

MEMO

TO Sponsors of the School Nutrition Programs
FROM Jennifer Jarrett, School Nutrition Program Manager
DATE February 3, 2023
RE Calculating a Minimum Adult Meal Price (Updated 2/15/2023)

MESSAGE:

According to the United States Department of Agriculture (USDA) FNS Instruction 782-5 Rev. 1, adult meal prices for School Nutrition Program (SNP) sponsors are not permitted to be subsidized by federal reimbursements, children's payments, and other non-designated nonprofit food service revenues. Additionally, the School Food Authority (SFA) is responsible for ensuring the adult prices listed in CN PEARS are correct. The [Adult Meal Price Calculator](#) in the Paid Lunch Equity/Nonprogram Foods section of CN PEARS download forms, is available to assist sponsors with the calculations listed in this memorandum.

For **Pricing SNP sponsors**, those who charge for meals served to students, the adult meals must be priced greater than the price of the student's highest price paid meal. Adult meals for **lunch** include: the highest value that students pay, plus state reimbursement, plus the lowest federal reimbursement for a paid meal, plus the commodity rate. Adult meals for **breakfast** include: the highest value that the students pay, plus the state reimbursement, plus lowest federal reimbursement. The 2022-2023 school year (SY) data is used to calculate the 2023-2024 SY formula in the example below.

For example:

	LUNCH	BREAKFAST
State reimbursement	\$0.10	\$0.10
Plus (+) lowest federal reimbursement for a paid meal	+\$0.77	+\$0.50
Plus (+) the commodity rate	+\$0.30	N/A
	=\$1.17	=\$0.60
Plus (+) the highest paid lunch price that students pay	+\$X.XX	+\$X.XX
Equals (=) the adult meal price	=\$X.XX	=\$X.XX

For **Non-Pricing SNP sponsors**, those who do not charge students for meals, for example, sponsors participating in Community Eligibility Provision, Residential Child Care Institutions, and other SNP sponsors; the adult meals price for **lunch** must be at least the amount of federal and state reimbursements received for free lunch, plus the per-meal value of both entitlement and bonus donated foods. The adult meals price for **breakfast** must be the rate established for free meals plus the value of bonus commodities. The 2022-2023 SY data is used to calculate the 2023-2024 SY formula in the example below.

For example:

	LUNCH	BREAKFAST
State reimbursement	\$0.10	\$0.10
Plus (+) federal Reimbursement for a free meal	+\$4.33	+\$2.26
Plus (+) the commodity rate	+\$0.30	N/A
Equals (=) the minimum price of an adult meal	=\$4.73	=\$2.36

Claim reimbursement rates are updated **annually**. Current school year Claim Rates for SNP are in CN PEARS, under the Claims tab, Claim Rates section.