

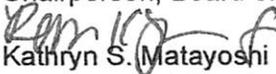


STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

OFFICE OF THE SUPERINTENDENT

February 17, 2015

TO: The Honorable Donald G. Horner
Chairperson, Board of Education

FROM: 
Kathryn S. Matayoshi
Superintendent

SUBJECT: Meal Prices Effective July 1, 2015

1. RECOMMENDATION

It is recommended that meal prices be changed to:

	Current	SY 2015-16	SY 2016-17	SY 2017-18
Breakfast – Student Price (Grades K– 8)	\$1.00	\$1.10	\$1.20	\$1.30
Breakfast – Student Price (Grades 9 – 12)	\$1.10	\$1.20	\$1.30	\$1.40
Breakfast – Reduced Price	\$0.30	\$0.30	\$0.30	\$0.30
Breakfast – Second Meal Price and Adult Price	\$2.20	\$2.40	\$2.60	\$2.80
Lunch – Student Price (Grades K– 8)	\$2.25	\$2.50	\$2.75	\$3.00
Lunch – Student Price (Grades 9 – 12)	\$2.50	\$2.75	\$3.00	\$3.25
Lunch – Reduced Price	\$0.40	\$0.40	\$0.40	\$0.40
Lunch – Second Meal Price and Adult Price	\$5.00	\$5.50	\$6.00	\$6.50

* Reduced pricing at USDA maximum allowable

2. RECOMMENDED EFFECTIVE DATE: July 1, 2015

3. RECOMMENDED COMPLIANCE DATE (if different from the effective date):

Same.

4. DISCUSSION:

a. Conditions leading to the recommendation:

Act 26 of the 2009 Legislature was signed into law by the Governor on April 30, 2009. The pertinent language is quoted below.

“The price for school meals shall be set by the department to ensure that moneys received from the sale of the meals shall be not less than one-half of the cost of preparing the meals. The process for school meals may be adjusted annually based on the previous year’s costs rounded to the nearest five cents; provided that the department by rule shall provide a lower rate of free meals to children based on their economic need.”

This recommendation will bring the meal prices into compliance with Act 26 (2009), for secondary students, by the second year (SY16 – 17). While we could achieve compliance within a year by rapidly increasing the price, a more gradual increase is being suggested.

b. Previous action of the Board on the same or similar matter:

The Board approved the current prices, effective September 1, 2011.
See Attachment A.

Chapter 8-37, Hawaii Administrative Rules, provides for the price of student meals to be established by the Department of Education, with the approval of the Board.

Chapter 8-37, HAR does not address the price of adult meals. Historically, the price of adult meals has been set by the department, contingent on the full cost of the meal.

c. Other policies affected:

None.

d. Arguments in support of the recommendation:

The current prices of reduced price breakfast and lunch are the maximum prices for these meals allowed by the United States Department of Agriculture (USDA) to receive a reimbursement from USDA for serving these meals to students.

e. Arguments against the recommendation:

The Department understands meal price increases impact families. However, costs to prepare and serve meals continue to increase.

f. Findings and conclusions of the Board committee:

To be determined.

g. Other agencies or departments of the State of Hawaii involved in the action:

None.

h. Possible reaction of the public, professional organizations, unions, DOE staff and/or others to the recommendations:

The price increase will impact families. The Department recommends to continue the tiered pricing based on meal portion size. The recommended prices for secondary student meals will be in conformance with Act 26. Since USDA requires smaller portion sizes for elementary students the lower pricing reflects this difference.

i. Educational implication:

If fewer students elect to eat breakfast and lunch because of the increase in meal prices, it is possible that student achievement will be adversely affected.

j. Personnel implication:

The increase in prices recommended in this memorandum may reduce the percentage of students who participate in the school breakfast and lunch program. Historically, a price increase resulted in a 5% decrease in purchased meals; but, returned to normal levels during the year. There is minimal concern in the loss of cafeteria worker positions.

k. Facilities implications:

None anticipated.

l. Financial Implications:

The recommended prices for student meals will increase revenues by approximately 1.7 million dollars each year. It is anticipated that these increases will keep pace with current inflation percentages including Hawaii's high labor expenses while allowing us to be in conformance with Act 26. Please see Attachment B for a breakout of increased revenue.

KSM:ew

Attachments

c: Amy Kunz, Senior Assistant Superintendent, OFS
Dann Carlson, Assistant Superintendent, OSFSS
Brian Hallett, Director, Budget Branch
School Food Services Branch

SCHOOL MEAL PRICES

	Effective							
	7/1/2001	7/1/2005	7/1/2007	8/3/2009	1/1/2010	3/1/2011	9/1/2011	7/1/2013
Lunch								
Paid - Elementary Student (effective 7/1/13 Grades K-8)	1.00	1.00	1.25	1.25	2.20	2.35	2.25	2.25
Paid - Secondary Student (effective 7/1/13 Grades 9-12)							2.50	2.50
Reduced price student	0.20	0.20	0.20	0.20	0.40	0.40	0.40	0.40
Adult	2.75	3.00	4.00	4.40	4.40	4.70	5.00	5.00
2nd student entrée			1.25	1.25	1.75	1.85	1.85	1.85
2nd & subsequent student lunch	1.00	1.00	4.00	4.00	4.40	4.70	5.00	5.00
Breakfast								
Paid - Elementary Student (effective 7/1/13 Grades K-8)	0.35	0.35	0.35	0.35	0.95	1.00	1.00	1.00
Paid - Secondary Student (effective 7/1/13 Grades 9-12)							1.10	1.10
Reduced price student	0.20	0.20	0.20	0.20	0.30	0.30	0.30	0.30
Adult	1.25	1.25	1.50	1.90	1.90	2.00	2.20	2.20
2nd & subsequent student breakfast	0.35	0.35	1.50	1.50	1.90	2.00	2.20	2.20
Snack								
Paid							0.75	0.75
Reduced price student							0.15	0.15

Current Meal Count		Meal Count	Current Price	Estimated Receipts
Lunch	Paid Student (Elementary)	4,814,053	2.25	10,831,619.25
	Paid Student (Secondary)	1,872,132	2.50	4,680,330.00
Breakfast	Paid Student (Elementary)	886,042	1.00	886,042.00
	Paid Student (Secondary)	344,572	1.10	379,029.20
Total	Paid Students (Full Price)	7,916,799		16,777,020.45

No Change in Meal Count		Meal Count	SY 2015-16 Recommended Price	Receipts (assumes price effective all year)	Additional Receipts Pro forma
Lunch	Paid Student (Elementary)	4,814,053	2.50	12,035,132.50	
	Paid Student (Secondary)	1,872,132	2.75	5,148,363.00	
Breakfast	Paid Student (Elementary)	886,042	1.10	974,646.20	
	Paid Student (Secondary)	344,572	1.20	413,486.40	
Total	Paid Students (Full Price)	7,916,799		18,571,628.10	

No Change in Meal Count		Meal Count	SY 2016-17 Recommended Price	Receipts (assumes price effective all year)	Additional Receipts Pro forma
Lunch	Paid Student (Elementary)	4,814,053	2.75	13,238,645.75	
	Paid Student (Secondary)	1,872,132	3.00	5,616,396.00	
Breakfast	Paid Student (Elementary)	886,042	1.20	1,063,250.40	
	Paid Student (Secondary)	344,572	1.30	447,943.60	
Total	Paid Students (Full Price)	7,916,799		20,366,235.75	

No Change in Meal Count		Meal Count	SY 2017-18 Recommended Price	Receipts (assumes price effective all year)	Additional Receipts Pro forma
Lunch	Paid Student (Elementary)	4,814,053	3.00	14,442,159.00	
	Paid Student (Secondary)	1,872,132	3.25	6,084,429.00	
Breakfast	Paid Student (Elementary)	886,042	1.30	1,151,854.60	
	Paid Student (Secondary)	344,572	1.40	482,400.80	
Total	Paid Students (Full Price)	7,916,799		22,160,843.40	