

STATE OF CONNECTICUT DEPARTMENT OF EDUCATION



TO: Sponsors of the National School Lunch Program

FROM: Shannon Yearwood, Bureau Chief

Bureau of Child Nutrition Programs

DATE: June 13, 2025

SUBJECT: Operational Memorandum No. 10-25

Paid Lunch Equity Guidance for School Year 2025-26

The U.S. Department of Agriculture (USDA) recently issued guidance addressing the Paid Lunch Equity (PLE) tool for school year (SY) 2025-26. <u>USDA Memo SP 12-2025</u>, *Paid Lunch Equity: Guidance for School Year 2025-2026*, explains the PLE exemption provided by the *Full-Year Continuing Appropriations and Extensions Act*, 2025 (Public Law 119-4) (the 2025 Appropriations Act).

Under the 2025 Appropriations Act, for SY 2025-2026, only school food authorities (SFAs) that had a negative balance in the nonprofit school food service account (NSFSA) as of **June 30**, **2024**, shall be required to establish a price for paid lunches according to the PLE regulations. The June 30, 2024, balance in the NSFSA can be found in the Connecticut Online Application and Claiming System for Child Nutrition Programs (CNP System) Financial Report under line 3f, Computed Operating Position. Therefore, any SFA with a positive or zero balance in its NSFSA as of June 30, 2024, is exempt from PLE pricing requirements.

If the documented weighted average student lunch price was a minimum of \$4.01 for SY 2024-25, the SFA is **not** required to complete the PLE tool or request an exemption for SY 2025-26.

SFAs Qualifying for the SY 2025-2026 PLE Exemption

- 1. SFAs that qualify for the PLE exemption for SY 2025-2026, as indicated above, are still required to use their current student price or establish a new paid lunch price; however, they are not required to comply with the PLE pricing requirements or use the PLE tool. To request an exemption, the SFA must complete the <u>Paid Lunch Equity Exemption Request</u> and submit to the Connecticut State Department of Education (CSDE) by **June 30**, **2025**. To receive the exemption, all questions must be completed and submitted by *one of the SFA's two authorized signers*. This includes attesting to having a positive or zero balance in the NSFSA as of June 30, 2024, and addressing the additional flexibilities as noted below.
 Note: The CSDE may request to review the SFA's documentation to support the exemption.
- 2. If the NSFSA has a positive balance and the SFA does **not** request an exemption by June 30, 2025, the SFA will be required to establish prices for paid lunches *according to the PLE provisions*. This includes completing the <u>SY 2025-26 PLE tool</u>.

SFAs Not Qualifying for the SY 2025-2026 PLE Exemption

- 1. If the NSFSA has a *negative* balance as of June 30, 2024, the SFA must follow the PLE requirements according to <u>7 CFR 210.14(e)</u> when establishing their paid lunch prices for SY 2025-2026. SFAs may use the attached USDA's SY 2025-26 PLE tool or an equivalent procedure to determine their required paid lunch prices.
- 2. When establishing paid lunch prices using the PLE tool or an equivalent procedure, SFAs may use the most recent student paid prices approved by the board of education.

Special Considerations

If an SFA did not charge for meals during SY 2024-2025, such as an SFA that operated the Community Eligibility Provision and is returning to standard counting and claiming in SY 2025-26, it may use the most recent paid lunch price data as the basis for its SY 2025-26 paid lunch calculation. If an SFA is unable to find documentation of the last paid meal price charged to students, then it must follow FNS guidance for new schools found in <u>USDA Memo SP 39-2011</u>: *Guidance on Paid Lunch Equity and Revenue from Nonprogram Foods*.

As a reminder, consistent with 7 CFR 210.14(e)(4)(i), SFAs are not required to raise their paid lunch price by more than 10 cents for SY 2025-2026 from the last year they charged for paid lunches. SFAs may still choose to raise the price by more than 10 cents.

Additional Flexibilities

- 1. SFAs that had a zero or positive balance in the NSFSA as of June 30, 2024, and request an exemption using the PLE exemption request for SY 2025-26, are allowed to lower or eliminate the household share for one National School Lunch Program (NSLP) meal per day for students eligible for paid meals during SY 2025-26 only.
- 2. SFAs that had a zero or positive balance in the NSFSA as of June 30, 2024, and request an exemption using the SY 2025-26 PLE exemption request by June 30, 2025, will be allowed to offset students' unpaid meal charges incurred in SY 2025-26 for reimbursable meals provided through the NSLP and the School Breakfast Program (SBP).

Note: Spending NSFSA funds for this purpose must be completed prior to June 30, 2026, and cannot reduce the quality of meals served through the SBP and NSLP. Utilizing the NSFSA for this purpose, after June 30, 2026, is not allowed since unpaid meal charges after June 30, are considered bad debt.

SFAs wishing to opt into either or both additional flexibilities must complete all elements of the PLE online survey and submit by an authorized signer. **Note:** SFAs opting in to the additional flexibilities will provide detailed information showing that this will not negatively impact the

quality of the school nutrition program in the SFA's *Plan to Reduce Excess Operating Balance* submitted in September as part of the financial report.

Questions may be directed to your CSDE school nutrition team member.

SKY:tdd

Important: This is a numbered Connecticut State Department of Education (CSDE) operational memorandum that contains important program information. Please read carefully and retain for future reference. All CSDE operational memoranda are posted on the CSDE's Operational Memoranda for School Nutrition Programs webpage.