

## **Arizona Department of Education**Health & Nutrition Services Division

HNS # 27-2021

## MEMORANDUM

**To:** School Food Authorities operating the National School Lunch Seamless Summer Option for

Original Signed

School Year 2021-2022

From: Melissa Conner, Associate Superintendent

**Date:** August 18, 2021

**Subject:** Guidance for Adult Meal Pricing in School Year 2021-2022 (SY 22)

The purpose of this memorandum is to support School Food Authorities (SFAs) in maintaining compliance with the requirements for revenue from the sale of nonprogram foods, specifically the revenue from meals served to nonprogram adults (teachers, principals, school staff, parents, etc.) in School Year 2021-2022.

## Requirements for Pricing Meals for Non-Program Adults

Per Food and Nutrition Service (FNS) Instruction 782-5 REV. 1, SFAs must price adult meals so that adult payments are sufficient to cover the overall cost of meals, including the value of donated foods (USDA Foods) used in the production of adult meals. If meal cost data is not available, the minimum adult payment should reflect the price charged to students paying full price, plus the reimbursement rate received for a full price meal and the value of donated foods. In non-pricing programs (e.g., Special Assistance Provisions and other non-pricing programs such as Universal Free Breakfast and the Seamless Summer Option), the adult meal price should be at least the amount of reimbursement received for a free meal, plus the value of donated foods.

## **Guidance for School Year 2021-2022**

Schools opting into the waiver to operate the Seamless Summer Option in SY 22 are operating a non-pricing program, since students will not be paying for reimbursable meals. The amount of reimbursement received for a free meal under SSO is \$4.3175 for lunch and \$2.4625 for breakfast. The value of donated foods for SY 22 is \$0.26.

SFAs have two options for establishing pricing for adult meals in SY 22:

**Option 1:** Determine the cost of providing a meal to an adult, including labor, food cost, etc., and the value of donated foods used in the production of the meal. Documentation of this calculation must be maintained by the SFA to support adult meal prices.

**Option 2:** Use the free reimbursement rate plus the value of donated foods.

- Lunch: \$4.3175 + \$0.26 = \$4.58 minimum adult lunch price
- Breakfast: \$2.4625 + \$0.26 = \$2.72 minimum adult breakfast price

Option 1 can be difficult to calculate, so option 2 is recommended to ensure SFAs are charging enough for adult meals to cover the cost of providing the meal.

Please contact your Health and Nutrition Services Specialist with any questions regarding this guidance. You may also call 602-542-8700, Option 1 or email <u>ContactHNS@azed.gov</u> to reach the Specialist of the Day.

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