# SNP Memo #2021-2022-47


**COMMONWEALTH of VIRGINIA
Department of Education**

DATE: June 29, 2022

TO: Directors, Supervisors, and Contact Persons Addressed

FROM: Sandra C. Curwood, PhD, RDN, ***Sandy***

## SUBJECT: Paid Lunch Equity Guidance for School Year 2022–2023

The purpose of this memo is to provide guidance for establishing paid lunch prices for school year (SY) 2022–2023 using the Paid Lunch Equity (PLE) Tool. The tool is required to be used to establish paid lunch prices ensuring that federal funds intended for the free and reduced-price lunches are not subsidizing paid student meals.

### Completing the PLE Tool

**All School Food Authorities (SFAs) that charge for school meals in any school must complete the PLE Tool.** This includes private schools and Residential Child Care Institutions (RCCIs) with day students. **SFAs are required to submit the PLE Tool with the SY 2022–2023 National School Lunch Program (NSLP) application in SNPWeb**.

SFAs operating special provisions, such as the Community Eligibility Provision (CEP) in some schools must complete the PLE Tool using the number of paid lunches served in schools ***not*** participating in the special provisions.

SFAs with a **negative** balance as of December 31, 2021, must comply with PLE requirements to establish paid lunch prices for SY 2022–2023. SFAs with a **positive** balance as of December 31, 2021, are exempt from the PLE requirements and increasing paid lunch price is optional.

The Virginia Department of Education, Office of School Nutrition Programs (VDOE-SNP) uses the December 2021 or SY 2021–2022 semi-annual financial report submitted in SNPWeb to determine the balance of the nonprofit food service account. **Any SFA that has not completed their financial report must complete the PLE tool to establish paid lunch prices.**

The PLE Tool is located in the *Download Forms* section of SNPWeb. SFAs should use the last student lunch price charged in the SY 2022–2023 PLE calculations.

The following data is needed to complete the PLE Tool for SY 2022–2023:

* 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 2022–2023, the total number of student paid lunches served; and
* if contributing non-federal sources for SY 2022–2023, the total dollar amount of non-federal contributions through SY 2019-2020.

Attachment A contains a list of SFAs and their financial report status and other data needed to complete the report.

### SY 2022–2023 Paid Lunch Equity Calculations

For SY 2022–2023, using a 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 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 (2.94 percent), totaling 4.94 percent.

SFAs must use their unrounded adjusted average paid lunch price requirement from SY 2019–2020 when calculating the weighted average lunch price increase for SY 2022–2023. 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 2022–2023 requirement is based on the $2.58 unrounded SY 2019–2020 requirement.

If an 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 2022–2023 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 2019–2020, the shortfall must be added to the total SY 2022–2023 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 SY 2019–2020 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 an SFA’s estimate of the required contribution exceeded the actual level, that excess contribution may be subtracted from the total 2022–2023 contribution requirement. Further, if the estimate was less than required, additional funds from non-federal sources must be added. SFAs should use the non-federal calculator tab in the PLE Tool 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 about the tool or the memo, please contact the SNP Regional Specialist assigned to your school division or SNPPolicy@doe.virginia.gov for assistance.

SCC/AMN

### Attachments

A. Data for Completing the Paid Lunch Equity Tool