CEP program. Sets the aid amount as the difference between the total federal breakfast funding for that site and the amount necessary to fully reimburse each student breakfast served at that site.</p>
<b>4</b>	<p><b>Compensation revenue pupil units.</b></p> <p>Authorizes schools participating in CEP to use one of three alternative methods to determine the school sites’ compensatory percentages for purposes of determining compensatory revenue (under current law, the concentration revenue pupil units are determined by the number of free and reduced-price eligible students enrolled in the school during the previous fall). Alternatives include using:</p> <ul style="list-style-type: none"><li>(1) the percentages from the year prior to a school site’s entrance into the CEP program;</li><li>(2) the percentages from the fall of 2019 for fiscal years 2022 through 2024; and</li><li>(3) for a school with an increasing number of eligible pupils, the eligible count for that year.</li></ul>
<b>5</b>	<p><b>Appropriation; school meals.</b></p> <p>Appropriates unspecified amounts of money from the state general fund to the MDE for school lunch and school breakfast costs, including costs associated with fully funding CEP program sites. Authorizes an unspecified amount of administrative costs each year.</p>



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