

**TESTIMONY ON HB 1475
HOUSE EDUCATION COMMITTEE**

February 3, 2025

**By: Lynelle Johnson, Director of Child Nutrition and Food Distribution
Programs**

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Chairman Heinert and Members of the Committee:

My name is Lynelle Johnson and I am the Director of Child Nutrition and Food Distribution Programs with the Department of Public Instruction. I am here to provide information regarding HB 1475.

The National School Lunch and Breakfast Programs are federally administered by the United States Department of Agriculture (USDA) and implemented at the state level by the North Dakota Department of Public Instruction. These programs aim to ensure that students receive nutritious meals that support their health and academic success. As part of our role in administering USDA Child Nutrition and Food Distribution Programs, our office is responsible for ensuring that schools meet the guidelines through administrative reviews, training, and technical assistance.

In North Dakota, 168 public and 25 non-public school districts, with an enrollment of approximately 125,500 students, participate in the National School Lunch Program, with the majority also offering the School Breakfast Program.

Participating schools must serve meals that meet the federal meal pattern requirements to receive reimbursements and USDA Foods. Schools must offer

meals to all enrolled students, and must collect household applications for students to receive meals at a free or reduced price.

Students qualify for free or reduced-price meals in two ways:

1. Income-Based Eligibility – Families submit a meal application, and eligibility is determined by household income and size:
 - Free Eligibility: Household income at or below 130% of the Federal Poverty Level (FPL).
 - Reduced-Price Eligibility: Household income between 130% and 185% of the FPL.
 - State 200 Eligibility: Household income between 185% and 200% of the FPL.
2. Categorical Eligibility – Students are automatically eligible for free meals if they participate in federal assistance programs such as SNAP, TANF, Medicaid, identified as homeless, migrant, runaway, or in foster care.

Currently, in North Dakota, 31,798 students qualify for free meals, 7,680 qualify for reduced-price meals, and 1,786 qualify for the State 200 expanded eligibility.

If meals were provided at no cost to students, North Dakota would maximize federal reimbursements while covering the remaining costs at the state level. One available option to maximize federal reimbursements is the Community Eligibility Provision (CEP), which allows higher-poverty schools to offer free meals to all students without collecting household applications. Currently, schools qualify if at

least 25% of enrolled students are directly certified through federal programs such as SNAP, TANF, and Medicaid or if they are identified as homeless, migrant, or in foster care. Schools that participate in CEP receive reimbursement based on their Identified Student Percentage (ISP), which is multiplied by 1.6 to determine the percentage of meals reimbursed at the federal free rate (\$4.52 per lunch). The remaining meals are reimbursed at the paid rate (\$.51). Schools must recertify eligibility every four years and do not need to accept free and reduced meal applications during that time. Currently, 41 sites in North Dakota participate in the Community Eligibility Provision. An additional 50-60 sites that are eligible are not currently participating. Schools that do not qualify for the Community Eligibility Provision would continue to collect free and reduced-price applications from households and claim meals based on eligibility category to ensure compliance with federal reimbursement structures.

The state's reimbursement calculation would be based on the federal reimbursement rates, which USDA updates annually in July. Below is a breakdown of the reimbursement structure.

	<i>Federal Portion</i>	<i>State Portion</i>
Free Breakfast	\$2.37	\$0.00
Free Lunch	\$4.52	\$0.00
Reduced Breakfast	\$2.07	\$0.30
Reduced Lunch	\$4.12	\$0.40
Full Priced Breakfast	\$0.39	\$1.98
Full Priced Lunch	\$0.51	\$4.01

The estimated \$140 million biennium state cost was calculated by maximizing the Community Eligibility Provision and estimating future participation rates and reimbursement rates. For context, in the 2023-2024 school year, North Dakota schools collected approximately \$35 million in federal reimbursements for meal programs.

During the 2021-2022 school year, when all students received meals at no charge, participation was higher than normal. Breakfast participation averaged 38,500 meals per day. This school year, the average is 32,000 meals per day. Lunch participation averaged 86,000 meals per day in 2021-2022. This year, the average number is 82,000 meals per day.

Chairman Heinert and Members of the Committee that concludes my prepared testimony. I will answer any questions that you may have.