Dear Friends,

I am passionate about kids, and I am passionate about Minnesota. In my view, no purpose is more fundamental than providing consistent sources of nutritious food for all our children. They must eat, and they must eat well—early and throughout their teenage years—to develop the brain power to grow, learn and work as high-functioning, productive adults. In this sense, food and nutrition are at the core of key issues in Minnesota: Early childhood development, student academic performance, workforce readiness and poverty alleviation.

Yet, in Minnesota, thousands of our kids face hunger and poor nutrition every day while nutritious meals go unclaimed. The hidden reality of child hunger undermines our ongoing efforts to close the achievement gap, improve children’s health and other initiatives aimed to strengthen Minnesota and our future workforce.

CHILD NUTRITION INDEX
Statewide Baseline Data

<table>
<thead>
<tr>
<th>5 to 18 Enrolled K-12 (Public &amp; Private)</th>
<th>Enrolled in Free</th>
<th>Enrolled in Reduced</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>910,054</td>
<td>264,938</td>
<td>65,938</td>
<td>36%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>0 to 4 Total Eligible for WIC Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant</td>
</tr>
<tr>
<td>1 to 4</td>
</tr>
</tbody>
</table>

Meal Participation Percentage in MDE Child Nutrition Programs

<table>
<thead>
<tr>
<th>Breakfast</th>
<th>CACFP (Licensed Child Care Centers)</th>
<th>CACFP (After School Programs)</th>
<th>Summer</th>
</tr>
</thead>
<tbody>
<tr>
<td>42%</td>
<td>26%</td>
<td>4%</td>
<td>15%</td>
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</table>

Meal Participation Percentage in WIC

<table>
<thead>
<tr>
<th>Infant</th>
<th>Child</th>
</tr>
</thead>
<tbody>
<tr>
<td>91%</td>
<td>63%</td>
</tr>
</tbody>
</table>

Our overarching principle: Kids should only be hungry to learn!

Results: 4.6 million meals and $13.2 million in revenue

Fortunately, ensuring our children have adequate food and nutrition has a sustainable solution: Improve access to and participation in four existing federal nutrition programs for children in low-income households. Combined, these programs can provide nutritionally balanced meals for pregnant women and children from birth to age 18 year-round. In addition, they are funded through federal program dollars that reimburse the state for its costs, effectively sustaining the programs for the long-term. These meals are served to eligible children in a growing variety of settings, when and where they need it most—childcare centers, schools, community centers, libraries, parks and homes.

Nearly 500,000 of Minnesota’s 1.2 million children qualify for these nutrition programs, but millions of these meals—112 million meals in total—go unclaimed, resulting in $144 million in lost corresponding revenue to the state. Barriers to participation include stigma, childcare and community centers lacking the kitchen or equipment to serve.
meals, schools not adequately staffed or equipped to address meal schedules, insufficient sponsors to provide meals and administrative hurdles to meet federal requirements.

Hunger Impact Partners (HIP) is a nonprofit that takes a business approach to this social problem. We work statewide to remove barriers by partnering with educators, school officials and state agencies that administer these federal nutrition programs, as well as business, philanthropy and community leaders. HIP uses a proprietary data analytics tool to pinpoint the areas of greatest need and customizes strategies to increase meals participation, such as a one-time investment in infrastructure and equipment that can sustain feeding of children while drawing down federal nutrition funding for decades to come. We focus on improving processes and capacity in existing programs and leveraging their federal dollars to sustain feeding at-risk children.

In our first two years, HIP has increased children's access to meals by 4,563,710, totaling $13,249,657 in corresponding federal reimbursements. Our ultimate goal is to reduce the missing meal gap by 20 million meals, which will return almost $36 million in federal revenue reimbursements to the state. To meet this goal requires collective, unified support and funding so we can set up the next generation of Minnesotans for success.

On the following pages are stories that show the progress we made in 2017 in advancing our mission: Change the trajectory of hunger relief for children living in urban, suburban and rural economic hardship, so they can realize their full potential. Our story’s not complete—yet—but it is compelling and urgent. If you aren’t already a part of our story, we want to inspire you. If you are, many thanks for enriching our story with your support!

Sincerely,

Ellie Lucas
Chief Executive Officer
Core to HIP’s data-driven approach is our proprietary Child Nutrition Index. We use this data analytics tool to target populations of hungry children more precisely than has ever been done anywhere in the county. Rather than identifying need based on relatively unreliable survey data, we ground our work in statistics targeting families who are eligible for federal child nutrition programs and Medicaid.

Our Child Nutrition Index guides our goals and strategies and measures our progress. It also serves as a powerful communications tool, showing child hunger statistics to schools, community organizations, funders and thought leaders with laser-focused data points that address their concerns.

The master database combines data from Minnesota’s Departments of Education, Health and Human Services, an unprecedented undertaking. From this expansive data file, we can pinpoint needs, their severity and their corresponding federal reimbursement revenue potential. We can then make strategic and cost-effective decisions, funding requests and, in turn, our own investments.

This powerful tool allows us to bring precision focus to addressing hunger among the 498,681 Minnesota children identified as at risk of going hungry at any given time.

Our independent evaluation partner, EnSearch, Inc., is responsible for creating the Child Nutrition Index, for the ongoing synthesizing and analyzing of its data and for validating our progress.

The maps below show Hunger Impact Partners’ geographic focus areas with high concentrations of eligible children. The numbers indicate the number of sites with severe need.
2017 Hunger Impact Partners by the Numbers

Goal: 20 Million Meals

- Available & Unclaimed in MN
- HIP Seeks to Provide

<table>
<thead>
<tr>
<th>NOT-IN-SCHOOL-TIME MEALS (CACFP &amp; CACFP At-Risk)</th>
<th>SCHOOL BREAKFAST (SBP)</th>
<th>SUMMER MEALS (SFSP)</th>
<th>Food From Birth to Five (WIC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>33</td>
<td>7.3</td>
<td>5.8</td>
<td>17</td>
</tr>
<tr>
<td>34</td>
<td>7.3</td>
<td>5.8</td>
<td>17</td>
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<tr>
<td>28</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Goal: $35.6 Million Reimbursement Revenue

- Available & Unclaimed in MN
- HIP Seeks to Secure

<table>
<thead>
<tr>
<th>NOT-IN-SCHOOL-TIME MEALS (CACFP &amp; CACFP At-Risk)</th>
<th>SCHOOL BREAKFAST (SBP)</th>
<th>SUMMER MEALS (SFSP)</th>
<th>Food From Birth to Five (WIC)</th>
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</thead>
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<tr>
<td>$42</td>
<td>$20.6</td>
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<td>$44</td>
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<td></td>
<td>$8.0</td>
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<td>$25</td>
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</tbody>
</table>

Results: Meals Added Since Launch of HIP
23% of Target Goal

Not-in-school-time: 2,961,160
School Breakfast: 1,422,929
Summer: 169,621

Results: Revenue Added Since Launch of HIP
37% of Target Goal

Not-in-school-time: $7,137,052
School Breakfast: $5,406,500
Summer: $706,104

Note: WIC data is based on program enrollment and retention not available at this time. Progress will be reported in 2018 annual report.
School Breakfast Initiative

- **Federal Program**: School Breakfast Program—SBP
- **State Administrator**: Minnesota Department of Education
- **HIP Focus**: Fund alternative service models, stigma-reducing initiatives, USDA Team Nutrition Program
- **Meal Options**: Breakfast in the Classroom, Grab ‘n’ Go packaged breakfasts from mobile carts and Second Chance Breakfasts served during morning break
- **Markets**: Pre-K-12 schools
- **Goals**: 5.8 million meals and $8 million in revenue for a 28 percent increase

Research indicates that students are more successful in school when they eat a nutritious breakfast. Yet, many eligible children who are at risk for hunger are not eating this meal. Only 41 percent of school breakfasts available in Minnesota are served, leaving $44 million of federal reimbursement unclaimed.

With a focus on alternative serving models and times, HIP works with school administrators to ensure kids have the energy to get their days off and running. Eric Loichle, assistant principal at Andersen United Community School in Minneapolis, saw positive behavioral changes that came with different breakfast models made possible with funding help from HIP.

“Kids had more energy and participated more in class,” he said. “The food carts located in hallways made it easier for kids to get their hands on nutritious items than when breakfast was only served in the cafeteria. Our older students traditionally skipped the breakfast lines. Having a ‘Grab ‘n’ Go’ option makes it easy for them to get the nutrition they need.”

**HIP AND MDE: A WINNING PARTNERSHIP FEEDING HUNGRY KIDS**

In 2017, the Minnesota Department of Education was awarded a three-year Team Nutrition Grant of $499,902 from the USDA. Focused on School Breakfast, the grant will be used to offer training, resources and technical assistance to support federal meal programming. It will:

- Target six middle and/or high schools where 50 school nutrition professionals will receive culinary training;
- Work with seven school districts to improve their wellness environments, with a focus on “smarter” cafeterias, local wellness policies and community engagement; and
- Provide nutrition education lessons directed at 450 elementary students at 10 sites.

Strategies will be measured using quantitative and qualitative data to track progress and outcomes, including changes in school meal participation rates, according to HIP’s Child Nutrition Index.

Our partnership with MDE continues to thrive as we persistently search for mutually reinforcing activities to leverage our work to feed more hungry kids.
Not-in-School-Time Meals Initiative

- **Federal Program**: Child and Adult Care Food Program—CACFP and CACFP At-Risk
- **State Administrator**: Minnesota Department of Education
- **HIP Focus**: Multi-site and new sponsors, HUB systems, and increasing participation at schools and affordable housing sites
- **Meal Options**: Breakfast, lunch, snack, supper
- **Markets**: 1) Licensed child care centers—2.5 million new meals and $7.6 million in revenue for a 50 percent increase. 2) School and community-based programs—4.8 million new meals and $13 million in revenue for a 26 percent increase
- **Goals**: 7.3 million meals and $20.6 million in revenue

HIP concentrates on the aspects of CACFP that provide meals to eligible children in licensed daycare settings and students who participate in extra-curricular programs, i.e., clubs or athletics, beyond regular school hours. In the past, barriers have included administrative requirements and lack of exposure to the program and its value.

A significant accomplishment: HIP worked with the Minneapolis Public Schools (MPS) to fund a pilot position in its Culinary and Nutrition Services department that is tasked with expanding CACFP/CACFP At-Risk access, adding sites, increasing participation and facilitating draw-down of USDA reimbursement dollars.

When Sarah Eugene started in this role in the 2014-2015 school year, the program served five school sites, with the 2,500 meals served on average each month and average monthly revenue of $8,000. Two years later, MPS was serving an average of 52,000 meals and claiming $140,000 per month at 68 school and community sites. “None of the sites now being served was created for the sole purpose of providing food. They were existing programs that didn’t provide food or, if they did, used their own budgets,” said Bertrand Weber, director of Minneapolis Schools Culinary and Wellness Services.

“The primary difference,” said Sarah Eugene, “has been connecting with the MDE and community advocates to learn about existing after-school programs that may need food. Our relationship with Hunger Impact Partners has helped us foster these relationships.”

**HIP AND KSTP-TV ARE “HUNGRY FOR WINS”**

In 2017, KSTP-TV and HIP came together on a public service announcement (PSA) project to promote the importance of good nutrition in the active after-school lives of low-income high school athletes, artists, leaders and scholars.

The program targets large schools in Hennepin and Ramsey counties with high populations of free and reduced-price meal participants, high student enrollment numbers, and established athletic or enrichment programming. For example, at Minneapolis Edison, there are 783 students enrolled in federal nutrition meal programs. Although there are Minnesota State High School League sports in each season and a large list of after-school clubs and activities, including College Possible, only seven percent of eligible students are participating in the after-school supper program. Former NBA star and former director of athletics for the Minneapolis Public Schools, Trent Tucker is the lead spokesperson and on-camera expert.

PSAs will air in conjunction with various high school tournaments scheduled throughout the year.

Planning is ongoing into 2018. Eventually, adult mentors and students involved in other activities will be involved. The program is intended as a model that can be replicated around the state.
Summer Meals Initiative

- **Federal Programs**: Summer Food Service Program—SFSP and Seamless Summer Option—SSO
- **State Administrator**: Minnesota Department of Education
- **HIP Focus**: Existing and new site expansion, including low-income housing, libraries, community health clinics, hospital sites and technology tools
- **Meal Options**: Breakfast + lunch or lunch + supper
- **Markets**: Youth community centers, K-12 schools, parks and rec, faith-based programs
- **Goals**: 2.7 million meals and $6 million in revenue for a 20 percent increase

There are two federal programs that provide funding to address the summer feeding dilemma. The Summer Food Service Program helps children up to age 18 access free or reduced-price summer meals. Open sites operate in low-income areas where at least half the children come from families with incomes at or below 185 percent of the federal poverty level. There is also the Seamless Summer Option, which supports free summer meals through schools participating in the National School Lunch or School Breakfast program. “Feeding kids during the summer break is so important to keeping them healthy so they are ready for school in the fall,” said Stacey Koppen, Director of Nutrition Services at Saint Paul Public Schools. And yet, of the potential to serve 20 million summer meals, only three million have been consumed in the past year.

**SUMMER EATS MINNESOTA: THERE’S AN APP FOR THAT!**

In 2017, HIP partnered with the Minnesota Department of Education and Minneapolis and St. Paul public school districts to develop a technology solution that empowered kids and the adults in their lives to more easily find summer meals near them: A mobile app called Summer Eats Minnesota. Powered by GPS and available free through the Apple App and Google Play Store, it shows locations of free summer food sites, their menus and days of operation. Kids can just show up at site locations, including schools, park and rec centers, community centers and libraries.

The app includes 800 sites throughout the state, and there were 1,700 downloads in summer 2017. The sites added 169,621 meals and collected $706,104 in reimbursement revenue.

Visibility—getting the word out—is vital to achieving the goals of HIP. The Summer Eats app caught the attention of area media, including stories in the *Star Tribune, Pioneer Press, WCCO-TV, KSTP-TV, KARE 11-TV, FOX 9-TV, City Pages, North News, Southwest Journal, Modern Farmer, Mankato Free Press, WCCO radio, MPR, KMOJ and Go 95.3*. Through this media coverage, HIP reached 1.7 million readers, viewers and listeners. In addition, it had 24 million unique monthly views online as a result of media coverage.

Next steps include concentrated marketing and promotion, collateral for serving sites and outreach to families, social workers and other student support services.
Healthy Food from Birth to 5 Initiative

- **Federal Program**: Special Supplemental Nutrition Program for Women, Infants and Children—WIC
- **State Administrator**: Minnesota Department of Health
- **HIP Focus**: WIC retention strategies, leverage mobile app for toddler meals in the summer, pilot mobile WIC Clinic
- **Meals**: Vouchers for eligible foods
- **Markets**: WIC Clinics, childcare centers and Pre-K programs, medical clinics and affordable housing sites
- **Goals**: 4.2 million meals and $1 million in revenue for a 10 percent increase

Funded by the USDA, WIC is a federal program that provides nutrition, education, supplemental food, breastfeeding promotion and support and health care referrals for low-income pregnant women, infants and children up to age 5. In Minnesota, WIC is administered by the state Department of Health.

While WIC enrollment in Minnesota is the third highest in the nation—the state enrolled 71 percent of those eligible in 2013—that ranking is most true for infants and children under two. Participation starts dropping-off at nine months. WIC’s underutilization means that thousands of eligible pregnant women and young children aren’t eating a healthy diet and $24.5 million in federal reimbursements are going unclaimed.

**TESTING SOLUTIONS TO WIC RETENTION CHALLENGES**

In 2017, HIP took on the WIC program’s key challenge in Minnesota: preventing drop-off in WIC participation, particularly for children over nine months. Surveys conducted by WIC Clinics found parents citing multiple reasons for leaving WIC, including transportation and other logistical hurdles, perceived stigma for participants and complex transactions at grocery check-outs.

HIP is developing a long-term strategy to improve the retention rate for WIC participation. In conjunction with Minnesota Department of Health, our pilot initiative has awarded incentive grants to 12 WIC clinics in four metro counties. The grants provide diaper packs, gas or gift cards – incentives WIC has identified as most appropriate for its clients.

Since spring 2017, when incentives were first awarded, 640 households in four counties have received $20,077 in grants. Preliminary data from participating counties and WIC clients show two-thirds of respondents agree or strongly agree that diapers/gas cards are causing them to extend their participation in the WIC programs. But the WIC food program remains the strongest draw for participants so far. When these pilot programs have run for 12 months, more can be determined about the role incentives play in keeping participants on WIC.

Next step is supporting the Electronic Benefit Transfer (EBT) roll-out for WIC families.
Hunger Impact Partners as Community Partner

NORTH MARKET: WELCOME TO A NEW KIND OF GROCERY STORE.

North Market is a social enterprise created to address the food and health disparities in North Minneapolis. More than a grocery store, it’s a home base for community health. This unique venture unites three elements in one place: Affordable nutritious food, health care services and wellness education. North Market provides access to healthy foods in one of the country’s largest food deserts, where 67,000 residents had access to 30 convenience stores, but only two medical clinics and one supermarket. Throughout the course of its development, HIP was a dedicated partner, advisor and early funder to Pillsbury United

CAPITALIZING ON A NATIONAL EVENT

Partnering with the Super Bowl Legacy Fund, HIP supported funding for school meals at 49 sites across the state to increase serving capacity through equipment purchases for breakfast and after-school meals, ranging from menu signage to food packaging machinery. That’s a nice legacy for Minnesota kids!

VISIBILITY KEY TO HIP SUCCESS

As of September 2017, HIP’s media relations efforts over the past 12 months garnered 1.7 million impressions from print circulation and TV viewership. There were 24 million views online. Tactics included editorial board meetings, media interviews and a robust social media presence. Media partnerships include the “Youth Listening” project with North News and a series of annual multi-cultural videos produced in collaboration with Twin Cities Public Television.
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