




DISTRICT OF COLUMBIA

OFFICE OF THE STATE SUPERINTENDENT OF

EDUCATION

MEMORANDUM

To: School Food Authorities

From: 
Elizabeth Leach
School Programs Manager

Date: January 30, 2017

Re: Paid Lunch Price Data, Paid Lunch Equity

State Agency Memo
NSLP #6-17

Paid Lunch Price Data

This memorandum announces the publication of the paid lunch prices for School Food Authorities (SFAs) participating in the National School Lunch Program (NSLP) for school year 2015-2016. SFAs reported the most frequently charged price for elementary, middle/junior high and high school levels to their State agency. A complete list of prices, submitted to FNS by State agencies, is attached to this memorandum in a Microsoft Excel worksheet.

Paid Lunch Equity

Regulations at 7 CFR 210.14(e) require SFAs participating in the NSLP to ensure sufficient funds are provided to the nonprofit school food service account for meals served to students not eligible for free or reduced price meals. There are two ways to meet this requirement: either through the prices charged for “paid” meals or through other non-Federal sources provided to the nonprofit school food service account.

This memorandum provides guidance on the calculations SFAs must make in order to ensure they are in compliance with these requirements for school year 2017-18. In addition, attached is the school year 2017-18 Paid Lunch Equity (PLE) Tool to assist SFAs as they make these required calculations.

This memorandum also extends, through school year 2017-18, the availability of an exemption to the PLE requirement for certain SFAs in strong financial standing, as described below.

Exemptions will be granted from the PLE requirements at 7 CFR 210.14(e) if the SFA requesting the exemption has been certified as meeting the meal pattern requirements and can demonstrate that the required increase to paid lunch prices or revenue contributions would cause the SFA to exceed the 3-month operating balance limit.

Because the financial standing of a nonprofit school food service account may change from year to year, SFAs that were granted previous exemptions must request a new exemption for school year 2017-18 and must provide OSSE with the proper documentation to be considered for the exemption. To apply for a PLE exemption for school year 2017-18, please reach out to your Program Specialist for details.

School Year 2017-18 Paid Lunch Equity Calculations

For school year 2017-18, SFAs which, on a weighted average, charged less than **\$2.86** for paid lunches in school year 2016-17 are required to adjust their weighted average lunch price or add non-Federal funds to the non-profit school food service account. The amount per meal increase will be calculated using 2 percent rate increase plus the Consumer Price Index (2.64 percent), totaling **4.64** percent.

SFAs are reminded that they must use their unrounded adjusted average paid lunch price requirement from school year 2016-17 when calculating the weighted average lunch price increase for school year 2017-18. For example, if the unrounded school year 2016-17 requirement was \$2.28 but the SFA opted to round down to \$2.25, the calculation of the school year 2017-18 requirement is based on the \$2.28 unrounded school year 2016-17 requirement.

If an SFA raised its weighted average paid lunch price above the required amount in school year 2016-17, that excess paid lunch price increase may be subtracted from the total school year 2017-18 paid lunch price increase requirement. SFAs must keep sufficient records to document and carry forward the weighted average price calculations. Additionally, if an SFA did not raise its weighted average adjusted paid lunch price sufficiently to meet the required amount in school year 2016-17, the shortfall must be added to the total school year 2017-18 average weighted paid lunch price adjustment requirement.

Use of Non-Federal Sources Calculation

SFAs that choose to contribute non-Federal sources to the nonprofit school food service account in lieu of raising paid lunch prices must calculate the appropriate amount to contribute. To determine the amount of required revenue in lieu of a paid lunch price increase, the SFA determines the total number of paid reimbursable lunches claimed for the previous school year and multiplies by the difference between the school year 2016-17 weighted average paid lunch price requirement and the school year 2016-17 weighted average paid lunch price.

Sources of Non-Federal Funds

For school year 2013-14, school year 2014-15, school year 2015-16, and school year 2016-17, FNS expanded the definition of a non-Federal source to include all paid meals to help SFAs meet the PLE requirement and to acknowledge the continuing support by States and locals to improve access to and participation in the breakfast program. FNS has received positive response to this flexibility.

Therefore, for school year 2017-18, SFAs may continue to count as a non-Federal source:

- 1. Per-meal non-Federal reimbursement for *any paid* meal (breakfast, lunch, etc.)**
- 2. Any funds provided by organizations for *any paid* meal**
- 3. Any proportion attributable to *paid meals* from direct payments made from school district funds to support lunch service**

Credit for Excess Non-federal Funds

If an SFA's school year 2016-17 estimate of the required contribution exceeded the actual level, that excess contribution may be subtracted from the total school year 2017-18 contribution requirement. Further, if the school year 2016-17 estimate was less than required, additional funds from non-Federal sources must be added. The non-Federal Calculator tab in the PLE Tool for determining the estimated amount of non-Federal source contributions will allow for making these calculations using the same rationale as used for paid lunch prices (i.e. credit any extra funds contributed and account for any shortfalls when determining the amount of non-Federal funds requirement for the next school year).

School Year 2017-18 PLE Tool

The first tab of the school year 2017-18 PLE Tool includes detailed instructions on how to use the tool and what information is needed to complete the appropriate calculations. It is recommended that each user print and read the instructions before attempting to complete the calculations.

To assist SFAs making these required PLE calculations, the attached school year 2017-18 PLE Tool makes the following calculations:

- Weighted average paid lunch price for school year 2016-17
- Required average weighted paid lunch price increase for school year 2017-18
- Required non-Federal source contribution required for school year 2017-18

The PLE Tool takes into account adjustments to paid lunch prices made by the SFA in school year 2016-17 to calculate any credit or shortfall the SFA may have accrued for school year 2017-18. For SFAs that opted to contribute non-Federal funds, the PLE Tool also calculates credits and shortfalls for the school year 2017-18 required non-Federal contribution.

Additionally, the school year 2017-18 PLE Tool includes a feature that makes calculations for SFAs that wish to split the school year 2017-18 requirement by both raising prices and contributing non-Federal funds. This option may be attractive to SFAs that do not want to raise the weighted average paid lunch price the entire amount that is required.

To use the attached school year 2017-18 PLE Tool, SFAs need the following information:

ALL SFAs need the following data to calculate the Weighted Average Price for school year 2017-18:

- School Year 2016-17 Unrounded Price Requirement OR School Year 2010-11 Weighted Average Price
- All paid lunch prices for October 2016
- Number of paid lunches served associated with each paid lunch price in October 2016

Please reach out to your designated Program Specialist with any questions.