

REQUEST FOR BOARD ACTION

To: ESD Board of Education and Douglas Bissonette
From: Susan Stevens and Ron Patera
Date: April 18, 2017
Business Date: May 8, 2017
Subject: Lunch Price increase for FY 17-18

RECOMMENDATION:

Approve price increase outlined in attached memo for the 17-18 School Year.

BACKGROUND AND FINDINGS:

In the November 8th election there was an approved ballot measure that increased minimum wages across the State. The estimated salary and benefit increase for the Elizabeth Schools on an annual basis is \$25,000, \$71,000 and \$152,000 for fiscal years 17-18, 18-19 and 19-20 respectively. The cumulative effect is an increase of \$248,000. Twenty percent of the increase is attributable to Food Services.

In addition to the impact from the minimum wage issue, federal guidelines implemented 4 years ago for food service operations have adversely affected the fiscal resources of the operation. During these four years this enterprise has suffered losses of \$40k, \$25k, \$37k and \$13k in fiscal years 12-13, 13-14, 14-15 and 15-16 respectively. To address these losses the General Fund has started to transfer money to Food Service to ensure a positive ending fund balance. However, the General Fund cannot keep subsidizing this operation due to its own issues.


As the increase of the minimum wage starts to impact Food Service operations, staff is recommending implementing price changes now to proactively address the situation. Based on current participation in the program, it is estimated that the increases suggested in the attached memo will raise approximately an additional \$45,000 in revenues annually.

FISCAL IMPACT:

Based on a static analysis of the anticipated purchases of a meal, the District is anticipating increased revenues of \$45,000 for the next school year.

Superintendent's Review: DRB

Memorandum

To: Ron Patera
CC: Elizabeth School Board of Education
From: Susan Stevens Food Service 
Date: 4-7-2017
Re: Lunch Price Increase 2017/2018 School Year

With the escalating price of food, equipment repairs, menu regulations, and the new mandatory minimum wage increase, I recommend a .50 price increase for all grade levels; school lunches, and breakfasts.

Currently we are charging \$3.25 per meal at Legacy Academy. I would like to raise this .25. I'm afraid it will decrease participation if we raise it any higher.

The new meal prices for 2017-2018 will be:

- **SHE/RCE \$3.00 a meal**
- **EMS \$3.25 a meal**
- **EHS \$3.50 a meal**
- **Legacy Academy \$3.50**
- **Breakfast \$2.50 a meal**