

June 12, 2003

Financial Affairs  
George M. Burgess, Chief Financial Officer

**SUBJECT: RESOLUTION NO. 1, 2002-03 FOOD SERVICE FUND SPRING  
BUDGET REVIEW**

**COMMITTEE: BUSINESS AND FINANCIAL SERVICES**

The Office of Budget Management and the Office of the Controller have completed a review of food service operations through April 25, 2003. This resolution increases budgeted revenues by \$1,174,399, decreases appropriations by \$5,528,770 and increases fund balance by \$6,703,169 to reflect projected results for the year. There may be favorable adjustments as the result of several factors including the increased use of commodity food purchases, reduced capital purchases and lower than anticipated health insurance costs for eligible part time employees. My June 9, 2003 memorandum to the Board Members on this matter is attached for your reference. Accordingly, it is recommended that budgeted revenues and appropriations and reserves be amended as follows:

<b>REVENUES</b>	<b>Increase (Decrease)</b>
1. Increase National School Lunch Act \$765,287 and increase USDA Commodities \$152,000.	\$ 917,287
2. Increase State Food Service Supplement \$12,000.	12,000
3. Increase Local Revenues as follows:	245,112
a. Increase Food Sales \$240,112 due primarily to an increase in participation.	
b. Increase Interest Revenue \$5,000.	
<b>Net Increase in Revenues</b>	<b><u>\$ 1,174,399</u></b>

**REPLACEMENT  
G-5**

<b>APPROPRIATIONS</b>	<b>Increase (Decrease)</b>
1. Decrease salaries (\$833,858) and employee benefits (\$1,676,224). This is due primarily to revised projections based on actual enrollment in the new health insurance program offered to eligible part-time employees and to a revised staffing formula in school food service operations.	\$ (2,510,082)
2. Decrease purchased services (\$224,738) partially due to increased use of commodities.	(224,738)
3. Decrease food and supplies.	(322,301)
4. Decrease capital outlay to reflect projected expenditures and outstanding purchase orders at year-end.	(2,376,104)
5. Decrease in Indirect Cost and Other.	<u>(95,545)</u>
<b>Net Decrease in Appropriations</b>	<b>\$ (5,528,770)</b>

**RESERVES**

Increase Ending Fund Balance.	\$ <u>6,703,169</u>
<b>Net Increase in Appropriations and Ending Fund Balance</b>	<b>\$ <u>1,174,399</u></b>

**RECOMMENDED:** That The School Board of Miami-Dade County, Florida, approve Resolution No. 1, 2002-03 Food Service Fund Spring Budget Review, increasing revenues by \$1,174,399; decreasing appropriations by (\$5,528,770); and increasing reserves by \$6,703,169.


**MIAMI-DADE COUNTY PUBLIC SCHOOLS  
2002-03 FOOD SERVICE BUDGET  
SUMMARY OF REVENUES & APPROPRIATIONS  
RESOLUTION NO. 1**

	ADOPTED BUDGET 9/12/02	RESOLUTION NO. 1	AMENDED BUDGET 6/18/03
<b>REVENUES &amp; BEGINNING BALANCES</b>			
<b>REVENUES</b>			
<b>Federal Through State</b>			
National School Lunch Act	\$ 85,634,713	\$ 765,287	\$ 86,400,000
U.S.D.A. Commodities	4,500,000	152,000	4,652,000
<b>Subtotal Federal Through State</b>	<b>\$ 90,134,713</b>	<b>\$ 917,287</b>	<b>\$ 91,052,000</b>
<b>State</b>			
Food Service Supplement	\$ 2,908,000	\$ 12,000	\$ 2,920,000
<b>Subtotal State</b>	<b>\$ 2,908,000</b>	<b>\$ 12,000</b>	<b>\$ 2,920,000</b>
<b>Local</b>			
Food Sales	\$ 34,309,888	\$ 240,112	\$ 34,550,000
Interest and Other	124,000	5,000	129,000
Miscellaneous	60,000	0	60,000
<b>Subtotal Local</b>	<b>\$ 34,493,888</b>	<b>\$ 245,112</b>	<b>\$ 34,739,000</b>
<b>TOTAL REVENUES</b>	<b>\$ 127,536,601</b>	<b>\$ 1,174,399</b>	<b>\$ 128,711,000</b>
<b>BEGINNING FUND BALANCE</b>	\$ 8,353,624	\$ 0	\$ 8,353,624
<b>TOTAL REVENUES &amp; BEGINNING BALANCES</b>	<b>\$ 135,890,225</b>	<b>\$ 1,174,399</b>	<b>\$ 137,064,624</b>
<b>APPROPRIATIONS &amp; RESERVES</b>			
<b>APPROPRIATIONS</b>			
Salaries	\$ 42,072,218	\$ (833,858)	\$ 41,238,360
Employee Benefits	13,637,864	(1,676,224)	11,961,640
Purchased Services	6,618,738	(224,738)	6,394,000
Energy Services	5,209,220	0	5,209,220
Food & Supplies	57,192,301	(322,301)	56,870,000
Capital Outlay	5,326,104	(2,376,104)	2,950,000
Indirect Cost & Other	2,479,545	(95,545)	2,384,000
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 132,535,990</b>	<b>\$ (5,528,770)</b>	<b>\$ 127,007,220</b>
<b>RESERVES</b>			
Ending Fund Balance	3,354,235	6,703,169	10,057,404
<b>TOTAL RESERVES</b>	<b>\$ 3,354,235</b>	<b>\$ 6,703,169</b>	<b>\$ 10,057,404</b>
<b>TOTAL APPROPRIATIONS &amp; RESERVES</b>	<b>\$ 135,890,225</b>	<b>\$ 1,174,399</b>	<b>\$ 137,064,624</b>

**MEMORANDUM**

June 9, 2003

TO: The Honorable Chair and Members of The School Board of  
Miami-Dade County, Florida

FROM: Merrett R. Stierheim, Superintendent of Schools 

SUBJECT: **SCHOOL MEAL PRICES**

I am pleased to inform you that the anticipated increase in the fee charged for a full-price student breakfast and lunch will not be necessary for the upcoming school year. Since 1991 the price for student meals has been:

Elementary Breakfast	\$ .60
Elementary Lunch	\$1.25
Secondary Breakfast	\$ .70
Secondary Lunch	\$1.50

By sharpening their pencil, the district's Department of Food and Nutrition successfully reduced costs this past school year. They achieved this while funding medical benefits for part-time food service employees beginning January 2003, and have also projected the ability to meet these expenses for fiscal year 2003-2004. The Department of Food and Nutrition and school food service managers accomplished these savings by:

- Increasing the use of donated USDA commodity foods
- Increasing productivity in school food service operations
- Reducing inventory of purchased foods
- Recycling and refurbishing equipment to extend its use, resulting in reduced capital expenditures
- Transferring overstock from one kitchen to another
- Reducing use of high-cost food items

The district will continue these and other initiatives, including investments in technology, to improve the efficiency of school food service operations. Food service managers and staff at the Department of Food and Nutrition are to be commended for their hard work, business focus, and many accomplishments this past year.

MRS/gw  
M2747

cc: Superintendent's Executive Staff  
School Board Attorney  
Principals and Department Heads