

TO Sponsors of the School Nutrition Programs
FROM Jennifer Jarrett, School Nutrition Program Manager
DATE April 15, 2022
RE Calculating a Minimum Adult Meal Price

MESSAGE:

According to the United States Department of Agriculture (USDA) FNS Instruction 782-5 Rev. 1, adult meal prices for School Nutrition Program (SNP) sponsors are not permitted to be subsidized by federal reimbursements, children’s payments, and other non-designated nonprofit food service revenues.

For **Pricing SNP sponsors**, those who charge for meals served to students, the adult meals must be priced greater than the price of the student’s highest price paid meal. Adult meals for **lunch** include: the highest value that students pay, plus state reimbursement, plus the lowest federal reimbursement for a paid meal, plus the commodity rate. Adult meals for **breakfast** include: the highest value that the students pay, plus the state reimbursement, plus lowest federal reimbursement. The 2021-2022 school year (SY) data is used to calculate the 2022-2023 SY formula in the example below.

Example:

	LUNCH	BREAKFAST
State reimbursement	\$0.10	\$0.10
Plus (+) lowest federal reimbursement for a paid meal	+\$0.35	+\$0.33
Plus (+) the commodity rate	+\$0.26	N/A
	=\$0.71	=\$0.43
Plus (+) the highest paid lunch price that students pay	+\$X.XX	+\$X.XX
Equals (=) the adult meal price	=\$X.XX	=\$X.XX

For **Non-Pricing SNP sponsors**, those who do not charge students for meals, for example, sponsors participating in Community Eligibility Provision, Residential Child Care Institutions, and other SNP sponsors, the adult meals price for **lunch** must be at least the amount of federal and state reimbursements received for free lunch, plus the per-meal value of both entitlement and bonus donated foods. The adult meals price for **breakfast** must be the rate established for free meals plus the value of bonus commodities. The 2021-2022 SY data is used to calculate the 2022-2023 SY formula in the example below.

Example:

	LUNCH	BREAKFAST
State reimbursement	\$0.10	\$0.10
Plus (+) federal reimbursement for a free meal	+\$3.66	+\$1.97
Plus (+) the commodity rate	+\$0.26	N/A
Equals (=) the minimum price of an adult meal	=\$4.02	=\$2.07

Rates may change **annually**. Because of this, reference the current school year Claim Rates for SNP located on PEARS, Claims tab, Claim Rates section prior to calculating the adult meal prices.

The Pennsylvania Department of Education, Division of Food and Nutrition (PDE, DFN) is aware that many schools are waiting to update their paid lunch prices for the 2022-2023 SY, as USDA has yet to release the Paid Lunch Equity (PLE) Tool. SFAs which have operated under the Seamless Summer Option (SSO) due to the nationwide COVID-19 waivers may utilize data from the last year that students were charged for meals (2019-2020 SY) to determine paid lunch prices and/or complete the PLE tool.

Due to Congressional action, if the nonprofit school food service account had a positive balance as of December 31, 2021, SFAs are not required to complete the PLE Tool for the 2022-23 SY. The PLE Exemption form will be forthcoming.

Note that this memorandum is subject to change if congressional action is to extend relevant waivers for the 2022-2023 SY.