



Platte County

HOME OF THE PIRATES

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To: Dr. Mike Reik, Superintendent of Schools & PCR3 Board of Education
From: Dr. Jay Harris, Executive Director of Operations
Dr. Devin Doll, Incoming Executive Director of Operations
Date: June 16, 2022
Re: School Meal Pricing for 2022-23

Background:

After conducting a food service meal price analysis, it is our recommendation that we increase our current meal price structure as listed below. This recommendation comes with much thought and reflection as our Food Service program is committed to providing quality meals, excellent customer service, and reasonable prices. We also believe we must work toward that commitment while being fiscally responsible which includes operating a program that generates enough revenue to pay for the program costs.

Our recommendation is based on the following rationale:

1. Paid lunch equity formula from the USDA
2. Historical Platte County School District meal prices
3. 2002-23 meal price comparison for the surrounding Kansas City metropolitan school districts
4. Supply chain and Food Service operating cost increases

Explanation of Healthy, Hunger-Free Kids Act of 2010:

Section 205, "Equity in School Lunch Pricing," is a provision of the federal child nutrition legislation under the Healthy, Hunger-Free Kids Act of 2010 (Public Law 111-296). This provision requires school food authorities (SFAs) participating in the National School Lunch Program to ensure that schools are providing the same level of support for lunches served to students who are not eligible for free or reduced-price lunches (paid lunches) as they are for lunches served to students eligible for free lunches.

The Act directs school food authorities to do the following:

1. Compare the average price charged for lunches served to students not eligible for free or reduced-price lunches (i.e., students receiving "paid lunches") to the difference between the higher federal reimbursement provided for free lunches and the lower federal reimbursement provided for paid lunches.
2. If the average paid lunch price is less than the difference, an SFA must either gradually adjust average prices or provide non-federal funding to cover the difference.

This provision was established because of the following:

1. Historically, there have been three main sources of funds provided to nonprofit school food service accounts: federal reimbursements, paid meal revenues, and state and local funding. The federal reimbursement for paid meals was designed to be minimal in relation to the other sources, and has always been substantially less than the reimbursement for free and reduced-price meals.
2. Research indicates that average prices charged for paid lunches in some SFAs are less than the cost of producing those lunches.
3. Pricing paid lunches below the cost of production effectively increases federal subsidies for higher income children because federal funds intended for free and reduced-price lunches are being used to help fill in the gap between what a paid lunch costs and what the school receives for that lunch. Children, across all income levels, are negatively affected by limiting the funds available to provide nutritious meals.
4. To ensure that schools have funding available to support serving nutritious meals to all students.

To determine how much for a price increase, these SFAs must calculate an adjusted average paid lunch price. In general, when the adjusted average price is more than the current price, an SFA would have to either increase its average paid lunch price to the adjusted average price or provide additional non-federal support for its paid lunches. The law caps the required increase in the average paid lunch price at 10 cents (\$.10) in any year. Therefore, an SFA with a significant gap between its price and the required level will have several years to make adjustments to its prices and/or provide other funding to the SFA account in order to meet this requirement.

Since we have pricing differences at our elementary and secondary level, we are able to use a weighted average to determine our overall pricing. USDA provides a paid lunch equity (PLE) calculator that averages our meal prices based on price per meal (elementary vs. secondary) with the number of meals sold at each price. Our current calculation requires an increase to lunch prices by a minimum of 10 cents (\$.10) for the 2022-23 school year. This factor, along with comparison pricing analysis of the surrounding school districts, provides a clear basis for the recommendation to increase all meal prices.

Historical Platte County School District Meal Prices:

School Year	Elementary Breakfast	MS/HS Breakfast	Adult Breakfast	Elementary Lunch	MS/HS Lunch	Adult Lunch
2016-17	\$1.45	\$1.45	\$1.60	\$2.05	\$2.15	\$2.25
2017-18	\$1.55	\$1.55	\$1.85	\$2.25	\$2.35	\$2.50
2018-19	\$1.55	\$1.55	\$1.85	\$2.25	\$2.35	\$2.50
2019-20	\$1.70	\$1.70	\$2.30	\$2.50	\$2.60	\$3.25
2020-21	\$1.75	\$1.75	\$2.30	\$2.50	\$2.60	\$3.50

Meal Price Comparison 2022-23 Food Service Prices Local 15 Districts:

District	F/R Rate	Milk	Elementary Breakfast	High School Breakfast	Elementary Lunch	High School Lunch	Adult Lunch
Blue Springs	30%	\$0.60	\$1.75	\$1.80	\$2.45	\$2.70	\$3.35
Excelsior Springs	51%	\$0.35	\$1.70	\$1.70	\$2.20	\$2.45	\$3.20
Fort Osage	54%	\$0.50	\$1.45	\$1.45	\$2.25	\$2.50	\$3.25
Grain Valley	20%	\$0.50	\$1.60	\$1.60	\$2.30	\$2.65	\$3.25
Independence	70%	\$0.50	\$1.70	\$1.80	\$2.75	\$2.90	\$3.60
Kearney	15%	\$0.50	\$1.80	\$1.85	\$2.55	\$2.65	\$3.60
Lee's Summit	19%	\$0.60	\$1.80	\$1.90	\$2.80	\$3.00	\$4.00
Liberty	18%	\$0.60	\$1.75	\$1.80	\$2.70	\$3.00	\$4.25
NKC	40%	\$0.65	\$1.55	\$1.60	\$2.90	\$3.15	\$4.05
Park Hill	27%	\$0.65	\$1.75	\$1.75	\$2.70	\$3.10	\$4.00
Platte County	21%	\$0.55	\$1.85	\$1.85	\$2.60	\$2.70	\$3.60
Ray-Pec	28%	\$0.55	\$1.80	\$1.90	\$2.65	\$2.85	\$3.65
Smithville	18%	\$0.45	\$2.10	\$2.10	\$2.60	\$2.60	\$3.60
St. Joseph	61%	\$0.50	\$1.25	\$1.25	\$2.70	\$2.90	\$3.25
West Platte	18%	\$0.45	\$1.65	\$1.90	\$2.30	\$2.55	\$3.20

* 2021-22 Meal Prices

* Proposed Meal Prices

Supply chain and Food Service operating cost increases:

Food, labor, and supply costs have increased dramatically over the last year. Federal waivers allowing us to feed all students, and higher meal reimbursement rates are coming to an end of the 2021-22 school year. In addition, the average supply and food costs have increased significantly over the last year as reflected below:

Bread Prices	21% Average
Dairy Prices	9% Average
Packaging	33% Average
Commodities	8.15% Average
Labor	25% Average

Our food service provider will also be hiring additional staff for dishwashing and cashiering responsibilities as we bring back regular food service operations using solid trays at the elementary and middle school levels and will begin processing meals purchased through a point-of-sale system.

Recommendation:

Based on the food service program analysis, we recommend increasing the price of all food service meals by ten cents (\$.10) for the 2022-23 school year. Ala carte price increases will be determined later as this service does not require board approval.

The proposed price changes are listed below:

Meal	Current Price	Proposed Price
Breakfast (K-5)	\$1.75	\$1.85
Breakfast (6-12)	\$1.75	\$1.85
Lunch (K-5)	\$2.50	\$2.60
Lunch (6-12)	\$2.60	\$2.70
Breakfast (Adult)	\$1.85	\$1.95
Lunch (Adult)	\$3.50	\$3.60
Extra Milk	\$0.45	\$0.55

Thank you for your review and consideration.

Sincerely,



Incoming Executive Director of Operations