The following provides guidance on the calculations the SFAs can use in order to ensure they are in compliance with the requirements for School Year (SY) 2018-19. In addition, the SY 2018-19 Paid Lunch Equity (PLE) tools for the 48 contiguous States, Hawaii, Puerto Rico and Alaska are attached to the memorandum to assist SFAs make the required calculations.

**SY 2018-19 Paid Lunch Equity Calculations**

For SY 2018-19, SFAs which, on a weighted average, charged less than the target weighted average price of $2.92 ($3.42 in Hawaii & Puerto Rico and $4.74 in Alaska) for paid lunches in SY 2017-18 are required to adjust their weighted average lunch price or add non-Federal funds to the non-profit school food service account. The amount per meal increase will be calculated using 2 percent rate increase plus the Consumer Price Index (2.31 percent), totaling 4.31 percent.

SFAs are reminded that they must use their unrounded adjusted average paid lunch price requirement from SY 2017-18 when calculating the weighted average lunch price increase for SY 2018-19. For example, if the unrounded SY 2017-18 requirement was $2.48 but the SFA opted to round down to $2.45, the calculation of the SY 2018-19 requirement is based

If an SFA raised its weighted average paid lunch price above the required amount in SY 2017-18, that excess paid lunch price increase may be subtracted from the total SY 2018-19 paid lunch price increase requirement. SFAs must keep sufficient records to document and carry forward the weighted average price calculations. Additionally, if an SFA did not raise its weighted average adjusted paid lunch price sufficiently to meet the required amount in SY 2017-18, the shortfall

**Use of Non-Federal Sources Calculation**

SFAs that choose to contribute non-Federal sources to the nonprofit school food service account in lieu of raising paid lunch prices must calculate the appropriate amount to contribute. To determine the amount of required revenue in lieu of a paid lunch price increase, the SFA determines the total number of paid reimbursable lunches claimed for the previous school year and multiplies that by the difference between the SY 2017-18 weighted average paid lunch price requirement and the SY 2017-18 weighted average paid lunch price.

**Sources of Non-Federal Funds**

Beginning in SY 2013-14, FNS expanded the definition of a non-Federal source to include all paid meals to help SFAs meet the PLE requirement and to acknowledge the continuing support by States and locals to improve access to and

Therefore, for SY 2018-19, SFAs may continue to count as a non-Federal source:

1. Per-meal non-Federal reimbursement for any paid meal (breakfast, lunch, etc.)
2. Any funds provided by organizations for any paid meal
3. Any proportion attributable to paid meals from direct payments made from school district funds to support lunch service

**Credit for Excess Non-federal Funds**

If an SFA’s SY 2017-18 estimate of the required contribution exceeded the actual level, that excess contribution may be subtracted from the total SY 2018-19 contribution requirement. Further, if the SY 2017-18 estimate was less than required, additional funds from non-Federal sources must be added. The non-Federal Calculator tab in the PLE Tool for determining the estimated amount of non-Federal source contributions will allow for making these calculations using the same rationale as used for paid lunch prices (i.e., credit any extra funds contributed and account for any shortfalls when determining the amount of non-Federal funds requirement for the next school year).

**SY 2018-19 PLE Tool**
The first tab of the SY 2018-19 PLE Tool includes detailed instructions on how to use the tool and what information is needed to complete the appropriate calculations. It is recommended that each user print and read the instructions before attempting to complete the calculations.

To assist SFAs making these required PLE calculations, the attached SY 2018-19 PLE Tool makes the following calculations:

- Weighted average paid lunch price for SY 2017-18
- Required average weighted paid lunch price increase for SY 2018-19
- Required non-Federal source contribution required for SY 2018-19

The PLE Tool takes into account adjustments to paid lunch prices made by the SFA in SY 2017-18 to calculate any credit or shortfall.

Additionally, the SY 2018-19 PLE Tool includes a feature that makes calculations for SFAs that wish to split the SY 2018-19. To use the attached SY 2018-19 PLE Tool, SFAs need the following information:

**ALL SFAs need the following data to calculate the Weighted Average Price for SY 2018-19:**

- SY 2017-18 Unrounded Price Requirement OR SY 2010-11 Weighted Average Price
- All paid lunch prices for October 2017
- Number of paid lunches served associated with each paid lunch price in October 2017

**SFAs that have opted to contribute non-Federal sources also need:**

- The total number of paid lunches served in SY 2016-2017
- The total dollar amount of SY 2011-12, SY 2012-13, SY 2013-14, SY 2014-15, SY 2015-16, SY 2016-17 and SY 2017-18 non-Federal contribution

SFAs that wish to split the SY 2018-19 requirement by both raising paid lunch prices and contributing non-Federal sources will need all of the above information. Additionally, the PLE Tool includes a report that SFAs can use to track the information they will need to make their SY 2019-20 calculations. SFAs can print the report and keep it in their records.

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