

School Lunch Prices for 2011-12 School Year

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Attachments: Pricing_Equity_Facts.pdf (62 KB) ; NSLP 56 - Adult Meal Prices.doc (37 KB)

K-6 - 2.10
7-12 - 2.40
Adult - 3.10

TO: Authorized Representatives, Claim Representatives, and Food Service Directors
NSLP – pricing programs

Please share this memo with those responsible for establishing meal prices for the National School Lunch Program. If your school is a non-pricing program (meaning families do not pay for the children's meals), this will not affect your School Food Authority.

Most School Food Authorities are already working on establishing prices for the 2011-12 school year. It is important to review this information to be sure your meal prices are in compliance. Keep in mind that prices for food and supplies have increased.

The Healthy Hunger-Free Kids Act of 2010 (also known as Child Nutrition Reauthorization) includes a section on Equity in School Lunch Pricing. A fact sheet from USDA is attached to this memo and is also available on the Child & Adult Nutrition Services website at <http://doe.sd.gov/cans/cnr.asp>. This was one of the issues discussed in the webinar via Live Meeting on March 22.

The really short version is that most schools in South Dakota will need to increase lunch prices by 5 cents. You may choose to increase them by more if you so choose.

The gist of the fact sheet is as follows:

- If the School Food Authority's (SFA's) average meal price for student lunches is at or above \$2.46, no changes are required. You may increase if you wish.
- If the SFA's average meal price for student lunches is between \$1.60 and \$2.46, you need to raise the lunch price for 2011-12 at least by 5 cents. You may increase by more than 5 cents if you wish.
- If the SFA's average meal price for student lunches is less than \$1.60, at this time it appears that no change is required according to USDA's current interpretation of the law; however, that interpretation may change. You may increase if you wish.
- The SFA may cover the difference by other nonfederal funds if they so choose.
- It only talks about school lunch prices. Prices for breakfast and afterschool snack are not addressed.

The amount to increase student lunch prices by is determined by multiplying the SFA's average lunch price by the inflation factor plus two points.

- The goal is to get the paid meal price closer to the federal reimbursement rate so that the free/reduced price meals are not subsidizing the paid category. This would be accomplished by doing yearly increases in small increments. The current goal would be \$2.46
 - The goal comes from free meal reimbursement rate minus paid meal reimbursement rate. ($\$2.72 - \$0.26 = \$2.46$). The \$2.46 will change each year.
- The multiplier is two points above the inflation rate. The current inflation factor is 1.14%.

That plus 2 points = 3.14.

- Example:
 - Assume an SFA's average meal price is \$2.05.
 - Calculation is as follows: $\$2.05 \times 0.0314 = \0.06437 .
 - You can round down to the nearest nickel; thus the requirement to raise the lunch price by only 5 cents.
 - The same results come for any meal price between 1.60 and 2.46.
- USDA has not clarified what they mean by average. For now, use a straight average. For most SFAs, it won't make a difference if it is weighted average or straight average..
- The SFA may raise by more than the 5 cents for this year if you so desire – that is a local decision.

The fact sheet talks about a maximum required 10 cent raise. The maximum increase the law could require annually is 10 cents. For example, if the multiplier times the meal price had equaled 17 cents, you would only have been required to raise the lunch price by 10 cents.

As before, the maximum price an SFA can charge for a reduced price lunch is 40 cents, and the maximum the SFA can charge for a reduced price breakfast is 30 cents.

A question was raised about adult meal prices. This new regulation only affects student lunch prices. The price for adult meals already has a requirement. You can review that in the attached SD memo NSLP 56.

Please feel free to contact me if you have additional questions.

Sandra Kangas, supervisor

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