

2026

Supplemental Guidance for School Nutrition Programs



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER

Fraud Hotline: 1-866-5-FRAUD-4 or 1-866-537-2834 | P.O. Box 12847 | Austin, TX 78711
Toll Free: (877) TEX-MEAL | For the hearing impaired: (800) 735-2989 (TTY)



Food and Nutrition Division
National School Lunch Program

This product was funded by USDA.
This institution is an equal opportunity provider.



Updated 7/17/2026
www.SquareMeals.org

Table of Contents

Introduction	4
Virtual Student Meal Service	4
Eligibility	5
Meal Service	5
Counting and Claiming	5
Implementation Instructions and Effective Date	5
Claiming Meals at Alternative Disciplinary School Meal Service	5
Community Eligibility Provision (CEP) Operation	6
Implementation Instructions and Effective Date	7
Charter Management Organizations (CMOs)	7
Food Service Management	7
Administrative Management	7
Implementation Instructions and Effective Date	8
Group Purchasing Organization (GPO) Procurement	8
Micro-Purchase	8
Small Purchase	8
Formal Procurement	8
Implementation Instructions and Effective Date	9
CORRECTION: Breakfast Meal Pattern: Offer Versus Serve (OVS)	10
Implementation Instructions and Effective Date	10
CORRECTION: Lunch/Snack Meal Pattern: Juice Requirements	10
Implementation Instructions and Effective Date	11
EXTENDED FLEXIBILITIES: 2026 Appropriations Act	11
Paid Lunch Equity (PLE)	11
Vegetable Flexibility in the School Breakfast Program	11
Implementation Instructions and Effective Date	12
Buy American Technical Assistance	12
Implementation Instructions and Effective Date	12
Micro-Purchase: Equitable Purchase Distribution	12
Implementation Instructions and Effective Date	13
Various Corrections to ARM Section 11, Summer Meals	13
Non-Congregate Feeding Waiver	13
Allowable Single Meals	13

SFSP Operations during Breaks for Year-Round Schools.....	14
SFSP Meal Service Times	14
Implementation Instructions and Effective Date.....	14
FSMC Labor and Meal Price Adjustments.....	15
Allowable Labor Adjustments for FSMC Employees	15
Fixed Meal Price Adjustments	16
Consumer Price Index.....	17
Implementation Instructions and Effective Date.....	17

Introduction

This document acts as a placeholder for policy guidance communicated between annual releases of the Administrator’s Reference Manual (ARM). This document will be updated as needed, but no more frequently than monthly. The most recent topics added will appear closest to the beginning of the document.

Until the ARM is updated, the guidance in this document will apply as if it were stated in the ARM. All supplementary guidance will be incorporated into the next ARM release, at which time it will be removed from this Supplementary Policy document.

Supplementary guidance falls into one or more of three categories:

- **New:** Brand-new guidance.
- **Clarifying:** Expanding on existing handbook guidance.
- **Superseding:** Overrides existing handbook guidance if there are off-cycle corrections required for current ARM guidance.

Each topic includes the date it was published in this document, implementation instructions, and effective dates, as applicable.

Virtual Student Meal Service

Date published: July 17, 2026

Category: CLARIFYING

The Texas Department of Agriculture (TDA) has received inquiries about reimbursable meal access for students enrolled in virtual instructional programs (“virtual students”). The following guidance addresses:

- **Eligibility** for virtual student meals
- **Meal service** guidelines for eligible virtual students
- **Counting and claiming** for meals served to eligible virtual students

This guidance applies to operation of the National School Lunch Program (NSLP) and the School Breakfast Program (SBP).

Eligibility

Meals served to students enrolled solely in virtual instructional programs **may not** be claimed as reimbursable meals.

However, meals served to virtual students concurrently **enrolled at a brick-and-mortar school** operating NSLP/SBP (such as a virtual learning option at a physical school) **may be claimed** as reimbursable meals. Such eligible students participate in 100% virtual instruction but are enrolled at a physical home campus along with in-person students **and** attend a congregate lunch service.

Meal Service

Eligible virtual students should be served at their physical home campus. However, eligible virtual students may obtain a reimbursable meal at **any** physical school within the School Food Authority (SFA) containing their physical home campus. This option should only be used for eligible virtual students who live significantly closer to a physical school that is not their home campus.

Counting and Claiming

Meals served to eligible virtual students can only be claimed if served and consumed in a congregate setting at a brick-and-mortar school operating the NSLP/SBP.

If served at a school other than their physical home campus, eligible virtual students will be considered a visiting student for counting and claiming purposes. For more information on claiming visiting students, see the *Administrator's Reference Manual (ARM)*, Section 20, *Counting & Claiming*.

Implementation Instructions and Effective Date

This guidance supplements existing regulations requiring reimbursable meals to be served in a congregate setting to students enrolled at a physical school. As such, this guidance will be effective at the beginning of School Year 2026-2027.

Claiming Meals at Alternative Disciplinary School Meal Service

Date published: July 17, 2026

Category: CLARIFYING

An alternative disciplinary school program, such as a Disciplinary Alternative Education

Program (DAEP), may either be located within an existing SFA site or operate as a standalone site with its own student enrollment.

- **For programs at an existing SFA site with student enrollment:** Meals will be reimbursed based on visiting student policy guidance. For more information on how meals served to visiting students are claimed, see *ARM Section 20, Counting and Claiming*.
- **For schools operating only as an alternative disciplinary site:** Alternative schools that enroll students temporarily transferred for disciplinary reasons will operate as an independent SFA site and perform standard counting and claiming. Students enrolled must be unenrolled from their original home school for the period they are attending the alternative school.

Students who remain enrolled at their home school (for example, students attending from another district) must not be counted in the enrollment numbers of the alternative site and must be claimed in accordance with visiting student policy guidance.

Community Eligibility Provision (CEP) Operation

Even though the student population of an alternative disciplinary school may fluctuate throughout the school year, it may operate CEP if:

- The school operating as an alternative disciplinary site maintains its own enrollment (enrolled students must be unenrolled from their original home school)
- The alternative site has established an eligible Identified Student Percentage (ISP) based on student enrollment data as of April 1 of the year prior to CEP implementation

New alternative school sites must adhere to the guidance in *ARM Section 5, Special Provisions* for adding new CEP sites. As with any CEP site, SFAs must indicate their intention to operate CEP for the upcoming school year by June 30 of each year.

If a new alternative disciplinary site primarily enrolls students from an already established CEP group or school, the site may operate CEP as part of that group in its first year using the CEP group's current ISP.

NOTE: In this situation, the alternative school's ISP (calculated at the end of its first year of operation) must be factored into the overall calculation of the CEP group ISP.

New alternative disciplinary sites that pull students evenly from multiple CEP groups and/or non-CEP schools must wait until an ISP can be established before operating CEP.

Implementation Instructions and Effective Date

Guidance pertaining to alternative school sites aligns with existing guidance pertaining to counting, claiming, and CEP. Therefore, this guidance is effective immediately beginning School Year 2026-2027.

Charter Management Organizations (CMOs)

Date published: July 17, 2026

Category: NEW

Charter schools may contract with a Charter Management Organization (CMO) for management services, which can include operating certain aspects of the school food authority's (SFA) Child Nutrition Programs (CNPs). However, the charter school must still sign the agreement with TDA and remain fully responsible for meeting all program requirements. This includes ensuring that program funds, whether spent directly by the school or passed through to the CMO, are used solely for program operations.

Regarding responsibilities related to the food service at the charter school, a CMO can be procured to operate in the capacity of a Food Service Management Company **or** may be assigned administrative tasks associated with operating the food service program, **but it cannot do both**.

Food Service Management

When a CMO is contracted to manage the charter school's meal service, it is considered a Food Service Management Company (FSMC). As with any FSMC contract, the charter school must follow federal procurement rules when entering into the agreement, and the CMO must register with TDA as an FSMC. As with any FSMC, the CMO must be completely removed from the procurement process, and the process may result in the CMO not being selected as the FSMC.

The school is also responsible for managing the contract and ensuring the CMO complies with all program requirements. Detailed guidance on FSMC contracting and monitoring can be found in the United States Department of Agriculture (USDA) *Contracting with FSMCs: Guidance for SFAs* and *ARM Section 18, Food Service Contracts*.

Administrative Management

If a CMO does not manage any part of the meal service, the charter school may still delegate certain School Nutrition Program administrative tasks to the CMO, such as eligibility

determinations or verification activities. Delegating these tasks does not transfer responsibility for compliance. The charter school must continue to ensure all program requirements are met and must maintain all required documentation, including production records, household applications, meal counts, reimbursement claims, food labels and recipes, and procurement records demonstrating compliance with procurement standards. The charter school must also maintain signature authority.

Implementation Instructions and Effective Date

This new guidance supplements existing USDA guidance ([SP 03-2019](#), Questions and Answers for Charter Schools) pertaining to FSMC responsibilities and is thus effective immediately.

Group Purchasing Organization (GPO) Procurement

Date published: July 17, 2026

Category: CLARIFYING

A Group Purchasing Organization (GPO) is an organization that charges a membership fee in exchange for access to a “price list” of products and services that may be offered at discounted rates. GPOs typically offer both line-item bids and catalog bids. Depending on the procurement method used, there are different requirements related to the use of GPOs.

Micro-Purchase

Purchases from GPOs are allowable, assuming the amount is equal to or less than the micro-purchase threshold, and all other micro-purchase requirements are met.

Small Purchase

A GPO may be used as **ONE** source of pricing. If an SFA uses a single GPO price list as a sole source of pricing, this is unallowable because it limits full and open competition.

- **For Example:** when collecting quotes for small purchase procurement, one quote from a GPO vendor is allowable, but two from the same GPO would be unallowable.

SFAs may use another GPO as a second source of pricing. Alternatively, an SFA may seek out individual vendor quotes with no affiliation to a GPO.

Formal Procurement

An SFA may use a GPO only if the underlying contract was awarded through a procurement that meets the federal standards in 2 CFR 200. 318 through 200.327. Such compliance includes, but

is not limited to, soliciting bids or proposals from an adequate number of qualified sources, using clearly defined specifications, conducting the procurement in a manner that ensures full and open competition, applying documented evaluation criteria, selecting an offeror based on those criteria (with price being the primary consideration in competitive proposals), or awarding to the lowest responsive and responsible bidder when sealed bidding is used.

Before relying on a GPO contract, the SFA must be able to verify that the GPO's procurement process satisfies the federal requirements. If the GPO is unable or unwilling to provide the solicitation documents, evaluation records, contract award documentation, and other records necessary to demonstrate such compliance, the SFA may not procure goods or services through that GPO contract. In such circumstances, the GPO may be used solely as a source of market research or industry information and not be used to establish pricing.

Catalog-based solicitations generally do not satisfy federal procurement requirements. A solicitation that requests catalog pricing or percentage discount-off-list pricing and subsequently awards contracts to all responsive vendors, without a comparative evaluation resulting in the selection of the successful offeror(s), is not a competitive procurement in substance. Such arrangements do not establish price reasonableness through competition, do not employ meaningful evaluation criteria under which price is a significant or predominant factor, and do not result in a contract award based upon a documented best-value or lowest-bid determination. Rather, these arrangements function principally as vendor qualification or enrollment mechanisms and therefore do not constitute procurements conducted in accordance with the federal procurement standards applicable to the expenditure of federal funds.

However, SFAs may consider a GPO's response to sealed bids or competitive proposals if the GPO meets federal procurement requirements and has awarded a fixed line-item price award. The SFA must be able to provide all solicitation documents to support the award made by the GPO on behalf of the SFA. When a GPO awards multiple vendors under a category, requiring the SFA to obtain price quotes after the award, the competitive process occurs after contract award rather than through the GPO procurement. Because the SFA's vendor selection constitutes the actual procurement, costs incurred under such an arrangement are unallowable.

Implementation Instructions and Effective Date

This new guidance clarifies existing guidance pertaining to procurement and is therefore effective immediately.

CORRECTION: Breakfast Meal Pattern: Offer Versus Serve (OVS)

Date published: July 17, 2026

Category: SUPERSEDING

Previously, *ARM Section 7, Breakfast Meals* listed the following guidance for OVS at breakfast:

- “If allowing OVS, the student must take three of the four components for the meal to be reimbursable.”

This guidance is corrected to the following:

- “If allowing OVS, the student must take three of the four **food items, including a minimum ½ cup of fruit**, for the meal to be reimbursable.”

Implementation Instructions and Effective Date

This updated guidance aligns with regulation and corrects information in the current ARM; therefore, this guidance is effective immediately for any meals served using OVS.

CORRECTION: Lunch/Snack Meal Pattern: Juice Requirements

Date published: July 17, 2026

Category: SUPERSEDING

Previously, *ARM Section 8, Lunch Meals* and *Section 10, Afterschool Snacks & Meals* listed the following guidance for offering juice:

- “Juice must be full strength (100 percent juice) and may be used to meet the vegetable or fruit requirement at one meal per day, including snack.”

This guidance is only applicable to CACFP/pre-kindergarten meal patterns.

ARM Section 8, Lunch Meals will be corrected to the following:

- “No more than half of the fruit or vegetable offerings may be in the form of juice. All juice must be 100 percent full-strength.”

Additionally, *ARM Section 10, Afterschool Snacks & Meals* will be corrected to the following:

- “Juice must be pasteurized. **For ASCP:** All juice must be 100 percent full-strength, and no more than half of the weekly fruit or vegetable offerings may be in the form of juice. **For CACFP At-Risk:** Full-strength juice may only be offered to meet the vegetable or

fruit requirement at one meal or snack, per day. Juice may not be served when milk is the only other component.”

Implementation Instructions and Effective Date

This updated guidance aligns with regulation and corrects information in the current ARM; therefore, this guidance is effective immediately.

EXTENDED FLEXIBILITIES: 2026 Appropriations Act

Date published: July 17, 2026

Category: NEW and SUPERSEDING

The 2026 Appropriations Act reinstated two main flexibilities for child nutrition program operators:

Paid Lunch Equity (PLE)

Category: NEW

The 2026 Appropriations Act continues to exempt SFAs with zero or positive balances in their nonprofit food service accounts (as of June 30, 2025) from PLE requirements. This means that only SFAs with negative balances must comply with PLE requirements for SY 2026-2027.

Vegetable Flexibility in the School Breakfast Program

Category: SUPERSEDING

The 2026 Appropriations Act reinstated a previous flexibility for offering vegetables at breakfast. Effective immediately, SFAs participating in the School Breakfast Program may offer **any** vegetable in place of a fruit, without having to include vegetables from other subgroups.

Previously, *ARM Section 7, Breakfast Meals* listed the following guidance:

- “Vegetables Served in Place of Fruits— Schools choosing to substitute vegetables for fruit at breakfast on two or more days per school week are required to offer vegetables from at least two different vegetable subgroups.”

This guidance is updated to the following:

- “Vegetables Served in Place of Fruits— Schools choosing to substitute vegetables for fruit at breakfast may **offer any vegetable in place of a fruit without subgroup variety requirements.**”

Implementation Instructions and Effective Date

This updated guidance is reinstated by the 2026 Appropriations Act; therefore, both flexibilities are effective July 1, 2026, through June 30, 2027.

Buy American Technical Assistance

Date published: July 17, 2026

Category: CLARIFYING

As updates and clarifications for Buy American requirements are forthcoming, when conducting Administrative Reviews during the 2026-2027 School Year, TDA will only issue findings to SFAs for failure to maintain any tracking mechanism for **Buy American purchases**. TDA will provide technical assistance related to all other Buy American policies documented in the ARM to support compliance. Consistent with USDA guidance, TDA will continue to work with SFAs on Buy American requirements, including Buy American accommodations, through ongoing routine technical assistance, training, and tools/resources.

Implementation Instructions and Effective Date

This guidance is effective immediately.

Micro-Purchase: Equitable Purchase Distribution

Date published: July 17, 2026

Category: SUPERSEDING

Currently, *ARM Section 17, Procurement* states that for micro-purchases:

- “Purchases **must** be distributed among all qualified suppliers that are able to provide the products and/or services at a reasonable cost.”

TDA is making a slight language change to align with CFR 200.320. The language is updated to the following:

- “Purchases **should** be distributed among all qualified suppliers that are able to provide the products and/or services at a reasonable cost.”

Implementation Instructions and Effective Date

This new guidance clarifies existing guidance pertaining to procurement and is therefore effective immediately.

Various Corrections to ARM Section 11, Summer Meals

Date published: July 17, 2026

Category: SUPERSEDING

TDA has identified the following instances in which guidance in *ARM Section 11, Summer Meals* does not align with guidance from TDA’s SFSP Supplemental Guide, USDA’s SFSP Administrative Guide for Sponsors (AGS), and/or other existing SFSP/SSO guidance. The ARM will be corrected to the following in a future release:

Non-Congregate Feeding Waiver

- **CURRENT GUIDANCE:** “CEs that intend to participate in Demonstration Project for Non-Congregate Feeding for Outdoor Summer Feeding Sites Experiencing Excessive Heat must ensure that their intent to participate is indicated” in the SFSP/SSO applications.
- **NEW, SUPERSEDING GUIDANCE:** The demonstration project that was initially put in place by USDA has been discontinued. In its place, USDA offers states an annual opportunity to apply for the discretion to allow sites experiencing extreme heat **or poor air quality** to serve non-congregate meals. Guidance on eligibility for the waiver and how to apply is available on the Policy/ARM page of SquareMeals under Policy Updates and News at the top of the page: <https://squaremeals.org/Programs/National-School-Lunch-Program/Policy-ARM>

Allowable Single Meals

- **CURRENT GUIDANCE:** For SSO sites serving single meals, the meal may be “breakfast, lunch, or a snack, but not supper.”
- **NEW, SUPERSEDING GUIDANCE:** Supper is an allowable option if it is the only

meal served daily. At open, restricted open, and closed enrolled sites, supper is only unallowable if lunch is also served.

SFSP Operations during Breaks for Year-Round Schools

- **CURRENT GUIDANCE:** For schools operating on a continuous year-round schedule, schools can operate SFSP during vacations of 10 school days or more.
- **NEW, SUPERSEDING GUIDANCE:** SFSP is only allowable on breaks of 15 days or more for schools on a year-round calendar. Note that the current guidance allowing SSO operations during breaks of 10 days or more at schools on a year-round schedule is still correct.

SFSP Meal Service Times

- **CURRENT GUIDANCE:** In SFSP, there are no time limits on duration of meal service or amount of time that must elapse between the beginning of one meal and the beginning of the next.
- **NEW, SUPERSEDING GUIDANCE:** While there are no limits on the duration of meal service in SFSP, meal services must start at least one hour after the end of the previous meal or snack at all sites except residential camps and non-congregate meal service sites. Additionally, with the exception of approved non-congregate sites, breakfast meals must be served at or close to the beginning of a child's day and before lunch/supper.

Implementation Instructions and Effective Date

For year-round schools operating SFSP during breaks of less than 15 days, schools must cease serving SFSP meals during those breaks as soon as possible and consider switching to SSO if the breaks are at least 10 days. Please reach out to your ESC if this situation applies to you, and TDA will provide guidance on a case-by-case basis.

For SFSP operators not adhering to current meal service time requirements at congregate sites, TDA will issue technical assistance if observed during Summer 2026. Full implementation of this requirement must occur in Summer 2027.

All other corrections above provide clarity or additional flexibility and can be implemented immediately.

FSMC Labor and Meal Price Adjustments

Date published: July 17, 2026

Category: NEW

If an SFA determines they would like to transition staff to an FSMC for successful program operation, all identified labor transitions must be effective as of **July 1** of the base year of the contract. No additional labor transitions, conversions, or reclassifications of positions from the SFA to the FSMC may occur after **July 1** of the base year of the contract, including any subsequent renewals.

Allowable Labor Adjustments for FSMC Employees

1. Labor adjustments within renewal years can **only** be made to maintain industry standard meals per labor hour (MPLH), which are only affected by the following and **must** have been included in the FSMC solicitation and base year contract:
 - (a) anticipated increases or decreases in student enrollment;
 - (b) opening of new sites/schools;
 - (c) closure of existing sites/schools;
 - (d) consolidation of existing sites/schools; and
 - (e) programmatic expansions or reductions identified in the solicitation.
2. Any allowable adjustment must be proportional to the change in meal volume—**not** discretionary staffing decisions by the FSMC. Any labor adjustments that may become necessary and were not disclosed in the original RFP may constitute a material change to the contract. Labor adjustments can only be made to FSMC labor and only once per semester, as applicable.

3. Any permitted labor adjustment must be determined using the Meals Per Labor Hour (MPLH) calculation and include supporting documentation. MPLH is calculated as follows

$$\text{MPLH} = \frac{\text{Total Number of Meal Equivalents Served}}{\text{Total Productive Labor Hours Worked}}$$

– **Total Number of Meal Equivalents Served =**

$$\begin{array}{ccccccccc} \text{(Total} & & & & \text{Total} & & \text{(Total After} & & \text{(Total A} \\ \text{Breakfast} & & \text{Total Lunch} & & \text{Supper} & & \text{School Care} & & \text{La Carte} \\ \text{Meals} & + & \text{Meals} & + & \text{Meals} & + & \text{(Reimbursable} & + & \text{Sales} \div \\ \text{Served} \div 2) & & \text{Served} & & \text{Served} & & \text{Snacks) Meals} & & \text{MEF)} \\ & & & & & & \text{Served} \div 3) & & \end{array}$$

- **Total Number of Meal Equivalents Served** includes all reimbursable meals served and non-reimbursable revenue generated by the School Nutrition Program.
- **Total Productive Labor Hours Worked** shall include only hours worked directly in food service production, service, sanitation, and distribution functions and shall exclude paid leave, training time, administrative leave, and non-operational hours.

NOTE: For more information, see *Meals per Labor Hour Worksheet* on the FSMC page of SquareMeals.org.

The FSMC must maintain staffing levels consistent with the following industry standards:

- **Conventional System:** 14 to 18 meals per labor hour.
- **Convenience System:** 22 to 28 meals per labor hour.

The MPLH benchmark will be determined based on the primary method of meal production utilized at each site. The SFA is responsible for ensuring the staffing meets the MPLH per site based on production type as outlined in the RFP.

Fixed Meal Price Adjustments

Adjustments to meal prices will **not** be allowed in the initial contract term. Fee adjustments for contract renewal years must use the Consumer Price Index (CPI) approved by TDA. No other fee increases or fees will be allowed, unless approved by TDA.

Additionally, no financial credits may be issued other than those associated with USDA Foods or

otherwise approved by TDA.

Consumer Price Index

Upon mutual agreement of the SFA and FSMC, the fixed price per meal/meal equivalent may increase or decrease on an annual basis. However, price adjustments cannot exceed the *Yearly Percentage Change in the CPI for All Urban Consumers, Food Away from Home, National Average*, as published by the U.S. Department of Labor, Bureau of Labor Statistics. TDA will also post the CPI to its website.

NOTE: Any fee adjustments must be made in writing as an official amendment to the SFA-FSMC contract.

When planning price adjustments:

- Only CPI percentages published between July and October of the applicable renewal period can be used.
- **FSMCs** must provide SFAs with written notice of the requested CPI percentage no later than **November 1** of the applicable renewal period.

NOTE: **SFAs** must respond in writing by **November 15** of the applicable renewal period. If both parties cannot reach a mutual agreement by **November 30** of the same period, SFAs may rebid for a new FSMC contract or elect to self-operate their food service program.

- **SFAs** must provide written notification to TDA of the agreed CPI percentage for the applicable renewal period OR submit a new contract solicitation (Request for Proposal) by **December 15**.

TDA has the sole discretion to determine appropriate actions if the SFA fails to provide written notification to TDA of the agreed-upon CPI percentage OR submit a new contract solicitation by **December 15** of the applicable renewal period.

Implementation Instructions and Effective Date

The Allowable Labor Adjustments for FSMC Employees are effective as of **July 1, 2027**. SFAs who are planning for FSMC solicitations during the 2026-27 program year should anticipate how upcoming labor adjustments will influence their procurement process and plan accordingly. The Fixed Meal Price Adjustments are effective as of **July 1, 2026**. SFAs planning to execute a renewal of their FSMC contract during the 2026-2027 program should anticipate the deadlines established above when considering CPI price increases.