

APPROVED  
BY THE BOARD OF TRUSTEES  
6/11/08

May 28, 2008

To: Board Members

From: Dena Whittington, Assistant Superintendent, Business Services

Subject: Board Approval, Pricing For Meals and Milk Offered to Students and Adults for the School Year 2008-2009

The District lunch program must be operated on a nonprofit basis. School food authorities operating a food program must establish meal prices that are affordable to students, cover the cost of preparing the meals, and do not result in any type of profit.

Program regulations require that all reimbursable school lunches be priced as a unit. In addition, offer versus serve provisions must not affect the selling price of the lunch as established by the district. Regardless of which items a student chooses, he/she must pay the established full or reduced price meal charge, as appropriate. Students that are eligible for free meals do not pay. Past practice in the Del Mar Union School District has been that students identified as being eligible for reduced price meals do not pay the approved \$.40 per meal. Starting in the 2008-2009 school year, the Business Services Department recommends collecting the approved \$.40 per meal. This will generate another \$4,248 in annual revenue. Due to the existing order processing system, there will be a minimal workload impact to the Child Nutrition Department.

Federal and State reimbursements, children's payments, and other non-designated, nonprofit food service revenues may not subsidize the cost of an adult meal. The adult charge shall, at a minimum, cover the sponsor's cost for providing the meal. Therefore, the adult meal charge should be substantially more than the price charged to the paying student. In addition, the District is required to collect and submit local sales tax on meals and milk purchased by adults.

Beginning in the 08-09 school year, the State reimbursement rate will be reduced by \$.04 per meal. The meal cost from the San Dieguito Union High School District will be increasing by \$.10. Existing staffing costs will increase by \$10,915 due to step and column movement on the classified salary schedule. In addition, delivery expenses increase with rising fuel costs. These circumstances require the Business Services Department to recommend a meal price increase for

the first time in two years. This will also assist the Child Nutrition Fund in establishing a reserve to replace equipment and vehicles as needed in the near future.

The following rates are being recommended for the 2008-2009 school year:

<b>Description</b>	<b>Price</b>	<b>Increase</b>
Paid Student reimbursable meal including milk	\$3.50	\$.50
Reduced Student reimbursable meal including milk	\$.40	\$.40
Student milk only	\$.50	--
Adult reimbursable meal w/o milk	\$4.50	\$.50
Adult milk	\$.55	--

Note that the sales price for adult meal and milk does include applicable sales tax.

**FISCAL IMPACT:**

Child Nutrition Fund:

“Paid” revenues will increase by \$99,000.

“Reduced” revenues will increase by \$4,248.

**RECOMMENDED:**

The Interim Superintendent recommends approval of the 2008-2009 meal and milk prices for students and adults, based on the extended vended meal agreement with San Dieguito Union High School District including the attached price increase.





Del Mar Union School District  
 Cafeteria Fund  
 2008-09 Budget  
 5/16/2008

**Breakeven at \$3.50**  
**Projected 2008-2009 Budget**

Revenue

	School Days	Estimated Meals	Federal	State	Local	Amount		
Paid	180	720	\$ 0.25	\$ -	\$ 3.50	\$ 486,000.00	Federal	\$ 94,485.60
Reduced	180	59	\$ 2.09	\$ 0.18	\$ 0.40	\$ 28,355.40	State	\$ 4,795.20
Free	180	89	\$ 2.49	\$ 0.18	\$ -	\$ 42,773.40	Local	\$ 617,669.00
Snack	180	500	\$ -	\$ 0.06	\$ -	\$ 5,400.00		\$ 716,949.80
Milk Program (\$90 per year for 870 students)						\$ 78,300.00		
Snack Program (\$.70 * 180 days of school * 500 snacks per day)						\$ 63,000.00		
Indirect Costs from Childcare Fund (Estimate)						\$ 7,645.00		
Interest						\$ 9,724.00		
<b>Total Revenue</b>						<b>\$ 721,197.80</b>		

Expenditures

Labor	Calculated by FIS system, staffing as of 4/14/08	\$ 98,574.00		
Benefits	Calculated by FIS system, staffing as of 4/14/08	\$ 34,425.00		
SDUHSD				
	<b>School Days</b>	<b>Estimated Meals</b>	<b>Meal Price</b>	
Paid	180	720	\$ 2.75	\$ 356,400.00
Reduced	180	59	\$ 2.75	\$ 29,205.00
Free	180	89	\$ 2.75	\$ 44,055.00
Snack Program (\$.70 * 180 days of school * 500 snacks per day)				\$ 63,000.00
				1000 \$ -
				2000 \$ 98,574.00
				3000 \$ 34,425.00
				4000 \$ 558,214.00
				5000 \$ 7,333.00
				6000 \$ -
				7000 \$ 22,121.00
				\$ 720,667.00
Commodities	reduction in food cost of \$.1675 per meal for 180 days	\$ (17,000.00)		
Milk		\$ 82,554.00	\$ 558,214.00	
Service and Operating Costs		\$ 7,333.00		
Capital Outlay - Delivery Vehicle		\$ -		
Indirect Costs to General Fund		\$ 22,121.00		
<b>Total Expenditures</b>		<b>\$ 720,667.00</b>		
<b>Excess (Deficiency) of Revenues over Expenditures</b>		<b>\$ 530.80</b>		
<b>Beginning Fund Balance</b>		<b>\$ 14,920.16</b>		
<b>Ending Fund Balance</b>		<b>\$ 15,450.96</b>		

# San Dieguito

Union High School  
District

710 Encinitas Blvd.  
Encinitas, CA 92024-3357  
(760) 753-6491  
www.sduhsd.net

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Oak Crest MS  
San Dieguito Adult Education  
San Dieguito HS Academy  
Sunset HS  
Torrey Pines HS

March 18, 2008

Dena Whittington  
Assistant Superintendent, Business Services  
Del Mar Union School District  
225 Ninth Street  
Del Mar, CA 92014

Dear Assistant Superintendent Whittington,

August 2008 will mark the two year anniversary of our Annual Vended Meal Agreement. It has been a pleasure to serve your lunch and snack programming needs. The San Dieguito Union High School District wishes to continue to provide nutritious foods that comply with all applicable health department, state, and federal regulations to the Del Mar Union School District community.

In the face of this difficult economy we are doing our best to produce meals and snacks in the most labor efficient manor possible. Despite our best efforts to contain costs it will be necessary to increase the meal and snack prices to meet skyrocketing food and supply costs: meal price increase from \$2.65 to \$2.75 and a snack price increase from \$.60 to \$.70.

Lastly, it is SDUHSD's desire to continually improve our service to the students of DMUSD. As such we have set up an e-suggestion box for program participants. It's as simple as an email to [nutrition@sduhsd.net](mailto:nutrition@sduhsd.net) to pose questions, give suggestions, or express concerns. We encourage you to advertise the mailbox as you see fit.

We appreciate your business and look forward to your response.

Sincerely,



Alicia Pitrone, RD  
Director of Nutrition Services  
760-753-6241 x3427

**DEL MAR UNION SCHOOL -2008-09 Budget 0208**

**Budget Summary by Object - J200**

Fiscal Year 07/01/2008 - 06/30/2009

04/14/2008

11:07:31AM

**Fund 13-00 CAFETERIA SPCL REVENUE FUND**

**Object Description**

2200 CLASSIFIED SUPPORT SALARIES 116,169

**Total For 2000 \$116,169**

3212 PERS, CLASSIFIED POSITIONS 10,165

3312 OASDI, CLASSIFIED POSITIONS 7,202

3322 MEDICARE, CLASSIFIED POSITIONS 1,685

3402 HEALTH & WELFARE BENEFITS,CLAS 13,672

3502 UNEMPLOYMENT INS, CLASS 58

3602 WORKER'S COMP INSURANCE, CLASS 1,643

**Total For 3000 \$34,425**

**Total Expenditure \$150,594**

**Total Income \$0**