USDA
United States Department of Agriculture

Food and Nutrition Service

Braddock Place

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DATE: January 22, 2020

MEMO CODE: SP 07-2020

SUBJECT: Paid Lunch Equity: Guidance for School Year 2020-21

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

In Section 747 of Division B of the Further Consolidated Appropriations Act, 2020 (P.L. 116-94) (the Appropriations Act), enacted on December 20, 2019, Congress provides that only school food authorities (SFAs) that had a negative balance in the nonprofit school food service account as of December 31, 2019, shall be required to establish prices for paid lunches according to the Paid Lunch Equity (PLE) provisions in Section 12(p) of the Richard B. Russell National School Lunch Act, 42 U.S.C. 1760(p) and implemented in National School Lunch Program regulations at 7 CFR 210.14(e).

Consistent with the terms of the Appropriations Act, this memorandum provides notice that any SFA with a positive or zero balance in its nonprofit school food service account as of December 31, 2019, is exempt from PLE pricing requirements found at 7 CFR 210.14(e) for school year (SY) 2020-21. SFAs that had a negative balance in the nonprofit school food service account as of December 31, 2019, must follow PLE requirements when establishing their prices for paid lunches in SY 2020-21. This flexibility is currently in place for SY 2019-2020 (see https://www.fns.usda.gov/nslp/paid-lunch-equity-guidance-school-year-2019-20).

Because the Appropriations Act affects one school year only, FNS recommends that State agencies maintain documentation that includes which SFAs are using the PLE exemption for SY 2020-21 in order to demonstrate State agency oversight of this provision. This documentation should include a record that each SFA implementing the exemption had a positive or zero balance in the nonprofit school food service account as of December 31, 2019. This documentation may be reviewed by FNS upon request and during a Management Evaluation.

While SFAs that meet the Appropriations Act's criteria are exempt from the PLE pricing requirements, all State agencies and SFAs must continue to report paid lunch prices as required in regulations at 7 CFR 210.14(e)(7). SFAs still maintain the discretion to

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complete the steps necessary to determine their target SY 2020-21 paid lunch price, consistent with Program regulations at 7 CFR 210.14(e), and adjust their paid meal prices accordingly. Please note, the SY 2020-21 PLE tool and instructions will be provided in a separate communication.

State agencies are reminded to distribute this memorandum to Program operators. Program operators should direct any questions concerning this guidance to their State agency. State agencies with questions should contact the appropriate FNS Regional Office.

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