

Instructions for Completing the Paid Lunch Equity Tool

Background

All School Food Authorities (SFAs) participating in the National School Lunch Program (NSLP) are required to ensure that sufficient funds are provided to the nonprofit school food service account for meals served to students not eligible for free or reduced priced meals. For the 2026-27 school year, SFAs that charged less than \$4.16 for paid lunch prices on a weighted average in the 2025-26 school year are required to adjust their weighted average lunch price or add non-federal funds to the nonprofit school food service account. This requirement and calculation can be found at [7 CFR 210.14\(e\)](#).

USDA guidance for PLE requirements states that “according to [7 CFR 210.14\(e\)](#), when establishing their paid lunch prices for the school year, SFAs may use the SY 2026-27 PLE tool, or an equivalent procedure, to determine their required paid lunch prices. An equivalent procedure would be establishing an accurate budget for the school foodservice for the coming year to determine expenses that need to be covered by revenue. Meal claims from the previous year, along with reimbursement rates that are a couple of cents higher should help in determining the revenue shortfall that will be covered by the meal price increase.

However, the Paid Lunch Equity (PLE) Tool can be used by SFAs to ensure compliance with these regulations and to aid in determining paid lunch prices. The PLE tool is a Microsoft Excel spreadsheet with eight tabs that automatically generates information based on data inserted into each tab, as applicable.

For the 2026-27 school year, SFAs with a positive or zero balance in their nonprofit school food service account as of June 30, 2025, are exempt from PLE pricing requirements. SFAs that had a negative balance in the nonprofit school food service account as of June 30, 2025, must follow PLE requirements according to 7 CFR 210.14(e) when establishing their paid lunch prices for the 2026-27 school year. SFAs may use the 2026-27 school year PLE tool, or an equivalent procedure to determine their required paid lunch prices.

Procedure

The following data is needed to complete the PLE Tool for the 2026-27 school year:

- The 2025-26 school year weighted average price
- The 2010-11 school year weighted average price, if the 2025-26 school year weighted average price is unknown
- All student-paid lunch prices for October 2025
- The number of paid lunches served associated with each student-paid lunch price in October 2025
- If contributing non-federal sources or splitting for the 2026-27 school year, the total number of student-paid lunches served in the 2025-26 school year

2026–27 school year PLE calculations

When determining prices for the 2026-27 school year, SFAs have the discretion to use the price calculated in the Annual Unrounded Requirement Finder or the price they last charged, even if those prices were charged during a year the SFA was not required to comply with PLE

requirements or while operating a federal or state non-pricing option. If an SFA is unable to find documentation of the last paid meal price charged, it must follow Guidance on Paid Lunch Equity and Revenue from Nonprogram Foods.

SFAs that charged less than the target-weighted average price of \$4.01 for paid lunches in the 2025-26 school year are required to adjust their weighted average lunch price or add non-federal funds to the nonprofit school food service account. The amount per meal increase will be calculated using a two percent rate increase plus the Consumer Price Index (8.27 percent).

SFAs that charged more than the target weighted average for paid lunch price in the 2025-26 school year may subtract the excess paid lunch price increase from the total 2026-27 school year paid lunch price increase requirement. SFAs must keep sufficient records to document and carry forward the weighted average price calculations.

SFAs that did not raise the weighted average paid lunch price sufficiently to meet the required amount in the 2025-26 school year must add the shortfall to the total 2026-27 school year average weighted paid lunch price adjustment requirement.

Use of Non-Federal Sources Calculation

SFAs that choose to contribute non-federal sources to the nonprofit school food service account in lieu of raising paid lunch prices must calculate the appropriate amount to contribute. To determine the amount of required revenue in lieu of a paid lunch price increase, the SFA must determine the total number of paid reimbursable lunches claimed for the previous school year and multiply that by the difference between the 2025-26 school year weighted average paid lunch price, and the 2026-27 school year rounded down weighted average paid lunch price requirement.

SFAs may continue to count per-meal, non-federal reimbursement for any paid breakfast or lunch meals, any funds provided by the state or other organizations for any paid meal, and any proportion attributable to paid meals from direct payments made from SFA funds to support lunch service as revenue.

If an SFA's estimate of the required contribution exceeded the actual level, that excess contribution may be subtracted from the total 2026-27 school year contribution requirement. Further, if the estimate was less than required, additional funds from non-federal sources must be added. SFAs should use the non-federal calculator tab in the PLE Tool to determine the estimated amount of non-federal source contributions. This will allow for making these calculations using the same rationale as used for paid lunch prices