

National School Lunch Program Paid Lunch Equity Requirement SY 17-18

TUSD Food Services Department

May 2017

In accordance with USDA Paid Lunch Equity, the interim rule, "National School Lunch Program: School Food Service Account Revenue Amendments Related to the Healthy, Hunger-Free Kids Act of 2010", published in the Federal Register on June 17, 2011, (76 Federal Register 35301)(School Program regulations at 7 CFR 210(e) requires 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 lunches served to students not certified eligible for free or reduced price meals. The rule, and the statutory provision it is based on, Section 12(p) of the Richard B. Russell National School Lunch Act, 42 USC 1760(p), provide two ways for (SFAs) to meet this requirement: either through gradually raising the prices charged for "paid" lunches or through providing an equivalent amount of funds from non-Federal sources to the nonprofit school food service account.

The SY 2016-17 *Weighted Average Price Calculator* (provided by USDA) was used to review TUSD's weighted average "paid lunch" participation volume and average price. SFAs which, on a weighted average, charged less than \$2.86 for paid lunches in SY 2016-17 are required to adjust their weighted average lunch price or add non-Federal funds to the non-profit school food service account. The amount of the per-meal increase for SY 17-18 will be calculated using a 2 percent rate increase plus the Consumer Price index (2.64 percent), totaling 4.64 percent.

The weighted average of price paid per meal by full pay students using the Tucson Unified School District lunch program was \$ 2.46. Increasing the full pay lunch meal price to \$2.80 for grades 6-12 and \$2.30 for grade PreK-5, will narrow the gap between the required weighted average and current weighted average by .10 cents (*cap of .10 cent increase is allowable*). This provides a stepped increase for parents/guardians for lunch meal costs lessens any subsidy of full pay meal costs with free and reduced-price meal reimbursements and positions the response to the Paid Lunch Equity requirement for one more school year.

SY 2016-17 Weighted Average Price Calculator

October 2016

Total SY 2016-2017 Weighted Avg Price: \$2.46 Total Price Increase for SY 2017-18: .10

Required Weighted Average Price for SY 2016-17: \$2.56

SY 2017-2018 New "Paid Lunch" Prices: .10 cent increments authorized rounded up or down

PreK-5 \$ 2.30

6-12 \$ 2.80

(.10 cents added to each section gave us an overall weighted average of \$2.56, which includes the .10 cent cap)

School Food Authorities (SFAs) who offered a weighted average "paid lunch" price for SY 16-17 equal to or above \$2.86 are covered for next school year (SY 17-18).

\$2.86 is the difference between the current Free and Paid lunch reimbursement rate for SY 2016-17.

TUSD has a majority of elementary schools, which when used for calculation creates overall paid lunch participation figures with a lower “paid lunch” price, as the MS & HS high paid lunch prices are higher but overall participation is lower in comparison. When we enter our participation numbers for “paid lunch” claims, this factor reduces our overall weighted average price.

The .10 cent increase will take us a step closer and place us in compliance for (1) year.

PreK-5 Paid Lunch Price: from \$2.20 (SY 16-17) to **\$2.30 (SY 17-18)**

6-12 Paid Lunch Price: from \$2.70 (SY 16-17) to **\$2.80 (SY 17-18)**

NOTE: This legislation was primarily put in place because many school districts operating the meal program were subsidizing their paid meals with reimbursement revenue rather than charging enough to cover the food, labor and operational cost. The intent was to ensure that sufficient funds are provided to the food service account for paid lunches.

If we do not make this change for next year, we will be operating out of compliance. TUSD previously took a (2) year price increase for this ruling covering the SY 2012-2013 and SY 2013-2014 timeframe. Most recently a one year price increase was made (10 cents) for this ruling covering the SY 2016-2017 timeframe.
