# Superintendent’s Memo #066-20


**COMMONWEALTH of VIRGINIA
Department of Education**

DATE: March 13, 2020

TO: Division Superintendents

FROM: James F. Lane, Ed.D., Superintendent of Public Instruction

## SUBJECT: Paid Lunch Equity Guidance for School Year 2020-2021

The purpose of this memo is to provide guidance for establishing the paid lunch prices for school year (SY) 2020-2021. School food authorities (SFAs) that had a negative balance in their nonprofit school food service account as of December 31, 2019 are required to establish prices for paid lunches in SY 2020-2021 based on the Paid Lunch Equity Tool (PLE). SFAs with a positive balance are not required to evaluate paid lunch prices. SFAs that have not submitted their financial information in SNPWeb will be required to evaluate the paid lunch meal price according to the PLE Tool.

All SFAs, except for those operating the Community Eligibility Provision (CEP) divisionwide, must complete the PLE Tool.

### Completing the PLE Tool

**All pricing SFAs must complete the PLE Tool.** SFAs operating CEP and other special provisions in some schools must complete the PLE Tool using the paid lunch and meals served in schools ***not*** participating in the special claiming options. SFAs with a **negative** balance as of December 31, 2019 must comply with PLE requirements. SFAs with a **positive** balance as of December 31, 2019 are exempt from the PLE requirements and have the option of updating paid lunch prices. **The PLE Tool is due to your assigned school nutrition programs (SNP) regional specialist by April 24, 2020**.

The Virginia Department of Education (VDOE) will use the semi-annual financial report or the December 2019 financial report submitted in SNPWeb to determine the balance of the nonprofit food service account. Any SFA that has not completed their financial report will be considered as having a negative balance and must follow all PLE guidance. Attachment A contains a list of SFAs and their financial report status and other data needed to complete the report.

The PLE Tool can be found in SNPWeb in the *Download Forms* section. The following data is needed to complete the PLE Tool for SY 2020-2021:

* SY 2019-2020 weighted average price;
* SY 2010-2011 weighted average price, if the SY 2019-2020 weighted average price is unknown;
* All student paid lunch prices for October 2019;
* Number of paid lunches served associated with each student paid lunch price in October 2019;
* If contributing non-federal sources for SY 2020-2021, the total number of student paid lunches served;
* If contributing non-federal sources for SY 2020-2021, the total dollar amount of non-federal contributions through SY 2019-2020.

### SY 2020-2021 Paid Lunch Equity Calculations

Using the weighted average, SFAs that charged less than the target weighted average price of $3.09 for paid lunches in SY 2019-2020 are required to adjust their weighted average lunch price or add non-federal funds to the nonprofit school food service account. The amount per meal increase is calculated using a 2.0 percent rate increase plus the Consumer Price Index (2.94 percent), totaling 4.94 percent.

SFAs are reminded that they must use their unrounded adjusted average paid lunch price requirement for SY 2019-2020 when calculating the weighted average lunch price increase for SY 2020-2021. For example, if the unrounded SY 2019-2020 requirement was $2.58 but the SFA opted to round down to $2.55, the calculation of the SY 2020-2021 requirement is based on the $2.58 unrounded SY 2019-2020 requirement.

If a SFA raised its weighted average paid lunch price above the required amount in SY 2019-2020, that excess paid lunch price increase may be subtracted from the total SY 2020-2021 paid lunch price increase requirement. SFAs must keep sufficient records to document and carry forward the weighted average price calculations. Additionally, if a SFA did not raise its weighted average adjusted paid lunch price to the required amount in SY 2019-2020, the shortfall must be added to the total SY 2020-2021 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 must determine the total number of paid reimbursable lunches claimed for the previous school year and multiply that by the difference between the SY 2019-2020 weighted average paid lunch price requirement and the SY 2019-2020 weighted average paid lunch price. SFAs may continue **to count per-meal, non-federal reimbursement for any paid breakfast or lunch meals, any funds provided by the state or other organizations for any paid meal, and any proportion attributable to paid meals from direct payments made from school division funds to support lunch service as revenue.**

If the SFA’s SY 2020-2021 estimate of the required contribution exceeded the actual level, then the excess contribution may be subtracted from the total SY 2020-2021 contribution requirement. Further, if the SY 2019-2020 estimate was less than required, additional funds from non-federal sources must be added. The non-federal calculator tab in the PLE Tool should be used to determine the estimated amount of non-federal source contributions. This will allow for making these calculations using the same rationale as used for paid lunch prices.

If you have any questions or need additional information, please contact your assigned SNP regional specialist or submit questions to the SNP policy mailbox at SNPPolicy@doe.virginia.gov.

JFL/SCC/bdb

### Attachment

 A. [Data for Completing the Paid Lunch Equity Tool](http://www.doe.virginia.gov/administrators/superintendents_memos/2020/066-20a.docx) (Word)