

## Food Service Budget Notes 2025-26 SY

### Budget Assumptions

- Hudsonville: 171 Lunch service days, 181 Breakfast service days
- Jenison: 170 Lunch service days, 176 Breakfast service days
  - Budget is built on average daily participation (ADP) rates of 2024-25
  - Breakfast: 1297 per day Lunch: 7451 per day
  - See attached sheet comparing overall meals served since 2020-21.
- Free School Meals: MDE has told all schools to plan for free meals again for all Public School students for the 2025-26 School year.

### Meal Prices

- We do not have to raise student meal prices for the 2025-26 School Year. USDA has extended the moratorium on price increases as long as the non-profit food service fund balance is positive.
- Adult Meal prices may have to increase before the 2025-26 school year. The formula for Adult Meals Prices is based on the Free Meal reimbursement rate for students, which won't be released until after July 1.

### Revenues

- The majority of our revenue will come in the form of reimbursements from the Federal government and the State of Michigan.
- Michigan School Meals (free meals) relies on districts to maximize the Federal Reimbursement portion and the State picks up the difference. Lower Free & Reduced population = more state pickup

### Expenditures

- Expenditures are based on performance from the 2024-25 school year.
- We are seeing increased costs on small equipment, major equipment (capital), parts (for repairs), disposables, food.

### Excess Fund Balance and Capital Outlay

- We still have a cumulative Excess Fund Balance of \$1.6 million as of June 30, 2024. We have until June 30, 2026 to spend these funds. MDE does understand the extreme nature of spending this much money in a short time, and as long as we make progress towards this goal we will not be penalized.
- My aim is to get our Fund Balance below the allowed 3-month threshold of allowable savings, including maintaining a reserve between \$600,000-800,000 to help offset the cost of the new Jenison 5-6 Building, just as Food Service contributed dollars for the Hudsonville HS bond project in 2024 (\$566,966).
- One of my projects this summer is to do a full equipment inventory and asset check. Then I will re-write our Master Equipment Plan.

### Food/Menus

- I have budgeted for an increase in Food Spend. Current Food Cost in 24-25 is hovering right around 37% (of total revenue). I increased that to 40% for 25-26. Food costs are already rising and I anticipate increases for every category – produce, proteins, grocery, milk.
- We plan to continue our successful "Pop Up Produce" program, which features locally grown, Michigan grown, and new fruits and vegetables for students of all ages to try. We were sad to see the USDA's Local Foods for School Grant get cancelled by USDA in January. That was another funding source for Local Foods. We currently have 13 farms that we are purchasing food from through our partners at Farm Link (a Grand Rapids based food hub) and The Food Bank

## Food Service Budget Comparison 2025-26

	2024-25	2024-25	2025-26
	Original Approved	Budget	Proposed
<b>Revenues</b>	<b>AMENDED JUNE 2025</b>		
Interest Income	\$ 50,000	\$ 113,000	\$ 80,000
Elementary Lunch	\$ 74,760	\$ 65,000	\$ 70,200
Secondary Lunch	\$ -		\$ -
Breakfast Sales	\$ -		\$ -
Adult Food Sales	\$ 22,000	\$ 17,500	\$ 17,468
Student A La Carte Sales	\$ 250,000	\$ 215,000	\$ 200,000
Outside Sales Catering	\$ 15,000	\$ 20,000	\$ 20,000
JPS Catering*	\$ 5,000	\$ 7,000	\$ 7,000
Tuition-Based Revenue (ECC)	\$ -		\$ -
Online Revenues	\$ -	\$ 4,500	\$ 4,500
MPSERS Stabilization	\$ 250,000	\$ 250,000	\$ 195,967
SEC 31a At Risk	\$ -		\$ -
State Aid Funds (31d)	\$ 199,965	\$ 201,765	\$ 201,765
Sec 30d MI Schools Meals Breakfast	\$ 268,017	\$ 335,000	\$ 351,796
Sec 30d MI Schools Meals Lunch	\$ 3,497,295	\$ 3,565,000	\$ 3,810,722
Sec 31j Ten Cents A Meal	\$ -	\$ 20,000	\$ -
ESSER II Formula Equal 11r(4)	\$ -		
Federal Funds Breakfast	\$ 243,036	\$ 230,000	\$ 233,741
Federal Funds Lunch	\$ 1,821,781	\$ 1,682,000	\$ 1,681,102
SUPPLY CHAIN ASSISTANCE	\$ -		\$ -
Federal Local Foods for Schools	\$ -		
Federal Funds Summer	\$ 22,337	\$ 30,000	\$ 12,350
Federal Funds Extended SFSP	\$ -		
Coronavirus Relief Funds	\$ -		
Commodities - Entitlement	\$ 301,915	\$ 450,000	\$ 481,207
Commodities - Bonus	\$ -		\$ -
Elimination of Bad Debt: Hudsonville	\$ -		
Elimination of Bad Debt: Jenison	\$ -		
State Prior Year Adjstment	\$ -		
Sale Of Equipment	\$ -	\$ 3,000	
<b>Total Income</b>	<b>\$ 7,021,106</b>	<b>\$ 7,208,765</b>	<b>\$ 7,367,818</b>

### Expenses

Water Sewage	\$ 750	\$ 700	\$ 750
Maintenance Building	\$ 10,000	\$ 2,000	\$ 5,000
Supply Natural Gas	\$ 6,000	\$ 8,000	\$ 8,000
Supply Electricity	\$ 30,000	\$ 25,000	\$ 30,000
Supply Fuel/Oil	\$ 6,500	\$ 4,500	\$ 6,500
Salary Kitchen Manager	\$ 58,178	\$ 58,178	\$ 60,603
Salary Director Food Service	\$ 99,701	\$ 99,701	\$ 105,514
Salary Asst Dir Food Service	\$ 136,045	\$ 136,045	\$ 140,666
Salary Kitchen Worker	\$ 1,225,270	\$ 1,225,270	\$ 1,307,261
Salary Special Payment	\$ 27,000	\$ 27,000	\$ 24,000
Salary OT/Extra Operation	\$ 150	\$ 50	\$ 200
Health Insurance	\$ 57,000	\$ 57,000	\$ 45,303
Retirement	\$ 653,254	\$ 653,254	\$ 694,039

Fica	\$	116,218	\$	116,218	\$	123,474
Worker's Comp	\$	15,000	\$	14,637	\$	15,000
Unemployment	\$	-	\$	-	\$	-
Cash-In-Lieu Of Insurance	\$	18,500	\$	18,500	\$	9,500
Cell Phone	\$	3,300	\$	3,300	\$	3,300
Attendance/Refer Incent	\$	7,500	\$	5,500	\$	7,500
Training (PD/Conf Fees)	\$	5,000				
Travel/Mileage (Non-Conference)	\$	3,000	\$	7,000	\$	6,000
Conference Travel	\$	15,000	\$	26,000	\$	15,000
Telephone	\$	500	\$	500	\$	500
Software	\$	35,000	\$	36,500	\$	35,000
Printing	\$	10,000	\$	16,000	\$	20,000
Maintenance Equip	\$	125,000	\$	110,000	\$	125,000
Maintenance Vehicle	\$	6,000	\$	7,000	\$	7,000
Preventive Maint	\$	50,000	\$	55,000	\$	60,000
Purch Svc	\$	110,000	\$	125,000	\$	125,000
Purch Svc Aides Bkfst (Hudsonville)	\$	22,000	\$	20,000	\$	22,000
Online Dep Fees (And Bank Fees)	\$	10,000	\$	10,000	\$	10,000
Training (PD/Conf Fees)			\$	12,000	\$	12,000
Food	\$	2,600,000	\$	2,600,000	\$	2,950,000
Food Sec 31a Grant	\$	-			\$	-
Food Sec 31j Ten Cents A Meal	\$	-			\$	-
Food Supply Chain Assistance	\$	-			\$	-
Food Local Foods	\$	-			\$	-
Serving Disposables	\$	225,000	\$	225,000	\$	275,000
Commodity Expense	\$	301,915	\$	450,000	\$	481,207
Commodity Bonus	\$	-			\$	-
Office Supplies	\$	15,000	\$	7,000	\$	10,000
Computer Supplies	\$	5,000	\$	6,500	\$	10,000
Misc. Supplies	\$	8,000	\$	8,000	\$	10,000
Cleaning Supplies	\$	32,000	\$	22,000	\$	30,000
Uniforms	\$	20,000	\$	18,000	\$	22,500
Building	\$	1,000,000	\$	1,000,000	\$	-
New Equip	\$	100,000	\$	65,000	\$	50,000
Small Equipment (Under \$600)	\$	20,000	\$	32,000	\$	25,000
Equipment Hville	\$	-	\$	104,270	\$	-
Replacement Equipment	\$	50,000	\$	80,000	\$	50,000
Due/Fee Professional Org	\$	12,000	\$	12,000	\$	12,000
Due/Fee Health Dept	\$	12,000	\$	12,000	\$	12,000
Misc Promotions	\$	30,000	\$	5,000	\$	23,000
Indirect Cost To Hudsonville	\$	93,613	\$	154,007	\$	154,000
Hudsonville ECC Lunch	\$	45,000	\$	66,000	\$	75,000
Prior Year State Aid Adjustment	\$	-			\$	-
Indirect Cost To Jenison	\$	93,613	\$	154,007	\$	154,000
<b>Total Operating Expenses</b>	<b>\$</b>	<b>7,525,008</b>	<b>\$</b>	<b>7,900,638</b>	<b>\$</b>	<b>7,367,818</b>

<b>Operating Loss/Profit</b>	<b>\$</b>	<b>(503,902)</b>	<b>\$</b>	<b>(691,873)</b>	<b>\$</b>	<b>(0)</b>
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<b>Net Change in Fund Balance</b>	<b>\$</b>	<b>(503,902)</b>	<b>\$</b>	<b>(691,873)</b>	<b>\$</b>	<b>(0)</b>
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Beginning Fund Equity	\$	3,847,738	\$	3,847,738	\$	3,155,865
Ending Fund Equity	\$	3,343,836	\$	3,155,865	\$	3,155,865
Fund Equity Percent		44.4%		39.9%		42.8%