



2025 Position Paper: *Increase Reimbursements*

[Research](#) shows school meals are the healthiest meals Americans eat – significantly more nutritious than food consumed from grocery stores and restaurants. [Federal school nutrition standards](#) ensure meals meet calorie, sodium and fat limits and offer students fruits, vegetables, milk and entrees made with lean proteins and whole grains.

Healthy meals cost more to prepare, but [school meal reimbursement rates](#) fail to cover the higher cost of meeting nutrition standards and other complex regulatory requirements. *For less than the average price of a latte, schools must prepare a complete meal and cover labor, supplies, equipment and all other costs.*

- Schools only receive approximately \$4.50 in reimbursement for each free lunch they serve.

School meal programs have always operated on tight budgets, but **financial pressures have intensified**. In a recent [SNA survey](#) of meal program directors nationwide:

- Virtually all cited challenges with the cost of food (97.9%), labor (94.9%) and equipment (91.4%).
- Only 20.5% reported the reimbursement rate is sufficient to cover the cost of producing a lunch, a steep drop from SNA's 2018 survey when more than half (52.6%) of directors cited the lunch rate as sufficient.
- 88.7% cited challenges with staff shortages. The tight labor market requires meal programs, which compete with local restaurants for employees, to increase pay or offer bonuses to attract employees.

Meal programs face additional costs as they implement [long-term school nutrition standards](#), which USDA [estimates](#) will cost schools an average of \$206 million annually. The standards include new limits on added sugar beginning July 2025 and additional limits on sodium in 2027, which require investments in staff, training and equipment to expand scratch cooking. Meanwhile, as food companies adjust their recipes, specialized K-12 menu items will continue to increase in price.

As a result, **92.1% of school nutrition directors are concerned about their program's financial sustainability three years from now**. When asked about resources necessary to comply with forthcoming [sodium and sugar limits](#), 96.8% of directors indicated their programs require increased funding, with 69.5% citing an "extreme need" for more funds.

School meal programs are expected to be self-sustaining, covering their expenses with federal reimbursements and program sales. Without additional support, meal program **losses will cut into education budgets**, taking away funds for teachers, textbooks, technology and other resources that support learning.

[SNA's 2025 Position Paper](#) urges Congress to increase federal reimbursement rates for the National School Lunch and School Breakfast Program (NSLP/SBP) by 40 cents per lunch and 15 cents per breakfast.