



**United States
Department of
Agriculture**

Food and
Nutrition
Service

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DATE: July 06, 2015

MEMO CODE: SP 03-2015 - Revised

SUBJECT: Paid Lunch Equity: School Year 2015-2016 Calculations and Tool

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

Regulations at 7 CFR 210.14(e) require school food authorities (SFAs) participating in the National School Lunch Program 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.

When issued on October 8, 2014, memorandum SP 03-2015 provided guidance on the calculations SFAs must make in order to ensure they are in compliance with these requirements for School Year (SY) 2015-16. In addition, the SY 2015-16 Paid Lunch Equity (PLE) tool was attached to this memorandum to assist SFAs as they make these required calculations.

Several errors associated with the SY 2015-16 PLE Tool have been reported. A corrected version of the PLE Tool is being reissued with this memorandum to assist SFAs still in the process of completing PLE calculations for SY 2015-16. These corrections will be included in versions of the PLE tool released for future school years. The errors identified and their corrections are detailed below.

SFAs that have already made their calculations for SY 2015-16 using the previously issued SY 2015-16 PLE Tool will not be required to recalculate. Should documentation of meeting this requirement be requested during a review, the following must be provided: records demonstrating that a minimum average price of \$2.70 was charged for paid lunches or the use of the PLE tool issued on October 8, 2014, the corrected version of the PLE Tool included with this memorandum, or the use of a comparable calculation method and resulting actions taken to meet the estimated required paid meal prices and/or non-federal funds contributions.

SY 2015-16 PLE Tool Corrections

SY 15-16 Split Calculator Tab

Non-Federal Source Contribution Calculator for SY 2015-16

- **Error:** The formulas driving the summation and resulting contribution amounts were miscalculating.
- **Correction:** These formulas have been corrected to allow for accurate estimations based on the annual # of Paid lunches for SY 2013-14.

Remaining Annual Non-Federal Source Contribution Requirement carried forward to SY 2016-17

- **Error:** The 10 cent cap was being applied at an incorrect point in the calculation. This caused more of the non-federal source contribution requirement to be carried forward into the next school year than should have been.
- **Correction:** The calculation was reconfigured to apply the 10 cent cap after consideration of the non-federal source funds contributed in previous years. This updated calculation more accurately reflects the non-federal source contribution required for the current school year and the estimated amount that is carried forward into the next school year.

Price Increase Requirement for SY 2015-16 (with 10 cent cap)

- **Error:** The price increase requirement did not accurately reflect the increase requirement if prices were raised less than 10 cents.
- **Correction:** This calculation now reflects the difference between the 10 cent cap and the amount the paid lunch price is increased by.

SY 15-16 Non-Federal Calculator Tab

Remaining Annual Non-Federal Source Contribution Requirement carried forward to SY 2016-17

- **Error:** The deficit that was present when the annual non-federal source contribution requirement for the current school year was greater than the SY 2015-16 annual non-federal source contribution with the 10 cent cap was not shown to carry forward to the next school year.
- **Correction:** The remaining annual non-federal source contribution carried forward to SY 2016-17 now accounts for the difference between the annual non-federal source contribution requirement and the annual non-federal source contribution once the 10 cent cap is applied.

Regional Directors

State Directors

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State agencies are reminded to distribute this memo to program operators immediately. SFAs should contact their State agencies for additional information. State agencies may direct any questions concerning this guidance to the appropriate FNS Regional Office.

Original Signed

Sarah E. Smith Holmes

Director

Program Monitoring and Operational Support Division

Child Nutrition Programs

Attachment