

# NORRISTOWN AREA SCHOOL DISTRICT FOOD SERVICE PROGRAM 2009-10 PROPOSED BUDGET





# Food Service Program

- BACKGROUND INFORMATION:

- Fund designed to operate on a **break-even** basis
  - Without financial support from the General Fund
  - Revenues generated through meal sales & subsidies
- Participate in **NATIONAL SCHOOL LUNCH PROGRAM**
  - Federal & State Program
  - Provides Free, Reduced, and Paid Meals
  - Income Eligibility Guidelines & Criteria Must Be Met
  - Approx 62% of NASD students receive free/reduced meals
  - Composition of Meal is mandated & Nutrition Standards for Competitive Foods impact food costs



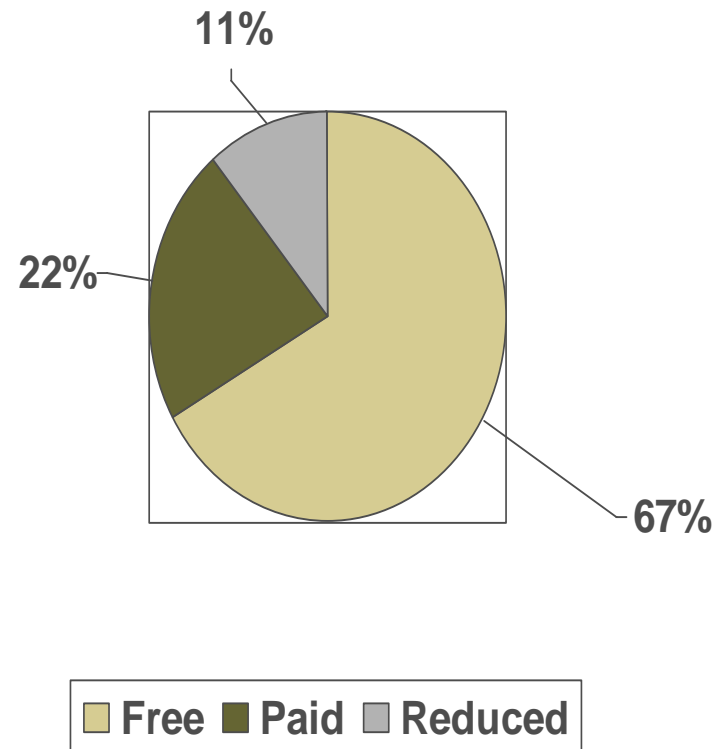
# Food Service Program Activities

- ✓ The Stewart breakfast program was restructured during 2008-09 via a grant thru Penn State University
- ✓ Additionally, a breakfast program was added at Roosevelt School during 2008-09
- ✓ The Food Service Department recently applied for the Fresh Fruit and Vegetable Grant for Cole Manor, Gotwals, Hancock, Marshall Street, and Whitehall.
  - If chosen for the grant, all children in those schools would enjoy fresh fruits and vegetables at no charge, as healthy snack options during the school day.
  - Important catalyst for change in our on-going efforts to combat childhood obesity by helping children learn more healthful eating habits
- ✓ The Food Service Department continues to be an integral part of the Norristown Area School Health Council.
  - The Health Council has been very busy this year encouraging healthier behavior among students, staff and community.
  - Partnerships continue with The Food Trust, Montgomery County Health Department, PANA (Pa Advocates for Nutrition and Activity), Alliance for a Healthier Generation (which is a partnership between the American Heart Association and the William J. Clinton Foundation), Parent Club Council, ACLAMO, and student committees that foster positive health experiences.
  - A new partnership for next year will be formed with Penn State Cooperative Extension. They will be supporting nutrition education in the district, which will allow the Food Service Department to reach more students.



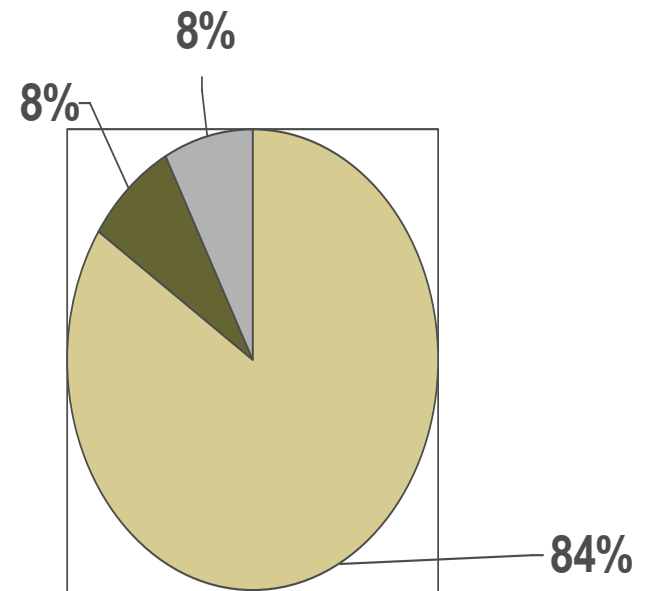
# Food Service Program

- Our Food Service Program annually serves:
  - Lunches: over 769,000 meals
    - Up From 721,000 meals in 2007-08
    - Or 6.6%
  - Our program currently receives \$ 2.70 from the National School Lunch Program for every free lunch served, \$ 2.30 for every reduced lunch served, and 37 cents for every paid lunch served.



# Food Service Program

- Our Food Service Program annually serves:
  - Breakfasts: over 191,000 meals
    - Up from 167,000 meals in 2007-08
    - Or 14.3%
  - Our program receives \$ 1.79 from the National School Lunch Program for every free breakfast served, \$ 1.49 for every reduced breakfast served, and 36 cents for every paid breakfast.





# Food Service Program

- Meal Prices
- Current Meal Prices are set at:
  - Breakfast – Paid \$ 1.25
  - Breakfast – Reduced \$ 0.30
  - Lunch (Elem) – Paid \$ 2.15
  - Lunch (Second) – Paid \$ 2.30
  - Lunch (All) – Reduced \$ 0.40
  - Adult Meal \$ 4.00



# Food Service Program

2008/2009 MEAL PRICES							
DISTRICT	ELEM	GRADES	MIDDLE	GRADES	SECONDARY	GRADES	ADULT
COLONIAL	\$2.55	K-5	Tiered \$1.35-\$2.85	6-8	Tiered \$2.30-\$4.05	9-12	\$5.10
METHACTON	\$2.25	K-5	\$2.55	6-8	\$3.15	9-12	\$3.85
NORRISTOWN	\$2.15	K-4	\$2.30	5-8	\$2.30	9-12	\$4.00
NORTH PENN	\$2.60	K-6	\$2.80	7-9	\$3.00	10-12	a la carte
POTTSTOWN	\$1.75	K-5	\$2.00	6-8	\$2.00	9-12	\$2.50
SPRING-FORD	\$2.40	K-4	\$2.60	5-8	\$2.20	9-12	a la carte
UPPER MERION	\$2.50	K-4	\$2.75	5-8	\$2.75	9-12	\$4.00

Meal Prices In Neighboring Districts

**THIS YEAR  
BUDGET TO ACTUAL**

**REVENUES  
2008-09**

**BUDGETED  
2008-09  
(June 2008)**

**• \$3,046,255**

**PROJECTED  
2008-09  
(April 2009)**

**• \$3,005,800**

**VARIANCE \$ 40,455  
OR 1.4%**

**NEXT YEAR  
BUDGET TO BUDGET**

**REVENUES  
2009-10**

**BUDGETED  
2008-09  
(June 2008)**

**•\$3,046,255**

**PROJECTED  
2009-10  
(April 2009)**

**•\$3,068,500,**

**VARIANCE \$ 22,245  
OR .73%**



# 2009-10 Food Service Program

## FACTORS DRIVING REVENUE VARIANCES:

1

**NO PRICE INCREASE PROPOSED**

2

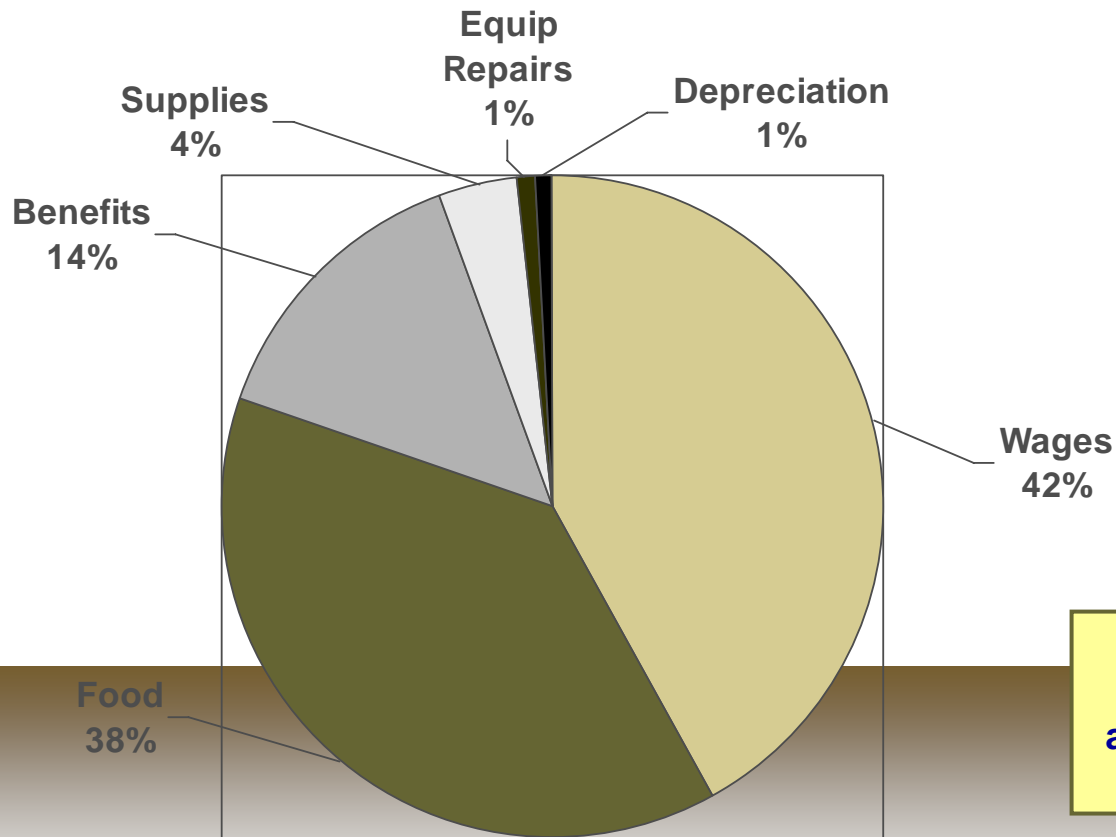
**MINOR INCREASE IN SALES PROJECTED**

3

**PROJECTED INCREASE IN REIMB RATE**

# Food Service Program

- Overview of Annual Program Expenses



**Wages & Benefits  
account for 56% of  
annual Food Service  
Program expenses**

**THIS YEAR  
BUDGET TO ACTUAL**

**EXPENSES  
2008-09**

**BUDGETED  
2008-09  
(June 2008)**

**•\$3,042,537**

**PROJECTED  
2008-09  
(April 2009)**

**•\$3,002,355**

**VARIANCE \$ 40,182  
OR  
1.4 %**

**NEXT YEAR  
BUDGET TO BUDGET**

**EXPENSES  
2008-09**

**BUDGETED  
2008-09  
(June 2008)**

**•\$3,042,537**

**PROJECTED  
2009-10  
(April 2009)**

**•\$3,060,950**

**VARIANCE \$ 18,413  
OR  
.61 %**



# 2009-10 Food Service Program

## FACTORS DRIVING EXPENSE VARIANCES:

1

### WAGE & BENEFIT INCREASES

- NESPA/MMAP NEGOTIATIONS WILL HAVE A SIGNIFICANT IMPACT ON THE FINANCIAL HEALTH OF OUR FD SVC OPERATIONS

2

### FOOD COSTS RELATIVELY STABLE

- COOPERATIVE PURCHASING (TRI-COUNTY) HAS SIGNIFICANTLY IMPACTED OUR ABILITY TO CONTROL FOOD COSTS

3

### AGING CAPITAL EQUIPMENT

- FEDERAL STIMULUS PACKAGE INCLUDES GRANTS FOR FUNDING THE REPLACEMENT/UPGRADE OF OUTDATED KITCHEN EQUIPMENT

**LABOR HAS BEEN REDUCED SIGNIFICANTLY THROUGH  
ATTRITION OVER THE PAST FEW YEARS**

# Food Service Program Labor Analysis

When the 2007-08 Budget was adopted, the following position  
changes were implemented (effective July 1, 2007)

**ELIMINATED  
ONE  
FULL TIME  
SECRETARY**

**ELIMINATED  
ONE  
FULL TIME  
COOK - NAHS**

**ELIMINATED  
ONE PART  
TIME COOK  
GOTWALS**

**CREATED  
TWO  
PART TIME  
COOKS  
NAHS**



# Food Service Program Labor Analysis

In January 2008, when a vacancy became available through attrition, another staffing change was made:

**ELIMINATED  
ONE  
FULL TIME  
COOK - GOTWALS**



**CREATED  
ONE  
PART TIME  
COOK - GOTWALS**



# Food Service Program Labor Analysis

In 2008-09, the following additional staffing changes were made:

**ELIMINATE ONE  
FULL TIME COOK  
WHITEHALL  
(ATTRITION)**

**ADDITIONALLY  
REASSIGN A 3.5/HR COOK  
POSITION  
FROM EISEN TO ENMS**

**CREATE  
ONE  
PART TIME  
COOK - WHITEHALL**

**ADJUST DAILY  
HOURS OF ANOTHER  
EXISTING PT COOK  
AT WHITEHALL  
FROM 4.0 TO 4.75/HR**

**NEEDED TO KEEP FUND OPERATING ON A BREAK-EVEN BASIS  
WITHOUT RAISING MEAL PRICES**



# Food Service Program Labor Analysis

In 2009-10, there are no staffing changes planned at this point

**HOWEVER, IT MUST BE NOTED THAT SUCCESSFUL SUPPORT  
NEGOTIATIONS ARE CRUCIAL TO INSURING THE SOLVENCY OF OUR  
CAFÉ OPERATIONS**

**FOOD SERVICE SCHEDULE OF PROFIT AND LOSS**

	2004-05 AUDITED	2005-06 AUDITED	2006-07 AUDITED	2007-2008 AUDITED	2008-2009 BUDGET	2008-2009 PROJECTED	2009-2010 PROPOSED BUDGET
<b>REVENUES:</b>							
SALES- STUDENT, ADULT, ALA-CARTE, ETC	\$ 956,993	\$ 1,046,014	\$ 1,030,293	\$ 963,759	\$ 1,010,146	\$ 940,000	\$ 947,000
STATE/FEDERAL USDA SUBSIDY	1,587,922	1,482,448	1,550,671	1,763,634	1,927,828	1,978,000	2,031,500
STATE SUBSIDY (FICA/PERS)	79,490	72,515	85,721	89,295	87,300	78,500	81,000
- SUBTOTAL SUBSIDIES	1,667,412	1,554,963	1,636,392	1,852,929	2,015,128	2,056,500	2,112,500
GENERAL FUND SUPPORT	-	-	-	-	-	-	-
OTHER REVENUES		733					
INTEREST EARNINGS	12,275	27,643	40,945	19,321	20,981	9,300	9,000
<b>TOTAL REVENUES</b>	<b>2,636,680</b>	<b>2,629,353</b>	<b>2,707,630</b>	<b>2,836,009</b>	<b>3,046,255</b>	<b>3,005,800</b>	<b>3,068,500</b>
<b>EXPENSES:</b>							
COST OF FOOD	942,938	1,003,972	994,227	1,111,814	1,175,189	1,153,605	1,191,500
EMPLOYEE SALARIES	1,105,314	1,188,193	1,231,449	1,211,811	1,247,880	1,275,000	1,324,000
EMPLOYEE BENEFITS	396,806	406,220	415,437	386,707	461,526	423,250	393,450
SUPPLIES	234,738	109,028	103,553	99,889	116,943	111,000	116,000
RENTAL EQUIPMENT	-	-	-	-	-	-	-
REPAIRS AND MAINTENANCE	4,077	3,050	4,425	5,472	20,000	20,000	15,000
DEPRECIATION	29,454	24,485	23,466	21,509	21,000	19,500	21,000
OTHER MISC EXP	3,964	2,307	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>2,717,291</b>	<b>2,737,255</b>	<b>2,772,567</b>	<b>2,837,202</b>	<b>3,042,537</b>	<b>3,002,355</b>	<b>3,060,950</b>
<b>NET PROFIT (LOSS)</b>	<b>(80,611)</b>	<b>(107,902)</b>	<b>(64,937)</b>	<b>(1,193)</b>	<b>3,718</b>	<b>3,445</b>	<b>7,550</b>
<b>REINVESTED IN FIXED ASSETS</b>	-	-	-	-	-	-	-
<b>YTD PROFIT (LOSS)</b>	<b>\$ (80,611)</b>	<b>\$ (107,902)</b>	<b>\$ (64,937)</b>	<b>\$ (1,193)</b>	<b>\$ 3,718</b>	<b>\$ 3,445</b>	<b>\$ 7,550</b>

Thank You!

