

Paid Lunch Equity

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Implementation

- ▶ Provision is effective July 1, 2011
- ▶ Interim rule is published in Federal Register. Comments are due by September 15, 2011
 - www.dpi.wi.gov/fns/pdf/ple_interim_rule.pdf
- ▶ USDA Guidance SP 39-2011: Question and Answer Memo was issued June 13, 2011, Fact Sheet was issued March 2, 2011

Interim rule, SP 39-2011 and the Fact Sheet can be accessed at
<http://dpi.wi.gov/fns/cnrsnp.html>

Paid Lunch Equity (PLE)

- ▶ Section 205 – Equity in School Lunch Pricing
- ▶ Intent
 - Ensure that sufficient funds are provided to the food service account for paid lunches



Why is PLE important?

- ▶ Food Service account consists of three main sources of funds
 - Federal reimbursements
 - Paid meal revenues
 - State and local funding

SY 2012–2013 PLE Calculations

- ▶ PLE is an annual calculation
- ▶ For SY 2012–13, School Food Authorities (SFAs) with a weighted average paid lunch price less than **\$2.51** have two options:
 - Increase the price charged for “paid” lunches
 - Contribute other non-federal sources to the nonprofit school food service account



SY 2012–2013 Inflation Factor

- ▶ Basis for the meal price increases uses 2% plus the inflation factor– 2.18% , for a total **4.18%**



Increasing Paid Meal Prices

- ▶ In any year, any new *average* price increase may be
 - Rounded down to the nearest 5 cents
 - Limited to a maximum required increase of 10 cents



Increasing Paid Meal Prices

- ▶ SFAs can increase average paid meal prices more than required amount
- ▶ SFAs with tiered meal prices, may determine how to distribute meal price increases to reach new average lunch price
- ▶ If meal prices are increased more than 10 cents, a “credit” for future required increases may be given



Basis for Determining Average Paid Lunch Price SY 2012–2013

- ▶ SFAs use their **unrounded** adjusted average paid lunch price requirement from the previous SY as the basis for the subsequent SY
 - If the result of the SY2011–2012 calculation was \$2.08, that is the **unrounded** average paid lunch price
- ▶ The SY 2012–2013 PLE tool starts with the **unrounded** figure



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PLE Tool Example 1

SY 2011-12 Weighed Average Price Calculator				
Enter the paid prices and number of paid lunches sold at each price for October 2011				
Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2011-12 Weighted Average Price	
1.		\$ -		
2.		\$ -		
3.		\$ -		
4.		\$ -		
5.		\$ -		
6.		\$ -		
7.		\$ -		
8.		\$ -		
9.		\$ -		
10.		\$ -		
TOTAL		\$ -	\$ -	

Note: SY 2011-12 Weighted Average Price equal to or above **\$2.51** are

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PLE Tool Example 2

SY 2011-12 Weighed Average Price Calculator				
Enter the paid prices and number of paid lunches sold at each price for October 2011				
Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2011-12 Weighted Average Price	
1.		\$ -		
2.		\$ -		
3.		\$ -		
4.		\$ -		
5.		\$ -		
6.		\$ -		
7.		\$ -		
8.		\$ -		
9.		\$ -		
10.		\$ -		
TOTAL		\$ -	\$ -	

Note: SY 2011-12 Weighted Average Price equal to or above **\$2.51** are

Increasing Average Lunch Price above Required Level

- ▶ If an SFA raised its average paid lunch price above the required rounded amount in SY 2011–2012, the excess increase is credited towards meeting the SY 2012–2013 paid lunch requirement
- ▶ SFAs should keep a copy of the PLE Tool as documentation that the tool has been completed



PLE Tool Example 3

SY 2011-12 Weighed Average Price Calculator

Enter the paid prices and number of paid lunches sold at each price for October 2011.

Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2011-12 Weighted Average Price
1.		\$ -	
2.		\$ -	
3.		\$ -	
4.		\$ -	
5.		\$ -	
6.		\$ -	
7.		\$ -	
8.		\$ -	
9.		\$ -	
10.		\$ -	
TOTAL		\$ -	

Note: SY 2011-12 Weighted Average Price equal to or above \$2.51 are

PLE Tool Example 4

SY 2011-12 Weighed Average Price Calculator

Enter the paid prices and number of paid lunches sold at each price for October 2011.

Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2011-12 Weighted Average Price
1.		\$ -	
2.		\$ -	
3.		\$ -	
4.		\$ -	
5.		\$ -	
6.		\$ -	
7.		\$ -	
8.		\$ -	
9.		\$ -	
10.		\$ -	
TOTAL		\$ -	

Note: SY 2011-12 Weighted Average Price equal to or above \$2.51 are

2012-2013 Non-Federal Sources

- ▶ School Breakfast Aid – All payments provided by the Department of Public Instruction (DPI).
- ▶ Wisconsin School Day Milk Program – All payments provided by DPI.
- ▶ Funds provided by organizations –The use of school-related or other community groups funds to support paid lunches.
- ▶ Funds transfers from Fund 21 – Transferring money from Fund 21 (Special Revenue Trust Fund) to Fund 50 (Food Service Fund).

Unallowable Sources of Non-Federal Funds

- ▶ Annual State Match
 - USDA allows any portion of State revenue matching funds that exceeds the minimum requirement that is provided specifically for paid lunches. Not applicable to WI since the state does not exceed the minimum required amount
- ▶ Funds transfers from Fund 80
 - WI Unified Financial Accounting Requirements (WUFAR) prohibits transferring money from Fund 80 (Community Service Fund) to Fund 50 (Food Service Fund)

Unallowable Sources of Non-Federal Funds

- ▶ Funds transfers from Fund 10 –
 - The only allowable transfer from Fund 10 to Fund 50 is to cover a deficit at the end of the year to balance the account.
 - WUFAR does not allow a second/separate transfer to cover the required price increase or a transfer if there is a positive balance in Fund 50.

Positive Fund Balance

- ▶ Schools must use the PLE Tool annually to determine if a price increase is required.
- ▶ There is no exception to raising meal prices if the tool requires a price increase.

Public Schools– “Angel Funds”

- ▶ “Angel Funds” – donations received from outside sources that are specifically designated by the donor for food service purposes
- ▶ May be transferred to Fund 50 as a non-federal source



Private Schools–General Fund

- ▶ WUFAR does not apply and monies may be transferred from the general account to the food service account



Reporting Requirements

- ▶ Beginning School Year 2011–2012, all SFAs must report their most frequently charged paid lunch prices for–
 - Elementary
 - Middle
 - High
- ▶ State agencies submit SFA data to FNS at the end of November

Nonprogram Foods



Revenue from Nonprogram Foods Sold in Schools

- ▶ Section 206: Revenue from Nonprogram Food
- ▶ Intent
 - To ensure that sufficient funds are provided to the food service account for foods sold in schools outside of reimbursable meals

Nonprogram Foods

- ▶ Sold outside of reimbursable meals
- ▶ Purchased with funds from the school food service account
- ▶ Includes competitive foods as currently provided in regulations

Overview

- ▶ A SFA must ensure that the overall revenue from nonprogram foods meets or exceeds the cost of obtaining these foods
- ▶ If nonprogram food is purchased with the school foodservice account funds, all revenue must accrue back to the school food service account

PLE Resources

- ▶ PLE Tool for SY 2012–2013:
www.dpi.wi.gov/fns/xls/ple_tool_1213.xls
- ▶ Step-by-step instructions
www.dpi.wi.gov/fns/pdf/plet_inst.pdf
- ▶ Step-by-step instructions: non-Federal sources
www.dpi.wi.gov/fns/pdf/plet_inst_nf.pdf

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Thanks

- ▶ For participating in today's breakout session
- ▶ For providing nutritious meals to WI students.

