

**WE EXPECT EXCELLENCE****WE INNOVATE****WE EMBRACE EQUITY****WE COLLABORATE**

2016-2017 SCHOOL MEAL PRICES

POLICY ISSUE/SITUATION:

Per School Board policy EF/EFA, NS is required to be self-supporting, with no local tax revenue subsidizing the program. The policy also specifies that staff shall “report to the Board any financial condition changes/forecasts in the food services program” that necessitates a change in meal prices.

BACKGROUND INFORMATION:

The National School Lunch Program (NSLP) and the School Breakfast Program (SBP) are federal entitlement programs authorized by Congress and funded mainly through USDA meal reimbursements (63%) and meal payments from students (23%).

The District’s Nutrition Services (NS) department operates these programs on behalf of the district and under contract with the Oregon Department of Education Child Nutrition Program and USDA.

Each summer, USDA issues updated meal reimbursement rates for the new fiscal year. Depending on the individual school district’s program, these meal reimbursement increases may or may not cover actual costs to operate the program. When actual costs increase beyond what increases in meal reimbursements can support, increasing meal prices is the only revenue-generating avenue for NS to seek to cover the gap.

Included as informational items are the following spreadsheets:

- Meal price comparison for selected school districts in Oregon
- Detail for projected revenue (How reimbursement rates and meal prices affect revenue)
- Projected expense increases vs. projected revenue increases for 2016-17

RECOMMENDATION:

BE IT FURTHER RESOLVED that the School Board authorizes the Superintendent to:

- Increase lunch prices for Elementary, Middle and High school students by 25¢ for the 2016-17 school year.
- Increase Adult lunch prices by 5¢ for the 2016-17 school year.
- Increase breakfast prices for Elementary, Middle and High school students by 10¢ for the 2016-17 school year.

District Goal: WE empower all students to achieve post-high school success.

The Beaverton School District recognizes the diversity and worth of all individuals and groups. It is the policy of the Beaverton School District that there will be no discrimination or harassment of individuals or groups based on race, color, religion, gender, sexual orientation, gender identity, gender expression, national origin, marital status, age, veterans' status, genetic information or disability in any educational programs, activities or employment.

2016-17 School Districts Meal Price Comparison

	School District	% F&R	Milk Prices	Breakfast				Lunch			
				Elementary	Middle	High	Adult	Elementary	Middle	High	Adult
2010-11	Portland Public	44.0%	0.50	1.00	1.00	1.25	1.75	2.20	2.45	2.70	3.60
2011-12	Portland Public	45.0%	0.50	1.10	1.10	1.35	1.85	2.30	2.55	2.80	3.70
2012-13	Portland Public	42.2%	0.50	1.10	1.10	1.35	1.85	2.50	2.75	3.00	4.00
2013-14	Portland Public	44.8%	0.50	1.25	1.25	1.25	2.00	2.60	2.85	3.10	4.10
2014-15	Portland Public	42.2%	0.50	1.35	1.35	1.35	2.10	2.70	2.95	3.20	4.20
2015-16	Portland Public	40.8%	0.50	1.35	1.35	1.35	2.10	2.70	2.95	3.20	4.20
2016-17	Portland Public		0.50	1.35	1.35	1.35	2.10	2.70	2.95	3.20	4.20
	Per Cent Change	-3%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2010-11	Salem-Keizer	52.0%	0.40	0.90	1.05	1.05	1.50	1.75	2.20	2.20	3.00
2011-12	Salem-Keizer	56.2%	0.40	0.90	1.05	1.05	1.50	1.85	2.30	2.30	?
2012-13	Salem-Keizer	58.5%	0.40	1.00	1.10	1.10	2.00	1.95	2.40	2.40	3.50
2013-14	Salem-Keizer	58.5%	0.40	1.00	1.10	1.10	2.00	2.00	2.50	2.50	3.50
2014-15	Salem-Keizer	58.5%	0.40	1.00	1.10	1.10	2.00	2.10	2.60	2.60	3.50
2015-16	Salem-Keizer	64.1%	0.40	1.00	1.10	1.10	2.00	2.20	2.70	2.70	3.70
2016-17	Salem-Keizer		0.40	1.00	1.10	1.10	2.10	2.25	2.75	2.75	3.80
	Per Cent Change	10%	0%	0%	0%	0%	0%	5%	4%	4%	6%
2010-11	Hillsboro	43.2%	0.50	1.25	1.50	1.50	2.00	2.00	2.50	2.50	3.00*
2011-12	Hillsboro	45.0%	0.50	1.25	1.50	1.50	2.00	2.00	2.50	2.50	3.00*
2012-13	Hillsboro	44.5%	0.50	1.25	1.50	1.50	2.00	2.15	2.65	2.65	3.00
2013-14	Hillsboro	44.5%	0.50	1.50	1.75	1.75	2.00	2.30	2.80	2.80	3.25
2014-15	Hillsboro	53.4%	0.50	1.50	1.75	1.75	2.00	2.50	3.00	3.00	3.25
2015-16	Hillsboro	44.8%	0.50	1.50	1.75	1.75	2.00	2.50	3.00	3.00	3.25
2016-17			0.50	1.50	1.75	1.75	2.00	2.50	3.00	3.00	3.25
	Per Cent Change	-16%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2010-11	Tigard	34.7%	0.55	1.55	1.80	1.80	N/A	2.50	2.90	3.05	4.35
2011-12	Tigard	37.9%	0.55	1.55	1.75	1.80	2.30	2.55	3.00	3.15	4.45
2012-13	Tigard	38.7%	0.55	1.55	1.75	1.80	2.25	2.70	3.15	3.30	4.45
2013-14	Tigard	38.7%	0.55	1.55	1.75	1.80	2.25	2.70	3.15	3.30	4.45
2014-15	Tigard	37.7%	0.55	1.60	1.85	1.85	2.30	2.75	3.20	3.35	4.50
2015-16	Tigard	33.4%	0.55	1.60	1.85	1.85	2.30	2.75	3.20	3.35	4.50
2016-17	Tigard		0.55	1.65	1.90	1.90	2.30	2.80	3.25	3.25	4.50
	Per Cent Change	-11%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2010-11	Beaverton	36.7%	0.50	1.00	1.05	1.15	1.80	2.40	2.80	3.25	4.40
2011-12	Beaverton	40.1%	0.50	1.25	1.30	1.40	2.00	2.50	2.90	3.35	4.45
2012-13	Beaverton	36.2%	0.50	1.25	1.30	1.40	2.00	2.50	2.90	3.35	4.45
2013-14	Beaverton	36.0%	0.50	1.25	1.30	1.40	2.00	2.60	2.90	3.35	4.45
2014-15	Beaverton	36.5%	0.50	1.25	1.30	1.40	2.00	2.70	3.00	3.35	4.45
2015-16	Beaverton	37.3%	0.50	1.35	1.40	1.50	2.00	2.80	3.00	3.35	4.45
2016-17	Beaverton (Proposed)		0.50	1.45	1.50	1.60	2.10	3.05	3.25	3.60	4.50
	Per Cent Change	2%	0%	7%	7%	7%	5%	9%	8%	7%	1%

Price Information for Districts with lower Per Cent Free & Reduced Eligible Students

2015-16	West Linn-Wilsonville	21.7%	0.50	1.95	1.95	1.95	1.95	3.20	3.45	3.45	4.20
2016-17	West Linn-Wilsonville		0.50	1.95	1.95	1.95	1.95	3.20	3.45	3.45	4.20
2015-16	Lake Oswego	9.8%	0.60	2.00	2.00	2.00	N/A	3.35	3.75	3.75	N/A
2016-17	Lake Oswego		0.60	2.00	2.00	2.00	N/A	3.35	3.75	3.75	4.00

NS Projected Revenue Increases How Reimbursement Rates & Meal Prices Affect Revenue

Revenue from Increases in Free Meals Reimbursement

June 2016 YTD Free Lunch Counts with a 9 cent/meal Increase in Reimbursement

	Total Meals	Free Meals	Free%	June 16 Revenue	June 17 Revenue	Variance
Elementary Totals	573,347	294,415	1061%	\$ 921,518.95	\$ 948,016.30	\$ 26,497.35
Middle School Totals	218,914	125,136	21%	\$ 391,675.68	\$ 402,937.92	\$ 11,262.24
High School Totals	374,147	207,093	55%	\$ 648,201.09	\$ 666,839.46	\$ 18,638.37
Total	1,166,408	626,644	54%	\$ 1,961,395.72	\$ 2,017,793.68	\$ 56,397.96

June 16 YTD Breakfast Counts with 5 cent/meal Increase in Reimbursement

	Total Meals	Free Meals	Free%	June 16 Revenue	June 17 Revenue	Variance
Elementary Totals	176,339	130,940	56%	\$ 260,570.60	\$ 267,117.60	\$ 6,547.00
Middle School Totals	62,910	48,002	76%	\$ 95,523.98	\$ 97,924.08	\$ 2,400.10
High School Totals	122,118	90,488	74%	\$ 180,071.12	\$ 184,595.52	\$ 4,524.40
Total	361,367	269,430	75%	\$ 536,165.70	\$ 549,637.20	\$ 13,471.50

\$ 69,869.46

Revenue from Increases in Reduced Price Meals Reimbursement

June 2016 YTD Reduced Lunch Counts with 9 cent/meal Increase in Reimbursement

	Total Meals	Reduced Meals	Reduced %	June 16 Revenue	June 17 Revenue	Variance
Elementary Totals	573,347	46,140	8%	\$ 125,962.20	\$ 130,114.80	\$ 4,152.60
Middle School Totals	218,914	24,515	11%	\$ 66,925.95	\$ 69,132.30	\$ 2,206.35
High School Totals	374,147	41,444	11%	\$ 113,142.12	\$ 116,872.08	\$ 3,729.96
Total	1,166,408	112,099	10%	\$ 306,030.27	\$ 316,119.18	\$ 10,088.91

June 2016 YTD Reduced Breakfast Counts with 5 cent Increase in Reimbursement

	Total Meals	Reduced Meals	Reduced %	June 16 Revenue	June 17 Revenue	Variance
Elementary Totals	176,339	17,661	10%	\$ 29,847.09	\$ 30,730.14	\$ 883.05
Middle School Totals	62,910	8,355	13%	\$ 14,119.95	\$ 14,537.70	\$ 417.75
High School Totals	122,118	15,100	12%	\$ 25,519.00	\$ 26,274.00	\$ 755.00
Total	361,367	41,116	11%	\$ 69,486.04	\$ 71,541.84	\$ 2,055.80

\$ 12,144.71

Revenue from Increases in Paid Meals Reimbursement

June 2016 YTD Paid Lunch Counts with 1 cent/meal Increase in Reimbursement

	Total Meals	Paid Meals	Paid %	June 16 Revenue	June 17 Revenue	Variance
Elementary Totals	573,347	232,792	41%	\$ 81,477.20	\$ 83,805.12	\$ 2,327.92
Middle School Totals	218,914	69,263	32%	\$ 24,242.05	\$ 24,934.68	\$ 692.63
High School Totals	374,147	125,610	34%	\$ 43,963.50	\$ 45,219.60	\$ 1,256.10
Total	1,166,408	318,585	32%	\$ 149,682.75	\$ 153,959.40	\$ 4,276.65

June 2016 YTD Paid Breakfast Counts with a zero meal Increase in Reimbursement

	Total Meals	Paid Meals	Paid %	June 16 Revenue	June 17 Revenue	Variance
Elementary Totals	176,339	27,738	16%	\$ 8,044.02	\$ 8,044.02	\$ -
Middle School Totals	62,910	6,553	10%	\$ 1,900.37	\$ 1,900.37	\$ -
High School Totals	122,118	16,530	14%	\$ 4,793.70	\$ 4,793.70	\$ -
Total	361,367	50,821	14%	\$ 14,738.09	\$ 14,738.09	\$ -

\$ 4,276.65

Total Reimbursement Revenue Increase \$ 86,290.82

Revenue from a 25 cent Increase in the Lunch Meal Prices at All Levels

	Total	Paid	Paid %	Lunch Price Incr.	Increased Rev.
Elementary Totals	573,347	232,792	41%	\$ 0.25	\$ 58,198.00
Middle School Totals	218,914	69,263	32%	\$ 0.25	\$ 17,315.75
High School Totals	374,147	125,610	34%	\$ 0.25	\$ 31,402.50
Adult Meals	5,452			\$ 0.05	\$ 272.60
Total	1,171,860	318,585	0%		\$ 106,916.25

Total Lunch Price Revenue Increase \$ 106,916.25

Revenue from a 10 cent Increase in Breakfast Meal Prices at All Levels					
	Total	Paid	Paid %	Breakfast Price Incr.	Increased Rev.
Elementary Totals	176,339	27,738	16%	\$ 0.10	\$ 2,773.80
Middle School Totals	62,910	6,553	10%	\$ 0.10	\$ 655.30
High School Totals	122,118	16,530	14%	\$ 0.10	\$ 1,653.00
Total	361,367	50,821	14%		\$ 5,082.10

Total Breakfast Price Revenue Increase \$ 5,082.10

Grand Total Revenue Increase \$ 198,289.17

2016-17 BSD Nutrition Services

Projected Supply & Labor Cost Increases vs. Projected Revenue

		<u>2016-17 Projected</u>
Labor Expenses	\$	196,108
Supply Expenses		\$0.00
Total Expense Increase	\$	196,108

<u>NS Revenue Increases</u>		<u>2016-17 Projected</u>
Federal Reimbursements	\$	86,290.82
ES 25 cent Lunch Price Increase	\$	58,198.00
MS 25 cent Lunch Price Increase	\$	17,315.75
HS 25 cent Lunch Price Increase	\$	31,402.50
Adult 5 Cent Lunch Price Increase	\$	272.60
ES 10 cent Breakfast Price Increase	\$	2,773.80
MS 10 cent Breakfast Price Increase	\$	655.30
HS 10 cent Breakfast Price Increase	\$	1,653.00
Total Revenue Increase	\$	198,562

Revenue - Expenses (with proposed price increases) \$ 2,454

Revenue - Expenses (without proposed price increases) \$ (109,817)