

Paid Lunch Equity Communication School Year 2022-2023

The School Year (SY) 2022-2023 Paid Lunch Equity (PLE) Tool and guidance have been released. The SY 2022-2023 PLE Tool is available on our Resource Management page underneath the Paid Lunch Equity (PLE) section: [Resource Management \(michigan.gov\)](https://www.michigan.gov/Resource-Management)ⁱ

What are the requirements for SY 2022-2023?

The United States Department of Agriculture (USDA) has released a PLE Exemption for qualifying School Food Authorities (SFAs) in [USDA Memo SP 08-2022](#)ⁱⁱ for SY 2022-2023. There are different PLE requirements depending on an SFA's fund balance level as of December 31, 2021.

Positive or Zero Fund Balance

- Are **exempt** from PLE requirements for SY 2022-2023 per [USDA Memo SP 08-2022](#)
- Do not have to complete the PLE Tool
- Do not have to raise paid student meal prices unless they choose to
- Paid meals can remain at pre-pandemic prices
- Documentation required and collected in future Resource Management Reviews:
 1. Fund balance as of December 31, 2021
 - Updated Detailed General Ledger for the Food Service Fund (Fund 25) that clearly indicates the fund balance
 2. SY 2022-2023 PLE Tool in excel format (if prices are raised)
 3. Paid student prices before and after price increase (if prices are raised)

Negative Fund Balance

- Must complete the PLE Tool
- Follow at least the minimum required price, per the completed PLE Tool, unless approved for the PLE waiver (see waiver information below)
- Pricing/sales data from October 2019 can be used to complete the PLE Tool if the SFA does not have paid pricing/sales data from October 2021, due to Seamless Summer Option (SSO) participation
- Documentation required and collected in future Resource Management Reviews:
 1. SY 2022-2023 PLE Tool in excel format
 2. Fund balance as of December 31, 2021
 - Updated Detailed General Ledger for the Food Service Fund (Fund 25) that clearly indicates the fund balance
 3. Paid student prices before and after price increase

PLE Waiver

The USDA has announced a PLE Waiver, in addition to the PLE Exemption, to support schools in school year (SY) 2022-2023. MDE has elected to participate in this waiver and has been approved to grant PLE flexibilities in the National School Lunch Program (NSLP) for School Food Authorities. Upon approval, SFAs that wish to participate in the PLE Waiver must opt in by completing a waiver request form.

How does the PLE Waiver work for SY 2022-2023?

The USDA PLE waiver, Waiver #25 (*July 1, 2022 – June 30, 2023*), provides SFAs with the choice to not raise their paid lunch prices in SY 2022-23 with prior approval from MDE. This gives schools the flexibility to price their paid lunches at a level they feel is best based on their local needs. This includes decreasing paid lunch prices from their previous prices. This does not mean Universal Free Lunch, and USDA has made it clear that it is not the intent to offer paid meals at \$0.00.

To participate in these flexibilities, an SFA must submit a [PLE waiver request formⁱⁱⁱ](#) to MDE by September 6, 2022.

The chart below shows when the PLE tool and/or waiver is required:

When is the PLE Tool and Waiver Required?			
Fund Balance as of December 31, 2021	What do you want to do with paid meal prices?	Do I complete the PLE tool?	Do I need a waiver?
Positive	Raise	Yes	No
Positive	Keep the same	No	No
Positive	Lower	No	Yes
Negative	Raise	Yes	No
Negative	Keep the same	Yes	Yes
Negative	Lower	Yes	Yes

MDE will review each waiver request on a case-by-case basis. MDE approval is needed prior to making pricing changes and cannot be granted retroactively. SFAs should carefully review their budgets before adjusting their paid lunch prices, and any paid student lunch price changes must occur prior to the first day of school for SY 2022-2023.

Keep in mind that it is always best practice to provide children with a variety of healthy options that align as closely as possible with the NSLP meal patterns. Meal quality should not decrease if an SFA decides to lower their paid lunch prices.

Considerations for Reducing Paid Lunch Prices

- Reimbursement will return to National School Lunch Program (NSLP) rates for SY 2022-23 which will be lower than the reimbursement rates for SY 2021-22
- Reimbursement will be based on student eligibility
- Increased food costs and continuing supply chain challenges
- SFAs may experience a fluctuation in participation
- Meal quality must not decrease
- Decreasing meal prices, with low participation, and higher food prices could create a program loss
- The General Fund must cover a Food Service Program loss at year end (this requirement is not waived)
- It is likely SFAs will be required to return to normal paid student pricing requirements for SY 2023-24 which could result in a high jump in paid student meal prices

Questions about the PLE Tool, exemption, and waiver can be sent to the Fiscal Monitoring Team at MDE-Fiscal@Michigan.gov.

Questions and Answers:

Q: Where should I start on the PLE Tool?

A: You must always start with the Unrounded Requirement Finder tab – Step 1. Scroll down to line 16 if you do not have the SY2021-22 Unrounded Price Requirement.

Q. The “SY 22-23 Price Calculator” tab says to enter the paid prices and number of paid lunches sold at each price for October 2021. We do not have pricing/sales data for October 2021 as all meals were served free due to the pandemic waivers. How do I complete?

A: Pricing/sales data from October 2019 can be used to complete the PLE Tool if a SFA does not have paid pricing/sales data from October 2021.

Q: I am operating in Extended SY National School Lunch Program (NSLP) for Summer School, what price should I charge?

A: Prices for paid eligible students for June 2022 should follow the previous paid meal price on record prior to the pandemic. Prices charged beginning in July 2022 should follow the paid meal price set for SY 2022-2023.

ⁱ <https://www.michigan.gov/mde/services/food/fiscal-admin/topics/resource-management>

ⁱⁱ <https://www.fns.usda.gov/cn/consolidated-appropriations-act-2022>

ⁱⁱⁱ <https://forms.office.com/Pages/ResponsePage.aspx?>

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