



Food and  
Nutrition  
Service

Park Office  
Center

3101 Park  
Center Drive  
Alexandria  
VA 22302

DATE: April 19, 2018

MEMO CODE: SP 12-2018

SUBJECT: Paid Lunch Equity: Guidance for School Year 2018-19

TO: Regional Directors  
Special Nutrition Programs  
All Regions

State Directors  
Child Nutrition Programs  
All States

In Section 776 of the Consolidated Appropriations Act, 2018 (Public Law 115-141) (the Act), Congress provides that only school food authorities (SFAs) that had a negative balance in the nonprofit school food service account as of January 31, 2018, shall be required to establish prices for paid lunches according to the Paid Lunch Equity (PLE) provisions in Section 12(p) of the Richard B. Russell National School Lunch Act, 42 U.S.C. 1760(p) and implemented in National School Lunch Program regulations at 7 CFR 210.14(e).

Consistent with the terms of the Act this memorandum provides notice that any SFA with a positive or zero balance in its nonprofit school food service account as of January 31, 2018, is exempt from PLE requirements found at 7 CFR 210.14(e) for school year (SY) 2018-19. SFAs that had a negative balance in the nonprofit school food service account as of January 31, 2018 must follow PLE requirements when establishing their prices for paid lunches in SY 2018-19.

Because the Act affects one school year only, FNS recommends that State agencies maintain documentation that includes which SFAs are using the PLE exemption for SY 2018-19 in order to demonstrate State agency oversight of this provision. This documentation should include a record that each SFA implementing the exemption had a positive or zero balance in the nonprofit school food service account as of January 31, 2018. This documentation may be reviewed by FNS upon request and during a Management Evaluation.

While SFAs that meet the Act's criteria are exempt from the PLE requirements, SFAs still maintain the discretion to complete the steps necessary to determine their target SY 2018-19 paid lunch price, consistent with Program regulations at 7 CFR 210.14(e), and adjust their paid meal prices accordingly. Please note, the SY 2018-19 PLE tool and instructions will be provided in a separate communication.

Regional Directors  
State Director  
Page 2

State agencies are reminded to distribute this memorandum to Program operators. Program operators should direct any questions concerning this guidance to their State agency. State agencies with questions should contact the appropriate FNS Regional Office.

**Original Signed**

Angela Kline  
Director  
Policy and Program Development Division  
Child Nutrition Programs