

2024-2025 SY Reimbursement Rates, Non-Reimbursable Meal Prices, and Meal Equivalency for FSMC Contracts

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

Response Required: No

Attention: Superintendents, Child Nutrition Directors and Managers

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Reimbursement rates for the National School Lunch Program (NSLP), School Breakfast Program (SBP), and Afterschool Snack Program (ASP) for the 2024-25 school year have been released.

	Non-Severe Need Breakfast	Severe Need Breakfast	Non-Safety Net Lunch	Safety Net Lunch	Afterschool Snack
Free	2.37	2.84	4.43	4.45	1.21
Reduced	2.07	2.54	4.03	4.05	0.60
Paid	0.39	0.39	0.42	0.44	0.11

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 2022-23 school year at the free or reduced rate receive an additional forty-seven cents (0.47) reimbursement on all *free* and *reduced* priced breakfast claimed during the 2024-25 school year.

Safety Net/2 Cent Differential Lunch

School districts that served sixty percent (60%) or more *lunches* during the 2022-23 school year at the free or reduced rate are designated as “Safety Net” districts and receive an additional two cents (\$0.02) reimbursement for each lunch claimed during the 2024-25 school year.

Performance Based Reimbursement (PBR)

The PBR is an automatic payment for those districts that have completed the meal certification process. The PBR rate is \$0.09 for each reimbursable lunch claimed during the 2024-25 school year. The additional PBR will be included in each monthly claim.

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.

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 cents for the period July 1, 2024, through June 30, 2025.

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

It is recommended 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 2024-25 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 (\$4.43 or \$4.45) +
2. The Performance Based Reimbursement (\$0.09) +
3. The USDA donated food rate for school lunch (\$0.30)

Non- Safety Net: \$4.43+ \$0.09 + \$0.30 = \$ 4.82 round up to \$4.85 per meal

Safety Net: \$4.45+ \$0.09 + \$0.30 = \$ 4.84 round up to \$4.85 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 2024-25 is \$2.37 for non-severe need and \$2.84 for severe need breakfast.

Meal Equivalency for Food Service Management Companies (FSMC)

Meal equivalency is a method used to convert total cash sales (other than meals) to a number of meals. This number of meals is then billed to the district at the per meal contract rate. The student reimbursable lunch (standard or safety net as applicable) is used in converting revenue of non-program food sales such as a la carte or catering.

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

For non-safety net districts, the meal equivalency factor for the 2024-2025 school year is **\$4.82**.

For safety net districts, the meal equivalency factor for the 2024-2025 school year is **\$4.84**.

Sample conversion:

Total cash sales = $\$2,500 \div \$4.82 = 518.672$ or 519 meals (non-safety net)

Total cash sales = $\$2,500 \div \$4.84 = 516.528$ or 517 meals (safety net)

Districts contracted with an FSMC should provide this factor for their company and check monthly invoices to assure that the correct factor is used in the billing process.

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