

No. _____



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

TOPIC: Discussion/Action re: District Administration Plan for Food Service Department's 2008-2009

Budget Expenditures and Revenues

SUBMITTED BY: Bill Johnson, Pat Campos and Juan A. Molina **OF:** Board Members

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: March 25, 2009

RECOMMENDATION:

RATIONALE:

BUDGETARY INFORMATION

BOARD POLICY REFERENCE AND COMPLIANCE:



United Independent School District Food Service Department

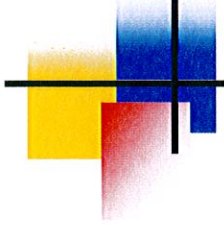
Fiscal Year 2008-2009 Financial Status Report



Current Status and Factors

- **The Food Services Department operated at a loss in 2007 and 2008; combined loss approximately \$1,000,000; loss funded through retained earnings**
- **Increased personnel costs due to annual salary adjustments with no corresponding increase in revenue**
- **Increased food costs due to inflation with no corresponding increase in revenue**
- **Reduction in USDA Commodities resulting in increased cash payments for food inventory**

Current Status and Factors – cont.



- **Federal reimbursements rates not adjusted to actual inflation**
- **Example, milk cost increased by over 30%, reimbursement rate increased by 3%**
- **Certain segments of food service operations not profitable**



Adjustments to Current Year Operations

- **Monitor extra-duty assignments to reduce projected payroll costs**
- **Current freeze on filling vacancies**
- **Consider filling vacancies internally, reducing FTEs within the department**
- **USDA commodities increasing**
- **2009 summer school program reducing number of sites; reduction of personnel needed for summer feeding program**



Future Actions Being Considered

- **Adjust price of meals for full price students and adults; one price adjustment in 20 years (see next slide)**
- **Monitor extra-duty assignments to minimize additional payroll costs**
- **Continue freeze on filling vacancies from the outside**
- **Review segment operations to determine if they should be continued**
- **Adjust menu offerings to reduce cost of goods sold**
- **Additional charge for extra servings to adults and full price students**

Meal Prices for Student and Adult Meals Since 1989

| Description | Meal | 1989 | 2003 |
|--------------------|-----------|--------|--------|
| Full Price Student | Breakfast | \$0.75 | \$1.00 |
| | Lunch | \$1.00 | \$1.25 |
| Reduced Student | Breakfast | \$0.30 | \$0.30 |
| | Lunch | \$0.40 | \$0.40 |
| Adult | Breakfast | \$1.00 | \$1.25 |
| | Lunch | \$2.00 | \$2.25 |