



United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive
Alexandria, VA
22302-1500

DATE: February 15, 2012

MEMO CODE: SP 15-2012

SUBJECT: Paid Lunch Equity: School Year 2012-2013 Calculations

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

The interim rule entitled, "National School Lunch Program: School Food Service Account Revenue Amendments Related to the Healthy, Hunger-Free Kids Act of 2010" requires school food authorities (SFAs) participating in the National School Lunch Program to ensure sufficient funds are provided to the nonprofit school food service account for meals served to students not eligible for free or reduced price meals. There are two ways to meet this requirement: either through the prices charged for "paid" meals or through other non-Federal sources provided to the nonprofit school food service account.

Annual Review of Paid Lunch Revenue

SFAs must annually review their paid lunch revenue to assure compliance with the paid lunch equity requirement. When the average paid lunch price is less than the difference between the free and paid Federal reimbursement rates, the SFA must determine how they will meet the requirement—by increasing their average paid lunch price or providing funds from non-Federal sources.

Those SFAs that choose to increase the average paid lunch price must increase the average paid lunch price by a factor of two percent plus the annual inflation rate. The inflation factor is based on the percentage change in the Consumer Price Index for All Urban Consumers (CPI). The reimbursement rates are adjusted using the CPI for the 12-month period of May of the previous year to May of the current year. Due to the timing of calculating and issuing the reimbursement rates, the paid lunch equity calculations are based on the inflation factor used for the previous SY's reimbursement rates. Therefore, the inflation factors used by SFAs to calculate their paid lunch equity requirements will change from year to year.

Regional Directors

State Directors

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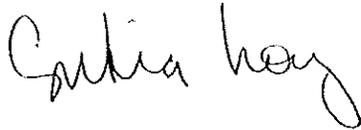
For SY 2012-2013

For SY 2012-2013, SFAs must use SY 2011-2012 Federal reimbursement rates and the related inflation factor when calculating paid lunch requirements. The Federal reimbursement rates and inflation factor were issued in a July 20, 2011, Federal Register Notice (76 FR 43256). The Notice announced an increase in the reimbursement rate for SY 2011-12 and provided the inflation rate of 2.18 percent for the increase in rates between SY 2010-2011 and SY 2011-2012.

Therefore, for SY 2012-2013, SFAs which, on average, charged less than **\$2.51** for paid lunches in SY 2011-2012 are required to adjust their average price or provide additional non-Federal funds to the non-profit school food service account. The amount of the per meal increase will be calculated using 2 percent plus 2.18 percent, or **4.18** percent.

The Food and Nutrition Service (FNS) will issue an updated version of the PLE tool soon which will include the new reimbursement and inflation rates and account for, as applicable, crediting any amount SFAs increased paid lunch prices above the required level. The PLE tool will also address any shortfall in meeting the PLE requirement and make the appropriate adjustments based on the information that SFAs input from their records. SFAs should also refer to memo SP 39-2011(Revised) for more guidance on making PLE calculations.

State agencies should direct any questions concerning this guidance to the appropriate FNS Regional Office. Regional Offices with questions should contact the Child Nutrition Division.

A handwritten signature in cursive script that reads "Cynthia Long".

Cynthia Long
Director
Child Nutrition Division

Paid Lunch Equity Average Price Calculation Example

Number of Paid Lunches claimed at each price for October	Price Charged for Paid Lunches	Revenue Generated by Paid Lunch Price (Column A x Column B)	Determine Average Price
1,000	\$1.25	\$1,250	
2,000	\$1.50	\$3,000	
1,500	\$2.00	\$3,000	
3,000	\$2.25	\$6,750	
Total Lunches: 7,500		Total Revenue: \$14,000	$14,000 / 7,500$ = \$1.87



**United States
Department of
Agriculture**

Food and
Nutrition
Service

3101 Park
Center Drive
Alexandria, VA
22302-1500

DATE: June 13, 2011

MEMO CODE: SP 39-2011

SUBJECT: Child Nutrition Reauthorization 2010: Guidance on Paid Lunch Equity and Revenue from Nonprogram Foods

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

The interim rule entitled, “National School Lunch Program: School Food Service Account Revenue Amendments Related to the Healthy, Hunger-Free Kids Act of 2010” implements sections 205 and 206 of the Healthy, Hunger-Free Kids Act (Public Law 111-296). These provisions established requirements for school food authorities (SFAs) for—

- Revenue from paid reimbursable lunches (7 CFR 210.14(e)); and
 - Revenue from foods sold outside of reimbursable meals when those foods are purchased with school food service account funds (7 CFR 210.14 (f)).

The following items are provided with this memorandum:

- Questions and Answers based on inquiries from State agencies and SFAs.
- Step-by-step instructions on—
 - how to determine the SFA’s average price for paid lunches;
 - the comparison of the average price and the difference between the free and paid reimbursement rates;
 - how to determine if price increases are needed; and
 - the amount of revenue from non-Federal sources that may be added to the food service account in lieu of a paid lunch price increases.
- An Excel-based tool with user instructions that SFAs may use to determine the current average price for paid lunches and the new average paid lunch price requirement. The tool can also be used to determine the total amount of non-Federal revenue that an SFA would need to contribute if it chooses not to raise its average paid lunch price.

Regional Directors
State Directors
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If there are any questions on these requirements, SFAs should contact their State agency; State agencies should contact the appropriate FNS regional office.

Original Signed

Cynthia Long
Director
Child Nutrition Division

Attachments

Paid Lunch Equity and Revenue from Nonprogram Foods Questions and Answers

Paid Lunch Equity (PLE)

Compliance

Q1. If I have already set my paid lunch prices for School Year 2011-2012, do I still need to determine whether I am in compliance with this new requirement as set forth in the interim rule?

Yes, school food authorities (SFA) are required to comply with this new provision for School Year 2011-2012. However, because the interim rule was published after many SFAs had made pricing decisions for the upcoming school year, SFAs have additional flexibility in meeting the requirements for School Year 2011-2012, as described in Question 5.

Q2. In order to be exempt from the PLE requirement, can an SFA submit Claims for Reimbursement only for the free and reduced price lunches it serves and not claim general cash assistance for paid lunches?

No. SFAs participating in the school meal programs must offer meals to all children and must claim all meals served at each reimbursement rate. SFAs must comply with the PLE requirement and are not permitted to submit claims only for free and reduced price lunches. Paid meals are part of the school meal programs and Federal reimbursements, as well as children's payments, are part of how SFAs cover costs of producing school meals.

Q3. What action will be taken against SFAs that do not comply?

The State agency needs to assure that all SFAs are aware of the requirement and have made a good faith effort to comply. If an SFA is making a good faith effort to comply with this provision, we expect the State agency to provide any needed technical assistance. If necessary, the State agency may require a corrective action plan from an SFA that, for example, failed to properly calculate their required average paid lunch price or which failed to add funds from non-Federal sources. Action for willful non-compliance will be taken on a case-by-case basis.

Non-Federal Funding Sources

Q4. For purposes of PLE, what is considered a non-Federal source?

Financial support from non-Federal sources must be cash for direct support for paid lunches, including but not limited to:

- per-lunch reimbursements for paid lunches provided by States, counties, school districts and others;
- funds provided by organizations, such as school-related or community groups to support paid lunches;
- any portion of State revenue matching funds that exceeds the minimum requirement established in 7 CFR 210.17 and that is provided for paid lunches; or

- any proportion attributable to paid lunches from direct payments made from school district funds to support the lunch service; e.g., a pro-rata share of general funds used to support the lunch service.

Some examples of unallowable non-Federal support are:

- any payments, including additional per-meal reimbursements, provided to the SFA for support of the School Breakfast Program or other Child Nutrition Programs;
- any payments, including additional per-meal reimbursements, provided specifically to support free and reduced price meals; and
- any in-kind contributions converted to direct cash expenditures after July 1, 2011.

Q5. For School Year 2011-2012, are there any exceptions to this definition of “non-Federal source”?

In recognition of the short timeframe for implementation, for School Year 2011-2012 only, SFAs may include any non-Federal cash contribution, except for in-kind contributions and revenues from foods and beverages sold in competition with reimbursable meals.

We also recognize that the interim rule and this guidance were issued after many SFAs had already made pricing decisions for School Year 2011-2012. Some of these SFAs may have done so because they were unsure whether their non-Federal revenue contributions would meet the requirements set out in the interim rule. Therefore, those SFAs that can demonstrate that they raised their prices and also met the non-Federal cash contribution required for School Year 2011-2012, may count any non-Federal cash contribution, except for in-kind contributions and revenues from foods sold in competition with reimbursable meals, toward the PLE revenue requirements for School Year 2012-2013.

Q6. If I am able to count non-Federal contributions from School Year 2011-2012 towards the revenue requirements for School Year 2012-2013, how do I make these adjustments? FNS will issue guidance on how adjustments to the School Year 2012-2013 requirement will be determined in these situations.

Q7. Can an SFA count State or local per-lunch subsidies as non-Federal sources of revenue? If so, can the per-meal subsidy for all meals be counted or just for paid lunches? Can breakfast per-meal subsidies be counted?

State or local subsidies that directly support paid lunches may be counted as non-Federal sources of funding. Funds that support all meals served must be prorated by the share attributable to the paid lunches as described in the example below. This provision applies only to lunch and therefore subsidies for breakfast cannot be counted as non-Federal sources.

Example of prorating by the share of total lunches in the paid category:

Total state or local subsidies: \$1,000
 Share of total lunches which are paid lunches: 20%
 $\$1,000 \times 20\% = \200

Prorated portion of State or local subsidy attributable to paid lunches: \$200

Q8. Can a school district pay a bill the school food service account had paid in the past, and count this as a non-Federal contribution?

Yes, but the school district must provide the non-federal funds to the school food service account to allow the SFA to pay the bill.

Q9. Can a school district count charges that it assesses to the SFA (direct or indirect) that it does not actually collect from the SFA account due to insufficient funds?

No; to qualify as a non-Federal source, cash must actually be added to the account.

Q10. Must an SFA increase meal prices if they currently have a large fund balance or if their current operation is consistently in the black?

All SFAs must calculate their average paid lunch prices and determine if any adjustments are required, regardless of any of the circumstances noted in the question.

Q11. If the school district has net cash resources which exceeds the 3 months average expenditures for its school food service account, can the SFA use some of their net cash resources rather than general funds to make up the difference if they do not want to increase the paid meal price for SY 2011-2012?

No, the excess funds are still considered part of the non-profit school food service account. Further, 7 CFR 210.19(a)(2) allows State agencies to require SFAs to use net cash resources which exceed the 3 months average to improve food quality or take other action designed to improve the school food service.

Q12. Per 7 CFR 210.19(a)(2), can an SFA still lower prices if its net cash resources exceed the 3 months average expenditures for its school food service account?

SFAs must first determine compliance with the PLE requirements. If an SFA is not exceeding the PLE requirement with its current prices, it would not be allowed to lower prices. SFAs would only be able to lower prices if they are in compliance and would remain in compliance with the PLE requirement after the price is lowered. Federal regulations will be updated accordingly.

Q13. If using local funds to offset the price increase, would those funds have to be kept in a separate account?

No, the amount provided would need to be documented and added to the non-profit food service account.

Q14. Can an SFA split the revenue increase between non-Federal sources and an increase in paid lunch prices?

Yes. Some of the required revenue can come from an increase in paid lunch prices and the rest from non-Federal contributions to the nonprofit school food service account.

General

Q15. Does an SFA have to raise prices for all paid lunches?

No, SFAs may vary paid lunch prices by school (for example, charging lower prices in schools located in lower-income areas or charging different prices in elementary and secondary schools), as long as the average revenue requirement is met across the SFA. FNS' paid lunch calculator (found on our website) can assist SFAs in determining how to raise their paid lunch prices.

Q16. Can an SFA increase its average paid lunch prices more than 10 cents annually?

Yes, an SFA may increase its average paid lunch prices by more than 10 cents per year but is never required to do so. The 10 cent limit is the maximum that an SFA would ever be required to contribute in a given year, even if the SFA's annual PLE calculation showed a higher amount. If an SFA chooses in any school year to increase paid lunch prices more than is required, the amount attributable to the SFA's discretionary additional increase may be carried forward to the next school year(s) to meet the paid lunch equity requirements. SFAs must keep sufficient records to document and carry forward the average price calculations. FNS will issue guidance on how to calculate these credits.

Q17. If the SFA has schools with lunch prices over \$2.46, does it have to include these schools in the average price calculation?

Yes, all paid lunch prices charged within the SFA must be included in the calculation of the average lunch price.

Q18. Are SFAs going to be required to raise paid lunch prices every year?

Not necessarily. SFAs must check if they meet the requirement each year. Depending on the rate of inflation or other factors, an SFA may be in compliance one year but not in compliance the next.

Revenue from Nonprogram Foods

Q19. What is the purpose of the revenue from nonprogram foods provisions?

To ensure that revenues from the sales of nonprogram foods generate at least the same proportion of SFA revenues as they contribute to SFA food costs.

Q20. What is considered a nonprogram food?

For the purposes of this regulation, a nonprogram food is a food (including beverages) that is sold in a participating school other than a reimbursable meal and is purchased using funds from the school food service account of the school.

Q21. How does a SFA determine the "cost to obtain" a nonprogram food?

The cost to obtain a nonprogram food includes only the cost of the food. If a nonprogram food is made from scratch, the SFA would determine the price of ingredients to calculate the food cost. The SFA should not include labor or other costs in this calculation.

This same principle applies to calculating program food costs for the purpose of this provision.

Q22. How does a SFA determine whether it is in compliance with the Revenue from Nonprogram Foods Sold in Schools provision?

The SFA would determine its total food cost and the proportion of that total that is nonprogram food. The SFA would then calculate the share of total revenue generated from nonprogram food sales over the same period. If the second figure is at least as great as the first figure, then the SFA is generating sufficient revenue from nonprogram food sales.

The following example shows how this provision is applied:

An SFA has the following characteristics:

- Total Costs: \$1,000,000
- Total Food Costs: \$500,000
 - o Cost of food for reimbursable meals: \$450,000
 - o Cost of nonprogram food: \$50,000
- Total Revenue: \$1,000,000

Revenue Requirement:

- Minimum proportion of revenue required from the sale of nonprogram foods:
 $\$50,000/\$500,000 = 10\%$
- Minimum dollar revenue required from the sale of nonprogram foods:
 $10\% \times \$1,000,000 = \$100,000$

If this SFA earns \$100,000 in revenue from nonprogram food sales, they are in compliance.

Q23. Can an SFA price some nonprogram foods lower than their actual cost?

Yes, as long as the total revenue generated from all nonprogram food sales meets the proportional requirement described above

Step-by-Step Instructions for Paid Lunch Equity Calculations

Determining Average Paid Lunch Price

Step 1: Determine the number of different prices charged for paid reimbursable lunches in the SFA (do not include adult prices or prices charged for second lunches) (Column A in example below)

Step 2: Determine the number of paid lunches claimed at each price for October of the prior school year (use October 2010 for School Year 2011-2012) and the total number of paid lunches (Column B)

Step 3: Determine the revenue generated by each paid lunch price by multiplying each paid lunch price by the number of paid lunches claimed and the total revenue from paid lunches (Column C)

Step 4: Determine the average price of paid lunches by dividing the total revenue generated by paid lunches at each price by the number of lunches claimed and round the result to the nearest whole cent (0-4 round down or 5-9 round up) (Column D)

A Each Price Charged for Paid Reimbursable Lunches	B Number of Paid Lunches Claimed at each price and total number of paid lunches claimed	C Revenue Generated by Each Paid Lunch Price (Column A x Column B) and total revenue for paid lunches	D Determine Average Price
\$1.25	1,000	\$1,250	
\$1.50	2,000	\$3,000	
\$2.00	1,500	\$3,000	
\$2.25	3,000	\$6,750	
	Total paid lunches 7,500	Total Revenue \$14,000	\$14,000/7,500 =1.8666 rounded to \$1.87

Determining if New Price/Additional Revenue is Required

Step 1: Determine if the average paid lunch price is equal to or greater than, or less than the difference between the applicable paid and free lunch reimbursements (reimbursement difference).

- If result is equal to or greater than the reimbursement difference, the SFA is not required to increase the average lunch price or to add additional revenue as long as the price is not less than the reimbursement difference.
- If result is less than the reimbursement difference, the SFA is required to determine the required average paid lunch price (Step 2).
- If result is less than the reimbursement difference, the SFA is required to adjust the average paid lunch price and determine if a price increase is needed (Step 2). In lieu of

- increasing the average paid lunch price the SFA may add non-Federal sources of funds to the food service account (Step 3).

Step 2: To determine the new average paid lunch price:

- Multiply the average lunch price by the sum of the inflation factor used to determine the prior year's reimbursement rate plus 2 percent. For School Year 2011-2012, use the inflation factor for School Year 2010-2011 which was 1.14%;
- Round the result to the nearest cent (0-4 round down or 5-9 round up); and
- (Optional) Further round down to the nearest 5 cent increment.

If the SFA chooses to raise paid lunch prices, it has flexibility to determine how to raise prices—by school, by price, or all prices. However, the maximum required increase to the average paid lunch price is 10 cents. SFAs may increase the average paid lunch price more than 10 cents if they wish and will receive a credit in subsequent school years for the amount increased over the requirement. Note that individual prices may always be increased more than 10 cents in order to meet the average paid lunch price requirement.

Optional Step 3: 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 (for School Year 2011-2012, use School Year 2010-2011 total). That total is multiplied by the difference between the new average paid lunch price and the current average paid lunch price.

An example when average price is less than the reimbursement difference:

Step 1: Using \$1.87 as the average paid lunch price, and \$2.46 as the difference between the free and paid lunch reimbursement rates (School Year 2010-2011 free rate of \$2.72 minus the paid rate of \$.26). Since \$1.87 is less than \$2.46, the SFA must complete Step 2.

Step 2: Multiply the average paid lunch price times the inflation factor plus two percent ($\$1.87 \times .0314 = \$.0587$). That result is added to the average paid lunch price and rounded ($\$1.87 + .0587 = \1.9287 , rounded to \$1.93); the new average price is \$1.93. If the SFA chooses to round down to the nearest five cents, the new average paid lunch price is \$1.90. The SFA would then raise actual prices so that the new average paid lunch equals or exceeds \$1.90.

Optional Step 3: Using \$.03 ($\$1.90 - \$1.87 = \$.03$) as the difference between the new and current average paid lunch prices, the SFA would determine the needed non-Federal revenue by multiplying the total number of paid lunches claimed for School Year 2010-2011 ($\$.03 \times 150,000$ paid lunches = \$4,500). The SFA would need to add \$4,500 in School Year 2011-2012 to the food service account from non-Federal sources of revenue in lieu of raising paid lunch prices.

School Year (SY) 2012-13 Paid Lunch Equity (PLE) Tool Instructions

Note: Users may want to print the instructions and use them to guide users through the PLE Tool.

The PLE Tool (Tool) was created to help School Food Authorities (SFAs) calculate their paid lunch price increase requirement and non-Federal source contributions to meet the requirements in Section 205 of the Healthy, Hunger-Free Kids Act of 2010. If the pricing requirements calculated by the Tool are not met or are exceeded, the Tool will also calculate any amounts carried over into the next year. Note, the weighted average prices calculated in the Tool are the weighted average of all paid lunch prices charged in the SFA.

For more information on amounts carried over please refer to SP 39-2011

This version of the PLE tool is only applicable to SY 2012-2013. A new version of the tool will be issued for SY 2013-2014

The SY 2012-13 PLE Tool consists of 6 tabs:

Hyperlinks are also placed throughout the tool to navigate to the different tabs

- Tab 1: [SY 2011-12 Price Requirement](#)
- Tab 2: [SY 2012-13 Price Calculator](#)
- Tab 3: [SY 2012-13 Non-Federal Calculator](#)
- Tab 4: [SY 2010-11 Price Calculator](#)
- Tab 5: [SY 2011-12 Price Calculator](#)
- Tab 6: [SY2012-2013 REPORT](#)

Cells shaded this color designate data entry cells. The SFA must enter the applicable data in these cells for the tool to calculate the requirements

SFAs need the following data to calculate the Weighted Average Price for SY 2012-13:

- 1.) SY 2010-11 Weighted Average Price
- 2.) All paid lunch prices for October 2011
- 3.) Number of paid lunches served associated with each paid lunch price in October 2011

SFAs who have opted to contribute non-Federal sources for SY 2012-13 need:

- 1.) SY2010-11 Weighted Average Price
- 2.) SY2011-12 Weighted Average Price (if different from SY2010-11 Weighted Average Price)
- 2.) Total number of paid lunches served in SY 2010-11
- 3.) The total dollar amount of SY 2011-12 non-Federal contribution

SY 2012-13 WEIGHTED AVERAGE PAID LUNCH PRICE CALCULATION

These instructions are for SFAs increasing their weighted average prices to meet the SY 2012-13 paid lunch price requirement

Step 1

- Tab 1: [SY 2011-12 Price Requirement](#)

1. Enter SY 2010-11 Weighted Average Price in the orange box.

If the SY 2010-11 weighted average price needs to be calculated click on the SY 2010-11 Price Calculator tab

This figure sets the pricing requirements throughout the Tool and helps determine any amounts carried forward. This figure was calculated through the SY 2011-12 PLE Tool.

After calculating the SY 2011-12 weighted average price requirement for paid lunches, click on the link labeled " [Click here to go to SY 2012-13 Price Calculator](#) "

Step 2

Tab 2: [SY 2012-13 Price Calculator](#)

The box at the top of this tab displays the SY2012-13 Weighted Average Price Requirement

To calculate the SY 2011-12 Weighted Average Price the SFA must:

1. Enter the paid lunch count for October 2011 associated with each paid meal price in the **Monthly # of Paid Lunches** column.
2. Enter each paid lunch price in the SFA (including all schools – elementary, middle, high, etc) for October 2011 in the **Paid Lunch Price** column.

Using the SY2011-12 weighted average price, the tool calculates any amounts necessary to meet the SY2012-13 weighted average price requirements and any amounts carried forward to SY2013-14.

Tab 6: [SY2012-2013 REPORT](#)

This report is generated for use in the SY2013-14 PLE tool and displays the SY2012-2013 requirements and any amount carried forward determined on the SY2012-2013 Price Calculator

Select the SY 2012-2013 method used to ensure sufficient funds are provided for PAID lunches

<OPTIONAL> Step 3

Pricing Estimation Calculator

Once an SFA has calculated the SY 2012-13 average paid lunch price requirement, they can use the PLE tool to determine how they want to distribute the price increase within the SFA to reach the new average paid lunch price. To do this an SFA must:

1. Enter the paid lunch count for October associated with each paid meal price in the **Monthly # of Paid Lunches** column.
2. Change individual paid lunch prices until the average paid lunch price reaches the new average paid lunch price requirement. This amount will appear in the **Weighted Average Price** box.

Many price combinations can be used to reach the new weighted average paid lunch price. SFAs have the flexibility to raise individual prices as long as the weighted average price equals the new SY2012-2013 required level.

[Go to SY 2012-13 Price Calculator](#)

SY 2012-13 NON-FEDERAL SOURCE CONTRIBUTION CALCULATION

Step 1

Tab 1: [SY 2011-12 Price Requirement](#)

1. Enter SY 2010-11 Weighted Average Price in the orange box.

If the SY 2010-11 weighted average price needs to be calculated click on the [SY 2010-11 Price Calculator](#) tab

This figure sets the pricing requirements throughout the Tool and helps determine any amounts carried forward. This figure was calculated through the SY 2011-12 PLE Tool.

After calculating the SY 2011-12 weighted average price requirement for paid lunches, go to SY 2012-13 Non-Federal Source Calculator tab

The box at the top of this tab displays the SY2012-13 Weighted Average Price Requirement
SY 2012-13 Non-Federal Source Contribution Requirement

1.) Enter the current weighted average paid lunch price.

This price may be the same as the SY 2010-2011 weighted average price determined on the SY2011-2012 Price Requirement tab if the SFA did not raise the weighted average price in SY 2011-2012. To determine the most current average weighted price go to the SY2011-2012 Price Calculator tab.

2.) Enter the paid lunch count for the entire 2010-2011 School Year in the orange Annual # of Paid Lunches box in the Non-Federal Source Contribution Calculator for SY 2012-13.

The Tool will calculate the annual non-Federal source contribution for SY 2012-13 with and will apply the 10 cent cap if applicable

2.) Enter the actual amount of the SY 2011-12 non-Federal source contribution in the orange box labeled Amount of Non-Federal Source Funds Contributed for SY 2011-12.

Based on the actual amount contributed for SY 2011-12, the tool calculates the following:

- Remaining Annual Non-Federal Source Contribution for SY 2012-13
- Remaining Annual Non-Federal Source Contribution carried forward to SY 2013-14
- Remaining Credit carried forward to SY 2013-14

Tab 6: SY2012-2013 REPORT

This report is generated for use in the SY2013-14 PLE tool and displays the SY2012-2013 requirements and any amount carried forward determined on the SY2012-2013 Price Calculator

Select the SY 2012-2013 method used to ensure sufficient funds are provided for PAID lunches

Tab 4: SY 2010-11 Price Calculator

To calculate the SY 2010-11 Weighted Average Price, an SFA must:

1. Enter the paid lunch count for October 2010 associated with each paid meal price in the Monthly # of Paid Lunches column.
2. Enter each paid lunch price in the SFA (including all schools – elementary, middle, high, etc) for October 2010 in the Paid Lunch Price column.

Tab 5: SY 2011-12 Price Calculator

To calculate the SY 2010-11 Weighted Average Price, an SFA must:

1. Enter the paid lunch count for October 2011 associated with each paid meal price in the Monthly # of Paid Lunches column.
2. Enter each paid lunch price in the SFA (including all schools – elementary, middle, high, etc) for October 2011 in the Paid Lunch Price column.

Michigan Department of Education
School Nutrition Programs

ESTABLISHING PRICES FOR ADULT MEALS/A LA CARTE

Neither the USDA nor the Michigan Department of Education set specific prices for adult or a la carte. The local school district is responsible for setting prices and increasing student meal prices as needed and in accordance with the Healthy Hunger Free Kids Act (HHFKA). There are some guidelines to follow:

- a. Reimbursable meals must be priced as a unit.
- b. USDA sets the maximum price that can be charged for a reduced price lunch (\$.40) or breakfast (\$.30) - schools may charge less.
- c. Paid meals receive a small reimbursement and the meal charges should be based on the cost of producing the meal minus the paid reimbursement.
- d. Schools may use a tiered pricing structure (example: combo meals, super meals, etc.), but the more the expensive meals must be offered to free and reduced price students for no additional charge.
- e. Student meals cannot carry a sales tax, but adult meals must include sales tax.
- f. Adult meals must be priced higher than student meals to include the sales tax, the value of commodity products and offset the student reimbursement.
- g. A la carte items and adult meals must be priced to cover the cost of producing those items.
- h. A la carte items cannot be subsidized by federal funds; they should be used to generate revenue to offset the cost of the reimbursable meal programs.
- i. Nonprofit status
 1. No more than three (3) months operating expense
 2. Income only used for food service program purposes

SETTING THE PRICE FOR ADULT MEALS

Adult meals cannot be subsidized by federal funds. Teachers and other staff must be charged a higher price than students even if the meal is exactly the same. Schools have the option of charging all ala carte prices or setting an adult unit price for the whole meal. Schools also have the option of using the per meal cost and adding tax to arrive at a fair price for adult meals. To base adult meals on the student price meal, you can use the following spreadsheet:

DIRECTIONS	SAMPL E	YOUR SCHOOL
Price of Student Lunch	\$2.25	
Value of USDA Foods (Commodities)(FY 2011-2012)	\$0.2225	
Value of Paid Reimbursement (FY2011-2012)	\$0.26	
Subtotal	\$2.73	\$0.00
Sales Tax (6%)	\$0.16	\$0.00
TOTAL	\$2.90	\$0.00

The sample shows that the school should charge adults at least \$2.90. The Michigan Department of Education does not cap prices for adults or ala carte items. Prices must be set to cover the food cost at the same level as your school meals.

This Excel Worksheet is available at
www.michigan.gov/schoolnutrition

1. What is the “Equity in School Lunch Pricing” Provision?

- 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 to provide the same level of support for lunches served to students who are not eligible for free or reduced price lunches (i.e., paid lunches) as they are for lunches served to students eligible for free lunches. The Act directs SFAs to:
 1. Compare the average price charged for lunches served to students not eligible for free or reduced price lunches (i.e., students receiving “paid lunches”) to the difference between the higher Federal reimbursement provided for free lunches and the lower Federal reimbursement provided for paid lunches.
 2. If the average paid lunch price is *less than* the difference, an SFA must either gradually adjust average prices or provide non-Federal funding to cover the difference.

2. Why is this provision important?

- Historically, there have been three main sources of funds provided to nonprofit school food service accounts: Federal reimbursements, paid meal revenues, and State and local funding. The Federal reimbursement for paid meals was designed to be minimal in relation to these other sources and has always been substantially less than the reimbursement for free and reduced price meals.
- Research indicates that average prices charged for paid lunches in some SFAs are less than the cost of producing those lunches.
- Pricing paid lunches below the cost of production effectively increases Federal subsidies for higher income children because Federal funds intended for free and reduced price lunches are being used to help fill in the gap between what a paid lunch costs and what the school receives for it. Children across all income levels are negatively affected by limiting the funds available to provide nutritious meals.
- This provision will help ensure that schools have funding available to support serving nutritious meals to all students.

3. Which SFAs will be affected by this provision?

- Not all SFAs will be required to adjust prices or find alternative sources of funding for paid lunches. Applying this provision using current Federal reimbursement rates, SFAs in the continental U.S. now charging, on average, \$2.46 or more for a paid lunch would not be required to adjust prices in school year 2011-12.
- An SFA in the continental U.S. currently charging, on average, less than \$2.46 for a paid lunch may be required to either gradually increase prices or provide additional non-Federal support for its lunches. To determine how much, these SFAs must calculate an adjusted average paid lunch price.
 - For school year 2011-2012, the adjusted average price is the average price charged in school year 2010-2011 increased by a factor equal to two percentage points above the inflation rate and may be rounded down to the nearest 5 cents. For school year 2011-2012, the inflation factor is 1.14 percent. Combined with the required annual 2 percentage point increase, the total adjustment required is 3.14 percent.
 - This year's relatively low food price inflation, combined with the ability to round down, means that for this coming school year, SFAs in the continental U.S. with lunch prices below \$2.46 in School Year 2010-11 would have to increase lunch prices by only five cents or not at all.
- In general, when the adjusted average price is more than the current price, an SFA would have to either increase its average paid lunch price to the adjusted average price or provide additional non-Federal support for its paid lunches. The law caps the required increase in the average paid lunch price at 10 cents in any year. Therefore, an SFA with a significant gap between its price and the required level will have several years to make adjustments to its prices and/or provide other funding to the SFA account in order to meet this requirement.

4. Will SFAs have control over establishing paid lunch prices?

- SFAs maintain significant local control in establishing the prices for paid lunches. SFAs may maintain low paid lunch prices if they ensure that sufficient funding from non-Federal sources is added to the school food service account to cover the required revenue. SFAs also may vary paid lunch prices by school (for example, charging lower prices in schools located in lower-income areas or charging different prices in elementary and secondary schools), as long as the average revenue requirement is met across the SFA.

5. Will families with incomes slightly above the threshold for free and reduced price meals be disproportionately impacted by this provision?

- This provision does not require that additional revenue be secured through paid lunch price increases. Revenue can be generated from any non-Federal source.
- By limiting the maximum required annual average price increase to 10 cents, the Act allows for a gradual increase in paid lunch prices, thereby minimizing the impact on families with incomes just above the level eligible for reduced price meals.
- SFAs can also choose to vary the price of paid lunches by school as long as the average paid lunch price across the district meets the requirement. Therefore, SFAs could choose to keep lunch prices lower in schools with higher concentrations of low-income students.
- USDA's analysis suggests that the effect on participation of a 5 or 10 cent increase in the price of a paid lunch is very small – less than a 5 percent difference even after many years of implementation. However, USDA will carefully monitor the implementation of this provision and any impact on participation.



United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive
Alexandria, VA
22302-1500

DATE: October 22, 2010

MEMO CODE: TA 01-2011

SUBJECT: Exemptions Under the Competitive Food Services Regulation

TO: Regional Directors
Child Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

This is to inform you of recent changes to the list of exemptions under the Competitive Food Services Regulation. The format of the exemption list has changed. Companies that have an exemption are now listed alphabetically and we have added a column to include the products portion size. It is important to remember that **the exemption of one product does not mean that similar products or a family of products are exempted unless specifically stated in an exemption letter and/or included on the exemption list. Products that have an exemption should match the ingredient statement and portion size that is included on this list.**

Two new companies have been added to the list of exemptions under the Competitive Food Services Regulation, eleven new products have been added, fourteen previously exempted products have been reformulated, two products have updated their allergen statement, two companies have changed their name, twenty products have been removed and two companies have been removed from the exemption list.

NEW COMPANIES

Sconza Candy Company has added Sconza Gummy Bears 1.0 oz to the list of products exempted from the jellies and gums category of "foods of minimal nutritional value" as defined in 7 CFR Part 210.11(a)(2) and Part 220.2 (i-1). Nestle USA has added Juicy Juice Sparkling Berry, Sparkling Apple and Sparkling Orange to the list of products exempted from the "soda water" category of "foods of minimal nutritional value" [7 CFR Part 210 Appendix B (a)(1) and Part 220 Appendix B (1)].

NEW PRODUCTS

The Switch Beverage Company has added Sparkling 100% Juice Lemon Lime, Red Toe Soda LLC has added Orange Wave, Citrus Rush and Wild Berry carbonated beverages, and Skylar Haley has added Essn Sparkling Juice Blood Orange and Cranberry and Essn Sparkling Juice Minneola Tangerine carbonated beverages to the

list of products exempted from the “soda water” category of “foods of minimal nutritional value” [7 CFR Part 210 Appendix B (a)(1) and Part 220 Appendix B (1)]. Albanese Confectionary Group, Inc., has added A+ Gummi Bears to the list of products exempted from the “jellies and gums” section of the Certain Candies category of “foods of minimal nutritional value” [7 CFR Part 210 Appendix B (a)(4)(ii) and Part 220 Appendix B (4)(b)].

REFORMULATIONS

General Mills has reformulated Special Edition Scooby Doo™ and Sunkist™ Fruit Flavored Snacks and Special Edition Crazy Colors® Fruit Roll-Ups® from their currently exempted products and has replaced Special Edition Screamin' Green Hot Color Fruit Roll-Up®, Electric Yellow Hot Color Fruit Roll-Up®, Sizzling Red Hot Color Fruit Roll-Up®, and Blazin' Blue Hot Color Fruit Roll-Up® with Special Edition Blastin' Berry Hot Colors® Fruit Roll-Ups®. 4u2u Brands has reformulated Fruit 66 Fruit Punch, Kiwi Strawberry, Orange Tangerine and Apple Berry carbonated juice beverages from their list of currently exempted products and The Switch Beverage Company has also reformulated The Switch Black Cherry, Orange Tangerine, Watermelon Strawberry, Kiwi Berry, Fruit Punch and Grape carbonated juice beverages from their list of currently exempted products.

ALLERGEN STATEMENT UPDATES

The Switch Beverage Company has updated their allergen statement for their previously exempted Orange Tangerine beverage. They have omitted the statement “contains soy” at the end of their ingredient list because that allergen was never present in the product formulation.

COMPANY NAME CHANGES AND ALLERGEN STATEMENT UPDATES

BIOFREE-USA has changed its company name to FIZZA, LLC. Their list of currently exempted products remains the same, FIZZA® Orange Crème, FIZZA® Blue Ridge Cola and Apple FIZZA®. Brach's Confections, Inc. has been sold and is now being produced by Farley's & Sathers Candy Company, Inc. They have removed Hi-C® Fruit snacks, Froot Loops Fruit Snacks, Clifford, the Big Red Dog™ Fruit Snacks from the exemption list. They are continuing to produce ORCHARD FRUIT® Fruit Snacks, which currently have an exemption. They have replaced the “™” symbol in the name of this product with the “®” symbol and have updated the ingredient statement to remove the allergen statement because it was no longer accurate.

PRODUCTS REMOVED

Albanese Confectionary Group, Inc. has removed A+ Gummies and General Mills has removed Fruit Gushers Strawberry Punch, Fruit Roll-ups Tropical Cherry, Fruit Roll-ups Strawberry Punch and Pokemon Rolls Punch Red from the list of products exempted from the “jellies and gums” section of the Certain Candies category of “foods of minimal nutritional value” [7 CFR Part 210 Appendix B (a)(4)(ii) and Part 220 Appendix B (4)(b)]. Switch Beverage Company has removed Apricot Peach, Peach Apricot and Orange Mango 100% Juice Carbonated from the list of products exempted from the “soda water” category

of “foods of minimal nutritional value” [7 CFR Part 210 Appendix B (a)(1) and Part 220 Appendix B (1)].

COMPANIES REMOVED AND PRODUCTS REMOVED

Eastside Beverage Company and its line of Sparkling Spring Water Fruit Beverages including Orange Passion Fruit Refresher, Red Raspberry Refresher, Strawberry Kiwi Refresher, Wild Blackberry Refresher, and Pink Grapefruit Refresher have been removed. Volunteer Marketing Inc. and its line of FIZZ Sparkling Fruit Juice Beverages including FIZZ Island Blast, FIZZ Black Cherry, FIZZ Concord Grape, and FIZZ Tangerine Dream have also been removed from the list of products exempted from the “soda water” category of “foods of minimal nutritional value” [7 CFR Part 210 Appendix B (a)(1) and Part 220 Appendix B (1)].

The exemption of the products listed above means that they are no longer considered foods of minimal nutritional value and can therefore be sold in competition to the reimbursable meal during the meal period in a school food service area. **The exemption of these products does not mean that these products are approved or endorsed by the Food and Nutrition Service. Nor does an exemption indicate that these products have significant nutritional value.** An exemption from this list is **not an approval** for these exempted products to be used in the National School Lunch Program (NSLP). In addition, the exemptions should not be perceived as guidance or encouragement to State agencies and school food authorities concerning their possible purchase.

Exempted products do not fit the typical and customary function of meal components and should not be served as part of the reimbursable meal. Please be aware that marketing materials for products included on this list may provide information regarding fruit servings or serving sizes. This information is not applicable to the reimbursable meal. Products on this attached list cannot be used to satisfy any component of the reimbursable meal. Should you receive information regarding fruit servings or serving sizes, please disregard this information. Products on the attached list are to be sold in the a la carte section of the cafeteria and not the reimbursable meal line.

Please be aware that we continually remind companies that have products on this exemption list that the only marketing language permitted for these products for both print and electronic product literature is as follows: “Exempt from the “jellies and gums” section of the Certain Candies category of “Foods of Minimal Nutritional Value” or “Exempt from the “soda water” category of “Foods of Minimal Nutritional Value”. USDA symbols or logos are intended for the official use of the USDA only and must not be used for product marketing materials or websites. The USDA symbol or logo may not be used by anyone outside of USDA without permission. Modified logos that have the appearance of an

Regional Directors
State Directors
Page 4

endorsement made by USDA are also not permitted. Logos are expressly excluded from use to imply endorsement of a commercial product or service.

It is important to note that some of these products are manufactured outside of the United States. The exemption of these products does not exclude them from the Buy American Provision. When school foodservice funds are used to acquire foods, schools and institutions must ensure that the items procured are in compliance with the Buy American regulatory provision. Procurement requirements defined by 7 CFR Part 210.21 (d) indicate that schools and institutions participating in the National School Lunch Program located in the contiguous United States are required by law to use school food service funds, to the maximum extent practicable, to buy domestic commodities or products for meals served under this program. A domestic commodity or product is defined as an agricultural commodity that is produced in the United States and a food product that is processed in the United States substantially using agricultural commodities that are produced in the United States.

As always, please be aware that several companies with exempted foods produce similar products that are not exempted and are therefore still considered foods of minimal nutritional value. **The exemption of one product does not mean that similar products or a family of products are exempted unless specifically stated in an exemption letter and/or included on the exemption list.**

The ingredient statement of each exempted food is included in the attached exemption list. This should allow schools to differentiate between exempted products and similar non-exempted products.

If there are any questions about the exemption list or the new additions made to the list, please contact my staff at (703) 305-2609.

Sincerely,

Original Signed

Cynthia Long
Director
Child Nutrition Division

Attachment



United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive
Alexandria, VA
22302-1500

DATE: November 12, 2010

MEMO CODE: SP 09-2011; TA 02-2011

SUBJECT: Clarification of Competitive Foods and Foods of Minimal Nutritional Value

TO: Regional Directors
Child Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

This memo is in response to several questions that the Department of Agriculture (USDA) Food and Nutrition Service (FNS) has received from Regions, States, program operators and industry regarding the definitions of “competitive foods” and “foods of minimal nutritional value.”

A “competitive food” is defined by 7 CFR 210.11 and 220.12 as any food item that is sold in competition to the reimbursable school meal. A “food of minimal nutritional value” is a food that fits into specific categories defined in the Competitive Food Services regulation also known as “foods of minimal nutritional value.” This regulation, 7 CFR Parts 210.11, and 220.12, along with Appendix B to Parts 210 and 220, requires that “State agencies and school food authorities prohibit the sale of foods of minimal nutritional value in food service areas during meal periods.” The term “food service areas” is anywhere school meals are being served or consumed, including classrooms and multipurpose rooms that double as cafeterias during meal periods.

The categories of “foods of minimal nutritional value” listed in this regulation include: 1) Soda Water 2) Water Ices 3) Chewing Gum and 4) Certain Candies – (i) Hard Candy, (ii) Jellies and Gums, (iii) Marshmallow Candies, (iv) Fondant, (v) Licorice, (vi) Spun Candy, and (vii) Candy Coated Popcorn. Foods in these categories are foods of minimal nutritional value unless the specific food item has been exempted from the category by the FNS national office.

If a food that is classified into one of these categories receives an FNS exemption, then this food is considered a “competitive food.” This means that the exempted food can then be sold in competition to the school meal as an *a la carte* item. It is important to emphasize that “foods of minimal nutritional value” that have received an exemption can only serve the function of an *a la carte* item to be sold in competition to the school meal.

Regional Directors
State Directors
Page 2

If a food item from any one of the four categories of “foods of minimal nutritional value” does not have an exemption, then the product **cannot** be sold in food service areas during meal periods. For example, **all** carbonated and aerated beverages are categorized as “Soda Water.” Therefore, all beverages that bubble and fizz are foods of minimal nutritional value that **cannot** be sold in food service areas during meal periods. However, if the carbonated or aerated beverage manufacturer has received a letter from FNS exempting the beverage from the “Soda Water” category of “foods of minimal nutritional value,” then the beverage can be sold *a la carte* as a competitive food. Please refer to [TA 06-2008](#), issued on September 15, 2008, for technical assistance regarding carbonated and aerated beverages.

The list of products included in the *Exemptions Under the Competitive Food Services Regulation* **does not constitute an approval or endorsement by USDA**. Exempted products do not fit the typical and customary function of a healthy meal component and **shall not** be served as part of the reimbursable meal. Foods served as part of the reimbursable meal shall be wholesome and easily recognized by children as part of a food group that contributes to a healthy diet.

Please refer to memo code: [TA 01-2011](#) issued, on October 22, 2010, for more information regarding “foods of minimal nutritional value” or the current list of exempted products from the Competitive Food Services regulation and Appendix B to Parts 210 and 220 (foods of minimal nutritional value).

State and local wellness policies and/or laws may further restrict these Competitive Food Services regulations provided they do not permit foods that are otherwise prohibited by the FNS policy.

State agencies should contact the regional office with any questions about this information, the exemption list, or if you need assistance in determining the category of a specific food.

Sincerely,

Original Signed

Cynthia Long
Director
Child Nutrition Division



United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive

Alexandria, VA
22302-1500

Date: September 15, 2008

Memo Code: TA 06-2008

Subject: Aerated Beverages Categorized as "Soda Water" from the Competitive Food Services Regulation

To: Regional and State Directors
Special Nutrition Programs
All Regions

Please be informed that the Food and Nutrition Service (FNS) has recently determined that all beverages labeled as, "aerated" or that bubble and fizz for several minutes after opening are to be categorized as, "Soda Water" defined by the Competitive Food Services regulation 7 CFR Part 210.11 and Appendix B of this part.

Despite the fact that the definition for soda water found in Appendix B (a) (1) only uses carbon dioxide as the measure, FNS does not differentiate between aerated water and soda water. These two types of products are viewed and served the same way, and FNS does not believe that children can separate the two products. Perception is very important when making foods available to school-age children. The child only sees a "soda" and will not understand the difference between an aerated or carbonated one. FNS considers aerated beverages to be foods of minimal nutritional value, and as such, they may not be served in the food service area during the meal periods of both the National School Lunch and School Breakfast Programs.

If you have any questions related to this determination, please contact your Regional office.

Sincerely,

CYNTHIA LONG
Director
Child Nutrition Division



DATE: January 16, 2001

SUBJECT: National School Lunch Program/School Breakfast Program:
Foods of Minimal Nutritional Value

TO: Regional Directors
Special Nutrition Programs
All Regions

Healthy People 2010, a set of health goals and objectives developed under the direction of the Secretary of Health and Human Services, include overweight and obesity as one of the 10 leading health indicators due to the alarming rise over the past four decades in the number of overweight children, adolescents and adults. As part of an effort to counteract the rising prevalence of overweight and obesity and improve the quality of students' dietary intake, Healthy People 2010 Objective 19.15 was developed to focus specifically on the school nutrition environment. It charges us to "increase the proportion of children and adolescents, ages 6 to 19 years, whose intake of meals and snacks at school contributes proportionally to good overall dietary quality."

In the last five years, we have established new nutrition standards for school meals as part of the Healthy Meals for Healthy Americans Act of 1994, which requires consistency with the Dietary Guidelines for Americans (DGA). Significant progress has been made toward meeting the new nutrition standards. However, there are still issues that need our attention. For example, the 1994-1996 data from the Continuing Survey of Food Intakes by Individuals reveal that the vast majority of children fail to meet the dietary recommendations for daily intake of saturated fat, total fat, fiber and sodium and fail to consume the recommended milk group servings. The data also show that on a given day teenagers drink more soda and fruit drinks than milk with males being particularly heavy consumers averaging more than three servings of soda and fruit drinks a day.

To help achieve the goals of the DGA 2000 and Healthy People 2010, we have launched efforts to foster healthy school nutrition environments that support proper nutrition and the development of healthful eating habits. This memorandum will serve as a tool to support efforts to improve the school nutrition environment by reemphasizing the requirements prohibiting serving foods of minimal nutritional value (FMNV – see Appendix B to 7 CFR Parts 210 and 220) in the food service area during meal periods. This memorandum replaces earlier memoranda on this subject which were dated December 3, 1990, June 12, 1992, and July 25, 1996.

Why are FMNV prohibited in the School Meals Programs?

Section 10(a) of the Child Nutrition Act of 1966 (42 U.S.C 1799(a)) directs USDA to regulate the service of foods made available in competition with reimbursable meals served under the National School Lunch Program (NSLP) and School Breakfast Program (SBP). Further, Section 9(f) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(f)) requires lunches and breakfasts served under the NSLP and SBP to be consistent with the goals of the DGA. The goals in the recently released DGA 2000 include several recommendations on sensible food choices including the choice of a diet that is low in saturated fat and cholesterol and moderate in total fat, the choice of beverages and foods to moderate intake of sugars, and the choice of prepared foods with less salt. In addition, Section 9(f) requires that lunches provide one-third and breakfasts provide one-fourth of the Recommended Dietary Allowances for key nutrients. One means of supporting these statutory nutrition requirements is the limitation placed on the availability of FMNV.

The regulations implementing the statutory requirement on FMNV are found in Section 210.11 of the NSLP regulations and Section 220.12 of the SBP regulations, while the nutrition standards are provided in Section 210.10 of the NSLP regulations and Section 220.8 of the SBP regulations. Under the regulations on FMNV, State agencies and school food authorities (SFA) must establish rules and regulations as are necessary to control the sale of FMNV, including beverages, in competition with reimbursable school meals. At a minimum, these rules and regulations must prohibit the sale of FMNV in the food service areas during the meal periods. Additionally, State agencies and SFAs may impose other restrictions on all foods sold at anytime throughout their schools.

In order to further the nutrition goals set forth by statute and regulations, food service areas must not provide access to FMNV during student meal periods. Introducing access to FMNV violates both the statute and regulations as well as the commitment to nutrition in authorizing legislation.

How do State agencies assess compliance with the rules pertaining to FMNV?

State agencies must aggressively enforce the prohibitions on FMNV. There are three elements that State agencies must assess in order to determine if a SFA is complying with the requirements for FMNV. These are: the food service area/meal period, access to FMNV, and the use of funds in the nonprofit school food service account.

1. Food service area/meal period

The first element to assess is whether the SFA is properly designating the food service area for the purposes of restricting the service of FMNV. As stated in a

memorandum dated December 3, 1990, the term “food service area” refers to any area on school premises where program meals are both served and eaten as well as any areas in which program meals are either served or eaten. “Eating areas” that are completely separate from the “serving lines” are clearly part of the food service area. Furthermore, schools may not design their food service area in such a way as to encourage or facilitate the choice or purchase of FMNV as a ready substitute for, or addition to, program meals.

Similarly, “during meal periods” includes both the time of serving and the time the student spends eating the meal.

2. Access to FMNV

The second element to assess is access to FMNV. This assessment is two-fold. First, it is not permissible for a school to serve FMNV during a meal service period[s] in the area[s] where reimbursable meals are served and/or eaten. For example, if students are permitted to choose a FMNV (e.g., a carbonated beverage) with a reimbursable meal, that FMNV is, in effect, being served in competition with the reimbursable meal. Therefore, this practice is prohibited since it introduces access to FMNV in the food service area during the meal service period.

Secondly, the State agency is required by regulations to assure that the meal is priced as a unit. As part of the agreements between the State agency and SFAs (see Sections 210.9(b)(6) and 220.7(e)(3)), the SFA agrees to price the reimbursable lunch or breakfast as a unit. Any FMNV provided with a reimbursable meal “at no additional charge” is in fact being “sold” as part of the unit if the FMNV is only available when a reimbursable meal is taken. As such, this violates the prohibition against selling FMNV in the food service area during meal periods. Further, such arrangements violate the unit price provision in the agreement.

3. Use of funds in the nonprofit school food service account (SFSA)

The third element the State agency must assess is how the funds in the SFSA are being used. Costs charged to the nonprofit SFSA must be both necessary and reasonable. The costs of FMNV purchased for service in the food service area during meal periods are neither necessary nor reasonable, so they are not allowable costs. In some circumstances, the cost of minor quantities of FMNV used to decorate or enhance a food or menu item is allowable. Any other costs of FMNV for service in the food service area during meal periods must be disallowed.

If SFSA funds are used to purchase FMNV for sale outside a meal period[s] or outside a food service area[s] during meal periods, such purchases must be self-sustaining. This means that funds must be deposited in the SFSA in an amount

sufficient to cover all direct and indirect costs relating to the purchase and service of FMNV with SFSA funds. Records documenting the recovery of these costs must be maintained and available for review.

What should a State agency do if it discovers a violation of the rules pertaining to FMNV?

For violations of the food service area/meal period and access requirements:

Although program regulations do not require fiscal action, USDA strongly encourages State agencies to exercise the authority provided in Sections 210.11 and 220.12 and disallow all meals served by a school on any day that a violation of the regulations is observed and to be diligent in monitoring compliance with corrective action plans.

For violations of use of the SFSA:

When a State agency determines that a SFA has improperly used its SFSA for the purchase and service of FMNV, the State agency must require both corrective action and restoration to the SFSA of any SFSA funds used improperly to purchase and serve FMNV.

Please make certain that State agencies receive this important clarification of the competitive food requirement. Additionally, we are asking that you are proactive in providing technical assistance to State agencies to make any needed changes in current monitoring procedures, and that you monitor State agencies' compliance with established procedures.

/s/

Stanley C. Garnett
Director
Child Nutrition Division



40 Years: 1969-2009



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School Meals

Foods of Minimal Nutritional Value

The following is taken from Appendix B of 7 CFR Part 210.

Appendix E to Part 210--Categories of Foods of Minimal Nutritional Value

(a) Foods of minimal nutritional value--Foods of minimal nutritional value are:

(1) Soda Water--A class of beverages made by absorbing carbon dioxide in potable water. The amount of carbon dioxide used is not less than that which will be absorbed by the beverage at a pressure of one atmosphere and at a temperature of 60 deg. F. It either contains no alcohol or only such alcohol, not in excess of 0.5 percent by weight of the finished beverage, as is contributed by the flavoring ingredient used. No product shall be excluded from this definition because it contains artificial sweeteners or discrete nutrients added to the food such as vitamins, minerals and protein.

(2) Water Ices--As defined by 21 CFR 135.160 Food and Drug Administration Regulations except that water ices which contain fruit or fruit juices are not included in this definition.

(3) Chewing Gum--Flavored products from natural or synthetic gums and other ingredients which form an insoluble mass for chewing.

(4) Certain Candies--Processed foods made predominantly from sweeteners or artificial sweeteners with a variety of minor ingredients which characterize the following types:

(i) Hard Candy--A product made predominantly from sugar (sucrose) and corn syrup which may be flavored and colored, is characterized by a hard, brittle texture, and includes such items as sour balls, fruit balls, candy sticks, lollipops, starlight mints, after dinner mints, sugar wafers, rock candy, cinnamon candies, breath mints, jaw breakers and cough drops.

(ii) Jellies and Gums--A mixture of carbohydrates which are combined to form a stable gelatinous system of jelly-like character, and are generally flavored and colored, and include gum drops, jelly beans, jellied and fruit-flavored slices.

(iii) Marshmallow Candies--An aerated confection composed as sugar, corn syrup, invert sugar, 20 percent water and gelatin or egg white to which flavors and colors may be added.

(iv) Fondant--A product consisting of microscopic-sized sugar crystals which are separated by thin film of sugar and/or invert sugar in solution such as candy corn, soft mints.

(v) Licorice--A product made predominantly from sugar and corn syrup which is flavored with an extract made from the licorice root.

(vi) Spun Candy--A product that is made from sugar that has been boiled at high temperature and spun at a high speed in a special machine.

(vii) Candy Coated Popcorn--Popcorn which is coated with a mixture made predominantly from sugar and corn syrup.

(b) Petitioning Procedures--Reconsideration of the list of foods of minimal nutritional value identified in paragraph (a) of this section may be pursued as follows:

(1) Any person may submit a petition to FNS requesting that an individual food be exempted from a category of foods of minimal nutritional value listed in paragraph (a). In the case of artificially sweetened foods, the petition must include a statement of the percent of Reference Daily Intake (RDI) for the eight nutrients listed in Sec. 210.11(a)(2) "Foods of minimal nutritional value," that the food provides per serving and the petitioner's source of this information. In the case of all other foods, the petition must include a statement of the percent of RDI for the eight nutrients listed in Sec. 210.11(a)(2) "Foods of minimal nutritional value," that the food provides per serving and per 100 calories and the petitioner's source of this information. The Department will determine whether or not the individual food is a food of minimal nutritional value as defined in Sec. 210.11(a)(2) and will inform the petitioner in writing of such determination, and the public by notice in the Federal Register as indicated below under paragraph (b)(3) of this section. In determining whether an individual food is a food of minimal nutritional value, discrete nutrients added to the food will not be taken into account.

(2) Any person may submit a petition to FHS requesting that foods in a particular category of foods be classified as foods of minimal nutritional value as defined in Sec. 210.11(a)(2). The petition must identify and define the food category in easily understood language, list examples of the food contained in the category and include a list of ingredients which the foods in that category usually contain. If, upon review of the petition, the Department determines that the foods in that category should not be classified as foods of minimal nutritional value, the petitioners will be so notified in writing. If, upon review of the petition, the Department determines that there is a substantial likelihood that the foods in that category should be classified as foods of minimal nutritional value as defined in Sec. 210.11(a)(2), the Department shall at that time inform the petitioner. In addition, the Department shall publish a proposed rule restricting the sale of foods in that category, setting forth the reasons for this action, and soliciting public comments. On the basis of comments received within 60 days of publication of the proposed rule and other available information, the Department will determine whether the nutrient composition of the foods indicates that the category should be classified as a category of foods of minimal nutritional value. The petitioner shall be notified in writing and the public shall be notified of the Department's final determination upon publication in the Federal Register as indicated under paragraph (b)(3) of this section.

(3) By May 1 and November 1 of each year, the Department will amend appendix B to exclude those individual foods identified under paragraph (b)(1) of this section, and to include those categories of foods identified under paragraph (b)(2) of this section, provided, that there are necessary changes. The schedule for amending appendix B is as follows:

<u>Actions for publication</u>	<u>Publication</u>	
	<u>May</u>	<u>November</u>
Deadline for receipt of petitions by USDA.	Nov. 15	May 15
USDA to notify petitioners of results of Departmental review and publish proposed rule (if applicable).	Feb. 1	Aug. 1
60 Day comment period	Feb. 1 through Apr. 1	Aug. 1 through Oct. 1
Public notice of amendment of appendix B by	May 1	Nov. 1

(4) Written petitions should be sent to the Chief, Technical Assistance Branch, Nutrition and Technical Services Division, FHS, USDA, Alexandria, Virginia 22302, on or before November 15 or May 15 of each year. Petitions must include all information specified in paragraph (b) of this appendix and Sec. 220.12(b) (1) or (2) as appropriate.

Last modified: 04/28/2009



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

MICHAEL P. FLANAGAN
SUPERINTENDENT OF
PUBLIC INSTRUCTION

FOOD SERVICE

**ADMINISTRATIVE POLICY NO. 3
SCHOOL YEAR 2012-2013**

SUBJECT: On-Site Review for National School Lunch Program, School Breakfast Program, and Afterschool Snack Program

DATE: August 1, 2012

On-site reviews are a self-monitoring tool for School Food Authorities (SFAs) to ensure their programs are in compliance with National School Lunch Program (NSLP), School Breakfast Program (SBP), and Afterschool Snack Program regulations.

NSLP regulations 7 CFR 210.8(a)(1) require that an SFA with more than one building, including Residential Child Care Institutions (RCCIs) with day programs, must conduct an annual on-site review in each building before February 1. Each Afterschool Snack Program must be reviewed by the SFA two times per year (7 CFR 210.9(c)(7)). The first review must be during the first four weeks that the snack program is in operation. The second review must be conducted during the second half of the school year.

NSLP and SBP On-Site Review must assess:

- *Application Approval/Direct Certification/Master Roster* – Local Educational Agencies (LEAs) must review all free, reduced price, and denied applications to ensure they have been accurately certified and students are receiving the correct benefits in compliance with the *Eligibility Manual for School Meals*.
- *Meal Count Systems* – Monthly claims for reimbursement must be supported by an accurate counting system for free, reduced price, and paid meals in each building. Systems that are not allowable include tray counts, attendance counts, and “back out” counts (i.e., dividing cash box total by lunch price to arrive at paid count, and subtracting that number from daily total of meals served to arrive at the free count). Overt identification of students is not permitted. An actual count of meals served at the point of service is acceptable.
- *Edit Checks* – Daily count of free, reduced price, and paid meals for each school are checked against: (1) the number of children in school currently eligible for free, reduced price, and paid meals, and (2) the number of attendance adjusted eligibles.

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The annual on-site review must include a review of the claim forms for one month.
The claims for the review month must be checked for the following:

- ▶ Meals claimed by category (free, reduced price, and paid) that exceed the number of approved free, reduced price, and paid eligible students.
 - ▶ Any day during the review month that the number of meals claimed by category (free, reduced price, and paid) exceeds the number of attendance adjusted eligible.
 - ▶ Evaluation, explanation, and documentation of any days during the review period that exceed attendance adjusted eligible or total number of eligible students (free, reduced price, and paid).
 - ▶ A record of accurately totaled daily meal counts.
 - ▶ Internal controls are established for monitoring and edit checks that ensure claims for reimbursement are based on accurate daily meal count consolidation for all schools.
- *Meal Planning/Food Production* – Menus and meals served must be checked at each site for availability of all meal components, offer versus serve, and required portion sizes. For more information, *A Menu Planner for Healthy School Meals* (USDA, Food and Nutrition Service – FNS#303-1998) can be viewed at the following website:
<http://www.fns.usda.gov/cnd/menu/menu.planning.NSLP.htm>.

Afterschool Snack Program On-Site Reviews must assess:

- *Area Eligibility Meal Count System* – A site is “area eligible” if it is located at a school or in the attendance area of a school where at least 50% of enrolled children are eligible for free or reduced price meals. The site must record and report total number of snacks served each day.
- *Non-Area Eligibility Meal Count System* - Monthly claim for reimbursement must be supported by an accurate counting system that provides an accurate count of free, reduced price, and paid snacks.
- *General Operations* - Eligible programs must include education or enrichment activities in organized, structured, and supervised environments. Program must operate at the end of the normal school day.
- *Meal Patterns/Food Production* - Menus and meals served must be checked at each site for availability of all meal components and required portion sizes.

Review findings discovered on either NSLP/SBP On-Site Review or Afterschool Snack Program On-Site Review must be discussed with the person overseeing meal service at the school building. A corrective action plan must be developed and implemented for the school building by the SFA.

In any building with a corrective action plan, a follow-up review must be conducted within 45 calendar days of initial review. This follow-up review must be conducted and documented by the SFA and identify that the finding(s) has/have been corrected.

Administrative Policy No. 3
Page 3
August 1, 2012

All On-Site Review forms must be maintained by the SFA. Forms will be reviewed during an Administrative Review. NSLP regulations require all records be retained for three years plus current year or until a pending audit is closed.

Food Service Management Company (FSMC) personnel *may not* perform on-site reviews. Only employees of the SFA may perform on-site reviews.

Questions regarding this memo should be directed to the School Nutrition Programs Unit by e-mail to MDE-SchoolNutrition@michigan.gov or phone 517-373-3347.

NATIONAL SCHOOL LUNCH PROGRAM/SCHOOL BREAKFAST PROGRAM ON-SITE REVIEW

<i>School Name</i>	<i>Agreement #</i>
<i>School Food Authority & Title</i>	<i>Review Date</i>

One review per building MUST be completed by FEBRUARY 1.

Application Approval/Direct Certification/Master Roster	Yes	No	N/A
1. Are all free and reduced price applications on file correctly approved or denied?			
2. Is correct direct certification documentation maintained?			
3. Do names listed on Master Roster match approved applications on file and names on direct certification list?			

Meal Count Systems			
4. Is the method used for counting reimbursable meals in compliance with the approved Point of Service requirement? (Meal counts <i>must</i> be taken at the location where complete meals are served to children.)			
5. Is the Point of Service meal count used to determine the school's claim for reimbursement?			
6. Is the person responsible for monitoring meals correctly identifying reimbursable meals for the menu planning option selected by the SFA?			
7. Are only meals that meet meal pattern requirements counted and claimed for reimbursement?			
8. Does the meal count system prevent overt identification?			
9. Does the school have a backup counting system in case of mechanical failure of an automated system?			
10. Is the school correctly implementing policies for handling the following (as applicable):			
a. A la carte?			
b. Adult and non-student meals (and identifying program vs. non-program)?			
c. Charged and/or prepaid meals?			
d. Field trips?			
e. Incomplete meals?			
f. Lost, stolen, misused, forgotten or destroyed tickets, tokens, IDs, PINs?			
g. Offer vs. Serve?			
h. Second meals?			
i. Student worker meals?			
j. Visiting student meals?			
11. Is there a method of identifying non-reimbursable meals (i.e., not meeting meal pattern requirements, seconds, adult meals, etc.), distinguishing them from reimbursable meals?			

ON-SITE REVIEW (cont.)

Edit Checks	Yes	No	N/A
12. For any day during review month, does number of meals claimed by category (free, reduced price, and paid) exceed number of approved free, reduced price, and paid eligible students?			
13. For any day during review month, does number of meals claimed by category (free, reduced price, and paid) exceed number of attendance adjusted eligibles?			
14. If number of meals claimed by category (free, reduced price, and paid) any day during review period exceeds attendance adjusted eligibles or total number of eligible students, is it evaluated and documented?			
15. Are daily counts correctly totaled and recorded?			
16. Are the claims for all schools consolidated and are internal controls (edits, monitoring, etc.) established to ensure that daily counts do not exceed the number of students eligible or in attendance and that an accurate claim for reimbursement is made? Record today's meal counts by category and compare to the number of students eligible by category.			

Meal Planning/Food Production

17. Does the menu for the review month meet meal planning system requirements?			
18. Does the menu on the day of review meet meal planning system requirements?			
19. Are production records completed daily for all school meals programs, including breakfast, lunch, and afterschool snack?			
20. Do production records document that enough food is prepared to meet the requirements for reimbursable meals for number of meals claimed?			

Review Results

<p>21. If a Corrective Action Plan is required, what is the Corrective Action Plan Due Date?</p> <p><i>Required Corrective Action Plan as discussed with school representative:</i></p> 	
<p>22. If a Follow Up Review is required, what is the Follow Up Due Date? _____ <i>(within 45 days of original review)</i></p>	
<p><i>Comments, Notes, and Observations:</i></p> 	
X	X

SFA Reviewer Signature and Title

School Site Representative Signature and Title

AFTERSCHOOL SNACK PROGRAM ON-SITE REVIEW

School Name	Agreement #
School Food Authority & Title	Review Date

One review per building MUST be completed TWO TIMES per school year.

Area Eligible Meal Count System	Yes	No	N/A
1. Is the site area eligible?			
2. Are children receiving snacks at no charge?			
3. Are snacks served to children being counted and claimed as free?			
4. Are snacks served to children being counted at Point of Service?			

Non-Area Eligible Meal Count System	Yes	No	N/A
5. Is the site non-area eligible?			
6. Does the meal count system produce an accurate count of reimbursable snacks by category (free, reduced price, and paid) served to eligible children at Point of Service?			
7. Are snacks that meet meal pattern requirements counted and claimed for reimbursement?			
8. Does meal count system prevent overt identification?			

General Operations	Yes	No	N/A
9. Time(s) of operation for the snack program: _____ p.m.			
10. Is the program operated after the end of the normal school day?			
11. Is there a sign-in sheet or roster of students who participate in the Afterschool Snack Program?			
12. Does program provide care for children?			
13. Is there an educational and/or enrichment element in program?			
14. Are care and activities supervised?			

Meal Pattern/Food Production	Yes	No	N/A
15. Does menu for review month meet snack meal pattern requirements?			
16. Does menu on day of review meet snack meal pattern requirements?			
17. Are production records completed daily for Afterschool Snack Program?			
18. Do production records document that enough food is prepared to meet the requirements for reimbursable snacks for the number of snacks claimed?			

Review Results
19. If a Corrective Action Plan is required, what is the Corrective Action Plan Due Date? _____ <i>Required Corrective Action Plan as discussed with school representative:</i>

20. If a Follow Up Review is required, what is the Follow Up Review Due Date? <i>(within 45 days of original review)</i> _____

<i>Comments, Notes, and Observations:</i>

X	X
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SFA Reviewer Signature and Title

School Site Representative Signature & Title

Michigan Department of Education
School Nutrition Programs

SCHOOL POLICY GUIDELINES FOR REPLACING AND DENYING MEALS

LOST/STOLEN/MISUSED TICKETS (1, 2):

USDA's National School Lunch Program (NSLP) encourages schools to develop a policy to handle the situation when a student has a lost, stolen, or misused meal ticket. The term "ticket" is generic for any medium of exchange, including debit card systems, used to obtain a meal. When a student is without a ticket, the school may establish its own ticket replacement procedure. If the policy limits the number of tickets reissued, it must conform to the following standards:

1. The school policy must be in writing and issued as a letter to the home or as part of the student handbook.
2. A minimum of three (3) ticket replacements must be allowed for each student per year.
3. The school must keep a list of students who report lost/stolen/misused tickets.
4. The list should be consulted each time a student reports lost/stolen/misused tickets.
5. A written warning must be given at least once before the ticket replacement is denied.
 - a. It must include an explanation that the student has requested a ticket replacement due to lost/stolen/misused ticket.
 - b. It must include the number of ticket replacements issued to the student to date.
 - c. A written warning must state that the next time the student does not have a ticket he/she will either be denied a meal or will be served an alternate meal.
6. The policy must apply equally to free, reduced and full paid students.
7. Schools must always provide meals to students in grades K-2 or to students with disabilities that may make them unable to take full responsibility for their ticket.

ALTERNATE MEALS (3):

1. Schools may offer alternate meals to students who have used their three ticket replacements. There are two (2) approaches to offering alternate meals:

- a. Schools may offer an alternate meal that is not eligible for reimbursement, for example, a cheese sandwich and milk.
 - b. Schools may offer an alternate meal that is eligible for reimbursement, where the meal meets the meal pattern requirements, for example, a cheese sandwich, apple, carrot sticks, and milk.
2. The school policy can limit the number of alternate meals a student receives.

CHARGING MEALS (3,4):

1. NSLP does not regulate meals that students charge at school.
2. If a student has a charge balance, the school must provide a meal when the student is using money to pay for the current day's meal or future meals.
3. It is permissible for schools to serve only one (1) particular set of food items to children whose parents owe the school money, as long as the food items comprise a reimbursable meal.
4. If a student repeatedly comes to school with no lunch and no money, report this to the building administrator. It could be a sign of abuse or neglect.

DENYING MEALS (3,5):

1. NSLP Regulations prohibit schools from denying meals as a form of disciplinary action against free, reduced or paid students.
2. Schools may deny a meal to a student who pays reduced or full price and who does not provide the required payment for that meal.
3. If a student is in a discipline/detention situation during the lunch period, schools may serve meals that are different from the one being served in the lunchroom and in a different location as long as the meal pattern is followed and a reimbursable meal is offered.

REFERENCES

1. MDE Administrative Policy Memo #3, SY 1988-89
2. USDA FNS Instruction 765-7, Rev. 1
3. USDA MWRO FY 97 Policy Memo #5
4. USDA MWRO SMP Call Minutes 6/25/01
5. USDA FNS Instruction 791-1

Michigan Department of Education
School Nutrition Programs

COMPLIANCE GUIDANCE FOR STUDENT AND PARENT INPUT

The National School Lunch Program regulation requires that each School Food Authority obtain student and parent input on a yearly basis and keep it on file. There are many different approaches that a district can use to obtain the input.

Remember, a documented method of student and parent input must be obtained at least **once a year** and should involve representation from each level building (Elementary, Middle, High, etc.) Please keep these records on file and be prepared to show the documentation of any of these methods upon request.

Additional approaches for obtaining input:

I. Suggestions for student involvement

- Student food service advisory committee
- Lunch survey for students
- Food preference surveys
- Taste testing parties
- Youth advisory council
- Classroom kitchen tours
- Nutrition education programs
- Student menu planning
- Student poster contest
- Suggestion boxes or card files
- Student assistance in writing news articles on nutrition and/or lunch for publication

II. Suggestions for Parent Involvement

- Parent advisory committee
- Parent participation day
- Questionnaires designed for parental input
- Parent/teacher group meetings designed specifically for the lunch program analysis
- Grandparent visitation day
- Comment cards for visitors
- Set up display for parent/teacher night

III. Suggestions for Obtaining Student/Parent Input at the Same Time

- Student/parent lunch advisory committee
- Comment cards for parents and students on parent lunch day
- Involving parents to assist or participate in any student activity (Example: taste-testing parties, menu planning, classroom activities, etc.)
- Student/parent surveys (See attachment – Examples of elementary, middle and high school surveys; parent surveys)

Food Service Survey

(Name of School District)

Dear Parents and Students:

To help us serve you better, please answer the following questions and return this form to your building food service staff or mail to the School Food Service Office at **(mailing address)**.

How many students do you have in this district? _____

Which building are they in? Elementary School _____

Middle School _____

High School _____

What is the average number of school lunches each child eats weekly?

Elementary _____ Middle _____ High School _____

What is usually thrown away? _____

Reason: Don't like it _____ Don't have time to eat it _____

Other _____

What are the favorite lunch items? _____

What is the least liked school meal? _____

What different foods would you like to see on the school menu? _____

Other changes/suggestions that you have for the Food Service Department are:

Thank you for your continued support.

(Signed)

Dear Parents:

We need your help and suggestions on how to give provide your children the best possible lunch program in your school district. We want to serve your children good meals that they enjoy, at the lowest possible prices. We also want to help you make sure that your children eat a good lunch every day at school.

You can help us offer the kind of lunch program you want by answering the attached questions. Your answers to these questions will help us make the lunch program more useful to you and your children. All your answers will be confidential.

Please take a few minutes with your child(ren) to answer these questions. Please have your child(ren) give completed questionnaire to _____.

When we get all of the questionnaires returned, we will put them together in a report. We will send you the results of the survey on the back of a future menu or in our school newsletter. If you would like to talk about these questions or the lunch program, please call me at _____. I would also like to invite you to join your child(ren) at school for lunch. The price of an adult meal is _____.

Thank you for your help.

Sincerely,

Name: _____

Date: _____

Please place an "X" by your answer or answers.

1. How often do you eat the school lunch? _____ never _____ sometimes _____ always

2. If never, why? _____ food does not taste good _____ food does not look good
_____ too expensive _____ don't like menu choices
_____ my friends don't eat there _____ don't like cafeteria
_____ lines too long _____ I have no choice

3. If always, why? _____ food tastes good _____ food looks good
_____ good value _____ like menu choices
_____ have no choice _____ my friends eat there

4. What do you prefer for lunch? _____ hot dinner type lunch _____ soup & sandwiches
_____ fast food type lunch _____ box or bag lunch
_____ salad bar _____ yogurt
_____ snack items _____ other

5. List five (5) of your favorite foods that are served for school lunch.

_____	_____
_____	_____

6. List five foods that you would like to see served for school lunch.

_____	_____
_____	_____

Implementation Plan: Healthy, Hunger-Free Kids Act of 2010

Reg #	Provisions/Sections of Law	Statutory Deadlines for Actions	Actions and Estimated Timeframes
Child Nutrition Programs			
1	Dietary Guidelines for School Meals (sec 201, 202) <ul style="list-style-type: none"> • Includes fluid milk provision from sec 202 	The law requires USDA to issue a proposed rule within 18 months of enactment, and an implementing rule within 18 months of issuance of the proposal.	<ul style="list-style-type: none"> • Proposed Rule published (January 2011, 90-day comment period ends April 2011) • Status Report to Congress (March 2011 + quarterly) • Proposed Rule comment analysis (Spring 2011) • Interim or Final Rule published (Winter 2012)
2	Competitive Foods (sec 208, 203) <ul style="list-style-type: none"> • Includes water provision from sec 203 	The law requires USDA to issue a proposed rule on competitive foods within 1 year of enactment (by 12/13/11), and has restrictions on when the implementing rule can take effect to give schools sufficient lead time.	<ul style="list-style-type: none"> • Status Report to Congress (March 2011 + quarterly) • Notice - Request for Information (Spring 2011) • Proposed Rule published (December 2011) • Final Rule published (Summer 2013)
3	Compliance/Certification for New School Meal Patterns (sec 201, 207) <ul style="list-style-type: none"> • Certification for 6 cent performance based reimbursement rate increase (sec 201) • State agency monitoring (sec 207) 	The reimbursement rate increase is effective the later of: 10/1/12 or publication of the implementing regulations for school meals. (Procedures for certification	<ul style="list-style-type: none"> • Proposed Rule published (Spring 2012) • Implementation Memo on State certification of schools (Spring 2012) • Funding allocation memo for State agencies (Spring 2012)

February 18, 2011

Note: Winter=January-March; Spring=April-June; Summer=July-September; Fall=October-December

Implementation Plan: Healthy, Hunger-Free Kids Act of 2010

Reg #	Provisions/Sections of Law	Statutory Deadlines for Actions	Actions and Estimated Timeframes
		<p>must be in place when reimbursement becomes available.)</p> <p>Funding for State agency implementations is available for two years beginning the fiscal year of publication of the implementing regulations for school meals.</p>	<ul style="list-style-type: none"> • Interim or Final Rule published (Spring 2013)
4	<p>School Food Service Account Revenue</p> <ul style="list-style-type: none"> • Paid Meal Pricing (sec 205) • Revenue from a la carte Foods (sec 206) 	<p>Effective School Year beginning 7/1/11.</p>	<ul style="list-style-type: none"> • Nondiscretionary Interim Rule (Spring 2011) • Monitor impact on participation (ongoing)
5	<p>Direct Certification Continuous Improvement Plans and State Bonuses (sec 101)</p>	<p>Requirement for plans is based on direct certification results from SY 2011/2012, which is reported to FNS in April 2012.</p> <p>State bonus payments (\$4 million total per year) are available for performance in SY's beginning July 2011, 2012 and 2013.</p>	<ul style="list-style-type: none"> • Implementation Memo with criteria for State bonuses and use of funds (Spring 2011) • Implementation Memo on threshold requirements and continuous improvement plans (Spring 2011) • Proposed Rule published (Fall 2011) • Issue bonus awards to States (no later than September 2012, 2013 and 2014)

February 18, 2011

Note: Winter=January-March; Spring=April-June; Summer=July-September; Fall=October-December

Implementation Plan: Healthy, Hunger-Free Kids Act of 2010

Reg #	Provisions/Sections of Law	Statutory Deadlines for Actions	Actions and Estimated Timeframes
6	CACFP Meal Patterns (sec 221)	The law requires USDA to publish a proposed rule within 18 months of meal pattern review.	<ul style="list-style-type: none"> • Identify and notify States that do not meet required threshold (Fall 2012 + annually) • Approve State plans (Fall 2012 + annually) • Final Rule published (Winter 2013) • Review IOM Report on CACFP Meal Patterns (published 11/4/10) • Proposed Rule published (no later than June 2012) • Final Rule published (Fall 2013)
7	Community Eligibility ("Provision 4") (sec 104(a))	Effective in 3 selected States beginning 7/1/11; in 3 additional States 7/1/12; in 4 additional States 7/1/13; nationwide beginning 7/1/14. The law requires USDA to issue "guidance to implement" this provision by 3/13/11, and to promulgate "regulations that establish procedures" by 12/31/13.	<ul style="list-style-type: none"> • Issue guidance/Request for Applications (3/13/11 + annually through 2013) • Notify selected States for 1st year of phase-in (Spring 2011 + annually through 2014) • Proposed Rule published (Spring 2012) • Interim or Final Rule published (no later than December 2013)

February 18, 2011

Note: Winter=January-March; Spring=April-June; Summer=July-September; Fall=October-December

Implementation Plan: Healthy, Hunger-Free Kids Act of 2010

Reg #	Provisions/Sections of Law	Statutory Deadlines for Actions	Actions and Estimated Timeframes
N/A	Direct Certification with Medicaid (sec 103)	Beginning July 2012, directs the Secretary to conduct a demonstration project to test the potential for direct certification with Medicaid in selected LEAs. (Multi-year phase in provided).	<ul style="list-style-type: none"> • No regulation needed • Release Request for Applications for Demonstration Project (Spring 2011) • Select LEAs for 2012 demo (Fall 2011)
SNAP			
1	SNAP Ed Provision (sec 241)	October 1, 2010	<ul style="list-style-type: none"> • Implementation Memo (issued January 2011) • Federal Register publication describing requirements to receive a grant under this provision (January 2012)
Other Child Nutrition Provisions			
8	Miscellaneous Nondiscretionary Provisions <ul style="list-style-type: none"> • Categorical Eligibility Foster Children (sec 102) • SFSP Eligibility Rules for Nonprofits (sec 111) • Outreach to Eligible Families-SBP/SFSP (sec 112) • CACFP Area Eligibility (sec 121) • Privacy Protection (sec 301) • Applicability of food safety program (sec 302) • SFSP Permanent Agreements (sec 321) • CACFP Permanent Agreements (sec 331) 		<ul style="list-style-type: none"> • Implementation Memo for each provision (December 2010 through Spring 2011) • Issue revised SFSP Handbooks to reflect new program requirements (Completed February 2011) • Update prototype free and reduced price applications (Spring 2011) • Update School Meal Eligibility Guidance (Spring 2011)

February 18, 2011

Note: Winter= January-March; Spring= April-June; Summer= July-September; Fall= October-December

Implementation Plan: Healthy, Hunger-Free Kids Act of 2010

Reg #	Provisions/Sections of Law	Statutory Deadlines for Actions	Actions and Estimated Timeframes
9	<p>Omnibus CACFP Provisions</p> <ul style="list-style-type: none"> • Unannounced visits, sponsor/center agreements, one-time applications w/annual updates (sec 331) • State Liability for Payments (sec 332) • Transmission of Income Information (sec 333) • Sponsor Administrative Funds (sec 334) • CACFP Audit Funding (sec 335) 	<p>The CACFP Audit Funds provision becomes effective in FY 2015.</p>	<ul style="list-style-type: none"> • Notify stakeholders of change needed to computer systems due to change in SSN collection (Winter 2011) • Update food safety guidance to reflect meal service outside of the cafeteria (Summer 2011) • Final rule (Fall 2011) • Implementation Memos (December 2010 through Spring 2011) • Proposed Rule (Fall 2011) • Final Rule (Fall 2012)
10	<p>Local Wellness Policies/School Nutrition Environment</p> <ul style="list-style-type: none"> • Wellness policy requirements (sec 204) • Information for the public on the school nutrition environment (sec 209) 		<ul style="list-style-type: none"> • Implementation Memo (Spring 2011) • Develop plan with CDC and ED for technical assistance activities (Spring 2011) • Coordinate with ED on information for the public on nutrition environment (ongoing) • Proposed rule (Fall 2011)

February 18, 2011

Note: Winter=January-March; Spring=April-June; Summer=July-September; Fall=October-December

Implementation Plan: Healthy, Hunger-Free Kids Act of 2010

Reg #	Provisions/Sections of Law	Statutory Deadlines for Actions	Actions and Estimated Timeframes
11	Professional Standards for School Food Service (sec 306)		<ul style="list-style-type: none"> • Final rule (Fall 2012) • Establish action plan and form committee to recommend appropriate standards (Spring 2011) • Enter into contract for development of training modules, as defined by committee (Fall 2011) • Proposed Rule (Fall 2012) • Enter into contract for ongoing certification of local directors and personnel (2012) • Final Rule (Fall 2013)
12	Independent Review of Applications (sec 304)		<ul style="list-style-type: none"> • Implementation Memo (Winter 2012) • Proposed rule (Winter 2012) • Final rule (Winter 2013)
13	Fines and Program Disqualifications <ul style="list-style-type: none"> • Program Fines (sec 303) • SFSP Disqualification (sec 322) • Disqualification (sec 362) 		<ul style="list-style-type: none"> • Proposed Rule (Spring 2012) • Final Rule (Spring 2013)

February 18, 2011

Note: Winter= January-March; Spring= April-June; Summer= July-September; Fall= October-December

Implementation Plan: Healthy, Hunger-Free Kids Act of 2010

Reg #	Provisions/Sections of Law	Statutory Deadlines for Actions	Actions and Estimated Timeframes
14	<p>Program Evaluation (sec 305)</p> <p>Full Use of Federal Funds (sec 361)</p> <p>Direct Certification: Use of Letter Method (sec 101)</p>		<ul style="list-style-type: none"> • Implementation Memos (Winter 2011) • Final Rule (Summer 2011) • Implementation memo (issued January 2011) • Include in existing interim rule on direct certification currently in clearance (Spring 2011)
	Census Data/Socioeconomic Surveys (sec 104(b))		<ul style="list-style-type: none"> • Review Report from CN Stat and identify options for moving forward (report expected Fall 2011) • Develop and issue socioeconomic survey parameters (Fall 2011) • Select schools for socioeconomic survey option (Spring 2012)
	CACFP At-Risk Afterschool Meals (sec 122)	The law requires USDA to issue guidelines and publish a handbook within 180 days of enactment, and to update annually.	<ul style="list-style-type: none"> • Implementation Memo (issued 12/10) • Publish handbook on afterschool meals (June 2011 + annual updates)
	Review of local policies on meal charges and provision of alternate meals (sec 143)	The law requires USDA to prepare a report with recommendations, but no timeframe is specified.	<ul style="list-style-type: none"> • Analyze data from Year 1 of School Nutrition Operations Study (Fall 2011) • Convene workgroup (Winter 2012)

February 18, 2011

Note: Winter=January-March; Spring=April-June; Summer=July-September; Fall=October-December

Implementation Plan: Healthy, Hunger-Free Kids Act of 2010

Reg #	Provisions/Sections of Law	Statutory Deadlines for Actions	Actions and Estimated Timeframes
	CACFP Nutrition and Wellness -- technical assistance activities (sec 221)	The law requires USDA to provide a guidance handbook, not later than January 1, 2012, on improving meal quality and the child care wellness environment.	<ul style="list-style-type: none"> • Draft report enters clearance (Fall 2012) • Hold initial meeting with DHHS (Winter 2011) • Develop technical assistance plan (Summer 2011) • Publish handbook (January 2012)
	Interagency coordination to promote health and wellness in child care licensing (sec 222)		<ul style="list-style-type: none"> • Present issue to Healthy Kids Healthy Futures Workgroup (Winter 2011) • Meetings with Federal Partners, including DHHS Child Care Bureau + CDC to develop and implement action plan (ongoing)
	Procurement and processing of food service products and commodities (sec 242)	Within 1 year of enactment, the law requires USDA to analyze the quantity and quality of nutrition information available to schools and food products and commodities and submit a report to Congress, including recommendations to improve access to information.	<ul style="list-style-type: none"> • Collect data on availability of nutrition information through SN Operations Study (data expected Fall 2011) • Develop and issue specs (ongoing) • Report to Congress (December 2011)
	Farm to School Grants (sec 243)	Funding for grants of \$5 million per year becomes	<ul style="list-style-type: none"> • Release Request for Applications for first year of grants (Winter 2012)

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Implementation Plan: Healthy, Hunger-Free Kids Act of 2010

Reg #	Provisions/Sections of Law	Statutory Deadlines for Actions	Actions and Estimated Timeframes
		available beginning October 1, 2012.	<ul style="list-style-type: none"> • Award first-year grants (Fall 2012) (cycle repeats annually)
	Indirect Costs (sec 307)	The law requires USDA to issue guidance to school food authorities with rules on indirect costs and the nonprofit school food service account, within 180 days of enactment.	<ul style="list-style-type: none"> • Issue guidance on indirect costs (June 2011) • Award evaluation contract (Summer 2011) • Report to Congress (October 1, 2013)
	Ensuring safety of school meals (sec 308)		<ul style="list-style-type: none"> • Tasks under development
	CACFP Paperwork Reduction (sec 336)	The law requires that USDA report to Congress on CACFP administrative and paperwork burdens within 4 years of enactment.	<ul style="list-style-type: none"> • Hold initial stakeholder discussion (Spring 2011) • Convene Paperwork Reduction Meeting with State and Local representatives (Fall 2011) • Draft report to Congress enters clearance (Spring 2014)
	Food safety audits and reports by States (sec 402)		<ul style="list-style-type: none"> • Implementation Memo (Issued January 2011)
	Year Round Services for Eligible Entities (sec 405)		<ul style="list-style-type: none"> • Letter to California (Issued December 2010)

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	Equipment Assistance Technical Correction (sec 443)		<ul style="list-style-type: none"> • Implementation Memo (Issued December 2010)
Research and Evaluation Activities			
	Direct certification for children receiving Medicaid benefits (Sec. 103)	<ul style="list-style-type: none"> • Interim report to Congress by October 1, 2014 • Final report to Congress by October 1, 2015 	<ul style="list-style-type: none"> • Release Request for Proposals for Evaluation (Spring 2011) • Release Request for Applications for Demo (Spring 2011) • Select LEAs for 2012 Demo (Fall 2011) • Award Evaluation Contract (Winter 2012) • Interim report to Congress (October 2014) • Final report to Congress (October 2015)
	Eliminating individual applications through community eligibility (Sec. 104 (a))	Evaluation report must be published by December 31, 2013	<ul style="list-style-type: none"> • Release Request for Proposals for Evaluation (Spring 2011) • Award Evaluation Contract (Fall 2011) • Report enters clearance (Fall 2013)

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	<p>Childhood Hunger Research and Demonstration Projects to End Childhood Hunger (Sec. 141)</p>	<ul style="list-style-type: none"> • Report to Congress by December 13, 2011 on Indian Reservations and hunger • Report to Congress by December 31, 2013 and annually thereafter until completion of the projects 	<ul style="list-style-type: none"> • Establish workgroup with HHS, Labor, HUD (Fall 2011). • Develop and publish RFA for demonstration projects (Fall 2012) • Issue RFP for evaluation of projects (Fall 2012). • Release Request for Proposals for Research (Fall 2012) • Award demonstration projects and evaluation contract (Spring 2013) • Annual report to Congress on demo projects (starting Fall 2013) • Report enters clearance (Summer 2015)
	<p>Study on nutrition and wellness in CACFP (Sec. 223)</p>	<p>The Secretary must enter into a contract to conduct the study within 3 years of enactment</p>	<ul style="list-style-type: none"> • Identify representative(s) from DHHS to collaborate in development of Request for Proposals for study (Winter 2011) • Issue RFP for evaluation of projects (Fall 2012) • Award evaluation contract (nlt December 2013)

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			<ul style="list-style-type: none"> • Report enters clearance (Fall 2015).
	Study of CACFP Supper Program (sec 337)	The law requires USDA to produce a report that identifies best practices and barriers to participation in the supper program, within 1 year of enactment	<ul style="list-style-type: none"> • Survey States (Summer 2011) • Draft report to Congress enters clearance (Fall 2011)
WIC			
1	<p>Nondiscretionary WIC Provisions (sec. 131, 231, 305, 351, 352, 361)</p> <ul style="list-style-type: none"> • WIC certification periods, providing WIC State agencies the option to certify participant children for up to one year. • Data collection, requiring annual compilation and publication of the number of fully and partially breast-fed infants at the State and local levels. • Breastfeeding Promotion and Support, expanding nutrition education references to explicitly include breastfeeding promotion and support. • Program evaluation, requiring State and local cooperation in USDA studies. • Sharing materials, permitting WIC State agencies to allow local agencies/clinics to share nutrition education materials developed by the WIC Program with the Child and Adult Care Food Programs at no cost, through written agreements. • Program management, requiring WIC rebate payments to be recorded in the month received and <u>establishing new bid solicitation requirements</u> 		<ul style="list-style-type: none"> • Implementation Memo (February 2011) • Final Rule (Summer 2011) • Provide State agencies with Excel chart to use for data collection (Fall 2011)

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Reg #	Provisions/Sections of Law	Statutory Deadlines for Actions	Actions and Estimated Timeframes
2	<p>when seeking rebates for infant formula and other foods.</p> <ul style="list-style-type: none"> • Use of Federal funds, requiring inclusion of a provision in the Federal/State agreement supporting full use of Federal funds, and excluding such funds from State budget restrictions or limitations including hiring freezes, work furloughs, and travel restrictions. <p>WIC EBT Provisions (sec. 352)</p> <ul style="list-style-type: none"> • Sets forth the definition of EBT. • Requires all WIC State agencies to implement EBT statewide by October 1, 2020; outlines allowable circumstances for exemption to mandate. • Requires State agencies to submit annual status reports demonstrating their progress toward statewide EBT implementation. • Provides technical changes to WIC EBT requirements, including the establishment of national technical standards and operating rules, minimum lane coverage requirements and limitations on the imposition of costs on vendors. • Requires that EBT technical standards and operating rules be adhered to by State agencies. • Requires all State agencies carrying out EBT to use the national universal product code database; funds database and requires completion by FNS in 2 years. 		<ul style="list-style-type: none"> • Implementation Memo (February 2011) • Proposed Rule (Summer 2011) • Final Rule (TBD)
	Support for breastfeeding in WIC Recognition		<ul style="list-style-type: none"> • Implementation Plan developed

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	<p>Program (sec. 231)</p> <ul style="list-style-type: none"> • Requires a program to recognize exemplary breastfeeding practices at local agencies or clinics. • Authorizes the expenditure from appropriated funds, such sums as necessary. 		<p>(Winter 2011)</p> <ul style="list-style-type: none"> • RFI published (Spring 2011) • Comment Period (Spring 2011)
	<p>Performance Bonuses (sec. 231)</p> <ul style="list-style-type: none"> • Provides performance bonuses to not more than 15 State agencies with highest and most improved breast feeding rates. USDA is directed to provide the first bonuses not later than 1 year after enactment. • Increases the authorization and funding for breastfeeding peer counseling program from \$20 million to \$90 million, of which not more than \$10 million provided in excess of \$50 million, is for performance bonuses. 		<ul style="list-style-type: none"> • Establish award criteria and application process (Winter 2011) • First Awards required (Subject to Appropriation) (Winter 2011)
	<p>Review of available supplemental foods (sec. 232)</p> <ul style="list-style-type: none"> • Requires WIC food package review every 10 years 		<ul style="list-style-type: none"> • Work with ORA
	<p>WIC program management (sec. 352)</p> <ul style="list-style-type: none"> • Increases authorization of WIC research funding from \$5 million to \$15m 		<ul style="list-style-type: none"> • Work with ORA
	<p>Special supplemental nutrition program for women, infants, and children (sec. 423)</p> <ul style="list-style-type: none"> • Extends the WIC Program through 2015 		<ul style="list-style-type: none"> • Letter to Commissioner and letter to State Directors (December 2010)
	<p>Farmers market nutrition program (sec. 424)</p> <ul style="list-style-type: none"> • Extends the WIC Farmers' Market Nutrition Program through 2015 		<ul style="list-style-type: none"> • Letter to State Directors (February 2011)

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