

Child Nutrition Update and SY 25-26 Meal Prices

Presented to Smithville ISD School Board

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Background

The Smithville ISD Child Nutrition Program is committed to providing nutritious, appealing meals that meet USDA guidelines while attempting to maintain fiscal responsibility. Over the past years, we have experienced substantial increases in the cost of food and supplies. With less school days and increase in labor cost, the loss of the local food grant and a loss in Free and Reduced percentages this has put a burden on the department. Despite our efforts to absorb these cost, a student meal price increase is necessary to ensure the quality of our meal program.

Overview of Meal Participation & Comparison

		23-24 BREAKFAST	24-25 BREAKFAST	MEALS +/-		23-24 ADP	24-25 ADP		23-24 LUNCH	24-25 LUNCH	MEALS +/-		23-24 ADP	24-25 ADP
MEALS	PAID	33909	39201	5292		233	197		64638	69904	5266		376	416
	REDUCED	4958	4671	-287		28	29		9161	7758	-1403		53	46
	FREE	<u>60953</u>	<u>57598</u>	<u>-3355</u>		<u>343</u>	<u>354</u>		<u>108460</u>	<u>96374</u>	<u>-12086</u>		<u>631</u>	<u>574</u>
	TOTAL	99820	101470	1650		605	581		182259	174036	-8223		1060	1036
	SCHOOL DAYS	172	168											
	ENROLLMENT	1812	1839											
	F/R %	53%	49%											

Comparison with Other Districts for SY 2024-2025

<u>District</u>	<u>Elementary Lunch</u>	<u>Secondary Lunch</u>	<u>Breakfast</u>
Smithville ISD	\$2.50 / \$2.75	\$3.00 / \$3.25	No Charge
Columbus ISD	\$2.75	\$3.15	\$1.75
Lago Vista ISD	\$3.00	\$3.40	\$2.10
Wimberley ISD	\$3.10	\$4.00	\$2.15
Navarro ISD	\$3.25	\$3.65	\$1.25
Salado ISD	\$3.45	\$3.45	\$1.60
Other local districts participate in CEP- Giddings, Lagrange, Bastrop, Gonzales & Elgin			

CURRENT CHALLENGES

Rising Food Cost:

Food prices have increased significantly due to inflation and supply issues.

Labor Cost:

Competitive wages are needed to retain and attract Child Nutrition Staff

Increase in Utility Cost:

Cost of Utilities continue to rise each year.

Reimbursement Shortfall:

Federal reimbursement rates do not fully cover the cost of producing a meal.

Quality & Freshness:

To continue to provide fresh fruits, vegetables, whole grains, and quality proteins.

CHILD NUTRITION BUDGET

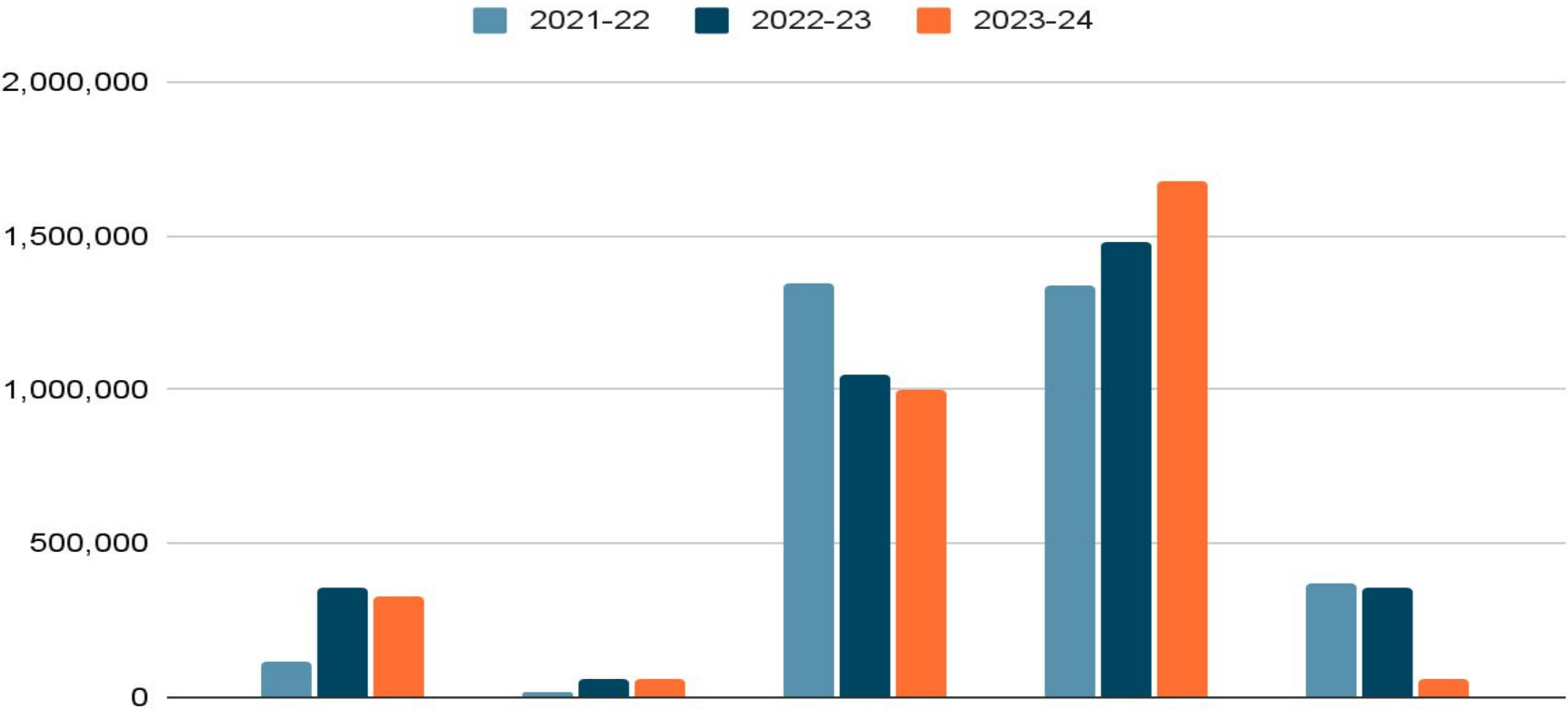
	23-24 ACTUAL BUDGET	24-25 APPROVED BUDGET
REVENUES	\$1,384,695	1,363,875
EXPENDITURES	\$1,676,075	\$1,460,600
PROFIT/LOSS	<u>-291,380</u>	<u>-96,725</u>

The 24-25 Budget was adopted with a \$96,725 expected deficit. Currently we are anticipating a \$175,000 deficit for the SY 24-25. The Child Nutrition Fund Balance has been decreasing yearly.

The negative impact on Fund Balance is contributed to:

- Yearly increase in salaries with less income days
- Food cost and supplies continue to rise
- Increase in cost of Utilities
- Decrease in number of students eligible for Free/Reduced - reducing amount of Federal Reimbursement
- Federal Reimbursement % not equal to the % of cost increase
- Grant money discontinued
- Unforeseen purchases and including equipment failure
- Increase in cost to replace or repair equipment
- Current budget approved as a deficit budget

BUDGET EFFECT ON FUND BALANCE



Proposed Student Meal Prices for SY 2025-2026

<u>Meal Type</u>	<u>Brown Primary</u>	<u>Elementary</u>	<u>Jr High</u>	<u>High School</u>
Lunch	\$2.75	\$3.00	\$3.25	\$3.50
Breakfast	\$1.75	\$2.00	\$2.00	\$2.00

These proposed changes include:

- *Increase breakfast from free to all students to \$1.75 for Brown Primary and \$2.00 for all other campuses.*
- *Increase the cost of lunches by \$0.25 at all campuses.*

Impact on the Department

***Based on 2024-2025 Meal
Participation Numbers***

**Estimated increase in lunch revenue
of \$17,500**

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***Estimated increase in breakfast
revenue
of \$38,900**

***Based on 50% Breakfast Participation of Paid Students**



ADDITIONAL STEPS

- CONTINUE TO ENHANCE MEAL QUALITY TO ENCOURAGE INCREASE IN PARTICIPATION
- REDUCE KITCHEN AND CHILD NUTRITION DEPARTMENT STAFF
- ALIGN CHILD NUTRITION STAFF WORK DAYS WITH STUDENT SCHOOL DAYS
- ENCOURAGE FAMILIES TO APPLY FOR FREE/REDUCED MEALS
- CONTINUE TO SEEK DONATIONS TO THE HUNGRY TIGER FUND
- CONSIDER MEAL PRICE INCREASES AS PROPOSED

RECOMMENDATION

The Child Nutrition Department recommends that the School Board approve the proposed student meal prices effective for the 2025-2026 school year to ensure:

- **Program sustainability**
- **Meal Quality**
- **USDA Compliance**