DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI'I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI'I 96804

OFFICE OF THE SUPERINTENDENT

March 17, 2015

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

FROM: Kathryn S. Matayoshi
Superintendent

SUBJECT: **Committee Action on Proposed Student Lunch Price Increase Effective School Year 2015-2016**

1. RECOMMENDATION

It is recommended that meal prices be changed to:

	Current	SY 2015-16
Breakfast – Student Price (Grades K– 8)	$1.00	$1.10
Breakfast – Student Price (Grades 9 – 12)	$1.10	$1.20
Breakfast – Reduced Price	$0.30	No change
Breakfast – Second Meal Price and Adult Price	$2.20	$2.40
Lunch – Student Price (Grades K– 8)	$2.25	$2.50
Lunch – Student Price (Grades 9 – 12)	$2.50	$2.75
Lunch – Reduced Price	$0.40	No change
Lunch – Second Meal Price and Adult Price	$5.00	$5.50

* 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 on-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."

The recommendation brings the meal prices closer to compliance with Act 26 (2009), for secondary students.

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

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

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:

There are no arguments that meal prices should not be increased to comply with Act 26.

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:

Because the recommended prices for secondary student meals will bring us closer to conformance with Act 26, it is likely that the public would be more supportive of the recommended prices. Since USDA requires smaller portion sizes for elementary students the tiered pricing to reflect this difference is necessary.

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. This in turn may reduce the number of cafeteria worker positions.

k. Facilities implications:

None anticipated.

l. Financial Implications:

The recommend prices for student meals will increase revenues by approximately 1.7 million dollars, assuming there is no reduction in the number of meals served. These increases will keep pace with current inflation percentages, but will not be enough to generate enough revenue to support Hawaii's high labor expenses.

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c: Dann Carlson, Assistant Superintendent, OSFSS
School Food Services Branch