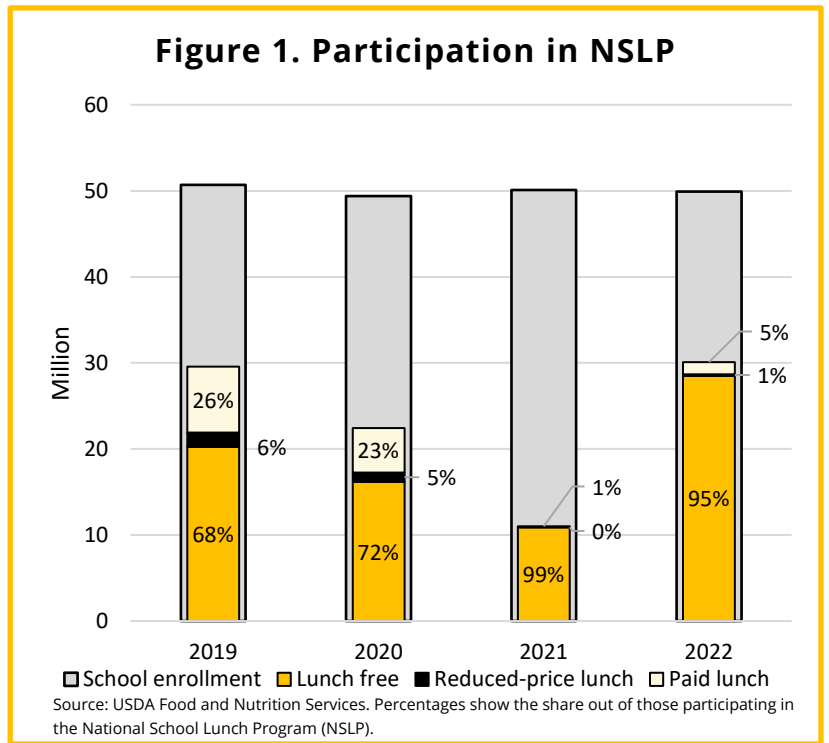




The Cost of a Free Lunch: Taking Stock of the National School Lunch Program Post-Pandemic

Every meal sold in a school cafeteria is either [partially or fully subsidized](#) through the National School Lunch Program (NSLP), with reimbursements for free lunches accounting for most spending. On average, each free meal costs the federal government about \$4.90, which includes the actual reimbursement rate and all other costs. Each year, roughly 50 million U.S. students attend public schools and approximately 30 million participate in the NSLP by purchasing lunches at school cafeterias. Before the pandemic, 68% of NSLP participants received free lunches* and less than 6% received reduced-price meals (Figure 1). Starting in 2020, a temporary policy mandated free school lunches for all students, resulting in more than 90% of NSLP participants receiving free lunches in fiscal years 2021 and 2022. In FY 2022 alone, roughly 28 million students received free lunches, and total program cost stood at a historic level of \$23 billion. As funding for the temporary policy ended, a debate has sparked regarding universal free lunch programs. Part of this debate raises questions about the financial feasibility of free lunch programs.



With participation rates starting to revert to the pre-pandemic levels, spending on NSLP in FY 2023 will likely decrease to about \$16 billion assuming the same average cost per free meal (Figure 2). If 2022 serves as an experiment for a universal meal program, then it showed that more than a third of students still brought lunches from home despite opportunities for free lunches. For those participated, some might prioritize quality improvement. A counter-factual option that prioritizes *quality over free* would require an increase in average reimbursement rate by roughly \$2.00 per meal under the same spending for FY 2022. Better lunches, however, will eventually attract more students to participate, and therefore reimbursements, though research has shown that the increase in participation tends to be modest in response to an upgrade in nutritional quality. Considering current state-level efforts to extend or establish permanent free lunch programs, federal spending on NSLP in FY 2023 will likely be higher than our current estimate, though remaining below FY 2022 historic levels.

