

Financial Services  
Richard H. Hinds, Chief Financial Officer

**SUBJECT: RESOLUTION NO. 1, 2008-2009 SPECIAL REVENUE – FOOD  
SERVICE FUND MID-YEAR BUDGET REVIEW**

**COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS**

**LINK TO DISTRICT  
STRATEGIC PLAN: IMPROVE FINANCIAL SERVICES**

The Department of Food and Nutrition, the Office of Budget Management, and the Office of the Controller have completed a review of food service operations through December 23, 2008. The overall revenues and other financing sources are being decreased by \$5,790,000, appropriations are reduced by \$5,531,000 and the fund balance is adjusted to \$367,187.

The decrease in other financing sources is a result of the elimination of the transfer-in from the General Fund in the amount of \$4,000,000 as was detailed in E-14 at the November 18, 2008, School Board meeting. This eliminates the General Fund subsidy of the Food Services Fund. Also, revenues are reduced due to the State of Florida decrease in the breakfast and lunch supplements for the District of the amount of \$219,000.

While student enrollment continues to decrease, at the same time there has been a shift in population from the paid and reduced price eligibility to free eligibility. Additionally, strict adherence to the District Wellness Policy, higher meal prices and economic conditions has resulted in lower cash sales than projected. Through collaboration with School Operations, federal reimbursements from subsidized free and reduced meals have been steadily increasing. As a result, there is an increase in federal reimbursements (National School Lunch Act) by \$1,781,000. Local Food Sales decreased by \$3,290,000 due to fewer students being classified as reduced or paid lunch.

The Department of Food and Nutrition has instituted numerous cost control initiatives. The Department has implemented more cost effective food distribution and service contracts, streamlined operations and maintained strict adherence to food service staffing allocations. At the same time, health insurance costs continue to rise and are projected to increase in the amount of \$285,000 for the last quarter of the school year. This increase has been included in the adjusted projections. Accordingly, appropriations are being reduced by \$5,531,000 to reflect the next impact of the changes listed above.

It is recommended that budgeted revenues and appropriations be amended as follows:

**REVENUE CHANGES****Increase  
(Decrease)**

1. Increase (Decrease) <b>Federal through State</b> as follows:		\$ 1,832,000
a. National School Lunch Act	\$ 1,781,000	
b. Other	<u>51,000</u>	
Total	\$ 1,832,000	
2. Increase (Decrease) <b>State</b> as follows:		(219,000)
a. Food Service Supplement		
3. Increase (Decrease) <b>Local Revenues</b> as follows:		(3,403,000)
a. Interest	\$ (115,000)	
b. Other	2,000	
b. Local Food Sales	<u>(3,290,000)</u>	
(paid and reduced price fees)	\$ (3,403,000)	
4. Eliminate the <b>Transfer-In from the General Fund</b>		<u>(4,000,000)</u>
<b>Net (Decrease) in Revenues</b>		<b><u>\$ (5,790,000)</u></b>

**Increase  
(Decrease)****APPROPRIATIONS CHANGES**

1. Decrease Salaries and Fringe Benefits based on projected expenditures.	\$ (793,000)
2. Decrease Purchased Services based on projected expenditures.	(164,000)
3. Decrease Food and Supplies based on projected expenditures.	(4,507,000)
4. Decrease Capital Outlay based on projected expenditures.	(50,000)
5. Decrease Indirect Cost and Other Expenses based on projected expenditures.	<u>(17,000)</u>
<b>Net (Decrease) in Appropriations</b>	<b><u>\$ (5,531,000)</u></b>

**Ending Fund Balance**

Net Decrease Unreserved Fund Balance to reflect projected Ending Fund Balance **\$(259,000)**

**Net (Decrease) in Appropriations and Ending Fund Balance \$ (5,790,000)**

**RECOMMENDED:** That The School Board of Miami-Dade County, Florida, approve Resolution No. 1 2008-2009 Food Service Fund Budget Review, decreasing revenues and appropriations/ending fund balance by \$(5,790,000).

**MIAMI-DADE COUNTY PUBLIC SCHOOLS  
2008-09 FOOD SERVICE BUDGET  
SUMMARY OF REVENUES & APPROPRIATIONS  
RESOLUTION NO. 1**

	2008-09 ADOPTED BUDGET 09/10/08	RESOLUTION 1 INCREASE (DECREASE)	2008-09 AMENDED BUDGET 02/11/09
<b>REVENUES &amp; BEGINNING BALANCES</b>			
<b>REVENUES</b>			
<b>Federal Through State</b>			
National School Lunch Act	\$ 90,739,209	\$ 1,781,000	\$ 92,520,209
U.S.D.A. Commodities	6,975,000	-	6,975,000
Other	99,000	51,000	150,000
<b>Subtotal Federal Through State</b>	<b>\$ 97,813,209</b>	<b>\$ 1,832,000</b>	<b>\$ 99,645,209</b>
<b>State</b>			
Food Service Supplement	\$ 2,576,000	\$ (219,000)	\$ 2,357,000
Other	38,000	-	38,000
<b>Subtotal State</b>	<b>\$ 2,614,000</b>	<b>\$ (219,000)</b>	<b>\$ 2,395,000</b>
<b>Local</b>			
Interest and Other	\$ 225,000	\$ (115,000)	\$ 110,000
Food Sales	42,009,468	(3,290,000)	38,719,468
Other		2,000	2,000
<b>Subtotal Local</b>	<b>\$ 42,234,468</b>	<b>\$ (3,403,000)</b>	<b>\$ 38,831,468</b>
<b>TOTAL REVENUES</b>	<b>\$ 142,661,677</b>	<b>\$ (1,790,000)</b>	<b>\$ 140,871,677</b>
Transfer from General Fund	4,000,000	(4,000,000)	0
BEGINNING FUND BALANCE	\$ 79,365	0	\$ 79,365
<b>TOTAL REVENUES &amp; BEGINNING BALANCES</b>	<b>\$ 146,741,042</b>	<b>\$ (5,790,000)</b>	<b>\$ 140,951,042</b>
<b>APPROPRIATIONS &amp; RESERVES</b>			
<b>APPROPRIATIONS</b>			
Salaries	\$ 41,428,752	\$ 1,362,000	\$ 42,790,752
Employee Benefits	25,384,965	(2,155,000)	23,229,965
Purchased Services	4,722,074	(164,000)	4,558,074
Energy Services	6,250,564	-	6,250,564
Food & Supplies	64,694,500	(4,507,000)	60,187,500
Capital Outlay	250,000	(50,000)	200,000
Indirect Cost & Other	3,384,000	(17,000)	3,367,000
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 146,114,855</b>	<b>\$ (5,531,000)</b>	<b>\$ 140,583,855</b>
<b>RESERVES</b>			
Ending Fund Balance:			
<b>TOTAL RESERVES</b>	<b>\$ 626,187</b>	<b>\$ (259,000)</b>	<b>\$ 367,187</b>
<b>TOTAL APPROPRIATIONS &amp; RESERVES</b>	<b>\$ 146,741,042</b>	<b>\$ (5,790,000)</b>	<b>\$ 140,951,042</b>