



Dear Friends,



As I reflect on 2021 and write this letter to you about our work and accomplishments during that year, the news broke on January 21, 2022 that the FBI alleges in search warrant affidavits that the state's largest independent sponsor of federal meal programs submitted false reimbursement records. They conspired with business owners who stole and laundered funds as part of the "massive fraud" involving

shell companies, kickbacks, and dozens of bank accounts. This mammoth exploitation of the federally funded Child and Adult Care Food Program (CACFP) during the COVID-19 pandemic, where almost none of the money was used to feed children, was unfathomable. We know CACFP as a long-standing program that provides nutritious food to needy children in sponsored after-school settings and in daycare centers and homes, which is faithfully administered by the Minnesota Department of Education. We at Hunger Impact Partners (HIP) were aware of the investigation during the year, an investigation that is ongoing. We are confident that justice will ultimately be served.

Putting aside potential fraud of such painful proportions is difficult. And yet, the last thing I want is for it to cast a shadow over the schools, community groups, established hunger-relief non-profits and government entities that bent over backwards to make sure hungry children were truly fed, despite the ongoing challenges of the pandemic. Their tireless and nimble work should in no way be diminished by allegations against these suspect players.

Since 2015, HIP has promoted, leveraged, and advocated for federally funded, state-administered child nutrition programs and policies, such as CACFP, School Breakfast, WIC, and Summer Meals. These feeding programs are critical to the health and well-being of poor Minnesota families. When schools and businesses shut down—or opened intermittently and unpredictably—our districts and communities stepped up in a huge way. We were both impressed with and honored to help them in their momentous efforts during 2021:

- Schools continued to provide meals through mass distribution at neighborhood and school sites for students and families, including using bus routes to drop off meals.
- Established, community-based organizations across the state set up weekly meal distribution programs.
- Food banks distributed meal boxes.
- Food shelves hosted food distributions locally.
- Backpack programs, such as Every Meal, extended meals to include family packs.

Meals did, in fact, reach thousands of low-income children and families in need on a regular basis. And a few months into

the 2021-22 school year, students appeared to be performing better academically and feeling better than they had in spring 2021. However, indicators of both academic performance and broader well-being were still well below pre-pandemic levels.

Those of us working in hunger-relief want to continue making the system work better for all we serve. We gained new insights through the crucible of the pandemic that we will apply and improve upon going forward. We believe that the creativity of schools and other established local partners, who understand what works best in practice, will remain the lynchpin in improving nutrition quality and access to federally funded meals.

As we emerged from the most daunting of challenges to our collective health and our state's economy, HIP's goal remains to make sure there is access to healthy food for every child in Minnesota who needs it. We strive for a system that will work even better for all those who rely on safeguards against hunger. The following pages illustrate our work to this end in 2021, along with policy priorities that we advocate and believe would strengthen the integrity and transparency of meal sponsors at the heart of CACFP.

I will close with my sincere thanks to all who join us in our effort to make sure Minnesota's kids are only hungry to learn. I am most grateful to the teachers, administrators, nutrition staff, and volunteers on the frontlines, not to mention our many partners who provide the resources and support that make our work and theirs possible.

With gratitude,

A handwritten signature in black ink that reads "Ellie Lucas".

Ellie Lucas
Chief Executive Office

MISSION STATEMENT

At Hunger Impact Partners, our sole mission is to enable children to better grow, develop and focus on learning rather than hunger, and reach their full potential and long-term self-sufficiency. We bring a laser focus to leading initiatives that support high impact child nutrition programs available to food insecure children from early childhood to age 18 living in poverty. We prioritize our efforts to reach those most at-risk using data and leveraging community resources to support disadvantaged children in low-income communities suffering from racial inequities. We believe children should only be hungry to learn.

TARGETING AND EXPEDITING IN A CHANGED ENVIRONMENT

In 2021, schools became the most efficient feeding distribution hubs in their communities, substantially increasing meals provided by branching out to other community sites, libraries, faith-based organizations, and fire departments. Twenty-eight percent of Minnesota schools delivered food directly to students' homes, while nearly one-third activated their school bus routes for food distribution. Other successful options included drive-through meal pick-ups, walk-up family feeding stations, and family pack distributions provided by trusted hunger-relief organizations.

As the coronavirus crisis eased, school districts and established community organizations returned to pre-pandemic operations. Working with social services, after-school programs, and childcare centers, we used grants to support transportation, equipment, staffing, and technology purchases. We awarded grants reaching 52 school sites, 14 after-school academic networks and 21 childcare centers. Our program funding was targeted to existing meal providers who had a track-record of reaching disadvantaged populations and had served their local communities for six years or more. We predicted these organizations would be better equipped in crisis to meet the need based on the depth of their experience and meal delivery system expertise.

However, as meal providers struggled to keep their operations running and worried about backward progress, programmatic improvements were not top of mind. The crisis forced many to make adaptations to their operations to reach kids in their communities. At Hunger Impact Partners, we wanted to learn more about what strategies meal providers deployed to capture some of these crisis-inspired innovations, so we asked school nutrition directors to share their innovative practices and ideas. Their strategies fell into five categories:

- 1) new partnerships
- 2) new distribution methods
- 3) engaging and making use of volunteers
- 4) improvements in outreach and communication to families
- 5) addressing other needs in addition to food

Given the high degree of uncertainty around future operations and the immense task before schools and communities serving children during this time, we focused all our work on supporting these practices. We funded staff positions, technology upgrades supporting communications, and new collaborations within the hunger-relief sector. It was critical that we partner with those trying to make forward progress ensuring that food served to low-income kids was healthy and nutritious and, most importantly, reaching those that needed it most.

TRACKING HUNGRY KIDS

Total Population vs. Food Insecure Population 2021

Children Ages	Population	Medicaid Financed	Enrolled in WIC or Free & Reduced-Price Meals	Children Missing from WIC and State's Educational Benefits
Infants	67,629	28,531		
Ages 1 to 4	283,993	128,334		
Subtotal Birth to 4	351,622	156,865	76,838	80,027
Ages 5 to 18	1,024,935	406,045	266,071	139,974
Grand Total Birth to 18	1,376,557	562,910	342,909	220,001

Our proprietary data analytics tool—the Child Nutrition Index (CNI)—centralizes data addressing hunger issues among the 563,000 Minnesota children identified at the end of 2021 as at-risk for food insecurity. Because CNI's master database combines data from the Minnesota Department of Education (MDE), Minnesota Department of Health (MDH), and Department of Human Services (DHS), we can pinpoint low-income kids by race, age, geography, missing meals, program enrollment, and corresponding federal reimbursements. In 2021, there were 1,367,557 children birth to 18 in Minnesota. Of those, 562,910 were Medicaid financed, and of those 266,071 were verified free/reduced-priced. Most important is that 220,201 children are missing from WIC and educational benefit enrollments. This is a problem we are working to solve.

The CNI is relied upon by the hunger-relief sector as the “go to” data source in Minnesota. We know that one in three kids struggle with food security and 5% are infants, 23% are children ages one to four and 72% are students ages five to eighteen. We can identify meal gaps as the basis for mobilizing resources and partners to work in concert to fill those gaps. The data, the staff on the frontlines, the school nutrition teams, community groups, MDE and Hunger Impact Partners joined forces to provide meals to children in their neighborhoods, at their homes or made available for pick-up. Multiple strategies were in play with HIP providing “just-in-time” grants to enable execution.

Child Nutrition Index Dashboard

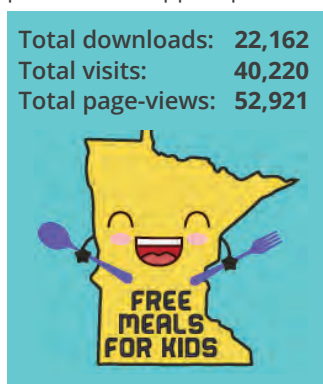
Meal Type	Calendar Year		
	2019	2020*	2021*
Child Care Center Meals	20,417,988	8,297,462	8,363,661
Breakfast and Lunch School Meals	78,328,807	107,407,863	188,739,674
Summer Meals (June, July, August)	3,739,374	22,450,159	36,176,904
At-Risk Meals	2,526,514	4,014,582	68,085,803
Meal Total	105,012,683	142,170,066	301,366,042
Snack	12,136,302	8,787,347	70,208,686
Meal & Snack Total	117,148,985	150,957,413	371,574,728

*Data subject to adjustment due to pending federal investigation of alleged fraud.

FREE MEALS FOR NEEDY KIDS

The Free Meals for Kids mobile app, which we adapted in 2020 from our Summer Eats Minnesota app, continued to evolve as the central statewide communication resource for families to source meals and meal packs during school closures, summer months in communities, and at childcare centers. We expanded its functions to include meal program guidelines for sponsors and community food resources. We added “push” notifications to every user experience, including alerts for community events for food distributions. We dedicated graphic space for targeted messaging for families to take advantage of the special supports like the Pandemic EBT (P-EBT) or educational benefit enrollment for school-age children.

There were more than 2,000 sites listed on the Free Meals for Kids mobile app in May 2021. We coordinated with county health departments, the MDE and our established network of partners to support promotion and outreach so more families



could access meals at locations throughout the state via the app.

New downloads increased daily through 2021, as did page views and site visits—further evidence that this resource was a vital tool for families, communities, and the social services network. Below is a snap shot of meals served during summer months.

Child Nutrition Index

Meals Served June, July & August

Geography	Meals Served			Meal Providers		
	2019	2020*	2021*	2019	2020*	2021*
7-County Metro	2,128,101	16,585,226	26,685,995	62	108	173
Greater Minnesota	1,611,273	5,864,933	9,490,909	155	183	310
State of Minnesota	3,739,374	22,450,159	36,176,904	217	291	471

*Data subject to adjustment due to pending federal investigation of alleged fraud among select meal sponsors, providers, and meals claimed.

PROGRAMS OVERVIEW

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is a public health nutrition program that bridges the gaps in medicine, food, and nutrition better than almost any program for the first 1,000 days of critical brain development. In Minnesota, WIC provides nearly 100,000 women, infants, and children with enhanced access to healthy food, quality nutrition, breastfeeding services, health screenings, and referrals. We continue to support a strong

investment in health and nutrition for mothers and children by working closely with the WIC Division team at MDH. We support initiatives to increase participation, retention and food access with marketing, promotion, incentives, and endorsements. Our advocacy efforts focus on:

- Support for a permanent cash value increase for fruit and vegetable purchases.
- Support for expanding the value of the WIC food package.
- Support of modern WIC services, including telehealth/ remote appointments and online benefit redemption.
- Support for expanding eligibility so that more families can qualify for WIC.

The Child and Adult Care Food Program (CACFP) provides funding to serve healthy meals and snacks in Head Start, childcare centers, and family childcare homes. CACFP helps keep childcare costs affordable for low-income families and contributes to better eating habits at an early age. In addition, participation in CACFP is a quality standard for the Child Care Aware quality rating system.

Many childcare programs operate on razor-thin margins and paperwork is burdensome. The brunt of these barriers disproportionately impacts communities and providers with fewer resources. We advocate for equity in CACFP by removing systemic barriers. Improvements to increase CACFP access should:

- 1) Give childcare centers and homes the option of serving an additional meal (typically a snack or supper). Many children are in care for more than eight hours per day as their parents work long hours to make ends meet, so they rely on childcare providers to meet most of their nutritional needs.
- 2) Streamline access to CACFP by increasing Medicaid direct certification and by allowing childcare centers to participate based on community eligibility, rather than collecting income applications from families.
- 3) Make eligibility annual for proprietary childcare centers.
- 4) Condense enrollment forms and requirements.

Post the height of the pandemic, we see greater opportunities for policy movement to improve administration of CACFP. Collaborating with legislative committee leadership, MDE and the Governor's Children's Cabinet has shown promise for action in 2022.

Afterschool (CACFP At-Risk) and Summer Nutrition

Programs (SFSP) are programs that provide food to school age children during out-of-school times and access to these snacks and meals should increase. To ensure ongoing access, we are working to strengthen programs by advocating for:

- establishing a permanent and comprehensive EBT program that all states can operate and that provides benefits when schools are closed during the summer, on weekends, and school holidays. Dollars in the hands of struggling families are more streamlined and efficient.

- expanding area eligibility requirements so that more communities can provide summer and afterschool meals.
- allowing all summer meal sites to serve a third daily meal.

SHORT-TERM LEGISLATIVE RULE CHANGE NEEDED FOR CACFP

Change regulations to align Child and Adult Care Food Program (CACFP) annual meal sponsor transfers of licensed childcare centers with annual sponsor transfers of family daycare homes.

Sponsors of USDA's Child and Adult Care Food Program enable childcare centers and family daycare homes to participate in this meal program. Sponsoring organizations facilitate the administrative requirements to receive federal funds to support meal procurement, preparation, and serving of meals.

The funds are provided for the purpose of ensuring nutritious meals and snacks are served to children in care. Childcare centers may enter into an agreement directly with MDE to administer and operate CACFP, or a childcare center may enter into an agreement with a non-profit sponsoring organization that is approved by MDE to administer CACFP for multiple sites. Sponsorship responsibility includes training of staff at sites where meals are served, conducting compliance visits, implementing systems for record retention, reviewing records for accuracy, and submitting meal claims to MDE on behalf of the childcare center. The sponsoring organizations take ultimate financial responsibility for the administration and operation of CACFP and may retain up to 15% of the childcare center's meal claim reimbursement payment for their expended administrative costs. MDE administers this federal funding program, including the annual application process, which includes an application for each site within a sponsoring organization's portfolio.

Why this makes sense:

- Reduces administrative time, costs, and streamlines the process.

- Mitigates potential risk of sites transferring to avoid corrective action by the current sponsor for non-compliance of the program.
- Provides rule consistency with family daycare home providers and childcare center providers.
- Allows sponsoring organizations time to adequately train operators on record-keeping and compliance issues.

MAINTAINING INTEGRITY IN A SHIFTING LANDSCAPE

As we noted in our last annual report, COVID-related school closures and in-person safety restrictions created challenges. We saw rapid expansion of new feeding sites with bundled meals and non-congregate flexibility, which is the option for schools and childcare operators to provide meal pick-up options for students learning virtually. While expanding available meals for needy children is always welcomed, these circumstances have made it difficult to maintain the integrity of the federal meal programs.

The Minnesota Department of Education Nutrition Services team has worked tirelessly to manage and question the meal programs in communities that misrepresented their programming. We have two important system-change priorities that we believe can strengthen the integrity and transparency of meal sponsors:

- 1) Build or customize an existing technology platform for Minnesota that allows sponsors to track meal program participants, meal counts and attendance.
- 2) Limit the number of sites for new sponsors during the first year of operation.

With the COVID pandemic continuing, we need to ensure meals go to those that need them. During this tough time of transition, we continue to serve as a resource and trusted advisor to Minnesota schools and community organizations who share our commitment that disadvantaged children should always have access to nutritious meals.



Child Nutrition Index Data Comparison

The COVID-19 pandemic has exposed the fragility of our meal support systems for children. It also has put into stark focus not only the unbelievable power of schools to support students and their families, but also the role of communities. Across our state network of school districts, social services, and established hunger-relief non-profits, many stepped up to serve families in need. We know that the number of WIC clinics decreased due to telemedicine in 2021 but EBT redemption increased. The data showed meals increased but this is likely due to meal bundling and weekly distributions; however reconciliation of the number of children receiving meals remains problematic. Further analysis of 2020, 2021, and 2022 data sets will provide needed context for the pandemic's implications on actual children served.

Child Nutrition Index STATEWIDE COMPARISON Meal Participation for Low Income Infants on WIC

Birth to Age 1 Population: 67,629				Meal Participation Percentage	Meals Served & Reimbursement Revenue	Reimbursement EBT Value	WIC Food Dollars	WIC	
	Month & Year	Medicaid Financed	Number Kids Served					Breakfast, Lunch & Supper	Cost of Food
Pre-Covid	May 2019	29,459	22,502	76%	1,870,102 \$866 K	\$38.52	\$1.4 M	266	88
	Oct. 2019	29,459	22,693	77%	1,887,072 \$738 K	\$32.51	\$1.4 M	266	88
During Covid	May 2020	29,599	22,561	76%	1,877,975 \$850 K	\$37.68	\$1.4 M	197	85
	Oct. 2020	29,599	21,803	74%	1,813,891 \$786 K	\$36.05	\$1.3 M	197	85
	May 2021	28,531	19,941	70%	1,657,421 \$623 K	\$31.25	\$1.2 M	175	85
	Oct. 2021	28,531	19,621	69%	1,612,886 \$848 K	\$43.75	\$1.2 M	175	85

Child Nutrition Index STATEWIDE COMPARISON Meal Participation for Low Income Children on WIC

Children Ages 1, 2, 3, 4 Population: 283,993				Meal Participation Percentage	Meals Served & Reimbursement Revenue	Reimbursement EBT Value	WIC Food Dollars	WIC	
Month & Year	Medicaid Financed	Number Kids Served	Clinics					Agencies	
Pre-Covid	May 2019	133,146	55,132	41%	2,921,996 \$2.1 M	\$38.52	\$3.5 M	266	88
	Oct. 2019	133,146	56,635	43%	3,001,655 \$1.8 M	\$32.51	\$3.5 M	266	88
During Covid	May 2020	133,202	58,498	44%	3,100,394 \$2.2 M	\$37.68	\$3.5 M	197	85
	Oct. 2020	133,202	59,142	44%	3,134,526 \$2.1 M	\$36.05	\$3.6 M	197	85
	May 2021	128,334	56,818	44%	3,011,354 \$1.8 M	\$31.25	\$3.0 M	175	85
	Oct. 2021	128,334	57,217	45%	2,999,588 \$2.5 M	\$43.75	\$3.6 M	174	85

Child Nutrition Index STATEWIDE COMPARISON Meal Participation for Low Income Children in School

Children Ages 5 to 18 Population 1,024,953				Meal Participation Percentage			Meals Served & Reimbursement Revenue	FREE Reimbursement meal value	Sites	Sponsors
Learning Model	Month & Year	Medicaid Financed	Number Kids Served	Breakfast	Lunch	Supper				
Pre-Covid	On Site May 2019	409,599	257,478	37%	65%	2%	9,039,315 \$23.6 M	\$5.14	2,284	694
	On Site Oct. 2019	409,599	254,071	55%	62%	3%	10,329,612 \$23.6 M	\$6.52	2,004	634
During Covid	Remote May 2020	409,743	327,961	76%	80%	4%	13,700,751 \$40.7 M	\$6.52	1,117	522
	Remote Oct. 2020	409,743	443,613	76%	108%*	4%	16,241,541 \$48.4 M	\$6.78	2,046	684
	Hybrid May 2021	406,045	324,650	78%	80%	93%	21,321,624 \$67.5 M	\$6.78	1,842	606
	On Site Oct. 2021	406,045	506,919	58%	125%*	107%*	24,728,490 \$68.9 M	\$6.85	2,301	631

Child Nutrition Index 7-COUNTY COMPARISON Meal Participation for Low Income Children in School

Children Ages 5 to 18 Population: 547,618				Meal Participation Percentage			Meals Served & Reimbursement Revenue	FREE Reimbursement meal value	Sites	Sponsors
Learning Model	Month & Year	Medicaid Financed	Number Kids Served	Breakfast	Lunch	Supper				
Pre-Covid	On Site May 2019	193,328	152,070	46%	80%	33%	5,258,812 \$13.8 M	\$5.14	982	222
	On Site Oct. 2019	193,328	137,725	62%	72%	5%	5,686,600 \$13.4 M	\$6.52	982	222
During Covid	Remote May 2020	216,717	173,977	78%	83%	5%	7,589,248 \$22.6 M	\$6.52	818	205
	Remote Oct. 2020	216,717	246,247	93%	115%*	7%	9,791,252 \$29.2 M	\$6.78	818	205
	Hybrid May 2021	215,074	176,410	80%	82%	155%*	14,326,393 \$46.3 M	\$6.78	719	188
	On Site Oct. 2021	215,074	267,633	56%	124%*	120%*	16,136,357 \$47.8 M	\$6.85	1,205	208

* Meal increase could be due to meal bundling and weekly distribution schedules; reconciliation of the number of children served/receiving meals is problematic.

Hunger Impact Partners

DEMOGRAPHIC SUMMARY

We are committed to working with people that reflect our communities by race, religion and gender. We actively engage and hire people with diverse backgrounds who understand cultures and local communities. We have an expansive team of advisors that we collaborate with who assist us in navigating federal meal programs, food sourcing and local neighborhood needs. We intentionally bring people together to listen and learn about what efforts will be most effective in the communities we serve.

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HUNGER IMPACT PARTNERS DIVERSITY AND INCLUSION STATEMENT

Hunger Impact Partners does not discriminate on the basis of race, ethnicity, religion, gender, gender expression, age, national origin, disability, marital status, sexual orientation or military status, in any of its activities or operations. We are committed to working with people that reflect our communities and actively engage and hire people with backgrounds who understand diverse cultures.

We embrace diversity, equity and inclusion as organizational values to encourage positive outcomes. We apply racial equity by partnering with organizations that reflect the populations we serve who are most impacted by structural racial inequality. We recognize that those most affected are the most effective in advocating for their communities. These organizations are meaningfully involved in the creation and implementation of our programs, policies and practices.

COLLECTIVE IMPACT PARTNERS



HUNGER IMPACT PARTNERS
Food for Every Child