

## LAKE HAVASU UNIFIED SCHOOL DISTRICT #1

**AGENDA ACTION ITEM****TOPIC:** APPROVAL TO INCREASE SCHOOL MEAL PRICES**SUBMITTED BY:** Michael Murray, Director of Business Services**DATE FOR BOARD CONSIDERATION:** March 14, 2017**RECOMMENDATION:**

It is recommended the Governing Board approve an increase of \$.10 to school lunch prices and \$0.15 to the school breakfast price for school year 2017-2018.

**RATIONALE:**

The Governing Board is asked to approve an increase to school lunch prices, to become effective in the 2017-18 school year. Per the attached memo from the USDA, the "Equity in School Lunch Pricing" provision requires school districts to charge students for paid meals at a price that is, on average, equal to the difference between free meal reimbursement (\$3.27) and the paid meal reimbursement (\$0.38), \$2.89. Schools that currently charge less for meal prices than the amount needed to create paid lunch equity are required to gradually increase prices over time until they meet the requirement or supplement their food service operating funds with non-federal funds to insure equity. The law caps the required increase to 10 cents in any year.

The school breakfast price has remained constant since 2008/2009.

The prices for breakfast and lunch, during 2017-18, are as follows (an increase of \$.10 to lunch prices and \$0.15 to breakfast from 2016-17.):

Elementary Breakfast	\$1.25
Elementary Lunch	\$2.35
Middle & High School Breakfast	\$1.25
Middle & High School Lunch	\$2.60

Approved for Transmittal to Governing Board




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 Superintendent



Food and  
Nutrition  
Service

Park Office  
Center

3101 Park  
Center Drive  
Alexandria  
VA 22302

DATE: December 15, 2016

MEMO CODE: SP 11-2017

SUBJECT: Paid Lunch Equity: School Year 2017-2018 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.

This memorandum provides guidance on the calculations SFAs must make in order to ensure they are in compliance with these requirements for School Year (SY) 2017-18. In addition, attached is the SY 2017-18 Paid Lunch Equity (PLE) Tool to assist SFAs as they make these required calculations.

### **SY 2017-18 Paid Lunch Equity Calculations**

For SY 2017-18, 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 per meal increase will be calculated using 2 percent rate increase plus the Consumer Price Index (2.64 percent), totaling **4.64** percent.

SFAs are reminded that they must use their unrounded adjusted average paid lunch price requirement from SY 2016-17 when calculating the weighted average lunch price increase for SY 2017-18. For example, if the unrounded SY 2016-17 requirement was \$2.28 but the SFA opted to round down to \$2.25, the calculation of the SY 2017-18 requirement is based on the \$2.28 unrounded SY 2016-17 requirement.

If an SFA raised its weighted average paid lunch price above the required amount in SY 2016-17, that excess paid lunch price increase may be subtracted from the total SY 2017-18 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 2016-17, the shortfall must be added to the total SY 2017-18 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 determines the total number of paid reimbursable lunches claimed for the previous school year and multiplies by the difference between the SY 2016-17 weighted average paid lunch price requirement and the SY 2016-17 weighted average paid lunch price.

### **Sources of Non-Federal Funds**

For SY 2013-14, SY 2014-15, SY 2015-16, and SY 2016-17, FNS expanded the definition of a non-Federal source to include all paid meals to help SFAs meet the PLE requirement and to acknowledge the continuing support by States and locals to improve access to and participation in the breakfast program. FNS has received positive response to this flexibility.

**Therefore, for SY 2017-18, SFAs may continue to count as a non-Federal source:**

- 1. 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**

### **Credit for Excess Non-federal Funds**

If an SFA's SY 2016-17 estimate of the required contribution exceeded the actual level, that excess contribution may be subtracted from the total SY 2017-18 contribution requirement. Further, if the SY 2016-17 estimate was less than required, additional funds from non-Federal sources must be added. The non-Federal Calculator tab in the PLE Tool for determining the estimated amount of non-Federal source contributions will allow for

making these calculations using the same rationale as used for paid lunch prices (i.e. credit any extra funds contributed and account for any shortfalls when determining the amount of non-Federal funds requirement for the next school year).

### **SY 2017-18 PLE Tool**

The first tab of the SY 2017-18 PLE Tool includes detailed instructions on how to use the tool and what information is needed to complete the appropriate calculations. It is recommended that each user print and read the instructions before attempting to complete the calculations.

To assist SFAs making these required PLE calculations, the attached SY 2017-18 PLE Tool makes the following calculations:

- Weighted average paid lunch price for SY 2016-17
- Required average weighted paid lunch price increase for SY 2017-18
- Required non-Federal source contribution required for SY 2017-18

The PLE Tool takes into account adjustments to paid lunch prices made by the SFA in SY 2016-17 to calculate any credit or shortfall the SFA may have accrued for SY 2017-18. For SFAs that opted to contribute non-Federal funds, the PLE Tool also calculates credits and shortfalls for the SY 2017-18 required non-Federal contribution.

Additionally, the SY 2017-18 PLE Tool includes a feature that makes calculations for SFAs that wish to split the SY 2017-18 requirement by both raising prices and contributing non-Federal funds. This option may be attractive to SFAs that do not want to raise the weighted average paid lunch price the entire amount that is required.

To use the attached SY 2017-18 PLE Tool, SFAs need the following information:

**ALL SFAs need the following data to calculate the Weighted Average Price for SY 2017-18:**

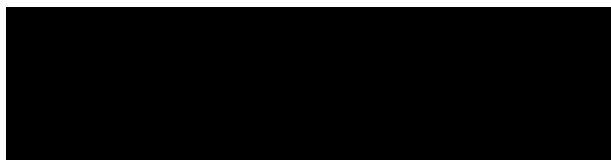
- SY 2016-17 Unrounded Price Requirement OR SY 2010-11 Weighted Average Price
- All paid lunch prices for October 2016
- Number of paid lunches served associated with each paid lunch price in October 2016

SFAs that have opted to contribute non-Federal sources also need:

- Total number of paid lunches served in SY 2015-2016
- The total dollar amount of SY 2011-12, SY 2012-13, SY 2013-14, SY 2014-15, SY 2015-16, and SY 2016-17 non-Federal contribution

SFAs that wish to split the SY 2017-18 requirement by both raising paid lunch prices and contributing non-Federal sources will need all of the above information. Additionally, the PLE Tool includes a report that SFAs can use to track the information they will need to make their SY 2018-19 calculations. SFAs can print the report and keep it in their records.

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.



Sarah E. Smith-Holmes  
Director  
Program Monitoring and Operational Support Division  
Child Nutrition Programs

Attachment

<b>SFA NAME:</b>	<b>Lake Havasu Unified School District</b>
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**SY 2016-2017 Weighted Average Price Calculator**

Enter current prices and number of lunches sold at each price using **October 2016** data.

	Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2016-17 Weighted Average Price
1.	4,302	\$ 2.25	\$ 9,679.50	
2.	6,193	\$ 2.50	\$ 15,482.50	
3.			\$ -	
4.			\$ -	
5.			\$ -	
6.			\$ -	
7.			\$ -	
8.			\$ -	
9.			\$ -	
10.			\$ -	
<b>TOTAL</b>	<b>10,495</b>		<b>\$ 25,162.00</b>	<b>\$ 2.40 is the SY2016-17 Weighted Average Price</b>

*Enter this price in Step 1 in unrounded requirement finder tab*

[Click to go back to SY 17-18 Non-Federal Calculator](#)

[Go to instructions](#)

Note: This tool is created to allow the user to only enter the number of paid lunches and the related prices. If any other parts of the tool are modified, the user runs the risk of calculating an incorrect new average price. Users should not modify the tool's current functionality.

December 2016

SFA NAME:

Lake Havasu Unified School District

### School Year (SY) 2017-18 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.

For more information on amounts carried over please refer to SP 39-2011

*This version of the PLE Tool is only applicable to SY 2017-2018. A new version of the PLE Tool will be issued for SY 2018-2019*

The SY 2017-18 PLE Tool consists of 8 tabs:

Hyperlinks are also placed throughout the tool to navigate to the different tabs. Only the tabs for the method selected to meet the PLE requirement have to be filled out.

- Tab 1: Instructions
- Tab 2: [Annual Unrounded Requirement Finder](#)
- Tab 3: [SY 2017-18 Price Calculator](#)
- Tab 4: [SY 2017-18 Non-Federal Calculator](#)
- Tab 5: [SY 2017-18 Split Calculator](#)
- Tab 6: [SY 2017-18 REPORT](#)
- Tab 7: [SY 16-17 Price Calculator](#)
- Tab 8: [SY 10-11 Price Calculator](#)

\* The tabs (SY 16-17 and SY 10-11 Price Calculators) are for use as needed

Cells shaded this color designate data entry cells. The SFA must enter the applicable data in these cells for the tool to calculate the requirements

***Only complete the tabs for the method used for meeting the requirement (raising prices, contributing non-Federal sources, or the split calculator).***

SFAs need the following data to calculate the Weighted Average Price for SY 2017-18:

- 1.) SY 2016-17 Weighted Average Price
- 2.) SY 2010-11 Weighted Average Price, if the SY 2016-17 Weighted Average Price is unknown
- 3.) All student paid lunch prices for October 2016

4.) Number of paid lunches served associated with each student paid lunch price in October 2016

SFAs who have opted to contribute non-Federal sources for SY 2017-18 need:

- 1.) SY 2010-11 Weighted Average Price, as needed
- 2.) SY 2016-17 Weighted Average Price (if different from SY 2010-11 Weighted Average Price)
- 2.) Total number of student paid lunches served in SY 2015-16
- 3.) The total dollar amount through SY 2016-17 non-Federal contribution

### SY 2017-18 WEIGHTED AVERAGE PAID LUNCH PRICE CALCULATION

*These instructions are for SFAs increasing their weighted average prices to meet the SY 2017-18 paid lunch price requirement*

#### Step 1

Tab 2: [Annual Unrounded Requirement Finder](#)

1. Enter SY 2016-17 unrounded price requirement in the orange box.

*If the SY 2016-17 unrounded price requirement is not known then use the annual unrounded requirement*

*This figure sets the pricing requirements throughout the Tool and helps determine any amounts carried forward. This figure was calculated through the SY 2016-17 PLE Tool.*

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*After calculating the SY 2017-18 weighted average price requirement for student paid lunches, click on the link labeled " Click here to go to SY 2017-18 Price Calculator "*

#### Step 2

Tab 3: [SY 2017-18 Price Adjustment Calculator](#)

*The box at the top of this tab displays the SY2017-18 Weighted Average Price Requirement*

To calculate the SY 2016-17 Weighted Average Price the SFA must:

1. Enter the student paid lunch count for October 2016 associated with each paid meal price in the **Monthly # of Paid Lunches** column.
2. Enter each student paid lunch price in the SFA (including all schools – elementary, middle, high, etc) for October 2016 in the **Paid Lunch Price** column.

*Using the SY2016-17 weighted average price, the tool calculates any amounts necessary to meet the SY2017-18 weighted average price requirements and any amounts carried forward to SY2018-19.*

Tab 6: [SY2017-2018 REPORT](#)

This report is generated for use in the SY2019-19 PLE tool and displays the SY2017-2018 requirements and any amount carried forward determined on the SY2017-2018 Price Calculator

Select the SY 2017-2018 method used to ensure sufficient funds are provided for PAID lunches

#### <OPTIONAL> Step 3

##### Pricing Estimation Calculator

Once an SFA has calculated the SY 2017-18 average student paid lunch price requirement, they can use the PLE tool to determine how they want to distribute the price increase within the SFA to reach the new average paid lunch price. To do this an SFA must:

1. Enter the student paid lunch count for October 2016 associated with each student paid meal price in the **Monthly # of Paid Lunches** column.
2. Change individual student paid lunch prices until the average student paid lunch price reaches the new average student paid lunch price requirement. This amount will appear in the **Weighted Average Price** box.



Many price combinations can be used to reach the new weighted average student paid lunch price. SFAs have the flexibility to raise individual student prices as long as the weighted average student price equals the new SY2017-2018 required level.

[Go to SY 2017-18 Price Calculator](#)

## **SY 2017-18 NON-FEDERAL SOURCE CONTRIBUTION CALCULATION**

### **Step 1**

Tab 2: [Annual Unrounded Requirement Finder](#)

1. Enter SY 2016-17 unrounded price requirement in the orange box.

*If the SY 2016-17 unrounded price requirement is not known then use the annual unrounded requirement*

This figure sets the pricing requirements throughout the PLE Tool and helps determine any amounts carried forward. This figure was calculated through the SY 2016-17 PLE Tool.

After calculating the SY 2017-18 weighted average price requirement for paid lunches, go to SY 2017-18 Non-Federal Source Calculator tab

### **Step 2**

Tab 4: [SY 2017-18 NonFederal Calculator](#)

*The box at the top of this tab displays the SY2017-18 Weighted Average Price Requirement*

#### **SY 2017-18 Non-Federal Source Contribution Requirement**

1.) Enter the current weighted average student paid lunch price.

*This price may be the same as the SY 2016-2017 weighted average price determined on the Unrounded Requirement Finder tab if the SFA did not raise the weighted average price in SY 2016-2017. To determine the most current average weighted price go to the SY2016-2017 Price Calculator tab.*

2.) Enter the student paid lunch count for the entire 2015-2016 School Year in the orange **Annual # of Paid Lunches** box in the Non-Federal Source Contribution Calculator for SY 2017-18.

*The Tool will calculate the annual non-Federal source contribution for SY 2017-18 with and will apply the 10 cent cap if applicable*

2.) Enter the amount of **Non-Federal Source Funds Contributed for SY 2011-12 through SY 2016-17** in the orange box labeled as such.

Based on the actual amount contributed for SY 2016-17, the tool calculates the following:

- Remaining Annual Non-Federal Source Contribution for SY 2017-18
- Remaining Annual Non-Federal Source Contribution carried forward to SY 2018-19
- Remaining Credit carried forward to SY 2018-19

Tab 6: [SY2017-2018 REPORT](#)

This report is generated for use in the SY2018-19 PLE tool and displays the SY2017-2018 requirements and any amount carried forward determined on the SY2017-2018 Price Calculator

Select the SY 2017-2018 method used to ensure sufficient funds are provided for PAID lunches

## **SY 2017-18 Split Calculator**

*This tab is for those SFAs wishing to split their requirement by both raising prices and contributing a*

non-Federal source

**Step 1**

Tab 2: [Annual Unrounded Requirement Finder](#)

1. Enter SY 2016-17 unrounded price requirement in the orange box.

*If the SY 2016-17 unrounded price requirement is not known then use the annual unrounded requirement*

*After calculating the SY 2017-18 weighted average price requirement for paid lunches, click on the link labeled*

*" Click here to go to SY 2017-18 Split Calculator "*

**Step 2**

Tab 5: [SY 2017-18 Split Calculator](#)

*The box at the top of this tab displays the SY2017-18 Weighted Average Price Requirement*

To calculate the SY 2016-17 Weighted Average Price the SFA must:

1. Enter the student paid lunch count for October 2016 associated with each student paid meal price in the **Monthly # of Paid Lunches** column.

2. Enter each student paid lunch price in the SFA (including all schools – elementary, middle, high, etc) for October 2016 in the **Paid Lunch Price** column.

*Using the SY2016-17 weighted average price, the tool calculates any amounts necessary to meet the SY2017-18 weighted average price requirements and any amounts carried forward to SY2018-19.*

**Step 3**

1. Enter the weighted average price they plan to charge for student paid lunches in SY 2017-18 in the "New

**Step 4**

To calculate the remaining amount of non-Federal sources contributions needed, the SFA must:

1.) Enter the student paid lunch count for the entire 2015-2016 School Year in the orange **Annual # of Paid Lunches** box in the Non-Federal Source Contribution Calculator for SY 2017-18.

2.) Enter the actual amount of the non-Federal source contribution in the orange box labeled **Amount of Non-Federal Source Funds Contributed from SY 2011-12 through SY 2016-17.**

Based on the actual amount contributed for SY 2016-17, the tool calculates the following:

- Remaining Annual Non-Federal Source Contribution for SY 2017-18
- Remaining Annual Non-Federal Source Contribution carried forward to SY 2018-19
- Remaining Credit carried forward to SY 2018-19

Tab 6: [SY2017-2018 REPORT](#)

This report is generated for use in the SY2018-19 PLE tool and displays the SY2017-2018 requirements and any amount carried forward determined on the SY2017-2018 Price Calculator

Select the SY 2017-2018 method used to ensure sufficient funds are provided for PAID lunches

***SFAs may use optional tabs 7 and 8 if they need to make calculations from previous years .***

SFA NAME:	Lake Havasu Unified School District
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**SY2017-2018 Weighted Average Pricing Report**

*This report assists in tracking the pricing requirements and amounts carried forward for SY 2017-2018. Information on this report is used to determine the SY 2017-2018 weighted average price requirements.*

*Please print and keep in records.*

*NOTE: If information is changed in the tool, the report contents will change.*

**Section 1: SY2017-2018 Weighted Average Paid Price Requirements**

A. SY 2017-18 Weighted Average Price Requirement*: <i>*This price will be entered into the SY 2018-2019 tool to determine the SY2018-2019 weighted average price requirements</i>	<b>\$2.51</b>
B. Optional Price <b>ROUNDED DOWN</b> to nearest 5 cents:	<b>\$2.50</b>

**Section 2: Amounts Carried Forward to SY 2018-2019**

Select the SY 2017-2018 method used to ensure sufficient funds are provided for PAID Lunches

Increase SY2017-2018 average weighted price ▼

Average Weighted Price Adjustments

A. Remaining increase carried forward to SY 2018-19:	\$0.00
B. Remaining credit carried forward to SY 2018-19:	\$0.00
Enter in the new average weighted price for SY 2017-18:	

Non-Federal Source Contributions

C. Remaining Annual Non-Federal Source Contribution carried forward to SY 2018-19:	N/A
D. Remaining Credit carried forward to SY 2018-19:	N/A
Enter the amount of Non-Federal Source contributions for SY 2017-18:	

Enter Sources of Non-Federal Funds Contributed:

Split Calculations

*Both average weighted price adjustments and Non-Federal source contributions*

E. Remaining Annual Non-Federal Source Contribution carried forward to SY 2018-19:	N/A
F. Remaining Credit carried forward to SY 2018-19:	N/A
Enter the amount of Non-Federal Source contributions for SY 2017-18:	
Enter the new average weighted price for SY 2017-18:	