

In a “Nutshell” – Paid Lunch Equity (PLE)

Understanding USDA’s PLE Regulation

Effective July 1, 2011, section 205 of the Healthy, Hunger-Free Kids Act of 2010 requires School Food Authorities (SFAs) participating in the National School Lunch Program (NSLP) to provide the same level of financial support for lunches served to students who are not eligible for free or reduced price lunches (i.e., paid lunches) as for lunches served to students eligible for free lunches.



The provision helps to ensure:

- Schools are not charging less for school meals than it costs to produce the meal.
- Federal funds intended for free and reduced price lunches are not subsidizing paid student meals.
- Schools have funding available to support serving nutritious meals to all students.

The annual PLE requirement is based on:

- The difference between the reimbursement rate for free meals and the reimbursement rate for paid meals.

Example:

*Reimbursement for a free meal for school year (SY) 2016-17:	\$ 3.16
Reimbursement for a paid meal for SY 2016-17:	\$.30
SY 2017-18 Weighted Average Price Requirement	\$ 2.86

*The paid price requirement changes annually dependent on the reimbursement rates for school meals set by the federal government each year.

PLE Tool (<http://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial>) must be completed annually by SFAs that are charging for student meals to determine if they are required to raise lunch prices. The completed PLE tool is required to be uploaded into the SFA’s online contract for school nutrition programs.

The tool calculates:

- 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 (if needed).

PLE requires that SFAs charging less than the PLE price requirement (\$2.86 for SY 2017-18) either:

- Increase prices, to comply with the average weighted price indicated by the tool, which caps the required increase at \$0.10.
- Provide non-federal funds to cover the difference.
- Establish a partial price increase plus contribute non-Federal funds.

PLE Exemption Request Form (<http://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial>) is available for SFAs in strong financial standing that can demonstrate they will have an excess cash balance that exceeds 3 months operating expenses.

Paid Lunch Price (PLP) Report

The PLP must be completed annually by **ALL SFAs** participating in the NSLP to report their most frequently charged paid student lunch prices at the elementary, middle, and high school levels. The report must be completed online between November 1 and November 15. SFAs that do not complete the PLP report will be placed in claims withholding until submitted.

Additional information on PLE is available at: <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/financial>. Additional information on the PLP report is available at: <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/banking-contracts-claims-reports>.