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# FOOD SERVICE FUND

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# FOOD SERVICE FUND

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## CHILD NUTRITION SERVICES

The Sioux Falls School District participates in all the federal Child Nutrition programs. These are the National School Lunch Program, Breakfast Program, Summer Food Service Program, After School Snack Program and Child Care Lunch and Snack Programs. Child Nutrition Services currently serves lunch to 59 percent of all students in Child Care through Grade 12. Breakfast is currently served to 13 percent of the students in kindergarten through 12<sup>th</sup> grade. Child Nutrition Services participates in these programs so the District is able to offer nutritious and economically priced meals to all District students. The District currently provides free-or reduced-priced meals to 42.65 percent of its students. Child Nutrition Services are available at all elementary schools, middle schools, high schools, all childcare programs, and the special programs at Axtell Park. Both breakfast and lunch are available.

The Sioux Falls School District supports participation in these nutrition programs because being hungry hinders children trying to learn concepts being taught to them. All District schools are Team Nutrition Schools and strive to implement the goals of the Healthier US School Challenge, the District's Supplemental Food Policy and Student Wellness Policy at all sites to assure a healthy food and nutrition environment for all students.

Meals are prepared at the Food Service Center and all secondary schools by approximately 163 employees. This includes four office staff and five specialists. These sites serve an average of 11,697 lunches per day, which reflects a participation rate of approximately 62 percent of the students across the District.

Child Nutrition Services is responsible for all expenses directly related to the Food Service Program. The Food Service budget also covers some supplementary costs, such as education assistants' salaries and utilities. Revenues are generated from student cash sales, federal reimbursement, commodities and interest earned on savings. The Child Nutrition Services' budget is based on the previous year's expenditures and revenues and actual year-to-date budget data for the 2020/2021 year.

Over the past nine years, the Food Service Fund cash reserves have been used for capital expenditures. At the end of FY20, the Fund's cash reserves were \$4,515,640.

The District's menus were certified in November 2012 as meeting the new federal guidelines. This entitled the Food Service Fund to receive seven (7) cents additional reimbursement for every kindergarten through 12<sup>th</sup> grade lunch served. This will add approximately \$150,000 to the program annually.

The District has been approved at nine sites for participation in the Community Eligibility Program. This allows all children in these sites to have free meals. This determination is based on the Direct Certification of Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Foster, Homeless, Migrant status of families in those programs.

The validation of meals documents portions served per age group and the calorie content for each grade group. To accomplish these goals, Child Nutrition uses the following criteria:

1. Child Nutrition is serving skim, 1 percent and skim chocolate.
2. Child Nutrition is serving all whole grain breads in both breakfast and lunch.
3. Child Nutrition is purchasing low fat meats, using more dried beans, legumes and low-fat cheeses in its menus.

4. Child Nutrition is offering a variety of fresh and frozen fruits and vegetables daily at all schools. Child Nutrition staff is encouraging students to eat fruits and vegetables at least three times per week at elementary schools and daily at secondary schools.

The challenge of obtaining the 30 percent of calories from fat, increasing whole grains and offering more fruits and vegetables are the national directives to all food service programs. As Child Nutrition Services strives to reach these goals, staff finds a direct impact on food cost. As food costs increase so does the pressure to increase school lunch prices.

The District is in the fifteenth year of implementation of the District Supplemental Food Policy. It has impacted the secondary schools in what students can purchase for extra items. Selections are meeting the Supplemental Food Policy guidelines. In addition, USDA standards for Smart Snacks and fundraisers have been implemented as of July 1, 2014.

Child Nutrition Services has been vigilant in keeping costs to a minimum and has implemented procedures to continue to keep costs down; however, costs for food, equipment, utilities, gas, salaries, and benefits continue to increase. To comply with federal mandates during the 2019/2020 school year, Child Nutrition Services increased the costs of all school meals by ten cents (\$0.10); this is the first year, in nine years, the costs for lunches will not increase.

The Sioux Falls School District will continue to provide nutritious meals at a reasonable price to students and will provide more healthy choices such as whole grains, fresh fruits, lower fat meats, and lower sodium foods.

## **2019/2020 OBJECTIVES**

- Will monitor effect of the USDA Smart Snacks and State Fund Raising Policy on student wellness. Supplemental Food Policy on the Food Service Program and student wellness.
- Will continue to work on implementation of lunch regulations – whole grains, beans, legumes, dark orange/red and green vegetables.
- Will continue to explore culturally diverse meals at all sites.

## FY20 Food Service Fund Budget

### Revenues

Source	Budget FY20	Budget FY21	Increase/ (Decrease)/ from Prior Year
Pupil Sales	\$5,047,625	\$4,300,093	\$ (747,532)
Adult Sales	83,189	68,501	(14,688)
Other State Revenue	40,376	40,376	-
Federal Reimbursement	6,164,992	5,473,788	(691,204)
Commodities	1,020,985	973,995	(46,990)
Other Local Sources	84,530	73,745	(10,785)
Cash from Fund Balance	192,269	1,822,830	1,630,561
Transfer In	-	-	-
<b>Total</b>	<b>\$12,633,966</b>	<b>\$12,753,328</b>	<b>\$ 119,362</b>

### Expenditures

Use	FTE FY20	FTE FY21	Budget FY20	Budget FY21	Increase/ (Decrease)/ from Prior Year
Administration	1.00	1.00	\$112,730	\$130,125	\$ 17,395
Clerical	4.00	4.00	143,094	124,090	(19,004)
Custodial	11.09	11.09	443,395	452,822	9,427
Specialists	4.00	4.00	204,837	207,770	2,933
Child Nutrition Workers	97.68	97.06	2,443,036	2,467,410	24,374
Education Assistants	36.34	45.48	941,444	912,521	(28,923)
Classified Other Hourly	-	-	27,164	42,693	15,529
Other Temporary Pay	-	-	48,050	34,151	(13,899)
Overtime	-	-	13,500	17,500	4,000
Benefits			1,271,215	1,464,017	192,802
Purchased Services			514,084	481,962	(32,122)
Supplies and Materials			5,967,990	5,929,842	(38,148)
Dues and Fees			176,055	161,491	(14,564)
Equipment			170,000	310,000	140,000
Technology			80,000	80,000	-
Facility			80,000	80,000	-
<b>Total Expenditures Before Depreciation</b>	<b>154.11</b>	<b>162.63</b>	<b>\$12,636,594</b>	<b>\$12,896,394</b>	<b>\$ 259,800</b>
Non-Cash Depreciation Expense			327,372	326,934	(438)
Less Cash for Equip, Tech, & Facility			330,000	470,000	140,000
<b>Total Food Service Fund</b>	<b>154.11</b>	<b>162.63</b>	<b>\$12,633,966</b>	<b>\$12,753,328</b>	<b>\$ 119,362</b>

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# FOOD SERVICE FUND

## Program: Lunch

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The School Lunch Program, as part of the National School Lunch Program, includes school lunches, meals and snacks for Head Start, snacks for Early Childhood, lunch and snacks for the Scarbrough Day Care Center at Southeast Tech, special education programs throughout the District, Teachwell Solutions, and limited catering for special District events.

Approximately 58 percent of the K-12 students in the District purchase lunch on any given school day. Participation rates are based on attendance. The elementary and middle school participation level is 62 percent. High school participation averages 44 percent. During 2010/2011, Child Nutrition Services implemented a system for parents/guardians to deposit money electronically into their student's meal account. Approximately 44 percent of students' families take advantage of electronic deposits. Free and reduced price meal applications can also be completed online.

The School Lunch Program operates with approximately 163 employees. This includes office and specialist staff. Staff is hired with production expectations of 19 meals per man-hour at the elementary level. The number of man-hours worked in a production location increases or decreases depending on the number of meals expected to be produced by that location.

Other employees include education assistants working lunch duty, custodial personnel in all buildings, and student helpers at Washington and New Tech High Schools.

USDA Procurement Regulations for all items purchased with federal reimbursement have been tightened. Items bid include food, bread, milk, produce, Fresh Fruit and Vegetable Program, special diets, ala carte, all equipment, all services and all paper products.

### SCHOOL LUNCH PROGRAM

#### School Lunch Program - Revenues

Source	Budget FY20	Budget FY21	Increase/ (Decrease) From Prior Year
Pupil Sales	\$ 5,040,664	\$ 4,300,093	\$ (740,571)
Adult Sales	82,824	68,268	(14,556)
Other State Revenue	40,376	40,376	-
Federal Reimbursement	5,041,416	4,476,758	(564,658)
Commodities	1,020,985	973,995	(46,990)
Other Local Sources	84,530	73,745	(10,785)
Cash from Fund Balance	-	1,822,830	1,822,830
<b>Total</b>	<b>\$ 11,310,795</b>	<b>\$ 11,756,065</b>	<b>\$ 445,270</b>

## School Lunch Program - Expenditures

Use	Budget FY20	Budget FY21	Increase/ (Decrease) From Prior Year
Administrative	\$112,730	\$130,125	\$17,395
Clerical	143,094	124,090	(19,004)
Custodial	443,395	452,822	9,427
Specialists	204,837	207,770	2,933
Child Nutrition Workers	2,372,514	2,391,113	18,599
Education Assistants	761,544	715,667	(45,877)
Classified Other Hourly	22,000	32,570	10,570
Other Temporary Pay	13,459	13,121	(338)
Overtime	13,500	17,500	4,000
Benefits	1,186,817	1,369,883	183,066
Purchased Services	510,792	476,950	(33,842)
Supplies and Materials	5,243,599	5,019,364	(224,235)
Dues and Fees	176,055	161,491	(14,564)
Equipment	170,000	310,000	140,000
Technology	80,000	80,000	-
Facility	80,000	80,000	-
<b>Total Prior to Depreciation</b>	<b>\$11,534,336</b>	<b>\$11,582,466</b>	<b>\$48,130</b>
Depreciation	327,372	326,934	(438)
<b>Total Lunch Budget</b>	<b>\$11,861,708</b>	<b>\$11,909,400</b>	<b>\$47,692</b>



# FOOD SERVICE PROGRAM

## Program: Breakfast

The School Board approved the Breakfast Program in 1992 to meet a need of the school children of the District. The program helps assure that children are alert and ready to learn when the school day begins. The District serves 3,249 breakfasts each day that school is in session. Principals and teachers have been very supportive and continually encourage students to participate in the Breakfast Program.

The District supports the Breakfast Program because national research shows hungry children have difficulty concentrating. The amount of federal reimbursement has been increased because 29 sites are participating in the severe need program. This additional reimbursement has made the program self-sufficient. By maintaining the program, children are in school, on time, well fed, and ready to learn.

Breakfast in the Classroom Program was implemented at Bridges @ Horace Mann and Elementary Immersion Center 2019/20, Cleveland Elementary 2018/2019, Hawthorne and Lowell Elementary 2017/2018 and Terry Redlin Elementary 2016/2017 school year. The program has been successful, and participation has increased at all sites.

The following table shows the revenue and cost of the meals served by the District in the Breakfast Program.

### School Breakfast Program Budget

#### School Breakfast Program Budget - Revenues

Source	Budget FY20	Budget FY21	Increase/ (Decrease) from Prior Year
Pupil Sales	\$ 6,961	\$ -	\$ (6,961)
Adult Sales	-	-	-
Federal Reimbursement	1,034,039	919,107	(114,932)
Cash from Fund Balance	-	-	-
<b>Total</b>	<b>\$ 1,041,000</b>	<b>\$ 919,107</b>	<b>\$ (121,893)</b>

#### School Breakfast Program Budget - Expenditures

Source	Budget FY20	Budget FY21	Increase/ (Decrease) from Prior Year
Pupil Sales	\$ 6,961	\$ -	\$ (6,961)
Adult Sales	-	-	-
Federal Reimbursement	1,034,039	919,107	(114,932)
Cash from Fund Balance	-	-	-
<b>Total</b>	<b>\$ 1,041,000</b>	<b>\$ 919,107</b>	<b>\$ (121,893)</b>

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# FOOD SERVICE FUND

## Program: Summer Lunch

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This program operates on a break-even basis and is funded almost entirely by the federal government. The District will operate its Summer Lunch Program at six sites during the summer break. A site must serve 50 percent or more free and reduced meals to students during the school year to be eligible to be a part of the Summer Program.

### Summer Lunch Program Budget

#### Summer Lunch Program Budget - Revenues

Source	Budget FY20	Budget FY21	Increase/ (Decrease) From Prior Year
Adult Sales	\$ 365	\$ 233	\$ (132)
Federal Reimbursement	89,537	77,923	(11,614)
Commodities	-	-	-
<b>Total</b>	<b>\$ 89,902</b>	<b>\$ 78,156</b>	<b>\$ (11,746)</b>

#### Summer Lunch Program Budget - Expenditures

Use	Budget FY20	Budget FY21	Increase/ (Decrease) From Prior Year
Classified Other Hourly	\$ 5,164	\$ 10,123	\$ 4,959
Other Temporary Pay	34,591	21,030	(13,561)
Benefits	3,130	2,763	(367)
Purchased Services	3,292	5,012	1,720
Supplies & Materials	38,011	30,869	(7,142)
<b>Total</b>	<b>\$ 84,188</b>	<b>\$ 69,797</b>	<b>\$ (14,391)</b>

# FOOD SERVICE FUND

## Capital Equipment Plan

To assist the administration and School Board with planning the Supervisor of Child Nutrition Services has developed a capital equipment schedule. The equipment will be placed on the District's bid cycle to enable the District to receive the best price savings on the equipment.

Item	FY21	FY22	FY23	FY24	FY25
Technology Replacement Reserve	\$ 80,000	\$ 80,000	\$ 45,000	\$ 45,000	\$ 45,000
Facility Fund Reserve	80,000	60,000	60,000	60,000	60,000
Delivery Truck Replacement	60,000	60,000	60,000	60,000	60,000
Truck for Specialist	40,000				-
Lifts on Trucks	30,000	30,000	30,000	30,000	30,000
Tables/Tops	-	20,000	20,000	20,000	20,000
Hot Lines/Cold Lines/Sneeze Guards	-	20,000	20,000	20,000	20,000
Oven/Steamer	-	40,000	-	-	-
Dishmachines	-		40,000	-	-
Hot/Cold Carts	-	30,000	30,000	30,000	30,000
1-time COVID Expenses	240,000				-
<b>Total Equip. Expenditures/Reserves</b>	<b>\$ 530,000</b>	<b>\$ 340,000</b>	<b>\$ 305,000</b>	<b>\$ 265,000</b>	<b>\$ 265,000</b>
<b>Technology Replacement Fund</b>					
	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
Beginning Balance	\$ 222,000	\$ 302,000	\$ 132,000	\$ 177,000	\$ 222,000
Additional Budget Reserve	80,000	80,000	45,000	45,000	45,000
Hardware Expenditures	-	(250,000)	-	-	-
Software Expenditures	-	-	-	-	-
<b>Technology Replacement Fund Total</b>	<b>\$ 302,000</b>	<b>\$ 132,000</b>	<b>\$ 177,000</b>	<b>\$ 222,000</b>	<b>\$ 267,000</b>
<b>Facility Fund</b>					
	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
Beginning Balance	\$ 815,006	\$ 895,006	\$ 955,006	\$ 1,015,006	\$ 1,075,006
Additional Budget Reserve	80,000	60,000	60,000	60,000	60,000
<b>Facility Fund Total</b>	<b>\$ 895,006</b>	<b>\$ 955,006</b>	<b>\$ 1,015,006</b>	<b>\$ 1,075,006</b>	<b>\$ 1,135,006</b>
<b>Food Service Fund</b>					
	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
Starting Net Cash Balance	\$ 3,023,878	\$ 2,980,812	\$ 2,867,554	\$ 3,014,398	\$ 3,211,648
+ Budgeted Revenues	12,753,328	13,263,461	13,794,000	14,345,760	14,919,590
- Budgeted Expenditures	12,753,328	13,263,461	13,794,000	14,345,760	14,919,590
+ Noncash Depreciation	326,934	336,742	346,844	357,250	367,967
- Cash for Capitalized Items/Reserve	370,000	450,000	200,000	160,000	160,000
<b>Ending Cash Balance</b>	<b>\$ 2,980,812</b>	<b>\$ 2,867,554</b>	<b>\$ 3,014,398</b>	<b>\$ 3,211,648</b>	<b>\$ 3,419,615</b>
<b>Ending Cash Balance less Reserves</b>	<b>\$ 1,783,806</b>	<b>\$ 1,780,548</b>	<b>\$ 1,822,392</b>	<b>\$ 1,914,642</b>	<b>\$ 2,017,609</b>