

Paid Lunch Equity (PLE)

New Jersey Department of Agriculture
Division of Food and Nutrition
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Why PLE?

- **Part of requirements in the Healthy, Hunger-Free Kids Act**
- **Requires Local Education Agencies (LEA) to ensure sufficient funds are provided for meals served to students not eligible for free or reduced price meals**

Annual Determination of Paid Lunch Pricing

- LEAs must annually review their paid lunch revenue to assure compliance with the paid lunch equity requirement
- Adjustments must be made if the average lunch price is less than the difference between the free and paid Federal reimbursement rates
- Paid lunch prices must be increased by a factor of two percent plus the annual inflation rate

Pricing Determination for 2012-2013 School Year

- Prices under \$2.51 must be increased by 4.18 percent
 - (2 % plus inflation rate of 2.18%)
- Step by step process must be followed, calculating **WEIGHTED** averages, using the USDA PLE Tool
- In New Jersey, first step required is to calculate **WEIGHTED** average for the 2010-2011 school year, since only straight averages were calculated previously

FIRST – Gather Data

- Gather the required data before using the PLE tool
- **Fiscal Year 2011:**
 - Prices charged at each grade level for 2010-2011
 - Total paid lunches claimed at each pricing category, from the OCTOBER 2010 reimbursement voucher
- **Fiscal Year 2012:**
 - Prices charged at each grade level for 2011-2012
 - Total paid lunches claimed at each pricing category, from the OCTOBER 2011 reimbursement voucher

SECOND – Open PLE Tool

- Click on Tab 1, SY2011-2012 Price Requirement
- Click on “Calculate the 2010-11 Weighted Average Price
- Enter total paid meals served at each price charged in 2010-2011, from the October 2010 voucher
- Make note of the weighted average price that calculates on bottom of chart

Using PLE Tool (cont'd)

- Click on “Go back to SY2011-12 Price Requirement”
- Enter previously calculated weighted average price for 2010-11 in shaded box and hit enter
- Weighted average price for 11-12 calculates
- Scroll down and click on “Go to SY 2012-2013 calculator”

Using PLE Tool (cont'd)

- Enter total paid lunches claimed at each lunch price from **11-12**, from the October 2011 voucher
- The weighted average price for **11-12** calculates at the bottom of the chart
- Blocks below the chart indicates the calculated minimum weighted average pricing requirement for **12-13**

PLE Tool (cont'd)

- **Carry-forward or credit amounts will also automatically calculate, if applicable**
- **Click on “Go to SY2012-2013 Report” and print a copy for your records**
- **Scroll down to “Select the SY012-2013 method used to ensure sufficient funds are provided for PAID lunches” (click open the drop-down box)**
 - **Select “Increase 2012-2013 average weighted price”**
 - **Rest of report automatically populates figures**
- **Save the electronic version of PLE Tool with all the calculations, for documentation and also to pull numbers when doing the calculations next year**

PLE Tool – Step 3

- Go back to the excel workbook tab “SY 2012-2013 Price Calculator”
- Scroll down to Step 3
- The Step 3 (Optional) section of tool assists in the determination of final prices to charge at each grade level
- Enter paid meals at each grade level pricing category from the October 2011 voucher
 - HINT – copy and paste the meals and prices from the chart in Step 2, further up on the same screen
- Next to each grade category, you can try different prices and the bottom of the chart will give you the weighted average price to see if the minimum price is met for 12-13

PLE tool – Step 3 (cont'd)

- You may be able to raise the price at the high school, but not at the elementary or middle schools and still meet the minimum required average price
- OR, perhaps raise prices at elementary only, and see if the minimum is met

Paid Lunch Equity Summary

- Using the PLE tool developed by USDA each year will make the pricing determinations an easy process
- The calculations and target price amount will vary each year, since it depends on the difference between the federal free and paid reimbursement rates; and the inflation rate – both vary each year
- No requirement to raise prices by more than 10 cents in any given school year; however schools have the option of raising prices by more than 10 cents
- The PLE tool calculations should be done each year, even if prices exceed the target value for that year – to have figures needed for the next year's calculations.

PLE Compliance

- **Compliance with the PLE requirement will be checked during an administrative review**
- **Required average weighted price must be reported on the Letter to Parent**
- **Verification that prices were established according to the required average weighted price will be required by the certifier on the Letter to Parent**