Under the Paid Lunch Equity (PLE) requirement, school food authorities are required to ensure that there are sufficient funds provided to the nonprofit school food service account for lunches served to students not eligible for free or reduced priced meals. There are two ways to meet this requirement: either through gradually raising the prices charge for paid lunches or through providing equivalent amount of funds from non-Federal sources to the nonprofit school food service account.

The USDA memo outlining the calculations School Food Authorities must make in order to be in compliance with this requirement for School Year 2015-2016, as well as the calculator to make this determination, is available at [http://www.isbe.net/nutrition/htmls/nslp_hhfka_implementation.htm](http://www.isbe.net/nutrition/htmls/nslp_hhfka_implementation.htm).

You, as a school food authority (SFA), are required to be non-profit, and you therefore cannot exceed a three-month operating balance on your account. It has been noted during the implementation of PLE that requiring school districts in strong financial positions to increase prices or contribute funds to the food service account may not further the goals of the Act. The goal of the paid lunch equity provision was to bring in new revenue to districts, to strengthen their financial standing and financially support the improvements required by the new meal patterns. However for some SFAs, the additional revenue may not be necessary to achieve that goal.

Using the form below, an SFA may request an exemption from the PLE requirement from their state agency for SY15-16 by December 31, 2015 if it has been certified as meeting the new 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. Please be aware that the USDA may seek additional information on the financial standing of an SFA approved for exemptions in order to inform future policy considerations.
Paid Lunch Equity Exemption Request for SY 2015-16  
Illinois State Board of Education, Nutrition and Wellness Programs Division

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<th>Name of SFA / District:</th>
<th>Agreement / RCDT #:</th>
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**Step 1: Complete Annual Financial Report covering July 1, 2014 – June 30, 2015.**

**Revenues**
1. Federal Reimbursement (Program Codes 4210, 4215 and 4220)
2. State Reimbursement (Program Codes 3360 and 3365)
3. Childrens Payments
4. Adults Payments
5. Payments In Lieu Commodities (Program Code 4255)
6. Other
7. Total Revenue

**Expenditures**
8. Salaries and Benefits
9. Equipment Depreciation
10. Other Costs
11. Indirect Costs
12. Food/Beverages
13. Food Services Management Fee/Contract or Vendor
14. Total Expenditures
15. SY13-14 Net Resources (Line 7 minus Line 14)

**Step 2: Determine your 3-month operating balance limit.**

Divide Line 14 by your number of operating months ______, then multiply by 3 to get your 3 month operating balance. This outcome is your 3 month operating balance limit that cannot be exceeded or you would otherwise be operating more as a for-profit per USDA regulation.

**Step 3: Determine the amount of revenue earned by an increase in paid lunch prices**

A. Multiply the # of paid lunches served in SY14-15 (estimate remainder of year if necessary) ______ by the required increase in paid lunch price as calculated using the SY15-16 Paid Lunch Equity Tool, e.g. $.05 or $.10. ________

B. Add the amount collected from increase in paid lunch price (Step 3A) to the Net Resources (Line 15).

If the increase in revenue from paid lunches (Step 3B) does not exceed your 3 month operating balance (Step 2), then your district is not eligible for an exemption.

If the increase in revenue from paid lunches (Step 3B) exceeds your 3 month operating balance (Step 2), considerations need to be made for any necessary or desirable uses for the extra funds. Proceed to Step 4.
Step 4: Consider other factors affecting net resources.

**Meal Standards**
Is your SFA certified as meeting the updated meal pattern requirements?
___ Yes ___ No

Is the SFA financially prepared to meet future meal pattern requirements (e.g. future sodium, targets)?
___ Yes ___ No

**Competitive Foods**
Is the SFA taking specific steps toward meeting the new Smart Snacks in Schools standards for items sold from the school food service account, and does it have any projected financial considerations associated with these changes?
___ Yes (provide explanation below) ____ No

**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?
___ Yes ___ No

**Overall program quality**
Has simple menu improvements been made that would encourage students to eat healthier meals and make the program more appealing such as expanding offerings of fresh fruit and vegetables, and/or expanded variety of fruit and vegetables, and/or using salad bars?
___ Yes (provide explanation below) ___ No

Did the SFA increase amount of fruit served to 1 cup at breakfast in SY14-15?
___ Yes ___ No

Does the SFA plan to introduce products that are more costly, such as 100% whole grain rich, bell peppers to salad bar, in SY15-16?
___ Yes ___ No

Did the SFA find a less expensive product for SY15-16?
___ Yes ___ No

Is student acceptance/participation strong? Has the SFA made efforts to engage students in meal planning, taste-testing, etc?
___ Yes (provide examples below) ___ No

Has the SFA established and implemented a wellness policy with the required elements?
___ Yes ___ No
Does the SFA comply with all requirements and follow best practices with regard to preventing overt identification?
___ Yes ___ No

Does the SFA utilize signage, food placement and other marketing techniques effectively to promote the selection of reimbursable meals?
___ Yes (provide examples below) ___ No

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**Resource Management**
Has the SFA previously met all paid lunch equity requirements?
___ Yes ___ No (provide explanation below)

If applicable, is the SFA currently meeting all non-program food revenue requirements?
___ Yes ___ No ___ N/A

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**Professional Support**
Does the SFA have all child nutrition staff vacancies filled?
___ Yes ___ No (provide explanation below)

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**Cafeteria and Kitchen Equipment**
Does the SFA have necessary cafeteria and kitchen equipment for storing, preparing, and serving healthy meals and competitive foods?
___ Yes ___ No

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?
___ Yes ___ No

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**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)?
___ Yes ___ No

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**Step 5:** Fax (217/524-6124) or email (cnp@isbe.net) this form to ISBE’s Nutrition and Wellness Division by December 31, 2015 for review or if you have questions, call 217/782-2491.