

2011-2012 Price Increase for the National School Lunch Program

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). This provision does not include the National School Breakfast Program. Listed below are examples and guidance to help schools determine if the school's paid lunch price(s) need to be increased for school year 2011-2012.

<u>Prices in 2010-2011</u>	<u>Minimum Increase in Student Price</u>
Less than or equal to \$1.59	Do Not Need to Increase Price
\$1.60	\$1.65
\$1.65	\$1.70
\$1.70	\$1.75
\$1.75	\$1.80
\$1.80	\$1.85
\$1.85	\$1.90
\$1.90	\$1.95
\$1.95	\$2.00
\$2.00	\$2.05
\$2.05	\$2.10
\$2.10	\$2.15
\$2.15	\$2.20
\$2.20	\$2.25
\$2.25	\$2.30
\$2.30	\$2.35
\$2.35	\$2.40
\$2.40	\$2.45
\$2.45	\$2.50
Greater than or equal to \$2.46	Do Not Need to Increase Price

Formula:

Price in 2010-2011
 Times Inflation Factor Percentage (.0314)
 Equals Minimum Increase (round down)
 .049999 or less can round down to 0 and .09999 or less can
 round down to .05

Examples:

\$1.75	\$2.00
<u>X .0314</u>	<u>X .0314</u>
.05495	.0628

Minimum Increase in Price	.05 cents	Minimum Increase in Price	.05 cents
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\$1.50
<u>X .0314</u>
.0471

Minimum Increase in Price	0 cents
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Increase in Prices for Multiple Buildings

School Food Authorities 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 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. Below are examples of ways to calculate simple and weight averages. It is up to the school to determine which calculation they want to use.

Simple Average

School Corporation

\$1.75 (elementary)

\$2.00 (Jr./Sr. high School)

Minimum Increase in Price for School Corporation = .10 cents

Potential ways to increase prices but not limited to:

- Increase elementary and Jr./Sr. high school by .05 cents each;
- Increase Jr./Sr. high school by .10 cents and no increase at elementary; **or**
- Increase elementary by .10 cents and no increase at Jr./Sr. high school

School Corporation

\$1.75 (elementary 1)

\$1.75 (elementary 2)

\$2.00 (middle School)

\$2.25 (high School)

Minimum Increase in Price for School Corporation = .20 cents

Potential ways to increase prices but not limited to:

- Increase elementary 1, elementary 2, middle school, and high school by .05 cents each;
- Increase middle school and high school by .10 cents each and no increase at elementary 1 and 2;
- Increase elementary 1 and 2 by .10 cents each and no increase at middle school and high school;
- Increase elementary 1 by .10 cents, middle school and high school by .05 cents each, and no increase at elementary 2; **or**
- Increase middle school by .15 cents, high school by .05 cents, and no increase at elementary 1 and 2

School Corporation

\$2.00 (elementary)

\$2.50 (Jr./Sr. high School)

Minimum Increase in Price for School Corporation = .05 cents

Potential ways to increase prices but not limited to:

- Increase elementary by .05 cents and no increase at Jr./Sr. high school **or**
- Increase Jr./Sr. high school by .05 and do not increase elementary

Weighted Average

Example:

<u>School Corporation</u>	<u>Price</u>	<u>Average Daily Participation</u>	<u>Price*Part.</u>
Elementary 1	\$1.75	500	\$875.00
Elementary 2	\$1.75	500	\$875.00
Middle School	\$2.00	400	\$800.00
High School	\$2.25	800	\$1,800.00
	\$7.75	2,200	\$4350.00
Simple Average (\$7.75/4)	\$1.94	Weighted Average (\$4,350.00/2,200)	\$1.98

(This school would still have to increase their price by .05 cents for each building since the weighted or simple average is not over \$2.46)

<u>School Corporation</u>	<u>Price</u>	<u>Average Daily Participation</u>	<u>Price*Part.</u>
Elementary 1	\$2.25	500	\$1,125.00
Elementary 2	\$2.25	500	\$1,125.00
Middle School	\$2.50	800	\$2,000.00
High School	\$2.50	1000	\$2,500.00
	\$9.50	2,800	\$6750.00
Simple Average (\$9.50/4)	\$2.38	Weighted Average (\$6750.00/2,800)	\$2.41

(This school would have to increase their price by .05 cents for each building. Schools can use a weighted or simple average.)