

Commissioner's Memo  
8/9/2021

## Reimbursement Rates for Child Nutrition Programs 2021-2022 School Year and Non-Reimbursable Meal Prices

### Memo Information

Memo Number **CNU-22-002**

Memo Date 8/9/2021

Memo Type Regulatory

Unit Child Nutrition

Regulatory Authority 7 CFR 210.4, 210.6, 220.6, Healthy Hunger-Free Kids Act of 2010, USDA Covid-19 Response #85 and 86

Response Required NO

Attention Superintendents; Principals; General Business Managers; Child Nutrition Directors/Managers

### Primary Contact Information

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### Memo Text

For SY 2021-22, the United States Department of Agriculture (USDA) will allow districts to operate either traditional National School Lunch/School Breakfast (NSLP/SBP) or Seamless Summer (SSO). Below is a comparison of each including the reimbursement rates.

Districts choosing to operate under the SSO must "opt in" prior to claiming the first meals. For some districts that will be July meals.

	*NSLP plus Safety Net and Performance Based	SSO at SFSP Rate Lunch	SBP with Severe Need	SSO at SFSP Rate Breakfast	NSLP Afterschool Snack
Lunch					
Free	$3.66 + 0.02 + 0.07 = 3.75$	4.31			
Reduced	$3.26 + 0.02 + 0.07 = 3.35$				
Paid	$0.35 + 0.02 + 0.07 = 0.44$				
Breakfast					

Free			2.35	2.46	
Reduced			2.05		
Paid			0.33		
Snack					
Free					1.00
Reduced					0.50
Paid					0.09

### SSO Reimbursement Rates

The SSO will be reimbursed at the SFSP rate if the district opted in prior to claiming any meals for SY 2021-2022. The SFSP rate is significantly higher than the NSLP rate. The SSO/SFSP Lunch will not have additional reimbursement added for Safety Net or Performance Based. The SSO/SFSP Breakfast rate will not have an additional reimbursement for Severe Need.

The SFSP rates are based on the calendar year and will be adjusted effective January 1, 2022 based on USDA guidance.

### SBP - Severe Need Breakfast

Severe need breakfast rates are approved on a by school basis. Districts must apply each year to receive the severe need breakfast rate. Any school in the district that served forty percent (40%) or more lunches during the 2019-2020 school year (second preceding year, July through March Regular Meals only) at the free or reduced rate receive an additional thirty-eight cents (\$.38) reimbursement on all free and reduced priced breakfast served during the 2021-2022 school year.

Districts electing to serve meals under the NSLP/SBP will be required to submit an application and be approved for Severe Need funding prior to the first claim being submitted by the district. Districts choosing to operate under SSO are not required to submit an application.

### NSLP - Safety Net Lunch

School districts that served sixty percent (60%) or more of the total lunches to students eligible for free or reduced price meals in the 2019-2020 school year (second preceding year) are designated as "Safety Net" districts and will receive two cents (\$.02) additional reimbursement for each reimbursable lunch served.

Safety Net funding will be automatically added for districts that qualify and choose to serve meals under the NSLP/SBP option. No application is necessary.

### NSLP - Performance Based Reimbursement (PBR)

The PBR is an automatic payment for those districts that have completed the meal certification process. The PBR rate is \$.07 per lunch meal served for the 2021-2022 school year. The additional PBR will be included automatically in each monthly claim for those districts that qualify. No application is necessary.

### NSLP - Afterschool Snack Area Eligible

An afterschool snack program site is Area Eligible if it is located at a school where fifty percent (50%) of enrolled students are eligible for free or reduced price meals. Area eligible sites will claim all afterschool snacks served at the free rate. Schools that do not qualify for area eligibility must claim students based on their free, reduced, or paid eligibility status.

Schools that opt in to the area eligibility waiver will claim all snacks under NSLP at the free rate.

### Value of United States Department of Agriculture (USDA) Donated Foods

The national average minimum value of USDA donated foods, or cash in lieu thereof, per lunch under the NSLP shall be 26.00 cents for the period July 1, 2021, through June 30, 2022.

Non-Reimbursable Meal Prices (Adult, Contract, & Second Meals)

It is recommend that school districts adjust non-reimbursable meal prices charged for participation in the NSLP or SBP by the amount of increased free reimbursement plus the USDA donated food rate for the 2021-2022 school year.

All non-reimbursable meals must be priced to cover the entire cost to produce the meal which includes food, labor, and other operating costs. Pricing of non-reimbursable meals is monitored during the Administrative Review process.

See the example for lunch prices below:

1. The current Free Reimbursement Rate (\$3.66 or \$3.68) +
2. The Performance Based Reimbursement (\$.07) +
3. The USDA donated food rate for school lunch (\$0.26)

$$\$3.68 + \$.07 + \$.26 = \$4.01 \text{ rounded down to } \$4.00 \text{ per meal}$$

The price for a non-reimbursable breakfast should be at least the amount of the free reimbursement rate. The free reimbursement rate for 2021-2022 is \$1.97 for regular and \$2.35 for severe need breakfast.

If you have any questions, please contact your Area Specialist at 501-324-9502.