Appendix 6

BOE Agenda Item Executive Summary
Date: June 12, 2023

Topic: Nutrition Services Meal Price Increase

Background Information: Student lunch prices must be in compliance with USDA's Paid Lunch Equity (PLE) pricing provision.

PLE works to ensure that revenues received from free and reduced-priced meals do not subsidize revenues received from paid meals. However, meal prices do not necessarily need to be increased if the program is in "good financial standing", or having a fund balance in excess of three months' worth of operating cost.

Although Nutrition Services anticipates having a fund balance at the end of the 2022-23 school year, that is due in part of receiving $1,853,415 in Supply Chain Assistance Funds during the past two school years. This funding source is expected to end on June 30, 2023.

In addition, the Keep Kids Fed Act of 2022 provided additional resources to help Child Nutrition Program operators continue to serve healthy meals to children during a period of unprecedented supply chain disruption, cost increases, and labor challenges. The Act provided temporary additional reimbursements of:

- 40 cents per lunch served through the National School Lunch Program (NSLP);
- 15 cents per breakfast served through the School Breakfast Program (SBP); and
- 10 cents per meal or snack served in the Child and Adult Care Food Program (CACFP).

This funding source is also expected to end on June 30, 2023.

Furthermore, the cost of food and supplies have increased by approximately 10% in the past year. Food and supply prices are expected to continue to increase at least through the first quarter of 2024. Prices are expected to grow more slowly for the remainder of 2023 and 2024 than they did in 2022. However, prices are expected to increase more than the historic annual average of 2%.

Program labor costs also increase on an annual basis.

An increase in the lunch price for adults is recommended to comply with USDA and the Kansas State Department of Education Child Nutrition and Wellness requirements. The adult meal charge must be at least equal to the per meal free reimbursement rate. The USDA is not expected to release reimbursement rates for the 2023-24 school year until July. Based on previous year's increase in reimbursement rates, however, reimbursement estimates for free lunches and breakfasts will be approximately $4.80, and $2.73 respectively.