

Morrow County School District
Proposed Food Service Price Increase
2010-11 School Year

For the past three years the food service fund has been showing a decrease in the ending fund balance. This is due in part to increased labor and food costs, but revenues have decreased as well. Food service revenues are down almost \$20,000 this year compared to the same time period in 2008-09. Labor costs are up approximately 3% over last year, and food costs, while not complete for this year, are anticipated to increase approximately 1% over last year. The 2008-09 school year began with \$63,994 in the food service fund and ended with a \$3,286 deficit, which means expenditures exceed revenue by \$67,000. The 2009-10 school year is following the same pattern.

Without a price increase it will be necessary to transfer larger amounts of general fund money to the food service fund to cover costs. With the proposed 25 cents per meal increase we should generate approximately \$20,000 additional revenue next year. It is also recommended to eliminate the free breakfast program and begin charging \$1 for grade levels K-6 for breakfast in 2010-11. It is estimated that charging for all breakfasts will generate an additional \$20,000 per year.

Current Breakfast Prices

Students K-6 Free
Students 7-12 \$1.25
Adults \$1.75

Proposed Breakfast Prices

Students K-6 \$1.00
Students 7-12 \$1.25 (no increase)
Adults \$2.00

Current Lunch Prices

Students K-6 \$1.75
Students 7-12 \$2.00
Adults \$2.75

Proposed Lunch Prices

Students K-6 \$2.00
Students 7-12 \$2.25
Adults \$3.00

We are not proposing an increase in the 25 cent milk price this year, but will look at an increase for 2011-12. Most districts in this area charge 40-50 cents for milk.

The proposed price increases will not completely make up for the revenue shortfall, but should significantly decrease the amount needed from the general fund to balance the food service fund.