

Background Information for Price Increase

Child Nutrition, August 2011

Meals:

The Healthy Hunger-Free Kids Act of 2010, signed into law December, 2010, requires schools to charge students for paid meals at a price that is, on average, equal to the difference between the federal free meal reimbursements and any state reimbursements, and paid meal reimbursement. Schools that currently charge less are required to gradually increase their prices over time until they meet the requirement. Also, the Act establishes a maximum annual increase in the required paid increases of \$.10 annually. As a result, we are proposing the following:

Current paid Lunch Prices		<u>Proposed</u> Paid Lunch Prices	
Elementary	\$2.00	Elementary	\$2.10
Secondary	\$2.25	Secondary	\$2.35
Adult	\$3.50		\$3.60

Minneapolis, St. Paul and Anoka-Hennepin have all implemented ten cent increases. The last price increase for student meals was done in September of 2008. See the attached page for additional information on prices for surrounding districts.

At this time, the Child Nutrition Department is asking for a breakfast price increase as well. Currently, adult breakfasts are \$2.00 and would increase to \$2.10. Student breakfast for students not enrolled in the Duluth School District would increase from \$1.65 to \$1.75.

Reduced price lunches will remain at \$.40 per meal as there is not mandatory increase in the Healthy Hunger-Free Kids Act of 2010.

Milk:

Our last increase in milk prices was implemented in October, 2007. Since that time, our costs have gone up 8 cents per carton. Due to increase in the price of milk and the instability in the dairy market, the Child Nutrition Department is requesting a price increase in an 8 ounce carton of milk from \$.40 to \$.50.