



May 27, 2008

# **NUTRITION SERVICES SUPERVISOR'S MEETING**

**Learn from yesterday, live for today,  
hope for tomorrow. The important  
thing is to not stop questioning.**

Albert Einstein

# Overview



- Financial Challenges of Nutrition Services – Jean
- Plan of Action – Nathan
  - Menu and Service Changes
  - Strategies to Reduce Cost and Increase Participation
  - Review of Foodservice Systems
- Updates & Announcements
  - Breakfast – Dawn
  - Summer Food Program – Nancy C.
  - Staff Recruitment – Nancy B.
  - Marketing Initiatives – Pat

# Financial Challenges

- We are not alone. This is a national school foodservice crisis and it's hitting everyone hard and fast.
- We wish we had more noticed, therefore we are in crisis management mode.
- Remember, we are experts in crisis management!



*Making the right food choices, together.*

# National Crisis

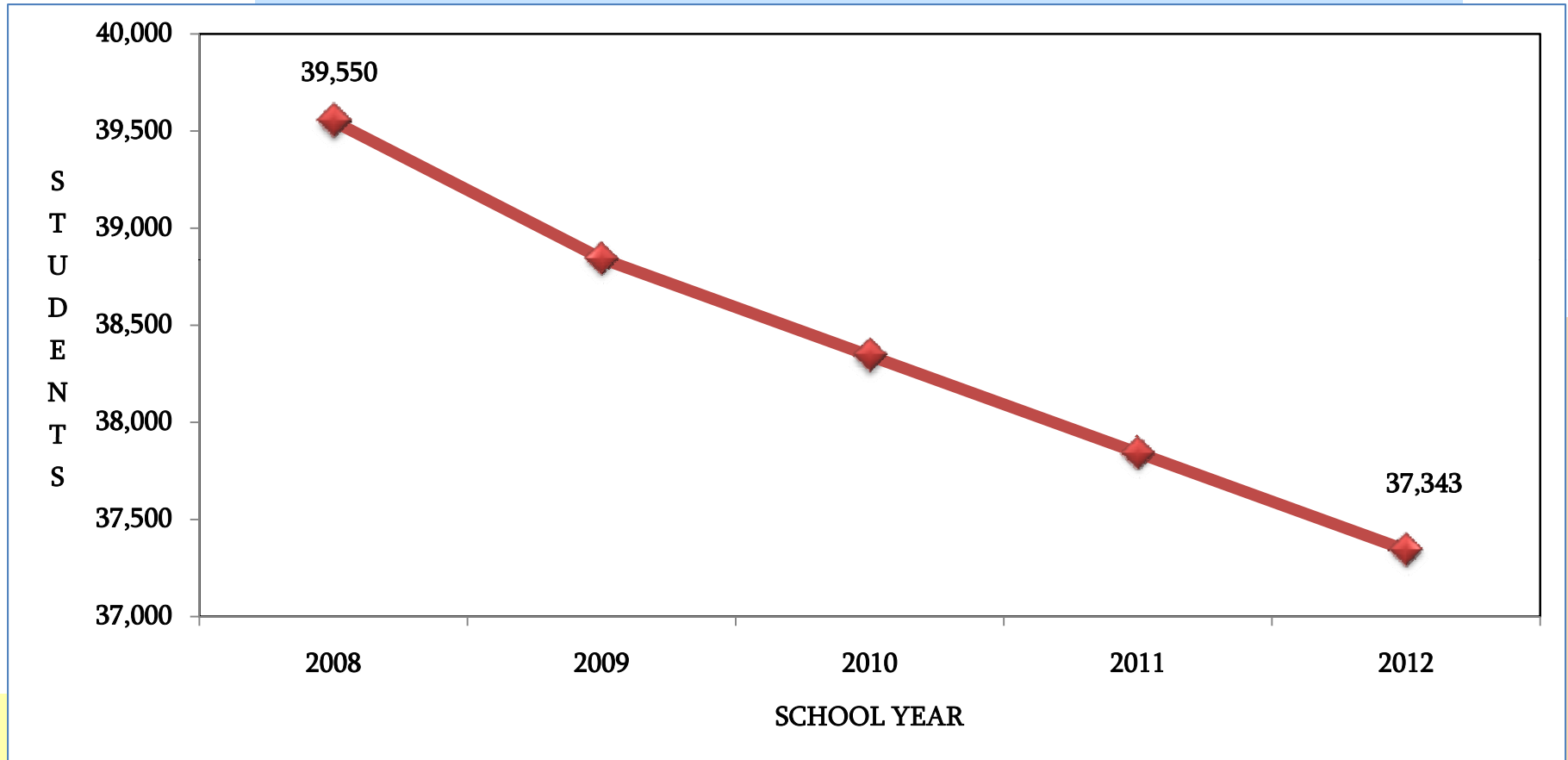
- [The Real Cost Of A School Lunch](#)  
**USA Today, May 1, 2008**  
When was the last time you spent 50 cents and got lunch? For millions of children who eat public school fare these days, it's just about every day.
- [Districts Scramble To Keep Nutrition High, Prices Low](#)  
**South Florida Sun-Sentinel, May 6, 2008**  
May 6--It's tough to swallow. The soaring cost of food is forcing South Florida's school cafeterias to drop nutritional fare from menus and consider hitting parents with higher lunch prices.
- [Mass. Schools Feel The Money Pain](#)  
**Knight Ridder/Tribune Business News, May 7, 2008**  
May 7--The rising price of gas for buses and food for cafeterias is forcing Bay State schools to either pass the cost on to students this fall or cut staff and programs.
- [Board To Vote On Cost Of School Meals](#)  
**The Sun News, Myrtle Beach, S.C., May 5, 2008**  
May 5--Brunswick County Schools officials hope a proposed 20-cent to 30-cent increase in cafeteria meals will offset a projected \$90,000 deficit in this year's child nutrition budget.

[www.schoolnutrition.org](http://www.schoolnutrition.org)

## :: In The News

- » [Rising Food Prices Pinch Local School Lunch Menus](#)  
May 20, 2008
  - » [Students May Pay More For Lunch](#)  
May 18, 2008
  - » [Chef's Tips Help Students Enjoy Healthful Snacks](#)  
May 19, 2008
  - » [Silver Valley, Calif. Considers Raising Cost Of School Lunches](#)  
May 13, 2008
  - » [Raleigh, WV School Board Bans Soft Drinks During Class Time](#)  
May 13, 2008
- [ [More Industry Related News](#) ]

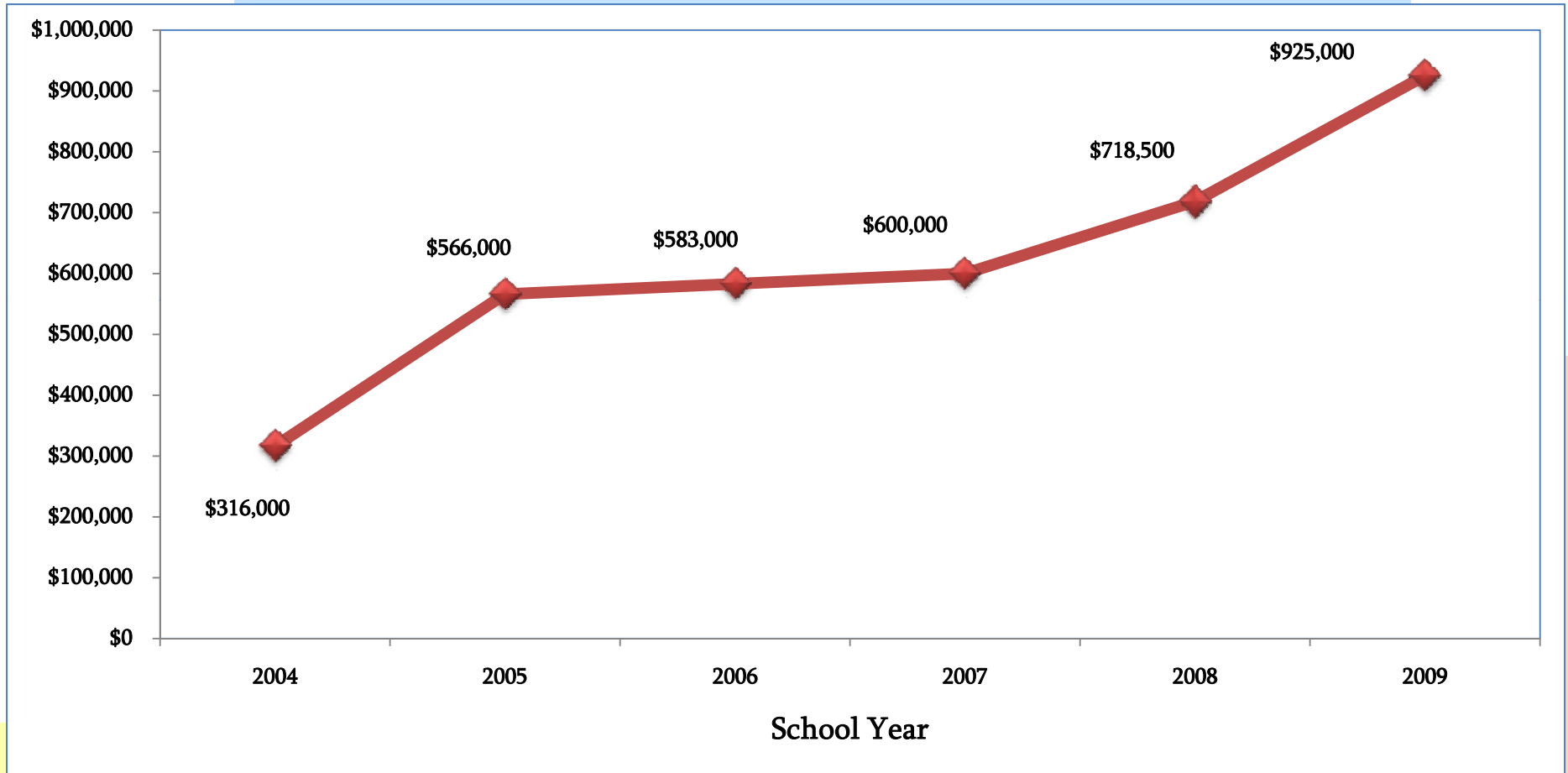
# Projected District Enrollment



# 5-Year Budget Projections with No Changes

Nutrition Services 5 Year Budget Plan	Adopted Budget	Projected Actual	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
School Year	2007 - 2008	2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012
Revenue	\$ 21,038,800	\$ 20,172,434	\$ 20,750,000	\$ 21,158,775	\$ 21,575,603	\$ 22,000,642
<b>Expenditures</b>						
Salaries, Wages, Benefits	\$ 10,363,000	\$ 10,536,499	\$ 10,408,507	\$ 10,798,826	\$ 11,205,539	\$ 11,629,417
Supplies, Equipment and Materials	\$ 2,003,600	\$ 1,257,200	\$ 1,201,056	\$ 1,562,438	\$ 1,579,311	\$ 1,596,690
Food, Milk, Commodities	\$ 7,225,300	\$ 7,373,977	\$ 7,846,480	\$ 8,161,410	\$ 8,499,818	\$ 8,862,820
Other (fees, repairs, postage, travel, fuel, leases, comm svcs, chargeback)	\$ 1,446,900	\$ 1,387,500	\$ 1,570,055	\$ 1,413,707	\$ 1,443,089	\$ 1,473,222
<b>Total Expenditures</b>	\$ 21,038,800	\$ 20,555,176	\$ 21,026,098	\$ 21,936,381	\$ 22,727,757	\$ 23,562,149
<b>Net Profit (Loss)</b>	\$ -	\$ (382,742)	\$ (276,098)	\$ (777,606)	\$ (1,152,154)	\$ (1,561,507)
<b>Gross Cumulative Fund Balance</b>	\$ 4,357,777	\$ 3,975,035	\$ 3,698,937	\$ 2,921,331	\$ 1,769,177	\$ 207,670
Reserves for Retiree Health		\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
Reserves for Inventory		\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000
<b>Net Fund Balance, less Reserves</b>		\$ 2,825,035	\$ 2,548,937	\$ 1,771,331	\$ 619,177	\$ (942,330)

# District Chargeback's



\*Utilities, Custodial, Trash, etc.

# Food and Fuel Price Increase Impact on School Meals



Due to double-digit increases in food, milk and energy costs, along with fewer students to feed, a recommendation to increase meal prices is being made; and menu modifications to reduce costs are being evaluated for the upcoming school year.

# Food and Price Increases Impact School Meals

Federal reimbursement rate increases will not ease this problem as they increase 3% on average each year; and 74% of the Food Service revenue comes from Federal reimbursements, 4% from State reimbursements and 22% from customers.

# Lunch Price Comparison Proposed SY 2008 - 2009

District	Elem	MS/HS	Adult	Milk
Saint Paul	\$1.75	\$ 2.00	\$3.50	\$0.50
Anoka	\$1.85	\$ 2.10	\$3.45	\$0.45
Minneapolis	\$1.75	\$ 2.00	\$3.00	\$0.50
Roseville	\$2.25	\$ 2.60	\$3.60	\$0.50
West St. Paul	\$2.25	\$ 2.65	\$3.65	\$0.50

# SY 2008 – 2009 Price Increases

- Full Price Lunch Meals
  - \$0.15 Increase
  - \$198,000 Additional Revenue
- Milk
  - \$0.10 Increase
  - \$27,000 Additional Revenue
- MN Kindergartner Milk
  - \$0.06 Increased Reimbursement
  - \$15,000 Additional Revenue

# Bureau of Labor Statistics Consumer Price Index in 2007

Commodity	Percent Price Increase
Milk	15%
Oranges	16%
Eggs	31%
Fuel	40%

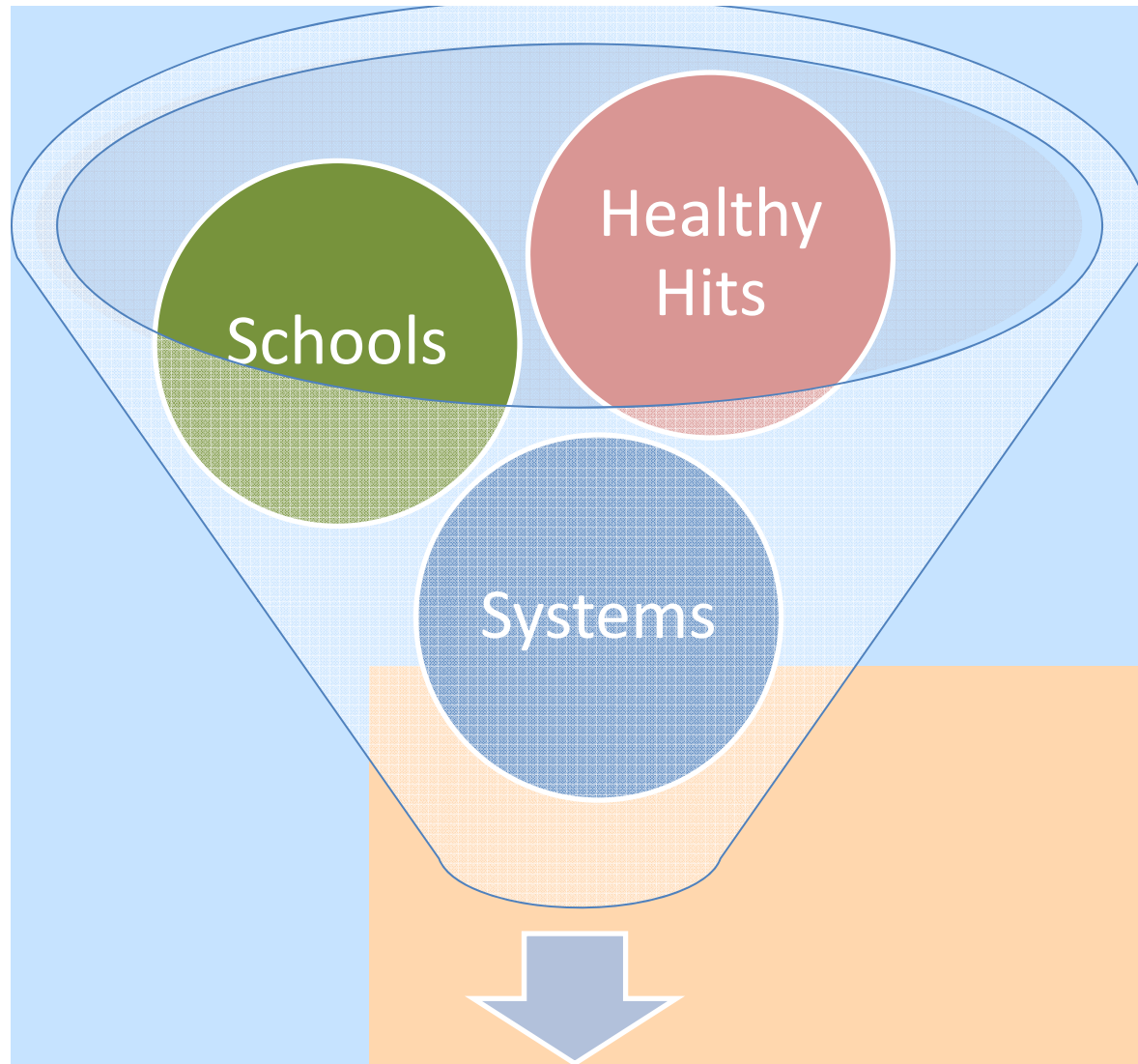
# SPPS Price Increases September – April 2008

Ingredient	Percent Price Increase
Ultragrain WW Flour	64%
Barilla Pasta Plus	14%
Brown Rice	22%
Petite Bananas	15%
Milk	11 – 30%

# Plan of Action



- Menu and Service Changes
- Strategies to Reduce Cost and Increase Participation
- Review of Foodservice Systems



**We create and serve foods that students get excited about!**

# Schools

## The Menu

- Traditional Based Menu Planning
  - 10 ounce of Protein over a week
- Emphasis on Breakfast
- More detail on the Lunch Menu
  - Entrée's and Side's

# Elementary Menu



**22**

**BREAKFAST**

Daily Choices,  
Fresh Fruit,  
100% Fruit Juice

**ENTREES**

Thai Peanut Chicken  
with Noodles  
Chef Salad  
Fresh Hoagie

**SIDES**

Broccoli  
Fresh Veggies  
Fruit Juice Bar  
Whole Wheat French Bread

**23**

**BREAKFAST**

Cheesebread or  
Daily Choices,  
Fresh Fruit

**ENTREES**

Enchilada Bake  
Chef Salad  
Fresh Hoagie

**SIDES**

Brown Rice  
Sour Cream, Shredded  
Lettuce, Tomato & Onion  
Corn  
Pears  
Whole Wheat French Bread

# High School



**22**

**BREAKFAST  
SPECIAL**  
Cheesebread

**REAL DEAL**

Rotini Hot Dish  
Garlic or French Bread  
Corn

**GRILL FEATURE**

School Choice  
Baked Fries

**SIDES**

Fresh Fruit and Veggies  
Shredded or Tossed Salad  
Whole Wheat French Bread

**23**

**BREAKFAST  
SPECIAL**  
Cheese Omelet

**REAL DEAL**

Chicken & Gravy  
Mashed Potatoes  
Sweet Potato Casserole

**GRILL FEATURE**

Lite Turkey Corn Dog  
Steak Fries

**SIDES**

Fresh Fruit and Veggies  
Shredded or Tossed Salad  
Whole Wheat French Bread

**BUILD & GO** : Rice Bowl Bar (build your own with fixings)

# Schools

## Overall Menu Changes

- Menu 3 Fruits/Vegetables Daily
- Reduce Entrée Protein (1 to 1 ½ oz)
- Feature Plant Based Protein Choices
- Use only USDA Diced Chicken
- Reduce Frequency of Expensive Entrée's

# Schools

## Discontinued Menu Items

- Sunflower Seeds
- Chicken Breast Fillet
- Yogurt Bar
- Chips with Sandwich Bar

# Schools

## Elementary Menu Changes

- Breakfast Menu Features Juice
- Offer Daily Fresh Whole and Wedge Fruit
- Freshly Made Deli Sandwich
- Right Size Entrée Salads

# Schools

## Secondary Menu Changes

- Juice Offerings
  - Breakfast
  - Ala Carte Lunch
- Topper Items to Choice Bar
  - Tossed or Mixed Greens Everyday
- Middle Schools
  - One Less Entrée

# Schools

How to increase participation:

- Food (quality, preparation, and presentation)
- Customer Service
- Increase Participation
  - Lunch: Attract Brown Baggers
  - Breakfast: Key Area of Focus
- Involve your staff

# Schools

## Menu Planning

- September & October
  - Draft Complete
- November – January
  - School Feedback June 2008
- February – June
  - Planning Begins October 2008



# Healthy Hits

- Menu Modifications
  - Utilize USDA Diced Chicken
  - Reduce Protein Portion to 1 – 1 ½ ounce
  - Shorter Menu Cycle
- Marketing Efforts
  - Promotions
  - Communication
- Product Development
  - Breakfast Items



# Systems

## Controllable Cost

- Food
  - Implement Menu Modification's
- Labor
  - School Enrollment Changes
  - Staff Recruitment and Retention
  - Staff Training
- Supply
  - Evaluate Cleaning Supply Vendors
  - Monitor Inventory Turns



**QUESTIONS?**

# Updates & Announcements

- Breakfast – Dawn G.
- Summer – Nancy C.
- Staffing – Nancy B.
- Marketing – Pat M.
- Other - Nathan



**THANK YOU!**