

# VCSD Food Service Program: Current Financial Status and Recommendations

March 2016

# Goals of the Food Service Program

- We provide a food service program to:
- Serve nutritious meals to our students
- Help our students learn better in school
- Provide meals (at reduced cost or free to those who qualify) to children whose families have limited financial means

# Losses in Food Service

- Our food service program, like most school food service programs, has consistently lost money
- The primary reason most school food service programs lose money is a change in accounting which requires health benefits of food service employees to be included in the lunch fund
- Our district has had to make 2 large payments from the general fund in the past to make up for accumulated losses (\$95,000 in 2008 and \$100,000 in 2015)
- We have budgeted a \$20,000 transfer from the general fund to cover this year's projected food service losses

# Current Losses in Food Service

- At the halfway point of the school year, the current status of the lunch fund is:
- Operating losses year to date = **-\$10,400** (equal to last year YTD losses)
- Despite the one time \$100,000 payment approved by voters last May, the lunch fund had a carryover loss of \$8,800 to start this school year
- The current lunch fund balance is **-\$19,200**

# Trends in the Food Service Program

- At the halfway point of the school year:
- Revenues YTD are up \$14,000
- Expenses YTD are up \$14,000
- Breakfast sales are up, lunch sales are down
- Ave. daily lunch sales are 451 lunches - down 26
- Ave. daily breakfast sales are 18 - up 2 (60% eating breakfast at the MS/HS are free or reduced status – no breakfast is currently served at the ES)

# Recycling

- To recycle all possible items other than lunch trays has no impact on the school lunch fund
- Recycling of those items is now being done through our existing waste vendor
- Using recyclable lunch trays involves an increased net cost (recyclable minus Styrofoam) of \$3,600 per year for the trays, and \$300 per year to recycle the trays
- We would still purchase some Styrofoam trays for use when we are short of staff – total cost currently of Styrofoam trays is \$1,150 per year – this cost would be considerably less if we use another type of tray

# Washing Trays at the MS/HS

- We were able to begin using reusable trays at the ES this year – a staff member was shifted to the ES so there is a person to operate the tray washer there
- For the MS/HS to wash reusable trays, we would have to purchase a tray washing machine, as well as reusable trays, silverware, and bowls
- We would also need to hire an additional staff member to handle washing trays:
  - A 2.5 hour employee would cost \$5,174 per year (no benefits)
  - A 4 hour employee would cost \$31,200 per year (benefits)
- The cost of washing trays at the MS/HS is \$11,200 for the one-time purchases and \$5,174 for the on-going staff increase (assuming a 2.5 hour employee)

# Analysis and Recommendations

- Recycling of all possible items should begin as soon as we have the containers from our current waste vendor.
- Any change in tray use should seek to minimize total costs to the food service budget, and enhance efficiency. Both tray options have close to the same on-going costs. The washable trays are the more efficient option. A difference in the two options is the one time cost for the tray washer, reusable trays, etc.
- We do not have the funds in the appropriate budget code to purchase the tray washer (cost = \$8,500) this year. We are restricted with regard to transfers into equipment codes. The tray washer could be purchased next year if the expense is included in the operations equipment budget.
- Lunch and breakfast prices should be raised 10 to 15 cents for next school year to reduce the lunch fund deficit.
- We should consider implementing a bagged breakfast program for the ES for next year. We can work out a plan and determine the cost (this would be eligible for Federal reimbursement). The lack of an ES breakfast program is a significant gap in our food service program – we have 46 free or reduced eligible students in the ES (9% of total students).