



United States  
Department of  
Agriculture

Food and  
Nutrition  
Service

3101 Park  
Center Drive  
Alexandria, VA  
22302-1500

**DATE:** September 10, 2013

**MEMO CODE:** SP 58-2013

**SUBJECT:** Paid Lunch Equity: Additional Guidance for School Year (SY) 2013-2014

**TO:** Regional Directors  
Special Nutrition Programs  
All Regions

State Directors  
Child Nutrition Programs  
All States

This memorandum is a follow-up to [SP 34-2013](#) "*Paid Lunch Equity: Guidance for SY2013-2014*" issued on April 17, 2013, which provides flexibilities school food authorities (SFAs) may use when implementing the paid lunch equity (PLE) requirement for School Year (SY) 2013-2014.

In SP 34-2013, the Food and Nutrition Service (FNS) advised State agencies that in SY 2013-2014 they should exempt a SFA from the PLE requirements if the SFA: has been certified as meeting the meal pattern requirements; and can demonstrate that the required increase to paid lunch prices or revenue contributions would cause the SFA to exceed the three-month operating balance limit. It also indicated that State agency should consider whether there are other necessary or desirable uses for the funds to meet program requirements and goals or to address deficiencies in program operations. SP 34-2013 also noted that States would be asked to provide information on exemptions granted. This memorandum provides additional guidance on factors to be considered when evaluating exemption requests, and provides additional information on exemption reporting.

### **Factors for Consideration List**

Attached to this memorandum is a list of factors for State agencies to consider when evaluating SFA requests for exemption from the PLE requirement. State agencies should use these questions as a guide when assessing whether there are other uses for the SFAs' excess funds.

Additionally, State agencies should review other aspects of program operation with the SFA to assess whether overall program quality is high enough to justify an exemption. The list is not intended to be exhaustive; State agencies may assess other relevant aspects of program operation at their discretion. States are encouraged to consider the totality of a SFA's responses and overall program operation when granting exemptions.

Regional Directors

State Directors

Page 2

State agencies that have already exempted SFAs from the PLE requirement should review the attached list of questions to ensure their exempted SFAs have met these considerations.

### **State Agency Reporting**

In SP 34-2013, State agencies were notified that they must inform FNS of the number of SFAs that request the exemption from the PLE requirement and that FNS may seek additional information from State agencies on the considerations and examples of strong financial standing of the SFAs requesting exemptions in order to inform future policy considerations, including a final rule.

Attached to this memorandum is a template for State agencies to use when sending this information to their FNS Regional Office. State agencies that receive requests for the PLE exemption should use this template to report information on SFAs requesting the PLE exemption on a monthly basis. State agencies that have already received requests for the PLE exemption should send a completed template (or similar document) to their Regional Offices by September 30, 2013.

State agencies are reminded to distribute this Memorandum to program operators immediately. SFAs should contact their State agencies for additional information. State agencies may direct any questions concerning this guidance to the appropriate Food and Nutrition Service Regional Office.

A handwritten signature in blue ink that reads "Cynthia Long". The signature is written in a cursive, flowing style.

Cynthia Long  
Director  
Child Nutrition Division

Attachments

## **Paid Lunch Equity Exemption – Factors for Consideration**

Below are factors for State agencies to consider when evaluating school food authority (SFA) requests for exemption from the paid lunch equity requirement. State agencies should use these questions as a guide when assessing whether there are necessary or desirable uses for funds which would otherwise contribute to an excess operational balance to address deficiencies in Program operations and meet new program requirements. Additionally, the State should review other aspects of program operation with the SFA to assess whether overall program quality is high enough to justify an exemption. The list is not intended to be exhaustive; States may assess other relevant aspects of program operation at their discretion. States are encouraged to consider the totality of a SFA's responses and overall program operation when granting exemptions. At a minimum, the following questions must be answered in the affirmative.

### **Meal Standards**

Is the SFA certified as meeting the updated meal pattern requirements?

Is the SFA financially prepared to meet future meal pattern requirements (e.g. fruit increases in breakfast and whole grain rich products)?

### **Competitive Foods**

Is the SFA taking specific steps toward meeting the new smart snacks standards for items sold from the school food service account, and does it have any projected financial considerations associated with these changes?

### **Administrative Reviews**

Has the SFA corrected all deficiencies, implemented all corrective actions, and complied with any fiscal action identified in the most recent Administrative Review Report?

**Additional Considerations: The State should also consider the questions below to determine whether overall program quality is high enough to warrant providing the exemption.**

Are there simple menu improvements that could be made that would encourage students to eat healthier meals and make the program more appealing? For example, has the SFA considered expanding offerings of fresh fruit and vegetables, and/or expanded variety of fruit and vegetables? Does the SFA use salad bars?

Is student acceptance/participation strong? Has the SFA made efforts to engage students in meal planning, taste-testing, etc?

Has the SFA established and implemented a wellness policy with the required elements? Does the SFA comply with all requirements and follow best practices with regard to preventing overt identification?

Does the SFA utilize signage, food placement and other marketing techniques effectively to promote the selection of reimbursable meals?

### **Professional Support**

Does the SFA have all child nutrition staff vacancies filled? (If vacancies are primarily due to lack of funding, rather than other factors, an exemption should typically **not** be approved, since the funds that would be provided to the SFA through the PLE requirement could be used to fund staff.)

### **Cafeteria and Kitchen Equipment**

Does the SFA have necessary cafeteria and kitchen equipment for storing, preparing, and serving healthy meals and competitive foods?

If the SFA has applied for Federal grants to purchase equipment needed to serve healthier meals, but has not received funding, did the SFA use its own funds to accomplish the proposed activities?

### **Certification**

Has the SFA done everything within its ability to improve the certification process to increase access to the program (e.g., maximize use of direct certification including homeless, runaway, migrant and foster children, etc)?