

## BOARD AGENDA ITEM

May 24, 2016

### ***SUBJECT:***

Increase in Meal Prices for 2016-17 School Year

### ***BACKGROUND INFORMATION:***

Section 205 of the Healthy, Hunger Free Kids Act of 2010 states that schools are required to charge students for paid meals at a price that is on average equal to the difference between free meal reimbursement and paid meal reimbursement. Schools that currently charge less are required to gradually increase their prices until they meet the requirement. The USDA created the paid lunch equity (PLE) tool (the "tool" hereafter) to determine whether pricing requirements are being met and, if not met, the increase required to meet pricing requirements.

The last meal increase was \$.05 cent for the 14-15 school year.

### ***ADMINISTRATIVE CONSIDERATION:***

Utilizing Aiken-specific information for the number of paid lunches, paid lunch prices, and prior year factors, the tool indicates that a \$.34 increase for 2016-2017 is needed. A minimum increase of \$.10 is required if the District chooses not to increase the full amount in a single year.

After consideration of the current meal fees, the minimum increase and the results produced by the tool, it is recommended that lunch meals increase by \$.15 as show below with plans for gradual increases in subsequent years to meet the price increase requirement.

	<b>2015-16 Price</b>	<b>Proposed 2016-17 Price</b>
<b>Elementary School Students:</b>		
Lunch	\$ 2.15	\$ 2.30
<b>Middle and High School Students:</b>		
Lunch	\$ 2.30	\$ 2.45

Breakfast fees for students would remain unchanged at \$1.75.

The State establishes minimum prices for adult meals. Adult meals for 2016-17 would increase by the greater of \$.15 or the increase in the new State minimum for adults.

***RECOMMENDATIONS:***

Approve a \$.15 increase in lunch fees as described above.

***ATTACHMENT:***

Excerpt from paid lunch equity tool

***PREPARED BY:***

M. O. Traxler III  
Karen Johnson  
Julie Forrester

SFA NAME:

## SY 2016-17 Price Adjustment Calculator

[Go to Instructions](#)

SY 2016-17 Weighted Average Price Requirement	
Requirement price to the nearest cent	Optional price requirement ROUNDED DOWN to nearest 5 cent
\$ 2.56	\$ 2.55
Note: Above prices are based on adjusting SY 2015-2016 price requirement by the 2% rate increase plus the Consumer Price Index (2.97%)	

## SY 2015-16 Weighted Average Price Calculator

Enter the paid prices and number of paid lunches sold at each price for October 2015.

Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2015-16 Weighted Average Price
1. 20,099	\$ 2.15	\$ 43,212.85	
2. 13,491	\$ 2.30	\$ 31,029.30	
3.		\$ -	
4.		\$ -	
5.		\$ -	
6.		\$ -	
7.		\$ -	
8.		\$ -	
9.		\$ -	
10.		\$ -	
<b>TOTAL</b> 33,590		\$ 74,242.15	\$ 2.21
Note: SY 2015-16 Weighted Average Price equal to or above \$2.78 are compliant for SY 2016-17. \$2.78 is the difference between the Free and Paid reimbursement rates for SY 2015-16.			

Total Price Increase  
for SY 2016-17

\$ 0.34

Required price increase for SY 2016-17 (with  
10 cent cap)

\$ 2.31

Remaining increase carried forward  
to SY 2017-18

\$ 0.24

Remaining credit carried forward  
to SY 2017-18

\$ -

[Go to SY2016-2017 Report](#)

## Step 3 (Optional)

## Pricing Estimation Calculator

Below is a tool allowing users to manipulate prices to achieve the required new weighted average price.

Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	Weighted Average Price
1.		\$ -	
2.		\$ -	
3.		\$ -	
4.		\$ -	
5.		\$ -	
6.		\$ -	
7.		\$ -	
8.		\$ -	
9.		\$ -	
10.		\$ -	
<b>TOTAL</b>	-	\$ -	\$ -

Note: This tool is created to allow the user to only enter the number of paid lunches and the related prices. If any other parts of the tool are modified, the user runs the risk of calculating an incorrect new average price. Users should not modify the tool's current functionality.  
November 2015