



**Prospect Heights School District 23
Board of Education
Action Item**

Date: May 1, 2023

Subject: Recommendation for Student Lunch Fees for the 2023-24 School Year

Contact: Amy McPartlin, Assistant Superintendent for Finance & Operations

BACKGROUND:

As discussed with the Finance Committee, Administration reviews the current fee structure and its alignment with District expenditures on an annual basis. At the January, 2023 Board of Education meeting, the Board approved all student fees except for student lunch and milk fees. During the past two school years, breakfast and lunch have largely been offered to every student at no cost, as these meals have been fully reimbursed by the Federal Government under the Summer Food Service Program.

As costs for goods and services (CPI) have increased significantly over the past two years, so too have our costs to Organic Life. The District has not adjusted meal costs in several years and we have received a recommendation from ISBE to increase our meal fees to be more in alignment with the actual food costs. and NSLP rates of reimbursement.

With the mandated increase to minimum wages and increase in CPI, we have seen a jump in our Organic Life meal costs. The renewal rates for 2023-24 reflect a 8.3% increase and are based on rates following the 9/23/22 amendment. One milk is included with each meal. The cost for a second milk will remain the same.

PROPOSED 2023-24 STUDENT LUNCH FEES:

STUDENT GRADE LEVEL	Current Reimbursement Amount for Paid Meal (NSLP)	Organic Life 2022-23 Charge to D23 (Per Amend. dtd 9/23/22)	Organic Life 2023-24 Charge to D23	Proposed Student Cost for 2023-24
Breakfast (All Grades)	\$.33	\$1.82	\$1.98	\$2.00
Grades K – 5 (Lunch)	\$.79	\$3.25	\$3.52	\$3.25
Grades 6 – 8 (Lunch)	\$.79	\$3.25	\$3.52	\$3.50
Grades 6 – 8 (Second Milk)	\$.00	\$1.10	\$1.10	\$1.10

CONCLUSION

The Administration recommends the annual renewal of the agreement with Organic Life and the acceptance of the fees proposed above for approval for the 2023-24 school year.

Date of Original Contract: July 1, 2020	Year of Renewal (Circle) 1 2 3 4
--	--

Contract Renewal Agreement for Food Service Management Company Child Nutrition Programs

This document contains the rates and fees for the contract of food service management for nonprofit food service programs for the period beginning July 1, 2023, and ending June 30, 2024. The terms and conditions of the original contract are applicable to the contract renewal. Upon acceptance, this document shall constitute the contract renewal between the Food Service Management Company (FSMC) and the School Food Authority (SFA).

The FSMC shall not plead misunderstanding or deception because of the character, location, or other conditions pertaining to the contract.

PER MEAL PRICES MUST BE QUOTED AS IF NO USDA COMMODITIES WILL BE RECEIVED

	2022-2023 Rate(s)	2023-2024 Rate(s)**	Percentage Increase***
<u>School Nutrition Programs (SNP)</u>			
1. Reimbursable Breakfasts with Milk	1. <u>1.8288</u>	1. <u>1.9805</u>	1. <u>8.3%</u>
2. Reimbursable Lunches with Milk*	2. <u>3.2570</u>	2. <u>3.5273</u>	2. <u>8.3%</u>
3. A la Carte Equivalent Fee*	3. <u>3.2570</u>	3. <u>3.5273</u>	3. <u>8.3%</u>
4. Reimbursable After-School Snacks	4. _____	4. _____	4. _____
5. Special Milk Program (SMP)	5. _____	5. _____	5. _____
6. Fresh Fruit and Vegetable Program (FFVP)	6. _____	6. _____	6. _____
7. Management Fee per School Meal (Reimbursable Breakfast and Lunch)	7. _____	7. _____	7. _____
<u>Child and Adult Food Care Programs (CACFP)</u>			
8. Reimbursable At Risk After School Snack	8. _____	8. _____	8. _____
9. Reimbursable After School Supper with Milk	9. <u>5.0302</u>	9. <u>5.4477</u>	9. <u>8.3%</u>
10. Reimbursable AM/PM Snack	10. _____	10. _____	10. _____
<u>Summer Food Service Program (SFSP)</u>			
11. Reimbursable Breakfasts with Milk	11. <u>1.8288</u>	11. <u>1.9805</u>	11. <u>8.3%</u>
12. Reimbursable Lunches with Milk	12. <u>3.2570</u>	12. <u>3.5273</u>	12. <u>8.3%</u>

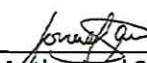
*Rates must be the same.

**Rates must not be rounded up. Do not exceed four decimal places.

***Percentage increase must not exceed the allowable increase established in the original contract.

OrganicLife, LLC		
Food Service Management Company		
430 W. Erie St., Ste. 403		
Street Address		
Chicago	IL	60654
City	State	Zip Code

By submission of this proposed renewal agreement, the FSMC certifies that, in the event they receive a renewal award under this solicitation, the FSMC shall operate in accordance with all applicable current program regulations. This agreement shall not exceed one calendar year.

 Authorized Signature of FSMC	CEO	4/3/2023
Title	Date	

SFA Acceptance of FSMC Contract Renewal Agreement

School Food Authority (SFA)

Agreement Number (RCDT Code)

Authorized Signature of SFA

Title

Date

Contract Renewal Agreement Certification Form 2023–2024

The *Contract Renewal Agreement Certification Form* must be completed and signed by the School Food Authority’s (SFA’s) authorized representative.

A. School Food Authority Information

Agreement Number (RCDT Code) _____

School Food Authority _____

FSMC Name OrganicLife, LLC

B. Contract Renewal Terms

Per the contract renewal terms stated in the contract, the maximum allowable percentage increase that may be applied to the fixed meal rates and fixed management fees is as follows (refer to the original contract for renewal terms; check the appropriate box):

- CPI–All (Dec) 6.5%
- CPI–Food Away from Home (Dec) 8.3%
- CPI–Food (Dec) 10.4%
- CPI–Food Away from Home (Dec) not to exceed (insert number) %
- Other (specify) _____

C. Certification Statement

Under the provisions of the United States Department of Agriculture, Food and Nutrition Service, I certify as a sponsor in the Child Nutrition Programs all information contained in the executed *Contract Renewal Agreement* and accompanying contract renewal documents is true and accurate.

I understand the nonprofit school food service program account cannot be used to pay for unallowable contract costs. As authorized representative for the school food authority noted above, I will ensure operation of the nonprofit school food service program, including use of nonprofit school food service program account funds, is in compliance with the rules and regulations of the Illinois State Board of Education and the United States Department of Agriculture regarding Child Nutrition Programs.

I understand revisions cannot be made to the executed FSMC Contract without first submitting proposed revisions to the Illinois State Board of Education for review and receiving written notification the proposed revisions are allowable within the regulatory guidelines. Furthermore, I understand additional documents and/or agreements, including those developed by the contractor, cannot become part of the executed contract.

I understand all contract information provided to the Illinois State Board of Education is being given in connection with the receipt of federal funds and deliberate misrepresentation may subject me to prosecution under applicable state and federal criminal statutes. Further, I understand such misrepresentation could result in the loss of federal and state funding received by the school food authority for School-Based Child Nutrition Programs.

I certify the Contract Renewals documents submitted to ISBE have been reviewed by the School Food Authority and the School Food Authority’s legal counsel, as deemed necessary, to ensure compliance with all Local, State and Federal regulations, statutes, and policies.

I certify that no third-party entity prepared the contract renewal documents, requested amendments, and USDA foods entitlement utilization data below.

I certify that all contract provisions, including those relating to USDA Foods utilization by the FSMC to the maximum extent possible have been met:

School Year 2022-23 USDA Foods Entitlement Amount (including Bonus) (A) \$ 55,887.45

School Year 2022-23 USDA Foods credits issued to the SFA by the FSMC (B) \$ 47,504.33

USDA Foods Entitlement Utilization Percentage as of **April 1, 2023** (B / A) % 85

****Date of certification must be as of the date contract renewal is signed based on year-to-date actual credits received by the FSMC as verified by monthly invoices****

SFA Authorized Representative Signature	Title	E-mail	Date
---	-------	--------	------

D. Required Documentation

The SFA must submit signed copies of the following documents to our office, prior to the expiration of your current contract, in order to obtain approval of your 2024 Child Nutrition Program Sponsor Application. Originals should be retained in your files. **Send the forms and documents only once;** for example, do not email and mail.

- Contract Renewal Agreement
- Contract Renewal Agreement Certification Form 2023–2024
- Certification forms, as applicable, signed annually by the contractor.
 - [Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions](#),
 - [Certificate Regarding Lobbying—Contracts, Grants, Loans, and Cooperative Agreements](#),
 - [Disclosure of Lobbying Activities](#)- If the annual contract is over \$100,000 and any funds other than Federal appropriated funds have been used for lobbying.
- Any other unsigned amendments for allowable contract changes accompanied by written justification for the amendment. Such amendments must be reviewed, and a compliance determination must be provided by ISBE prior to formal execution (signing) of the amendment.

Mail or email to: Nutrition Department
Illinois State Board of Education
100 North First Street W270
Springfield, IL 62777-0001

Email: nutritionprocurement@isbe.net

School-Based Child Nutrition Programs Rates of Reimbursement
Effective July 1, 2022 - June 30, 2023

National School Lunch Program				
	Less Than 60%	Less Than 60% + 8 Cents**	60% or More*	60% or More* + 8 Cents**
Paid	\$0.77	\$0.85	\$0.79	\$0.87
Reduced-Price	\$3.93	\$4.01	\$3.95	\$4.03
Free	\$4.33	\$4.41	\$4.35	\$4.43

The maximum price a sponsor can charge for a student reduced-price lunch is \$4.40.

* The higher rate of reimbursement for lunch (60% or more) applies if 60% or more of the lunches served by an SFA during the second preceding school year were served free or at a reduced price.

** Additional 8 cents requires a one-time menu certification

School Breakfast Program		
	Non-Severe Need	Severe Need *
Paid	\$0.50	\$0.50
Reduced-Price	\$1.96	\$2.37
Free	\$2.26	\$2.67

The maximum price a sponsor can charge for a student reduced-price breakfast is \$3.30.

* The higher rate of reimbursement for breakfast (Severe-Need) applies if 40% or more of the lunches served at the site in the second preceding school year were served free or at a reduced price.

Special Milk Program			
	All Milk	Paid Milk	Free Milk
Pricing Program Without Free Option and Nonpricing Programs	\$0.2700		
Pricing Program With Free Option		\$0.2700	Average cost per ½ pint milk

After-School Snacks in After-School Care Programs	
Paid	\$0.09
Reduced-Price	\$0.54
Free	\$1.08

The maximum price a sponsor can charge for a student reduced-price after-school snack is \$1.15.

Food Distribution Program
Planned Assistance Level (PAL) for NSLP = \$0.4300 (per lunch rate of \$0.3000 PLUS the 12% provision dollars and the \$20M breakfast dollars for NSLP)

Illinois Free Breakfast and Lunch Programs
\$0.02 per each free breakfast and/or lunch

A la Carte Equivalency Factor – for use in FSMC/vendor contracts
Effective SY 23-24 federal free lunch reimbursement (more than 60% + 8 cents) plus PAL plus Illinois Free Lunch reimbursement SY 2022-23 Contract – \$4.1875
SY 2023-24 Contract – \$4.88