



## **PORTLAND PUBLIC SCHOOLS**

### **OFFICE OF Nutrition Services**

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**Date:** May 18, 2022  
**To:** School Board  
**From:** Whitney Ellersick, MS, RDN  
Senior Director  
**Subject:** 2022-23 School Meal Prices

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### **BACKGROUND**

From March 2020 through June 2022, federal waivers were issued in response to the pandemic to allow the Nutrition Services department to offer all meals to students at no charge. These waivers were not extended by Congress, and therefore, the universal free meals for all students will end with the 2021-22 school year. The Nutrition Services department is planning to reimplement the National School Breakfast (NSB) and National School Lunch Programs (NSLP) as directed. This shift in USDA Child Nutrition Programs will result in students receiving and paying for meals based on eligibility (free, reduced priced and paid status).

Board Policy **3.60.040-P Nutrition Services, Meal Pricing and Purchasing** requires the Board to establish prices for student reimbursable meals and meals purchased by adults. The Federal equity in school lunch pricing requirements stipulate that meals must be priced to cover the cost of producing them. When meals are priced below the cost of what it takes to make the meal, the result is that federal funds for free/reduced-price meals are being used to fill the gap between what a paid meal costs and what the district receives for it, which is not allowable by USDA regulations. On average, the paid meal price for lunch must be a weighted average of more than \$2.92 for paid eligible meals (best prediction based on previous NSLP reimbursement). Nutrition Services is expected to be a self-funded operation relying on the revenue generated by serving meals that receive federal reimbursement and cash payments from families. Approximately 36% of revenue comes from cash sales and 64% from federal reimbursement.

### **RELATED POLICIES/BEST PRACTICES**

Nutrition Services monitors meal pricing in Multnomah County and surrounding metro school districts. Portland's meal costs are often higher than other districts due to Farm to School and local food initiatives and meeting higher nutrition standards such as increasing the consumption of fruits, vegetables and whole grains. The increase in prices will help offset the increased food costs associated with unfunded meal regulations. For example, the USDA did not provide increased funding to breakfast but doubled the requirement for the fruit portion size offered and required all grains to be whole grain rich, which increased operating costs (and did not result in an increase in participation).

### **ANALYSIS OF SITUATION**

The factors that are considered in meal costing include estimated increases in food, supplies and other costs included in making meals, projected participation in meal services at non-CEP sites, and estimated Federal meal reimbursement rates.

## **FISCAL IMPACT**

The estimated increase in revenue with implementation of a 10-cent price increase for lunch is estimated to be \$63,327 for 2022-23. The revenue generated will be used to cover increased food, supply, labor, equipment and distribution costs. In addition, increased revenue is required to maintain resource conservation project costs of washing reusable school lunch trays, silverware and/or the use of compostable trays in schools where permanent trays cannot be implemented due to equipment and/or facility limitations.

## **COMMUNITY ENGAGEMENT (IF APPLICABLE)**

There is ongoing community engagement in Farm to School and Resource Conservation efforts. In the past, families involved in these community groups have supported paying more for meals to fund these initiatives. Historically, the general community has not been involved in the discussion of meal price increases due to the regulations surrounding this requirement.

## **TIMELINE FOR IMPLEMENTATION / EVALUATION**

New meal prices would take effect as of the first day of school, August 30, 2022. Further analysis of the Nutrition Services budget, expenses throughout FY 23 and completion of the USDA Paid Lunch Equity Tool as required by federal regulations will be completed by spring FY23 to determine whether prices will need to be increased for FY24 (school year 2023-24).

## **BOARD OPTIONS WITH ANALYSIS**

Nutrition Services requests the School Board approve a 10-cent price increase for breakfast and lunch as part of FY 22-23 budget process to be effective August 30, 2022. While economic conditions continue to be challenging for families, the small increase is more manageable for families than larger increases that would be required to maintain a self-supported Child Nutrition operation if increases were not made regularly.

Another option to meet the Federal equity in school lunch pricing requirements is to supplement the Nutrition Services budget with other non-federal funds (e.g. general fund) to make up the difference between the cost of free reimbursement and the amount received from paying families. This is to ensure that free reimbursement is not subsidizing paid lunches. Estimated range of costs for this option is \$63,327.

The last option, would be for the general fund to support all meals at no cost to any student in the District. The estimated costs for this option would be as follows:

Breakfast only: \$468,230 - \$1,498,335

Lunch only: \$4,128,194 - \$4,822,916

Total range for both breakfast and lunch: \$4,175,017 - \$6,321,251

## **CONNECTION TO BOARD GOALS**

While proposing meal prices does not directly align with the Board goals, the overall services provided to students by Nutrition Services connect with each goal. The Nutrition Services department ensures students are well nourished and ready to learn, enabling them to achieve their best each day. Research repeatedly shows school breakfast consumption contributes to higher test scores, better attendance, lower behavior concerns in the classroom due to improved attention and less academic time missed from visits to the school office. School meal services have been incorporated into mindfulness practices in the school environment and provide a best practice to supporting a Whole School, Whole Community, and Whole Child approach.

While Congress and USDA have not approved ongoing access to free meals for all students regardless of their family's income, the Nutrition Services department is dedicated to finding innovative and creative ways to utilize every possible solution to expand access to meals at no charge for Portland Public Schools students. The department will continue to find solutions for addressing barriers, ensuring the best access to school meals in every school.

**STAFF RECOMMENDATION**

Nutrition Services recommends the following meal price increases:

	<b>Proposed</b>	
	<b><u>2018-19</u></b>	<b><u>2022-23</u></b>
<b>Breakfast</b>		
All grades (K-12)	\$1.50	\$1.60
Adult	\$2.00	\$3.00
<b>Lunch</b>		
Elementary (K-8)	\$2.90	\$3.00
High School	\$3.40	\$3.50
Adult	\$4.40	\$5.50

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*As a member of the PPS Executive Leadership Team, I have reviewed this staff report.*

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