

## EXECUTIVE SUMMARY

**Topic:** Meal Price Increases 2019-2020

### Short Summary:

Compliance with USDA instructions and the State of Arkansas standards are essential for program operations. An increase in meal charges, combined with continued cost control efforts, would serve to eliminate a potential subsidy from general operating funds for our failure to adequately establish recovery of meal costs. A chart is attached which details the history of meal price increases for the school district.

### Background:

Public school food service operations should operate at a break-even point with total revenue from all sources equal to total reported costs. Our school nutrition program receives varying amounts of reimbursement for each student lunch meal served. The Healthy, Hunger-Free Kids Act of 2010 requires school food authorities participating in the National School Lunch Program to ensure sufficient funds are provided to the nonprofit school food service account for lunches served to students not eligible for free or reduced price meals. The Act also requires school food authorities to compare and adjust, if needed, the weighted average price charged for lunches served to students not eligible for free or reduced price lunches to the highest Federal reimbursements provided for paid lunches utilizing the formula provided. Meal Price Equity requires that School Food Authorities must align its meal cost, or they must supplement the nonprofit school food service account from a non-federal funding source to cover any program loss when the meal costs are not adjusted to align with cost factors and reimbursement. Student Breakfast Cost and Adult Meal Cost are proposed based on guidance provided by the Arkansas Department of Education, Child Nutrition Unit as a part of the Annual Agreement for Child Nutrition Programs.

### Recommendation:

It is recommended that the meal prices identified on the Meal Price List 2019-20 document be approved effective July 1, 2019.

### Action Steps to be taken:

1. If approved, the website will be modified.
2. School will be given a document to insert into their school newsletters to share the new pricing.

### Key Points:

- The United States Department of Agriculture establishes meal price fluctuation.
- Districts have a limit on how much of an increase there can be in any year.
- LRSD has 71.89% Free/Reduced status and 29 Provision 2 schools.

**Key Players:**

Stephanie Walker-Hynes, Child Nutrition Director  
Child Nutrition Department

**Fiscal Impact**

Potential savings to the General Operating fund

**Date submitted 5/16/19    Submitted by Kelsey Bailey, Chief Financial Officer**