

MSAD 17 Food Service

Program Review and
Looking Forward

Community Eligibility Provision (CEP)

- Provides free breakfast and lunch for all elementary students choosing to participate
- District is reimbursed based on our percentage of directly certified students
 - Students certified by the state to be economically disadvantaged
- Breakfast participation increased 23% in the first year of CEP
- Lunch participation increased 21% in the first year of CEP
- Participation has remained high under CEP, with about 70% of elementary students participating
- Subsidy (revenue) for the food service program increased 28% under CEP

Future of CEP

- District wide CEP at the elementary level is no longer an option for our district under the federal guidelines
 - The district has seen a 17% drop in our direct certified students from four years ago
 - Schools must have 40% directly certified students to be eligible for CEP
 - Harrison, Hebron, Otisfield no longer eligible
 - District must return to qualification by free/reduced applications depending on family income **OR**
 - Adopt a hybrid system of CEP and CEP Provision 2

CEP Provision 2 (Harrison, Hebron, Otisfield)

- Schools must once again distribute and collect Free/Reduced application forms
- 2020 will be our base year
- The % of students that are “free”, “reduced” or “paid”, our base year will be the percentage subsidized at \$3.39-f, \$2.99-r, \$.39-p) per meal for years 2, 3 and 4
- The Food Services Director and the Business Manager have analysed revenue projections using CEP, Provision 2, and Free/Reduced Paid lunches, under various scenarios

Analysis of Various Revenue Scenarios

	Claim 2020	Claim 2019	Difference
Provision II All School	\$520,819.58	\$678,170.01	-\$157,350.43
CEP ALL SCHOOL	\$557,802.17	\$678,170.01	-\$120,367.84
Normal Pay all school	\$728,689.88	\$678,170.01	\$50,519.87
Normal Pay all School Parents no pay	\$553,427.80	\$678,170.01	-\$124,742.21
CEP & Provision II	\$562,478.28	\$678,170.01	-\$115,691.73
CEP + Normal Pay	\$633,568.65	\$678,170.01	-\$44,601.36
CEP + Normal Pay if parents don't pay	\$595,086.50	\$678,170.01	-\$83,083.51

Administration's Recommendation

- Hybrid - CEP and Provision II at Elementary - Continued Paid MS & HS
 - Provides continuity of services
 - Elementary students/parents have had free meals since 2016
 - Provides equity across elementary schools
 - Meals will continue to be free at all elementary schools, not just at Norway, Oxford, Paris, Waterford, West Paris
 - Subsidy revenue will be reduced by an estimated \$115,000 (compared to FY 2019), but will not result in an operating loss to the program.
 - The administration is working on increasing revenue and/or cost savings in other areas in order to compensate for reduced revenue
 - Adjusted fund balance for June 30, 2019 is estimated to be between \$300,000 and \$350,000. This is the healthiest fund balance in the history of the program.
- Analyze revenue and expenses in April of each year to make recommendation for upcoming years, regarding CEP, Provision II or paid meals.

Implications of Food Shaming Legislation

- Student's can't be leveraged to collect parent debt owed for meals
- New legislation requires district's to provide meals to students, even if the parents refuse to pay for the meals.
- Losses due to unpaid debt **can not** be covered by Food Services federal or state subsidies.
- Losses must be covered either by revenues earned by Food Services from Ala-Carte or catering OR by the local district budget.
 - In preparation of this, the Food Services Director has begun to separate Ala-Carte and Catering profits from subsidized revenues.

State Review Assessment of MSAD 17 Program April 11 & 12 2019



Performance Standards

Resource Management-Financial

SY 2014-2015

<u>MSAD 17</u>	<u>Target Ranges</u>
Food	46.3% 35-40%
Labor	55.9% 50-55%
Other	3.8% 5-10%
Total	106.06% 100%

Expenses more than revenue

SY 2018-2019

<u>MSAD 17</u>	<u>Target Ranges</u>
Food	40.38% 35-40%
Labor	47.53% 50-55%
Other	3.66% 5-10%
Total	91.57% 100%

Revenue, higher than expenses

2019 School Year Highlights

- Chef Sam - Seasoning training for all staff in efforts to increase vegetable consumption.
- Added new healthy grab n go items at High School & Middle School.
- Harvest of the Month and FFVP - Helping to increase fruit and vegetable consumption and supporting local farms.
- State Administration and Procurement Review and Completion of USDA Review.

2020 Initiatives

- Pizza Hut at Middle School & High School - Having Pizza Hut cook and deliver to schools frees up staff to expand healthier menu options.
- Catering Menu
- Expanding menu options at High School
- Continued staff training with Chef Sam
- Updated Point of Sale System - One of the features we will be able to notify parent on line if their child is getting low on funds.
- Equipment upgrades