

Changes in Pricing	Breakfast Price	Lunch Price
In 2004 meal prices were raised.	0.75	\$1.65 for elementary & middle schools /\$ 1.75 for high schools
In March of 2008 the Board approved a price increase (we were experiencing a 14% rise in food that year).	\$1.25	\$2.00 for all grade levels
In December of 2010 the Federal Government mandated that full pay meal prices be adjusted to reflect the "free" reimbursement rates.	\$1.35	\$2.05
Required increase for 2012 -2013	\$1.35	\$2.15
Required increase for 2013 -2014	\$1.35	\$2.25

Present Reimbursements from USDA for Lunch	Reimbursement	Cash from Students
Free Status	2.79	-
Reduced Status	2.39	0.40
Full Pay Status	0.28	2.05

The Federal Government's concern is the difference of 46 cents between the total revenue of the Free Status as supported by Free and Reduced Meal Reimbursements. The Federal Government wants to see the Full Paid price. Federal Reimbursement normally goes up about 4 cents per year. This means that we could potentially be looking for a 46 cent increase in the Full Paid price. This increase can not be used to avoid raising prices.

Full Paid Student	180 days	Total cost for lunch for the year
\$2.05	180	\$369.00
2.15	180	\$387.00
2.25	180	\$405.00

Note

I do not have the records for when the previous prices were increased. I do know that in 2004 the cost to make a lunch (food and labor) was \$2.92 (based on figures from the National School Foundation). If you account for a small federal reimbursement of about 25 cents and 22 cents commodity funding for a Full Paid Lunch that would still make the cost \$2.45 - or a net loss on every meal of 70 to 80 cents.

Prices remained the same for three years (08-09, 09-10, 10-11) -even with rising food cost. Our Managers and staff learned how to control food cost and were consistently at or slightly below the national average for School Food Services Food Cost Percentages .

The Federal Government did not require that the adjustments be made at one time , but instead provided percentage guidelines that must be followed. That percentage equated to a 5 cents increase in lunch prices.

There are no mandates for breakfast increase at this time, but this may change. In 2012-2013, the Federal Government (USDA) meal requirements will be stricter. For example, more whole grain products will increase the cost of pasta by 100 to 150 %.

If we make the change to \$2.25 in 2012-2013,we will not need to make another adjustment in 2013-2014 (based on the present Federal Regulations).

Total Revenue

2.79

2.79

2.33

and Full Paid status. Their contention is that Full Paid Meals are being subsidized or
e increase each year until it is level with the Free Lunch Meal Reimbursement. The
ng at a price increase every year. Note that "Ala Carte " or other food service revenues
