



FLOYD COUNTY BOARD OF EDUCATION
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Dr. Chandra Varia, Member - District 2
Keith Smallwood, Member - District 4
Steve Slone, Member - District 5

Consent Agenda Item (Action Item): Set adult meal prices for Breakfast and Lunch

Applicable State or Regulations: KRS 162.90 Powers and duties of the local board.

Fiscal/Budgetary Impact: Meal prices must be set to a level that meets Federal Guidelines to prevent a negative budgetary impact on the district's general fund.

History/Background: Our district typically operates under the National School Lunch Program and School Breakfast Program. Currently we are operating under the Seamless Summer Option because of the many advantages it provides such as the following:

- We can provide meals to our virtual students.
- It allows us to send out multiple meals to quarantined students.
- We can provide meals during unanticipated class and/or school closures.
- We receive a higher reimbursement rate to offset the increase cost of providing student meals.
- We can serve children from 1 year olds to 18 year olds during unanticipated school closures.

The majority of the districts across the state are currently operating under the Seamless Summer Option due to the many advantages of the program.

The USDA requires breakfast and lunches served to teachers, administrators, custodians, and other adults must be priced so that the adult payment in combination with any per-lunch revenues from other sources designated specifically for the support of adult meals must be sufficient to cover the overall cost of the meal. This includes the value of any USDA entitlement and bonus donated foods used to prepare the meal. In non-pricing programs, the adult charge should be at least the amount of reimbursement received for a free lunch under Section 4 and 11 of the National School Lunch Act, plus the per meal value of both entitlement and bonus donated foods. For breakfast, the rate established for free meals under Section 4 of the Child Nutrition Act, plus the value of bonus commodities.

Districts that receive federal reimbursement for school meals are required to follow USDA guidelines in order to be eligible for federal reimbursement.

Program Reimbursement Rate	Minimum Required Unrounded Adult Meal Price for Breakfast	Minimum Required Unrounded Adult Meal Price for Lunch
SSO (utilizing the SFSP self-prep, rural rate)	\$2.73*	\$4.58*
Adult Meal Pricing Formula per FNS 782-5 Rev. 1 : reimbursement received for a free meal + per meal value of commodities	$\$2.47^* + .2600 = \2.73	$\$4.32^* + .2600 = \4.58
Minimum price will change in January due to the release of updated SFSP rates.		

Our district is currently operating under the Seamless Summer Option (SSO) program. In January of 2022, the USDA will set the new pricing for the Summer Food Service Program and the Seamless Summer Option.

The board of education has several options, which include the following:

1. *Keep current prices for adult meals. In which case, the district would have to pay the difference for each adult meal. (See 4th column in chart below)*
 - Breakfast \$2.50 District would pay \$0.23 from the general fund for each breakfast meal purchased by an adult.
 - Lunch \$3.50 District would pay \$1.08 from the general fund for each lunch meal purchased by an adult.
2. *Increase prices to cover the minimum costs required by the USDA under the Seamless Summer Option (SSO). We would revisit this price in January 2022.*
 - Breakfast \$2.73 Rounded \$2.75
 - Lunch \$4.58 Rounded \$4.75
3. *Set prices at a level to cover anticipated increase that will occur in January 2022.*
 - Breakfast – To be determined – I estimate that \$3.00 would cover it.
 - Lunch – To be determined – I estimate that \$5.00 would cover it.

USDA Federal Program of Operation	Current Price for Breakfast	Required Minimum Adult Price for Breakfast	General Fund Payment to Cover Meal Cost if Price Remains the Same	Suggested Breakfast Price which includes rounding up to the next multiple of \$0.25
Seamless Summer Option	\$2.50	\$2.73	\$0.23	\$2.75
USDA Federal Program of Operation	Current Price for Lunch	Required Minimum Adult Price for Lunch	General Fund Payment to Cover Meal Cost if Price Remains the Same	Suggested Lunch Price which includes rounding up to the next multiple of \$0.25
Seamless Summer Option	\$3.50	\$4.58	\$1.08	\$4.75

Recommended Action: I would suggest choosing the 2nd option listed since it would cover the minimum price increase required by the USDA. It would provide simplified counting of change due to rounding up to the next multiple of \$0.25. This would prevent a negative impact on the district general fund since the district would not have to supplement to make up the cost of each meal served to adults. This would also prevent the district from receiving a corrective action finding for our current Administrative Review that is being conducted by KDE.

The cost of adult meals would be:

Breakfast	\$2.75
Lunch	\$4.75

Contact Person(s): Dale Pack

Dale Pack

Director

Annex Shepherd

Superintendent

Date: 10-22-21