

Paid Lunch Equity

Hawaii Child Nutrition Programs
SY 2016

Paid Lunch Equity (PLE)

- Interim Rule: NSLP School Food Service Account Revenue
- Intent: To ensure that sufficient funds are provided to the food service account for paid lunches

Overview

- State Agencies compare the average price for paid lunches to the difference between the per meal Federal reimbursement for free and paid lunches
- For SY 2014-2015, if SFA's average price for paid lunches is \$3.16 or more, it is in compliance

Free reimbursement rate	\$	3.49
Paid reimbursement rate	\$	0.33
	\$	3.16

Overview continued

- For SY 2015-2016, if SFA's average price for paid lunches is \$3.26 or more, it is in compliance

Free reimbursement rate	\$ 3.60
Paid reimbursement rate	\$ 0.34
	\$ 3.26

TIPS

- 1) Have last year's completed PLE Tool Available for reference
- 2) Were credits carried over from last year?
- 3) Is the current weighted average paid lunch price above the requirement?
- 4) Only the tab(s) **relevant** to the SFA's selection of method to meet PLE requirements need to be completed

Calculating Paid Lunch Equity (Hawaii's example)

		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
→	FR/PD Differential	\$ 2.88	\$ 2.94	\$ 3.03	\$ 3.10	\$ 3.16	\$ 3.26	
		Wgted Avg	Wgted Avg	Wgted Avg	Wgted Avg	Wgted Avg	Wgted Avg	Wgted Avg
		Lunch Price	Lunch Price	Lunch Price	Lunch Price	Lunch Price	Lunch Price	Lunch Price
	2%+Consumer Price Index	SY 2010-11	SY 2011-12	SY 2012-13	SY 2013-14	SY 2014-15	SY 2015-16	SY 2016-17
		→ \$ 2.75	Base year					
→	2%+1.14%	3.14%	\$ 2.84	(2.94+3.14%)+ 2.75	←			
	2%+2.18%	4.18%	↑	\$ 2.97	(3.03*4.18%)+ 2.84			
	2%+2.93%	4.93%			\$ 3.10			
	2%+2.27%	4.27%				\$ 3.16		
	2%+2.19%	4.19%					\$ 3.26	
	2%+2.97%	4.97%						

*At this point the FR/PD Difference equal the weighted lunch price

Increasing Revenue for Paid Lunch

- If an SFA's average price for lunches is less than the difference between free & paid reimbursements, it must increase the revenue by 2% plus inflation by either
 1. Increasing the average price charged for paid meals
 2. Adding non-Federal funds to the food service account
 3. Both

Option 1: Increase the Paid Lunch Price

- For SFAs that charge less than \$3.26 for paid lunch, the average paid lunch price must be increased by:
 - 2% + 2.19% Consumer Price Index (CPI) annually until the minimum price is met
 - SY 2015-2016 minimum price - \$3.26
- If your price increase is more than the minimum required you may apply the excess increase to future years

Option 2: Use Non-Federal Funds

Add non-Federal funds to the non-profit food service account to cover the deficit

Non-federal funds include:

- Per-meal non-Federal reimbursement for *any paid* meal (breakfast, lunch, etc)
- 2. Any funds provided by organizations for *any paid* meal
- 3. Any proportion attributable to *paid meals* from direct payments made from school district funds to support lunch service

Option 3: BOTH

Use the SPLIT Calculator

Increase Paid Lunch Price

+

use Non-Federal Funds

Instructions

SFA NAME:

School Year (SY) 2016-17 Paid Lunch Equity (PLE) Tool Instructions

Note: Users may want to print the instructions and use them to guide users through the PLE Tool.

The PLE Tool was created to help School Food Authorities (SFAs) calculate their paid lunch price increase requirement and/or non-Federal source contributions to meet the requirements in Section 205 of the Healthy, Hunger-Free Kids Act of 2010. If the pricing requirements calculated by the PLE Tool are not met or are exceeded, the PLE Tool will also calculate any amounts, including credits or deficits carried over into the next year. Note, the weighted average prices calculated in the PLE Tool are the weighted average of all student paid lunch prices charged in the SFA.

TIPS:

- 1) Have last year's PLE Tool available for reference
- 2) Were credits carried over from last year?
- 3) Is the current weighted average paid lunch price above the requirement?
- 4) Only the tab(s) relevant to the SFA's selection of method to meet PLE requirements need to be completed
- 5) The \$.10 cap does not mean that every SFA will raise the weighted average paid lunch price or contribute the equivalent in non-Federal funds. Depending on where the SFA is at in regards to meeting the PLE requirement, they may need to contribute less than \$.10 or may choose to contribute more than \$.10.



Instructions

Unrounded Requirement Finder

SY 16-17 Price Calculator

SY 16-17 NonFederal

Increasing Paid Meal Prices

- SFAs have the flexibility to determine how they wish to distribute the average price increase among their schools to reach the new average lunch price
- SFAs may increase their average paid meal prices more than the required amount
- A “credit” for future required increases will be given to SFAs for any amount increase over the required amount

Option 1: 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

Option 1: Increasing Paid Meal Prices (Step 1)

Step 1	
Enter the SY 2015-16 Unrounded Price Requirement in the box below	SY 2016-17 Weighted Average Price Requirement
<i>This is can be found in Section 1: Box A of the SY 2015-2016 REPORT from the SY 2015-16 tool or you may find it below (Price 2)</i>	Requirement price to the nearest cent
\$ 3.15	\$ 3.26
<i>Note: Above prices are based on adjusting SY 2015-2016 price requirement by the 2% rate increase plus the Consumer Price Index (2.97%)</i>	

Use the links below to go to the next step:

[Click here to go to SY 2016-17 Price Calculator](#)

Option 1: Increasing Paid Meal Prices

SY 16-17 Price Calculator

(Step 2a)

SY 2015-16 Weighted Average Price Calculator			
Enter the paid prices and number of paid lunches sold at each price for October 2015.			
Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2015-16 Weighted Average Price
→ 100	\$ 3.15	\$ 315.00	
	↑	\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
100		\$ 315.00	

Note: SY 2015-16 Weighted Average Price equal to or above **\$3.26** are compliant for SY 2016-17. **\$3.26** is the difference between the Free and Paid reimbursement rates for SY 2015-16.



[Go to SY2016-2017 Report](#)

SY 2016-17 Weighted Average Price Requirement	
Requirement price to the nearest cent	<i>Optional price requirement</i> ROUNDED DOWN to nearest 5 cent
\$ 3.26	\$ 3.25
<i>Note: Above prices are based on adjusting SY 2015-2016 price requirement by the 2% rate increase plus the Consumer Price Index (2.97%)</i>	

Total Price Increase for SY 2016-17
\$ 0.10



Required price increase for SY 2016-17 (with 10 cent cap)
\$ 3.25

Remaining increase carried forward to SY 2017-18
\$ -

Remaining credit carried forward to SY 2017-18
\$ -


Option 1: Increasing Paid Meal Prices

SY 16-17 Report (Step 2b)

SY2016-2017 Weighted Average Pricing Report

Section 1: SY2016-2017 Weighted Average Paid Price Requirements

A. SY 2016-17 Weighted Average Price Requirement*: <i>*This price will be entered into the SY 2017-2018 tool to determine the SY2017-2018 weighted average price requirements</i>	\$3.26
B. Optional Price ROUNDED DOWN to nearest 5 cents:	\$3.25

Increase SY2016-2017 average weighted price 

Average Weighted Price Adjustments

A. Remaining increase carried forward to SY 2017-18:	\$0.00
B. Remaining credit carried forward to SY 2017-18:	\$0.00

Section 2: Amounts Carried Forward to SY 2017-2018

Select the SY 2016-2017 method used to ensure sufficient funds are provided for PAID Lunches

Enter in the new average weighted price for SY 2016-17: **\$3.26**



Non-Federal Funding Source

- Financial support from non-Federal sources must be cash for direct support for paid lunches, including but not limited to:
 - funds provided by organizations for paid lunches

Non-Federal Funding Sources

- Some examples of **unallowable** non-Federal support are:
 - in-kind contributions and a la carte sales
 - any payments, including additional per-meal reimbursements, provided for support of the School Breakfast Program or other Child Nutrition Program

Option 2: Increasing Revenue for Paid Lunch-Unrounded Requirement Finder (Step 1)

Step 1	
Enter the SY 2015-16 Unrounded Price Requirement in the box below	SY 2016-17 Weighted Average Price Requirement
<i>This is can be found in Section 1: Box A of the SY 2015-2016 REPORT from the SY 2015-16 tool or you may find it below (Price 2)</i>	Requirement price to the nearest cent
\$ 3.15	\$ 3.26
<i>Note: Above prices are based on adjusting SY 2015-2016 price requirement by the 2% rate increase plus the Consumer Price Index (2.97%)</i>	

Use the links below to go to the next step:

 [Click here to go to SY 2016-17 Non-Federal Source Calculator](#)

Option 2: Increasing Revenue for Paid Lunch-SY16-17 Non-Federal Calculator

(Step 2a)

Current Weighted Average Paid Price	
Enter in the current weighted average paid lunch price. <i>Note: If SFA did not change the weighted average paid lunch price in SY2011-2012, SY2012-2013, SY2013-14, SY 2014-15, or SY 2015-16 enter the SY2010-11 weighted average price. Otherwise, click the link below.</i>	
\$ 3.15	Click here to determine SY2015-2016 weighted average price



Option 2: Increasing Revenue for Paid Lunch-SY16-17 Non-Federal Calculator (Step 2b)

Non-Federal Source Contribution Calculator for SY 2016-17		
<p>Enter the total paid lunch count (for all prices).</p> <p><i>** Annual Non-Federal Source funds for SY2016-2017 are estimated based on the ACTUAL lunch count entered below</i></p>		
Enter annual # of Paid Lunches for SY2014-15**	TOTAL Price Increase for SY 2016-17	TOTAL SY 2016-17 Annual Non-Federal Source Contribution
10,000	\$ 0.10	\$ 1,000.00
<p><i>Note: Total price increase for SY 2016-2017 is based on the difference between the weighted average price entered above and SY 2016-2017 rounded DOWN requirement.</i></p>		



Option 2: Increasing Revenue for Paid Lunch-SY16-17 Non-Federal Calculator (Step 2c)



Enter total amount of Non-Federal Source Funds Contributed for SY 2011-12 through SY 2015-16	Annual Non-Federal Source Contribution Requirement for SY 2016-17
\$ 100,000.00	\$ -

Price Increase Requirement for SY 2016-17 (with 10 cent cap)	SY 2016-17 Annual Non-Federal Source Contribution (with 10 cent cap)
\$ 0.10	\$ -

Remaining Annual Non-Federal Source Contribution carried forward to SY 2017-18
\$ -



[Go to SY 2016-2017 REPORT](#)

Remaining Credit carried forward to SY 2017-18
\$ 99,900.00

Option 2: Increasing Revenue for Paid Lunch

SY 2016-2017 Report

(Step 2d)


Section 1: SY2016-2017 Weighted Average Paid Price Requirements

A. SY 2016-17 Weighted Average Price Requirement*: <i>*This price will be entered into the SY 2017-2018 tool to determine the SY2017-2018 weighted average price requirements</i>	\$3.26
B. Optional Price ROUNDED DOWN to nearest 5 cents:	\$3.25

Section 2: Amounts Carried Forward to SY 2017-2018

Select the SY 2016-2017 method used to ensure sufficient funds are provided for PAID Lunches

SY2016-2017 Weighted Average Pricing Report

Contribute Non-Federal sources for SY2016-2017 



<i>Non-Federal Source Contributions</i>	
C. Remaining Annual Non-Federal Source Contribution carried forward to SY 2017-18:	N/A

D. Remaining Credit carried forward to SY 2017-18:	N/A
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Enter the amount of Non-Federal Source contributions for SY 2016-17:	1000
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Enter Sources of Non-Federal Funds Contributed:	
General Funds	



Option 3: Increasing lunch Price & Contributing a Non-Federal Source Unrounded Requirement Finder (Step 1)

Step 1	
Enter the SY 2015-16 Unrounded Price Requirement in the box below	SY 2016-17 Weighted Average Price Requirement
<i>This is can be found in Section 1: Box A of the SY 2015-2016 REPORT from the SY 2015-16 tool or you may find it below (Price 2)</i>	Requirement price to the nearest cent
\$ 3.15	\$ 3.26
<i>Note: Above prices are based on adjusting SY 2015-2016 price requirement by the 2% rate increase plus the Consumer Price Index (2.97%)</i>	

Use the links below to go to the next step:



[Click here to go to SY 2016-17 Split Calculator](#)

Option 3 Increasing lunch Price & Contributing a Non-Federal Source

SY 2016-2017 Split Calculator (Step 2a)

SY 2015-16 Weighted Average Price Calculator			
Enter the paid prices and number of paid lunches sold at each price for October 2015.			
Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2015-16 Weighted Average Price
→ 1,000	\$ 3.15	\$ 3,150.00	
	↑	\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
1,000		\$ 3,150.00	\$ 3.15

Note: SY 2015-16 Weighted Average Price equal to or above **\$3.26** are compliant for SY 2016-17. **\$3.26** is the difference between the Free and Paid reimbursement rates for SY 2015-16.

SY 2016-17 Weighted Average Price Requirement	
Requirement price to the nearest cent	<i>Optional price requirement ROUNDED DOWN to nearest 5 cent</i>
\$ 3.26	\$ 3.25
<i>Note: Above prices are based on adjusting SY 2015-2016 price requirement by the 2% rate increase plus the Consumer Price Index (2.97%)</i>	

Total Price Increase for SY 2016-17
\$ 0.10

Required price increase for SY 2016-17 (with 10 cent cap)
\$ 3.25

Option 3 Increasing lunch Price & Contributing a Non-Federal Source

SY 2016-2017 Split Calculator

(Step 3 & 4)

New Price Increase	
Enter the new price increase for SY2016-2017 to assist in meeting the requirement. See optional Pricing Estimation Calculator below if needed.	

→ \$ 3.25

Non-Federal Source Contribution Calculator for SY 2016-17		
Enter the total paid lunch count (for all prices). ** Annual Non-Federal Source funds for SY2016-2017 are estimated based on the ACTUAL lunch count entered below		
Enter annual # of Paid Lunches for SY 2014-15**	Total remaining required Price Increase	TOTAL SY 2016-17 Annual Non-Federal Source Contribution
→ 10,000	\$ -	\$ -
Note: Total price increase for SY 2016-2017 is based on the difference between the weighted average price entered above and SY 2016-2017 rounded DOWN requirement.		



Enter total amount of Non-Federal Source Funds Contributed for SY 2011-12 through SY 2015-16	Annual Non-Federal Source Contribution Requirement for SY 2016-17
\$ 100,000.00	\$ -

Price Increase Requirement for SY 2016-17 (with 10 cent cap)	SY 2016-17 Annual Non-Federal Source Contribution (with 10 cent cap)
\$ -	\$ -

Remaining Annual Non-Federal Source Contribution Requirement carried forward to SY 2017-18
\$ -

Remaining Credit carried forward to SY 2017-18
\$ 100,000.00



[Go to SY 2016-2017 REPORT](#)

Option 3 Increasing lunch Price & Contributing a Non-Federal Source

SY 2016-2017 Report

(Step 5)

SY2016-2017 Weighted Average Pricing Report

Both 



Section 1: SY2016-2017 Weighted Average Paid Price Requirements

A. SY 2016-17 Weighted Average Price Requirement*: <i>*This price will be entered into the SY 2017-2018 tool to determine the SY2017-2018 weighted average price requirements</i>	\$3.26
B. Optional Price ROUNDED DOWN to nearest 5 cents:	\$3.25

Section 2: Amounts Carried Forward to SY 2017-2018


Select the SY 2016-2017 method used to ensure sufficient funds are provided for PAID Lunches

Split Calculations
Both average weighted price adjustments and Non-Federal source contributions

E. Remaining Annual Non-Federal Source Contribution carried forward to SY 2017-18:	\$0.00
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F. Remaining Credit carried forward to SY 2017-18:	\$100,000.00
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Enter the amount of Non-Federal Source contributions for SY 2016-17:	1000
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Enter the new average weighted price for SY 2016-17:	3.25
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Completed PLE Form

Deadline: August 1, 2016

E-mail the completed
PLE electronic spreadsheet
to deborah_sakamoto@notes.k12.hi.us.

Please do not send scanned or faxed copies.

- For technical assistance, please contact Shaynee Moreno
- Email: Shaynee_Moreno@notes.k12.hi.us

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Washington, D.C. 20250-9410;
fax: (202) 690-7442; or
email: program.intake@usda.gov.

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Resources

- The SY 2016-2017 PLE tool used to calculate increases is available on our website at <http://hcnp.hawaii.gov/>, Go to NSLP, Paid Lunch Equity
- SP 09-2016 USDA Memo is also in that above area
- Previous versions of the PLE