

Financial Services
Mr. Ron Y. Steiger, Chief Financial Officer

SUBJECT: RESOLUTION NO. 1, FY 2019-20 SPECIAL REVENUE - FOOD SERVICE FUND SPRING BUDGET REVIEW

COMMITTEE: FISCAL ACCOUNTABILITY & GOVERNMENT RELATIONS

LINK TO STRATEGIC BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES

The Department of Food and Nutrition, the Office of Budget Management and the Office of the Controller have completed a review of the food service operations through March 31, 2020. The overall revenues and other financing sources are being decreased by \$28,642,665; appropriations are being decreased by \$15,626,732 resulting in the fund balance being decreased by \$13,015,933.

The National School Lunch Program federal meal reimbursements are being decreased by \$25,104,002 to reflect the net effect of the Superintendent of school's emergency closure due to the COVID-19 pandemic on March 16, 2020. During the declared emergency of March 16th through 20th, the Department of Food and Nutrition distributed meals at all school locations under the Summer Food Service Program through a waiver from the United States Department of Agriculture (USDA). Beginning March 30, 2020 to present day, additional USDA program waivers were received, and the Department of Food and Nutrition is distributing school breakfast and lunch meals to children 18 years and under through the Summer Food Service Program at 50 district designated school site distribution centers. As a result of these waivers, the \$25M net decrease already reflects projected receipts in the amount of \$12M, thereby mitigating what otherwise would have been a decrease in the amount of \$37M with regards to the National School Lunch program. USDA Commodities have increased by \$500,000 to reflect the actual USDA entitlements for the district. Other revenues are being decreased by \$350,000. Food sales are being decreased by \$3,454,000 to reflect that no cash sales will occur for the remainder of the school year due to school closures. Relief for the loss in revenues caused by school closures is being sought from the federal government.

The projection for Salaries and Fringe Benefits is being decreased by \$1,196,200 to reflect the estimated effect of school closures. Purchased Services are decreasing by \$179,719 mostly due to the projected decrease in water, sewer and waste. Energy Services are decreasing by \$283,316 to reflect the projected decrease in electricity. Food and Supplies are being decreased by \$13,700,000 due to the decrease in the number of meals served as a result of school closures. Capital Outlay is also being decreased by \$250,000 as a result of the school closures and the fact that no additional expenditures are anticipated.

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<u>REVENUES CHANGES</u>	<u>Increase (Decrease)</u>
1. Increase (Decrease) Federal through State as follows:	\$ (24,954,002)
a. National School Lunch Act	\$(25,104,002)
b. U.S.D.A. Commodities	500,000
c. Other	<u>(350,000)</u>
Subtotal	<u>\$(24,954,002)</u>
2. Increase (Decrease) State Revenues as follows:	(234,663)
a. Food Service Supplement	\$ (234,663)
3. Increase (Decrease) Local Revenues as follows:	<u>(3,454,000)</u>
a. Food Sales	\$ (3,454,000)
Net Decrease in Revenues	<u>\$ (28,642,665)</u>

APPROPRIATIONS CHANGES

1. Decrease Salaries and Employee Benefits	\$ (1,196,200)
2. Decrease Purchased Services to reflect latest projected decrease in Waste and Water & Sewer costs as a result of school closures	(179,719)
3. Decrease in Energy Services to reflect latest projected decrease in Electricity	(283,316)
4. Decrease Food and Supplies based on anticipated expenditures	(13,700,000)
5. Decrease Capital Outlay based on latest projection	(250,000)
6. Decrease Indirect Cost to reflect adjusted calculation	<u>(17,497)</u>
Net Decrease in Appropriations	<u>\$ (15,626,732)</u>

ENDING FUND BALANCE

Net Decrease in Fund Balance	<u>\$ (13,015,933)</u>
Net Decrease in Appropriations and Ending Fund Balance	<u>\$ (28,642,665)</u>

RECOMMENDED: That The School Board of Miami-Dade County, Florida, approve Resolution No. 1, FY 2019-20 Food Service Fund Review, decreasing revenues by \$ 28,642,665, decreasing appropriations by \$15,626,732 and decreasing ending fund balance by \$13,015,933.

**SUMMARY OF REVENUES AND APPROPRIATIONS
2019-2020 FOOD SERVICE BUDGET**

	FY 2019-2020 ADOPTED 09/04/19	RESOLUTION 1 INCREASE (DECREASE)	FY 2019-2020 AMENDED 05/20/20
<u>REVENUES</u>			
Federal Through State			
National School Lunch Act	\$ 130,218,002	\$ (25,104,002)	\$ 105,114,000
U.S.D.A. Commodities	10,000,000	500,000	10,500,000
Other	1,150,000	(350,000)	800,000
Total Federal	\$ 141,368,002	\$ (24,954,002)	\$ 116,414,000
State			
Food Service Supplement	\$ 2,053,658	\$ (234,663)	\$ 1,818,995
Miscellaneous	-	-	-
Total State	\$ 2,053,658	\$ (234,663)	\$ 1,818,995
Local			
Interest and Other	\$ 112,514	\$ -	\$ 112,514
Food Sales	15,400,000	(3,454,000)	11,946,000
Total Local	\$ 15,512,514	\$ (3,454,000)	\$ 12,058,514
TOTAL REVENUES	\$ 158,934,174	\$ (28,642,665)	\$ 130,291,509
BEGINNING FUND BALANCE	\$ 32,749,920	\$ -	\$ 32,749,920
TOTAL REVENUES & BEGINNING FUND BALANCE	\$ 191,684,094	\$ (28,642,665)	\$ 163,041,429
<u>APPROPRIATIONS AND RESERVES</u>			
APPROPRIATIONS			
Salaries	\$ 53,143,520	\$ (1,000,000)	\$ 52,143,520
Employee Benefits	25,705,584	(196,200)	25,509,384
Purchased Services	6,304,449	(179,719)	6,124,730
Energy Services	5,998,775	(283,316)	5,715,459
Food & Supplies	77,000,000	(13,700,000)	63,300,000
Capital Outlay	2,500,000	(250,000)	2,250,000
Indirect Cost & Other	2,857,006	(17,497)	2,839,509
TOTAL APPROPRIATIONS	\$ 173,509,334	\$ (15,626,732)	\$ 157,882,602
Ending Fund Balance			
Non-Spendable	\$ 3,131,357	\$ -	\$ 3,131,357
Restricted	15,043,403	(13,015,933)	2,027,470
TOTAL ENDING FUND BALANCE	\$ 18,174,760	\$ (13,015,933)	\$ 5,158,827
TOTAL APPROPRIATIONS & FUND BALANCE	\$ 191,684,094	\$ (28,642,665)	\$ 163,041,429