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## **PROPOSED 2015-2016 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 July, 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.

On the enclosed chart comparing the revenue NS receives for free elementary school (ES) lunches vs. paid ES lunches, you will notice that with the proposed 10¢ meal price increase, NS will now earn approximately the same amount for every paid elementary school meal that it does for every free elementary school meal it serves.

Also, on the enclosed chart comparing the revenue NS receives for free breakfasts vs. paid breakfasts at all levels, you will notice that with the proposed 10¢ meal price increase at each level, NS will now earn a closer approximation of the total revenue amount for every paid elementary school breakfast that it does for every free elementary school breakfast it serves.

**District Goal:** All students will show continuous progress toward their personal learning goals, developed in collaboration with teachers and parents, and will be prepared for post-secondary education and career 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.

Included as informational items are the following spreadsheets:

- Projected expense increases vs. projected revenue increases for 2015-16
- A meal price comparison for selected school districts in Oregon
- Detail for Projected Revenue (How reimbursement rates and meal prices affect revenue)

**RECOMMENDATION:**

**(15-567)** BE IT FURTHER RESOLVED that the School Board authorizes the Superintendent to:

- Increase lunch prices for elementary school students by 10¢ for the 2015-16 school year.
- Increase breakfast prices for elementary school students by 10¢ for the 2015-16 school year.
- Increase breakfast prices for middle school students by 10¢ for the 2015-16 school year.

## NS Projected Revenue Increases

How

### Reimbursement Rates & Meal Prices Affect Revenue

#### Revenue from Increases in Free Meals Reimbursement

June 2015 YTD Free Lunch Counts with a 9 cent/meal Increase in Reimbursement						
	Total Meals	Free Meals	Free%	June 14 Revenue	June 15 Revenue	Variance
Elementary Totals	1,584,424	878,602	167%	\$ 2,670,950.08	\$ 2,750,024.26	\$ 79,074.18
Middle School Totals	698,532	378,846	16%	\$ 337,543.36	\$ 347,536.42	\$ 9,993.06
High School Totals	531,366	314,483	59%	\$ 956,028.32	\$ 984,331.79	\$ 28,303.47
<b>Total</b>	<b>2,814,322</b>	<b>1,571,931</b>	<b>56%</b>	<b>\$ 3,964,521.76</b>	<b>\$ 4,081,892.47</b>	<b>\$ 117,370.71</b>

  

June 15 YTD YTD Breakfast Counts with 6 cent/meal Increase in Reimbursement						
	Total Meals	Free Meals	Free%	June 14 Revenue	June 15 Revenue	Variance
Elementary Totals	527,683	411,484	69%	\$ 794,164.12	\$ 818,853.16	\$ 24,689.04
Middle School Totals	182,868	143,882	79%	\$ 277,692.26	\$ 286,325.18	\$ 8,632.92
High School Totals	146,807	117,271	80%	\$ 226,333.03	\$ 233,369.29	\$ 7,036.26
<b>Total</b>	<b>857,358</b>	<b>672,637</b>	<b>78%</b>	<b>\$ 1,298,189.41</b>	<b>\$ 1,338,547.63</b>	<b>\$ 40,358.22</b>

\$ 157,728.93

#### Revenue from Increases in Reduced Price Meals Reimbursement

June 2015 YTD Reduced Lunch Counts with 9 cent/meal Increase in Reimbursement						
	Total Meals	Reduced Meals	Reduced %	June 14 Revenue	June 15 Revenue	Variance
Elementary Totals	1,584,424	111,034	7%	\$ 293,129.76	\$ 303,122.82	\$ 9,993.06
Middle School Totals	698,532	54,303	8%	\$ 143,359.92	\$ 148,247.19	\$ 4,887.27
High School Totals	531,366	46,329	9%	\$ 122,308.56	\$ 126,478.17	\$ 4,169.61
<b>Total</b>	<b>2,814,322</b>	<b>211,666</b>	<b>8%</b>	<b>\$ 558,796.24</b>	<b>\$ 577,848.18</b>	<b>\$ 19,049.94</b>

  

June 2015 YTD Reduced Breakfast Counts with 6 cent Increase in Reimbursement						
	Total Meals	Reduced Meals	Reduced %	June 14 Revenue	June 15 Revenue	Variance
Elementary Totals	527,683	49,580	9%	\$ 80,815.40	\$ 83,790.20	\$ 2,974.80
Middle School Totals	182,868	17,542	10%	\$ 28,593.46	\$ 29,645.98	\$ 1,052.52
High School Totals	146,807	17,499	12%	\$ 28,523.37	\$ 29,573.31	\$ 1,049.94
<b>Total</b>	<b>857,358</b>	<b>84,621</b>	<b>10%</b>	<b>\$ 137,932.23</b>	<b>\$ 143,009.49</b>	<b>\$ 5,077.26</b>

\$ 24,127.20

#### Revenue from Increases in Paid Meals Reimbursement

June 2015 YTD Paid Lunch Counts with 1 cent/meal Increase in Reimbursement						
	Total Meals	Paid Meals	Paid %	June 14 Revenue	June 15 Revenue	Variance
Elementary Totals	1,584,424	594,788	7%	\$ 202,227.92	\$ 208,175.80	\$ 5,947.88
Middle School Totals	698,532	265,383	8%	\$ 90,230.22	\$ 92,884.05	\$ 2,653.83
High School Totals	531,366	170,554	9%	\$ 57,988.36	\$ 59,693.90	\$ 1,705.54
<b>Total</b>	<b>2,814,322</b>	<b>1,030,725</b>	<b>8%</b>	<b>\$ 350,446.50</b>	<b>\$ 360,753.75</b>	<b>\$ 10,307.25</b>

  

June 2015 YTD Paid Breakfast Counts with a 1 cent/meal Increase in Reimbursement						
	Total Meals	Paid Meals	Paid %	June 14 Revenue	June 15 Revenue	Variance
Elementary Totals	527,683	66,619	9%	\$ 18,653.32	\$ 19,319.51	\$ 666.19
Middle School Totals	182,868	21,444	10%	\$ 6,004.32	\$ 6,218.76	\$ 214.44
High School Totals	146,807	12,037	12%	\$ 3,370.36	\$ 3,490.73	\$ 120.37
<b>Total</b>	<b>857,358</b>	<b>100,100</b>	<b>10%</b>	<b>\$ 28,028.00</b>	<b>\$ 29,029.00</b>	<b>\$ 1,001.00</b>

\$ 11,308.25

**Total Reimbursement Revenue Increase \$ 193,164.38**

#### Revenue from a 10 cent increase in the ES Lunch Meal Prices

	Total	Paid	Paid %	Lunch Price Incr.	Increased Rev.
Elementary Totals	1,584,424	594,788	38%	\$ 0.10	\$ 59,478.80
Middle School Totals	698,532	265,383	38%	\$ -	\$ -
High School Totals	531,366	170,554	32%	\$ -	\$ -
<b>Total</b>					<b>\$ 59,478.80</b>

**Total Lunch Price Revenue Increase \$ 59,478.80**

#### Revenue from a 10 cent increase in the ES and MS Breakfast Meal Prices

	Total	Paid	Paid %	Breakfast Price Incr.	Increased Rev.
Elementary Totals	527,683	66,619	9%	\$ 0.10	\$ 6,661.90
Middle School Totals	182,868	21,444	10%	\$ 0.10	\$ 2,144.40
High School Totals	146,807	12,037	12%	\$ 0.10	\$ 1,203.70
<b>Total</b>	<b>857,358</b>	<b>100,100</b>	<b>10%</b>		<b>\$ 10,010.00</b>

**Total Breakfast Price Revenue Increase \$ 10,010.00**

**Grand Total Revenue Increase \$ 262,653.18**

**School Districts Meal Price Comparison**

2010-11		2011-2012		2012-13		2013-14		2014-15		2015-16	
School District	% F&R	Milk Prices	Breakfast				Lunch				
			Elementary	Middle	High	Adult	Elementary	Middle	High	Adult	
Portland 2010-11	44.0%	0.50	1.00	1.00	1.25	1.75	2.20	2.45	2.70	3.60	
Portland 2011-12	45.0%	0.50	1.10	1.10	1.35	1.85	2.30	2.55	2.80	3.70	
Portland 2012-13	42.2%	0.50	1.10	1.10	1.35	1.85	2.50	2.75	3.00	4.00	
Portland 2013-14	44.8%	0.50	1.25	1.25	1.25	2.00	2.60	2.85	3.10	4.10	
Portland 2014-15	42.2%	0.50	1.35	1.35	1.35	2.10	2.70	2.95	3.20	4.20	
Portland 2015-16	47.0%	0.50	1.35	1.35	1.35	2.10	2.70	2.95	3.20	4.20	
Per Cent Change	11%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Salem-Keizer 2010-11	52.0%	0.40	0.90	1.05	1.05	1.50	1.75	2.20	2.20	3.00	
Salem-Keizer 2011-12	56.2%	0.40	0.90	1.05	1.05	1.50	1.85	2.30	2.30	?	
Salem-Keizer 2012-13	58.5%	0.40	1.00	1.10	1.10	2.00	1.95	2.40	2.40	3.50	
Salem-Keizer 2013-14	58.5%	0.40	1.00	1.10	1.10	2.00	2.00	2.50	2.50	3.50	
Salem-Keizer 2014-15	58.5%	0.40	1.00	1.10	1.10	2.00	2.10	2.60	2.60	3.50	
Salem-Keizer 2015-16	58.0%	0.40	1.00	1.10	1.10	2.00	2.20	2.70	2.70	3.70	
Per Cent Change	-1%	0%	0%	0%	0%	0%	5%	4%	4%	6%	
Hillsboro 2010-11	43.2%	0.50	1.25	1.50	1.50	2.00	2.00	2.50	2.50	3.00*	
Hillsboro 2011-12	45.0%	0.50	1.25	1.50	1.50	2.00	2.00	2.50	2.50	3.00*	
Hillsboro 2012-13	44.5%	0.50	1.25	1.50	1.50	2.00	2.15	2.65	2.65	3.00	
Hillsboro 2013-14	44.5%	0.50	1.50	1.75	1.75	2.00	2.30	2.80	2.80	3.25	
Hillsboro 2014-15	53.4%	0.50	1.50	1.75	1.75	2.00	2.50	3.00	3.00	3.25	
Hillsboro 2015-16	44.0%	0.50	1.50	1.75	1.75	2.00	2.50	3.00	3.00	3.25	
Per Cent Change	-18%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Tigard 2010-11	34.7%	0.55	1.55	1.80	1.80	N/A	2.50	2.90	3.05	4.35	
Tigard 2011-12	37.9%	0.55	1.55	1.75	1.80	2.30	2.55	3.00	3.15	4.45	
Tigard 2012-13	38.7%	0.55	1.55	1.75	1.80	2.25	2.70	3.15	3.30	4.45	
Tigard 2013-14	38.7%	0.55	1.55	1.75	1.80	2.25	2.70	3.15	3.30	4.45	
Tigard 2014-15	37.7%	0.55	1.60	1.85	1.85	2.30	2.75	3.20	3.35	4.50	
Tigard 2015-16	35.0%	0.55	1.60	1.85	1.85	2.30	2.75	3.20	3.35	4.50	
Per Cent Change	-7%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Beaverton 2010-11	36.7%	0.50	1.00	1.05	1.15	1.80	2.40	2.80	3.25	4.40	
Beaverton 2011-12	40.1%	0.50	1.25	1.30	1.40	2.00	2.50	2.90	3.35	4.45	
Beaverton 2012-13	36.2%	0.50	1.25	1.30	1.40	2.00	2.50	2.90	3.35	4.45	
Beaverton 2013-14	37.8%	0.50	1.25	1.30	1.40	2.00	2.60	2.90	3.35	4.45	
Beaverton 2014-15	37.8%	0.50	1.25	1.30	1.40	2.00	2.70	3.00	3.35	4.45	
Beaverton 2015-16 (Proposed)	39.3%	0.50	1.35	1.40	1.50	2.10	2.80	3.00	3.35	4.45	
Per Cent Change	4%	0%	8%	8%	7%	0%	4%	0%	0%	0%	

**Other Districts with lower Per Cent Free & Reduced Eligible Students**

West Linn-Wilsonville 2014-15	23.6%						3.20	3.45	3.45	4.20
West Linn-Wilsonville 2015-16		0.50	1.95	1.95	1.95	1.95	3.20	3.00	3.45	4.20
Lake Oswego 2014-15	11.5%						3.30	3.75	3.75	
Lake Oswego 2015-16	11.0%	0.60	2.00	2.00	2.00	?	3.35	3.75	3.75	?

## 2015-16 BSD Nutrition Services

### Projected Supply & Labor Cost Increases vs. Projected Revenue

		<u>2015-16 Projected</u>
Labor Expenses	\$	152,054
Supply Expenses		\$92,210
<b>Total Expense Increase</b>	<b>\$</b>	<b>244,264</b>

<u>NS Revenue Increases</u>		<u>2015-16 Projected</u>
Federal Reimbursements	\$	193,164.38
ES 10 cent Lunch Price Increase	\$	59,478.80
ES 10 cent Breakfast Price Increase	\$	6,661.90
MS 10 cent Breakfast Price Increase	\$	2,144.40
HS 10 cent Breakfast Price Increase	\$	1,203.70
<b>Total Revenue Increase</b>	<b>\$</b>	<b>262,653</b>

Revenue - Expenses (with proposed price increases)

**\$ 18,389**

Revenue - Expenses (without proposed price increases)

**\$ (51,100)**

# USDA Reimbursement Rates/Meal vs. Total Revenue/Meal

## Lunch Rates/Meal vs. Total Revenue/Meal

<i>Meal Reimbursements 2014 -2015</i>		<i>Meal Reimbursements 2015 - 2016</i>		<i>Variation In Reimbursement Revenue Per Meal</i>
PAID	\$ 0.34	PAID	\$0.35	\$0.01
REDUCED PRICE	\$ 2.64	REDUCED PRICE	\$2.73	\$0.09
FREE	\$ 3.04	FREE	<b>\$3.13</b>	\$0.09

<b>2014-15 Paid Meal Prices</b>		<b>2015-16 Proposed Paid Meal Prices</b>		<b>Variation In Meal Price Revenue Per Meal</b>
ELEMENTARY	\$2.70	ELEMENTARY	\$2.80	\$0.10
MIDDLE	\$3.00	MIDDLE	\$3.00	\$0.00
HIGH	\$3.35	HIGH	\$3.35	\$0.00

<b>2014-15 Paid Total Revenue/Meal</b>		<b>2015-16 Proposed Revenue/Meal</b>		<b>Variation In Total Revenue Per Meal</b>
ELEMENTARY	$\$2.70 + \$0.34 = \$3.04$	ELEMENTARY	$\$2.80 + \$0.35 = $ <b>\$3.15</b>	\$0.11
MIDDLE	$\$3.00 + \$ 0.34 = \$3.34$	MIDDLE	$\$3.00 + \$0.35 = \$3.35$	\$0.01
HIGH	$\$3.35 + \$ 0.34 = \$3.69$	HIGH	$\$3.35 + \$0.35 = \$3.70$	\$0.01

## Breakfast Reimbursement Rates/Meal vs. Total Revenue/Meal

<i>Breakfast Meal Reimbursements</i> 2015 - 2016		<i>Breakfast Meal Reimbursements</i> 2015 - 2016		Variation In Reimbursement Revenue Per Meal
PAID	\$ 0.28	PAID	\$0.29	\$0.01
REDUCED PRICE	\$ 1.63	REDUCED PRICE	\$1.69	\$0.06
FREE	\$ 1.93	FREE	\$1.99	\$0.06

2014-15 Paid Meal Prices		2015-16 Proposed Paid Meal Prices		Variation In Meal Price Revenue Per Meal
ELEMENTARY	\$1.25	ELEMENTARY	\$1.35	\$0.10
MIDDLE	\$1.35	MIDDLE	\$1.45	\$0.10
HIGH	\$1.40	HIGH	\$1.50	\$0.10

2014-15 Paid Total Revenue/Meal		2015-16 Proposed Revenue/Meal		Variation In Total Revenue Per Meal
ELEMENTARY	$\$1.25 + \$0.28 = \$1.53$	ELEMENTARY	$\$1.35 + \$0.29 =$ <span style="background-color: #90EE90;">\$1.64</span>	\$0.11
MIDDLE	$\$1.35 + \$0.28 = \$1.63$	MIDDLE	$\$1.45 + \$0.29 =$ <span style="background-color: #90EE90;">\$1.74</span>	\$0.11
HIGH	$\$1.40 + \$0.28 = \$1.68$	HIGH	$\$1.50 + \$0.29 =$ <span style="background-color: #90EE90;">\$1.79</span>	\$0.11