

RIVER ROAD INDEPENDENT SCHOOL DISTRICT
BOARD OF EDUCATION
AMARILLO, TEXAS

Subject: Cafeteria Price Increases

Date: Monday, June 3, 2013

Presented By: Mike Hodgson, Business Manager
KimTerry, Food Service Director

Related Page(s): This page + 2

ACTION

BACKGROUND INFORMATION:

For the reasons that follow, we are requesting approval to increase the price of full price meals by the required \$0.05 - \$0.10 as shown on the attached. This will affect approximately 38% of our students because the remainder of our students qualify for either free or reduced price meals. We also request permission to increase the price of various ala carte items to more accurately reflect market prices for those items.

With the passage of the Healthy, Hunger-Free Kids Act of 2010 (the child nutrition reauthorization bill) Congress enacted guidelines for the pricing of school meals. Included in the act is a provision (Meal Equity Pricing) that paid school lunches need to provide the same level of financial support for the Food Service program as free and reduced price lunches. Simply put, free and reduced price meals may no longer subsidize the cost of meals that are paid for by students who do not receive assistance.

The Federal Government has also changed the nutrition standards for meals, requiring a more expensive food product. Breakfasts are required to have more fruit servings and lunches are required to have more vegetable servings (dark leafy green, red, and orange vegetables.) The reimbursable meal pattern has also changed requiring students to all take a fruit or vegetable serving. It is estimated that our food costs will increase by 15%.

PRESENTATION/PURPOSE:

This is the presentation to the Board of a request of RRISD to increase breakfast and lunch prices for the 2013-2014 school year.

BOARD ACTION REQUESTED:

We request that the Board approve the request to increase breakfast and lunch prices as presented.

RRISD - PROPOSED MEAL PRICE INCREASES FOR 2013-2014

Current Meal Prices (2012-2013)

Breakfast Meals

Rolling Hills Elementary	No Charge
Willow Vista Intermediate	No Charge
River Road Middle School	\$1.65
River Road High School	\$1.65
Adult Breakfast	\$2.00

Lunch Meals

Rolling Hills Elementary	\$2.25
Willow Vista Intermediate	\$2.55
River Road Middle School	\$2.65
River Road High School	\$2.80
Adult Lunch	\$3.30

Proposed Meal Prices (2013-2014) - \$0.05/\$0.10 Increase for Students (no change for Reduce Priced Meals)

Breakfast Meals

Rolling Hills Elementary	No Charge
Willow Vista Intermediate	No Charge
River Road Middle School	\$1.70
River Road High School	\$1.70
Adult Breakfast	\$2.00

Lunch Meals

Rolling Hills Elementary	\$2.35
Willow Vista Intermediate	\$2.55
River Road Middle School	\$2.75
River Road High School	\$2.90
Adult Lunch	\$3.40

Please Note: Adult Meal Prices must be **MORE** than the Regular Student Meal Price **PLUS** the Federal Reimbursement Rate and must cover the total cost of the meals.

ESTIMATED REVENUE INCREASE: \$3,767.21

Ala Carte Price Increases

Individual Ala Carte items will have prices increased between \$0.05 and \$0.15 for 60+ items.
(Includes individual menu side items, snacks, and beverages that are not included with the meals.)

ESTIMATED REVENUE INCREASE from ALA CARTE ITEMS: \$3,379.35

<u>Current Lunch Price Components</u>	<u>Fed. Gov't.</u>	<u>Student</u>	<u>Total</u>
Free Lunches	\$2.88	\$0.00	\$2.88
Reduced Price Lunches	\$2.48	\$0.40	\$2.88
Paid Lunches			
Elementary	\$0.29	\$2.25	\$2.54
Intermediate	\$0.29	\$2.55	\$2.84
Middle School	\$0.29	\$2.65	\$2.94
High School	\$0.29	\$2.80	\$3.09
Weighted Average	\$0.29	\$2.49	\$2.78

Weighted Average Requirement for 2013-2014 is \$2.59, \$2.55 when rounded down to nearest 5 cent.

<u>Free/Reduced Price Percentages 2012-2013</u>	<u>Free</u>	<u>Reduced</u>	<u>Total</u>	<u>Enroll.</u>	<u>%</u>
High School	125	59	184	400	46.00%
Middle School	106	36	142	255	55.69%
Intermediate	106	37	143	204	70.10%
Elementary School	335	103	438	605	72.40%
Total	672	235	907	1464	61.95%

SY 2013-14 Price Adjustment Calculator

SY 2013-14 Weighted Average Price Requirement	
Requirement price to the nearest cent	Optional price requirement ROUNDED DOWN to nearest 5 cent
\$ 2.59	\$ 2.55
<i>Note: Above prices are based on adjusting SY 2012-2013 price requirement by the 2% rate increase plus the Consumer Price Index (2.93%)</i>	

SY 2012-13 Weighed Average Price Calculator

Enter the paid prices and number of paid lunches sold at each price for October 2012.

	Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2012-13 Weighted Average Price
1.	5,523	\$ 2.80	\$ 15,464.40	
2.	4,639	\$ 2.65	\$ 12,293.35	
3.	3,894	\$ 2.55	\$ 9,929.70	
4.	10,912	\$ 2.25	\$ 24,552.00	
5.			\$ -	
6.			\$ -	
7.			\$ -	
8.			\$ -	
9.			\$ -	
10.			\$ -	
TOTAL	24,968		\$ 62,239.45	\$ 2.49
<i>Note: SY 2012-13 Weighted Average Price equal to or above \$2.59 are compliant for SY 2013-14. \$2.59 is the difference between the Free and Paid reimbursement rates for SY 2012-13.</i>				

Total Price Increase for SY 2013-14
\$ 0.06

Required price increase for SY 2013-14 (with 10 cent cap)
\$ 2.55

Remaining increase carried forward to SY 2014-15
\$ -

Remaining credit carried forward to SY 2014-15
\$ -

[Go to SY2012-2013 Report](#)

Step 3 (Optional)

Pricing Estimation Calculator

Below is a tool allowing users to manipulate prices to achieve the required new weighted average price.

	Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	Weighted Average Price
1.	5,523	\$ 2.90	\$ 16,016.70	
2.	4,639	\$ 2.75	\$ 12,757.25	
3.	3,894	\$ 2.55	\$ 9,929.70	
4.	10,912	\$ 2.35	\$ 25,643.20	
5.			\$ -	
6.			\$ -	
7.			\$ -	
8.			\$ -	
9.			\$ -	
10.			\$ -	
TOTAL	24,968		\$ 64,346.85	\$ 2.58

Note: This tool is created to allow the user to only enter the number of paid lunches and the related prices. If any other parts of the tool are modified, the user runs the risk of calculating an incorrect new average price. Users should not modify the tool's current functionality.