

Paid Lunch Equity
Overview and Guidelines to Calculating the PLE
Jan. 2014

What is Paid Lunch Equity?

- o Healthy, Hunger-Free Kids Act of 2010, section 205, requires SFAs participating in the National School Lunch Program to provide the same support for lunches served to students who are not eligible for free or reduced price lunches (i.e. paid lunches) as they are for lunches served to students eligible for free lunches.
- o Pricing paid lunches below the cost of production effectively increases Federal subsidies for higher income children because Federal funds intended for free and reduced price lunches are being used to help fill in the gap between what a paid lunch costs and what the school receives for it.

 **What is PLE?** 

In order to ensure sufficient funds are provided to the nonprofit school food service account for meals served to students not eligible for free or reduced meals, the SFA is directed to:

1. Compare the average price charged for lunches served to "paid" students to the difference between the higher Federal reimbursement provided for free lunches and the lower Federal Reimbursement provided for paid lunches
2. If the average paid lunch price is less than the difference, an SFA must either gradually adjust average prices or provide non-Federal funding to cover the difference.

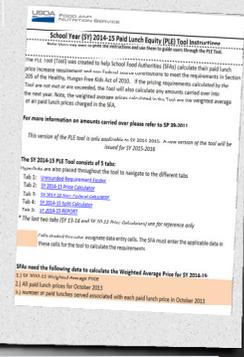
What is PLE?

- o SFA's must annually review their paid lunch revenue to assure compliance with the paid lunch equity requirement.
- o This review is done using the PLE calculation tool.
- o If the tool determines a price increase is required, the maximum required annual increase is 10 cents. SFA's may increase more, but it is not required by USDA.

The PLE tool is provided by USDA each year. Included in the first tab are instructions for completing the calculations using the tool.

You will need the following to complete the tool:

- Unrounded price requirement for the previous SY or SY 2010-2011 Weighted Average Price
- All paid lunch prices for the current SY
- # of paid lunches served associated with each paid lunch price for the October, current SY



Instructions Unrounded Requirement Finder SY 14-15 Price Calculator SY 14-15 Non-Federal Calculator

Step One will calculate the next SY Weighted Average Price Requirement

There are two options to get the price to enter in this step:

- o Enter the previous SY **Unrounded Price Requirement** in the orange shaded box.
- o Or enter the SY 2010-2011 weighted average price, which generates the price to go in Step 1

Step 1

Enter the SY 2013-14 Unrounded Price Requirement in the box below

This is can be found in Section I, Box A of the SY 2013-2014 REPORT from the SY 2013-14 tool or you may find it below (Price 2)

\$	1.01	1.00
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Note: Above prices are based on adjusting SY 2013-2014 price requirement by the 2% rate increase plus the Consumer Price Index (2.27%)

Complete if you do NOT know your SY 2013-2014 Unrounded Price Requirement

Annual Unrounded Requirement Finder

Enter the SY 2010-11 Weighted Average Price below

** The weighted average price for SY 2010-11 is the weighted average of all paid lunch prices charged in the SY.

Unrounded Price Requirements		
SY 2010-11 Weighted Average Price	Price 1: SY 2013-2013 Requirement price to the nearest cent	Price 2: SY 2013-2014 Requirement price to the nearest cent
\$ 1.70	\$ 1.82	\$ 1.94

If you do not know your SY 2010-2011 Weighted Average Price [CLICK HERE](#)

This generates the next SY Weighted Average Price Requirement

This generates the price (Price 2) that is plugged into the orange box in Step 1.

Considerations for Non-Federal Funding to meet PLE requirement

- o Non-Federal funds-
- o Cash in the form of:
 - funds provided by organizations such as school related or community groups for any paid meals
 - direct payments made from school district funds to support lunch service attributable to paid meals

Not allowed as Non-Federal support:

- any payment including per meal reimbursements provided to the SFA for Child Nutrition Programs
- any in-kind contribution or state matching funds unless the funds exceed the minimum requirement established in 7 CFR 210.17 (will not be an option in our state)
- a la carte and adult food sales or any revenue from foods and beverages sold in competition with reimbursable meals.

SY 2014-15 Non-Federal Contribution Calculator

[Go to Instructions](#)

SY 2014-15 Weighted Average Price Requirement	
Requirement price to the nearest cent	Optional price ROUNDED DOWN to nearest 5 cent
\$ 1.90	\$ 1.95

Note: Above prices are based on adjusting SY 2013-2014 price requirement by the 2% rate increase plus the Consumer Price Index (2.27%).

Current Weighted Average Paid Price	
\$ 1.91	

Click here to determine SY2013-2014 weighted average price

Non-Federal Source Contribution Calculator for SY 2014-15		
Enter annual number of paid lunches for SY 2012-2013	TOTAL Price Increase for SY 2014-15	TOTAL SY 2014-15 Annual Non-Federal Source Contribution
47,000	\$ 0.03	\$ 1,410.00

Note: Total price increase for SY 2014-2015 is based on the difference between the weighted average price entered above and SY 2014-2015 rounded DOWN requirement.

Non-Federal Contribution Calculator

Enter total amount of Non-Federal Source Funds Contributed	Annual Non-Federal Source Contribution Requirement for SY 2014-15
\$ 1,500.00	\$ -

Price Increase Requirement for SY 2014-15 (with 3% cent cap)	SY 2014-15 Annual Non-Federal Source Contribution (with 3% cent cap)
\$ 0.03	\$ -

Remaining Annual Non-Federal Source Contribution carried forward to SY 2015-16
\$ -

Remaining Credit carried forward to SY 2015-16
\$ 90.00

Enter the current weighted average lunch price from Step 2

Enter the annual # of paid lunches for the **previous SY**. The tool calculates the funding amount need from Non-Federal source if prices are not increased.

PLE

We have reviewed all of the tabs in the PLE calculation tool

- The last two tabs are optional tools and do not need to be completed.
- SY 13-14 Price Calculator
- SY 10-11 Price Calculator



Resources

- SP 39-2011 Child Nutrition Reauthorization 2010: Guidance on Paid Lunch Equity and Revenue from Non program Foods
- SP 34-2013 Paid Lunch Equity: Guidance for 2013-2014
- SP 58-2013 Paid Lunch Equity: Additional Guidance for SY 2013-2014
- SP 1-2014 Paid Lunch Equity: School Year 2014-2015 Calculations
- SP 15-2014 Paid Lunch Equity: School Year 2014-2015 Calculations and Tool



Questions?



It's QUESTION TIME!!
