

MEMORANDUM

To: School Food Authorities

From: **Lindsey Palmer**

Lindsey Palmer, RDN, LD State Agency Director

Date: December 1, 2015

Re: Paid Lunch Equity: School Year 2016-17 Calculations and Tool

State Agency Memo NSLP #02-16

Regulations at 7 CFR 210.14 (e), require School Food Authorities (SFAs) participating in the National School Lunch Program (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. This memorandum provides guidance on the calculations SFAs must make in order to ensure they are in compliance with these requirements for School Year (SY) 2016-17. In addition, attached is the SY 2016-17 Paid Lunch Equity (PLE) Tool to assist SFAs as they make these required calculations.

<u>SY 2016-2017 Paid Lunch Equity Calculations</u>
If SFAs are charging less than \$2.78 for paid lunches in SY 2015-2016, they are required to adjust their lunch price or add non-Federal funds to the nonprofit school food service account. The increase in paid meal prices must equal 4.97(%) percent from SY 2015-2016.

If SFAs chose not to increase their paid meal prices for SY 2015-2016, they must add the shortfall to the SY 2016-2017 paid lunch price.

Use of Non-Federal Funds

If SFAs choose to use non-Federal funds to contribute to the paid meal price, they must use the following calculation to determine the amount of revenue in lieu of paid lunch price increase: total number of paid reimbursable lunches claimed for the previous school year multiplied by the difference between SY 2016-2017 paid lunch price and the SY2015-2016 weighted average paid lunch price.

Sources of non-Federal funds include reimbursement from any non-Federal payment by an outside organization for paid meals or credits to paid meals from direct payments made from SFA funds to support lunch service.

SY 2016-2017 Paid Lunch Equity Tool (PLE)

Please see the first tab of the SY 2016-2017 PLE tool for instructions and necessary information for completion. Additional information on other tabs is also included, such as weighted average paid lunch price for SY 2015-2016, required paid lunch price increase for SY 2016-2017 and required non-Federal source contribution required for SY 2016-2017.

In SY 2015-2016, SFAs now have the option to split the paid lunch increase by using both a meal price increase as well as non-Federal contribution.

To use the attached SY 2016-2017 PLE Tool, SFAs should have the following information:

- SY 2015-2016 Unrounded Price Requirement <u>OR</u> SY 2010-2011 weighted average price (all SFAs)
- All paid lunch prices for October 2015 (all SFAs)
- Number of paid lunches associated with each paid lunch price for October 2015 (all SFAs)
- Total number of paid lunches served in SY 2014-2015 (non-Federal source contribution only)
- Total dollar amount of SY 2011-2012, SY 2012-2013, SY 2013-2014, SY 2014-2015 and School Year 2015-2016 non-Federal contribution (non-Federal source contribution only)

All questions should be sent to your designated Program Specialist.