

APPROVED
BY THE BOARD OF TRUSTEES
4/29/09

April 20, 2009

To: Board Members

From: Dena Whittington, Assistant Superintendent of Business Services

Through: Sharon McClain, Superintendent

Subject: Child Nutrition Price Increase for the 2009/2010 School Year.

The lunch program is voluntary and must be operated on a nonprofit basis. School Food Authorities operating a pricing program shall establish meal prices that are affordable to students, cover the cost of preparing the meal, and do not result in a profit.

Program regulations require that all reimbursable school lunches be priced as a unit. In addition, offer versus serve provision must not affect the lunch's selling price as established by the district. Regardless of which items a student chooses, he or she must pay the established full or reduced price meal charge, as appropriate. Students eligible for reduced price meals pay \$.40. Students eligible for free meals pay nothing.

The cost of an adult meal may not be subsidized by Federal and State reimbursements, children's payments, and other nondesignated, nonprofit food service revenues. 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.

Federal and State reimbursement rates for the 2009/2010 school year are not available at this time. The attached calculations use the 2008/2009 rates which may be adjusted up or down. The meal cost from San Dieguito Union High School District will remain the same, although SDUHSD will no longer be passing along the commodity credit to DMUSD. Staffing costs will increase by \$10,915 due to step and column movement of existing staff and additional clerical support at the district office. It is these circumstances that requires the Business Department to recommend a meal price increase. This will also assist the Child Nutrition Fund in establishing a reserve to replace equipment and vehicles as needed in the near future.

The Business Services Department is suggesting the following milk and meal rates:

“Paid” Student reimbursable meal including milk \$4.25 (increase of \$.75)

“Reduced” Student reimbursable meal including milk \$.40 (amount regulated by NSLP)

Student milk only \$.50 (no increase)

Adult reimbursable meal w/o milk \$5.25 (increase of \$.75)

Adult milk \$.55 (no increase)

*Sales price for adult meal and milk does include applicable sales tax

FISCAL IMPACT:

Child Nutrition Fund:

“Paid” revenues will increase by \$197,820 (\$.75 for 1099 meals for 180 school days) \$40,000 will be reserved for vehicle replacement.

RECOMMENDED:

The Superintendent recommends approval of the 2009/2010 meal and milk prices for students and adults.