

ELMIRA HEIGHTS
Meal & Snack Prices

N-3

		Proposed
	2012-2013	2013-2014
Cohen Lunch Price	\$1.30	\$1.35
TAE Lunch Price	\$1.50	\$1.50
Breakfast Price All Levels	\$1.00	\$1.10
A la carte snacks	\$0.65	\$0.65
A la carte snacks	\$0.35	\$0.40

Mary Beth Fiore

From: Freda Patterson
Sent: Tuesday, April 23, 2013 12:59 PM
To: Mary Beth Fiore; Debbie Palmer
Cc: David Kabel; Freda Patterson
Subject: FW: 2013-14 meal and ala cart prices
Attachments: 20130423124556911.pdf

Good afternoon! Attached please find the calculations for the 2013-14 lunch prices for 2013-14. USDA has given this calculator to us to use to figure out what price we have to charge for lunch for 2013-14.

The calculations come out to be a 5 cent increase for Cohen and 0 increase for Edison. Making the lunch prices \$1.35 for Cohen and \$1.50 for Edison.

Also, I need to discuss the possibility of raising the breakfast price for all levels 10 cents for 2013-14. That would make the breakfast price \$1.10. It is \$1 now and has been for at least 15 years. It costs us between 80 cents and \$1 for the food for each breakfast served., then add the labor and rest of the overhead. We actually loss money on each breakfast we serve.

Also, we would like to raise the 35 cent snack items to 40 cents for 2013-14.

All other ala cart items would stay the same as 2012-13.

Please let me know if you have questions and I will get the answers for you.
Thanks, Freda

Freda Patterson,
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"Fueling Young Minds to do their est"

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From: dkabel@gstboces.org [dkabel@gstboces.org]
Sent: Tuesday, April 23, 2013 12:45 PM
To: Freda Patterson
Subject:

This E-mail was sent from "HHMFSRICOH" (Aficio MP C3300).

Scan Date: 04.23.2013 12:45:56 (-0400)
Queries to: dkabel@gstboces.org

ELMIRA HEIGHTS

SY 2013-14 Price Adjustment Calculator

[Go to Instructions](#)

SY 2013-14 Weighted Average Price Requirement	
Requirement price to the nearest cent	Optional price requirement ROUNDED DOWN to nearest 5 cent
\$ 1.43	\$ 1.40
<i>Note: Above prices are based on adjusting SY 2012-2013 price requirement by the 2% rate increase plus the Consumer Price Index (2.93%)</i>	

SY 2012-13 Weighted Average Price Calculator

Enter the paid prices and number of paid lunches sold at each price for October 2012.

	Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2012-13 Weighted Average Price
1.	4,306	\$ 1.30	\$ 5,597.80	
2.	2,863	\$ 1.50	\$ 4,294.50	
3.			\$ -	
4.			\$ -	
5.			\$ -	
6.			\$ -	
7.			\$ -	
8.			\$ -	
9.			\$ -	
10.			\$ -	
TOTAL	7,169		\$ 9,892.30	\$ 1.38

Note: SY 2012-13 Weighted Average Price equal to or above \$2.59 are compliant for SY 2013-14. \$2.59 is the difference between the Free and Paid reimbursement rates for SY 2012-13.

Total Price Increase for SY 2013-14
\$ 0.02

Required price increase for SY 2013-14 (with 10 cent cap)
\$ 1.40

Remaining increase carried forward to SY 2014-15
\$ -

Remaining credit carried forward to SY 2014-15
\$ -

[Go to SY2013-2014 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.	4,306	\$ 1.35	\$ 5,813.10	
2.	2,863	\$ 1.50	\$ 4,294.50	
3.			\$ -	
4.			\$ -	
5.			\$ -	
6.			\$ -	
7.			\$ -	
8.			\$ -	
9.			\$ -	
10.			\$ -	
TOTAL	7,169		\$ 10,107.60	\$ 1.41

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.



1. What is the “Equity in School Lunch Pricing” Provision?

- 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) as they are for lunches served to students eligible for free lunches. The Act directs SFAs to:
 1. Compare the average price charged for lunches served to students not eligible for free or reduced price lunches (i.e., students receiving “paid lunches”) to the difference between the higher Federal reimbursement provided for free lunches and the lower Federal reimbursement provided for paid lunches.
 2. If the average paid lunch price is *less than* the difference, an SFA must either gradually adjust average prices or provide non-Federal funding to cover the difference.

2. Why is this provision important?

- Historically, there have been three main sources of funds provided to nonprofit school food service accounts: Federal reimbursements, paid meal revenues, and State and local funding. The Federal reimbursement for paid meals was designed to be minimal in relation to these other sources and has always been substantially less than the reimbursement for free and reduced price meals.
- Research indicates that average prices charged for paid lunches in some SFAs are less than the cost of producing those lunches.
- Pricing paid lunches below the cost of production effectively increases Federal subsidies for higher income children because Federal funds intended for free and reduced price lunches are being used to help fill in the gap between what a paid lunch costs and what the school receives for it. Children across all income levels are negatively affected by limiting the funds available to provide nutritious meals.
- This provision will help ensure that schools have funding available to support serving nutritious meals to all students.



3. Which SFAs will be affected by this provision?

- Not all SFAs will be required to adjust prices or find alternative sources of funding for paid lunches. Applying this provision using current Federal reimbursement rates, SFAs in the continental U.S. now charging, on average, \$2.46 or more for a paid lunch would not be required to adjust prices in school year 2011-12.
- An SFA in the continental U.S. currently charging, on average, less than \$2.46 for a paid lunch may be required to either gradually increase prices or provide additional non-Federal support for its lunches. To determine how much, these SFAs must calculate an adjusted average paid lunch price.
 - For school year 2011-2012, the adjusted average price is the average price charged in school year 2010-2011 increased by a factor equal to two percentage points above the inflation rate and may be rounded down to the nearest 5 cents. For school year 2011-2012, the inflation factor is 1.14 percent. Combined with the required annual 2 percentage point increase, the total adjustment required is 3.14 percent.
 - This year's relatively low food price inflation, combined with the ability to round down, means that for this coming school year, SFAs in the continental U.S. with lunch prices below \$2.46 in School Year 2010-11 would have to increase lunch prices by only five cents or not at all.
- In general, when the adjusted average price is more than the current price, an SFA would have to either increase its average paid lunch price to the adjusted average price or provide additional non-Federal support for its paid lunches. The law caps the required increase in the average paid lunch price at 10 cents in any year. Therefore, an SFA with a significant gap between its price and the required level will have several years to make adjustments to its prices and/or provide other funding to the SFA account in order to meet this requirement.



4. Will SFAs have control over establishing paid lunch prices?

- SFAs maintain significant local control in establishing the prices for paid lunches. SFAs may maintain low paid lunch prices if they ensure that sufficient funding from non-Federal sources is added to the school food service account to cover the required revenue. SFAs also 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 revenue requirement is met across the SFA.

5. Will families with incomes slightly above the threshold for free and reduced price meals be disproportionately impacted by this provision?

- This provision does not require that additional revenue be secured through paid lunch price increases. Revenue can be generated from any non-Federal source.
- By limiting the maximum required annual average price increase to 10 cents, the Act allows for a gradual increase in paid lunch prices, thereby minimizing the impact on families with incomes just above the level eligible for reduced price meals.
- SFAs can also choose to vary the price of paid lunches by school 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.
- USDA's analysis suggests that the effect on participation of a 5 or 10 cent increase in the price of a paid lunch is very small – less than a 5 percent difference even after many years of implementation. However, USDA will carefully monitor the implementation of this provision and any impact on participation.