### Lunch Prices = $1.85 FY 13 to $1.95 FY 14

### SUBJECT: Paid Lunch Equity: School Year 2013-2014 Calculations and Tool

Federal regulations require school food authorities (SFAs) participating in the National School Lunch Program (NSLP) to ensure sufficient funds are provided to the nonprofit school food service account for lunches served to students not eligible for free or reduced price meals (paying students). The regulations allow two ways to meet this requirement: 1) through the prices charged for paid lunches or 2) through other nonfederal sources provided to the nonprofit school food service account.

SFAs are required to annually review the paid lunch revenue to assure compliance with the paid lunch equity provision of the federal Healthy, Hunger Free-Kids Act of 2010. When the average paid lunch price is less than the difference between the federal free lunch and paid lunch reimbursement rates, the SFA must determine how to meet the requirement, either by increasing the average paid lunch price or by providing funds from nonfederal sources.

**For SY 2013-2014 Paid Lunch Equity Calculations**
For SY 2013-2014, SFAs that, on average, charged less than $2.59 for paid lunches in SY 2012-2013 are required to adjust the weighted average price or provide additional nonfederal funds to the nonprofit school food service account to cover the difference. The amount of the per meal increase will be calculated using two percent plus 2.93 percent (SY 2012-13 inflation rate), or **4.93 percent**. The inflation rate is adjusted annually. The law also caps the required increase in lunch prices at ten cents in any year. The regulations allow the price increase to be rounded down to the nearest five cents.

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