



COMMONWEALTH of VIRGINIA
Department of Education

DATE: May 4, 2018
TO: Division Superintendents
FROM: Steven M. Constantino, Ed.D., Acting Superintendent of Public Instruction
SUBJECT: **Paid Lunch Equity Guidance for School Year 2018-2019**

The purpose of this memo is to provide guidance on the Paid Lunch Equity (PLE) provision for School Year 2018-2019. In Section 776 of the Consolidated Appropriations Act 2018 (Public Law 115-141), Congress stipulates that only school food authorities (SFAs) that had a negative balance in their nonprofit school food service account as of January 31, 2018, are required to establish prices for paid lunches using the PLE guidance in the National School Lunch Program regulations at 7 CFR210.14(e).

Completing the PLE Tool

All pricing SFAs must complete the PLE tool.

SFAs operating the Community Eligibility Provision (CEP) divisionwide do not have to complete the tool. SFAs operating CEP and non-pricing programs must still complete the PLE tool using the paid lunch prices and meals served in schools NOT participating in the special claiming option. SFAs with a **negative** balance as of January 31, 2018, must comply with PLE requirements. SFAs with a **positive** balance as of January 31, 2018, are exempt from PLE requirements and do not have to update paid lunch prices.

The Virginia Department of Education (VDOE) will use either the semi-annual financial report or the January 2018 financial report in SNPWeb to obtain the SFA's balance. Any SFA that has not completed their financial report will be considered as having a negative balance and must follow all PLE guidance.

The PLE tool can be found in SNPWeb's "Downloadable forms". To assist in completing the tool, Attachment B contains the number of paid lunches served in 2016-2017. Attachment C is the meal price information for SY 2010-2011. **SFAs should submit the PLE tool with their application renewal packet in SNPWeb.**

SY 2018-2019 Paid Lunch Equity Calculations

For SY 2018-2019, using a weighted average, SFAs that charged less than the target weighted average price of \$2.92 for paid lunches in SY 2017-2018 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 a 2 percent rate increase plus the Consumer Price Index (2.31 percent), totaling 4.31 percent.

SFAs are reminded that they must use their unrounded adjusted average paid lunch price requirement from SY 2017-2018 when calculating the weighted average lunch price increase for SY 2018-19. For example, if the unrounded SY 2017-2018 requirement was \$2.48 but the SFA opted to round down to \$2.45, the calculation of the SY 2018-2019 requirement is based on the \$2.48 unrounded SY 2017-2018 requirement.

If an SFA raised its weighted average paid lunch price above the required amount in SY 2017-2018, that excess paid lunch price increase may be subtracted from the total SY 2018-2019 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 SY 2017-2018, the shortfall must be added to the total SY 2018-2019 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 (SY 2016-2017) and multiplies that by the difference between the SY 2017-2018 weighted average paid lunch price requirement and the SY 2017-2018 weighted average paid lunch price. Attachment B provides the total number of paid lunches served in SY 2016-2017.

Beginning in SY 2013-2014, the U.S. Department of Agriculture Food and Nutrition Service 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 localities to improve access to and participation in the breakfast program. Therefore, for SY 2018-2019, 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 proration attributable to paid meals from direct payments made from school district funds to support lunch service.

If an SFA's SY 2017-2018 estimate of the required contribution exceeded the actual level, that excess contribution may be subtracted from the total 2018-2019 contribution requirement. Also, if the SY 2017-2018 estimate was less than required, additional funds from non-Federal sources must be added.

Requesting an Exemption – only for those schools with a negative balance as of January 31, 2018

If you are required to raise prices and are seeking a waiver, please contact the School Nutrition Program Director, Sandy Curwood, at 804-225-2082 or Sandra.curwood@doe.virginia.gov ✉.

If you have any questions about the tool or the memo, please contact your Regional Specialist or SNPPolicy@doe.virginia.gov ✉ for assistance.

SMC/SCC/bdb

Attachments:

- A. Paid Lunch Equity Tool for SY 2018-2019 – The PLE tool can be found in SNPWeb's "Downloadable forms".
- B. [Paid Lunches Served in SY 2016-2017](#) (XLS)
- C. [School Meal Prices for SY 2010-2011](#) (XLS)