

SY 2025-2026 Non-Reimbursable Meal and Meal Equivalency Rates for FSMCs

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Regulatory Authority: 7 CFR 210, 7 CFR 220, 7 CFR 250 and 7 CFR 225

Response Required: No

Attention: Superintendents, Child Nutrition Directors and Managers

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The purpose of this memo is to provide guidance for pricing non-reimbursable meals, and to publish the meal equivalency rate for food service management company (FSMC) contracts in the 2025-2026 school year.

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 30.50 cents for the period July 1, 2025, through June 30, 2026.

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

It is recommended that school districts adjust non-reimbursable meal prices charged for participation in the National School Lunch Program or School Breakfast Program by the amount of increased free reimbursement plus the USDA donated food rate for the 2025-26 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 (\$4.60 or \$4.62) +
2. The Performance Based Reimbursement (\$0.09) +
3. The USDA donated food rate for school lunch (\$0.3050)

Non- Safety Net: \$4.60+ \$0.09 + \$0.3050 = \$ 4.995 round up to \$5.00 per meal

Safety Net: \$4.62+ \$0.09 + \$0.3050 = \$ 5.015 round up to \$5.02 per meal

Note that the recommended prices are carried out to three decimal places to the right to accommodate the ½ cent increase in the donated food value for the period of July 1, 2025, to June 30, 2026.

The price for a non-reimbursable breakfast should be at least the amount of the free reimbursement rate. The free reimbursement rate for 2025-26 is \$2.46 for non-severe need and \$2.94 for severe need breakfast.

Meal Equivalency Rates

Meal equivalency is a method used to convert total cash sales to meals for billing purposes in food service management company contracts. Items in this conversion include a la carte sales, contract meals, second meals, adult meals, other non-reimbursable meals. Catering is not converted to meal equivalents.

The sum of the student lunch reimbursement rate (standard or safety net as applicable), the performance-based reimbursement (PBR), and the per meal donated food value is used to determine the meal equivalency rate:

For the 2025-2026 school year the free lunch reimbursement rate is \$4.60 for non-safety net districts and \$4.62 for safety net districts. The PBR for lunch meals is \$.09, and the per meal value of USDA donated foods is \$.3050.

Total free lunch reimbursement + PBR + USDA donated food value for lunch = Meal Equivalency Factor

For non-safety net districts, the meal equivalency rate for the 2025-2026 school year is \$4.995.

For safety net districts, the meal equivalency for the 2025-2026 school year is \$5.015.

Note that the rates are carried out to three decimal places to the right to accommodate the ½ cent increase in the donated food value for the period of July 1, 2025, to June 30, 2026.

Sample conversion:

Total cash sales = \$2,500 ÷ \$4.995 = 500.50 meals (non-safety net)

Total cash sales = \$2,500 ÷ \$5.015 = 498.50 meals (safety net)

Districts contracted with an FSMC should provide the meal equivalency rate for their company and monitor monthly invoices to ensure that the correct rate is used in the billing process.

If you have any questions, please contact Nutrition Services at 501-324-9502.