

# Executive Summary

## Prepared for Board of Trustees Meeting

### April 22, 2014

#### Child Nutrition Paid Lunch Prices

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**Board Goal:** VI. Growth, change and fiscal responsibility – provide leadership and/or oversight to ensure District meets all fiscal, legal, and regulatory requirements.

**Purpose of Report** - For school year 2014-2015, school food authorities that, on a weighted average, charged less than \$2.65 for paid lunches in school year 2013-2014 are required to adjust their weighted average lunch price or add non-Federal funds to the non-profit school food service account. Although a waiver may be requested, there is an application process with no guarantee of approval. The waiver, if granted, would apply only for one year. Denton ISD currently has an average weighted lunch price of \$2.62.

**Objectives**

- Increasing lunch prices will permit the Child Nutrition program to be in compliance with the Paid Lunch Equity regulation.
- Increasing lunch prices will provide funds for kitchen equipment replacement, new equipment, and increases in employee compensation.
- Increasing lunch prices may offset potential losses in revenue due to new regulations that will affect competitive foods sales.

**Operational Impact** - The following increases will result in a projected revenue increase of (based on 2012-2013 meal counts):

- \$0.10 increase - \$79,938.60
- \$0.15 increase - \$119,907.90
- \$0.20 increase - \$159,877.20
- \$0.25 increase - \$199,846.50
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**Results** - The advantages of increasing lunch prices are listed above under objectives. The main disadvantages are 1) the financial impact on parents of students who are required to pay for meals, and 2) the potential loss of paying customers at lunch.

**Other Options** - A waiver can be requested for school year 2014-2015.

**Supporting Documents:**

1. Competitive foods summary chart of new regulations - [allfoods\\_summarychart.pdf](#)
2. Paid Lunch Equity Memo from USDA - [SP15-2014os.pdf](#)