

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

SUBJECT: RESOLUTION NO. 1, FY 2020-21 SPECIAL REVENUE - FOOD SERVICE FUND MID-YEAR 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 fund through December 31, 2020. The overall revenues and other financing sources are being decreased by \$37,158,873 and appropriations are being decreased by \$37,747,157 resulting in the fund balance being increased by \$588,284.

Projections for Federal Meal Reimbursements are being decreased by \$31,620,867 due to the reduction in meals served as a net effect of the pandemic. Under federal program waivers thru the United States Department of Agriculture (USDA), the district is providing all meals free to all students served in-school and distributed to remote learners, however, overall student meal participation is significantly reduced due to the impact of COVID-19. Emergency funds for school food services have been included in recent federal COVID-19 relief legislation as a result of the negative financial impact experienced by school meal programs nationwide. Per the Consolidated Appropriations Act of 2021, section 722 Emergency Costs for Child Nutrition Programs During COVID-19 Pandemic issued December 21, 2020, we are including an estimated \$9,402,865 to be received from the Federal Government through the State. These funds will be provided to mitigate losses incurred from March through June 2020. We are still pending the exact amount our District will be receiving, and specifications as to the use of these funds. The estimate was calculated based on the verbiage provided in section 722. Additionally, the projection for USDA Commodities is being decreased by \$3,000,000 as fewer USDA food entitlements have been issued due to the impact of COVID-19 on commodity food supplies. Other revenues are being decreased by \$450,000 to reflect the reduction in the number of after school meals served. Food sales are also being decreased by \$11,650,000 to reflect the reduction in cash collected for reduced and full-price lunch as all meals are provided at no cost to all students and from the elimination of cash a la carte sales in school cafeterias.

E-16

Appropriations for Salary and Employee Benefits are being reduced by \$3,649,044 based on the latest projections. Purchased Services are being reduced by \$1,188,723 due to decreases in water, sewer and waste charges, as well as the elimination of armored car service expenses. Charges for Energy Services are being decreased by \$480,238 to reflect the reduction in use of electricity.

Projections for the cost of Food and Supplies are being decreased by \$31,501,000 to reflect the reduction in the overall volume purchased due to the decrease in meals served. Appropriations for Capital Outlay are being decreased by \$750,000 due to a significant reduction in the purchase of new food service equipment.

<u>REVENUES CHANGES</u>	<u>Increase (Decrease)</u>
1. Increase (Decrease) Federal through State as follows:	\$ (25,668,002)
a. National School Lunch Act	\$(31,620,867)
b. Child Nutrition Programs COVID-19 Relief Funds	9,402,865
b. U.S.D.A. Commodities	(3,000,000)
c. Other	<u>(450,000)</u>
Subtotal	\$(25,668,002)
2. Increase (Decrease) Local Revenues as follows:	\$ (11,490,871)
a. Interest & Other	\$ 159,129
b. Food Sales	<u>(11,650,000)</u>
	\$ (11,490,871)
Net Decrease in Revenues	<u>\$ (37,158,873)</u>
<u>APPROPRIATIONS CHANGES</u>	
1. Decrease Salaries and Employee Benefits per latest projection.	\$ (3,649,044)
2. Decrease Purchased Services to reflect latest projected decrease in Waste and Water & Sewer costs, and Armored Car services.	(1,188,723)
3. Decrease in Energy Services to reflect latest projected decrease in Electricity.	(480,238)
4. Decrease Food and Supplies based on anticipated expenditures.	(31,501,000)
5. Decrease Capital Outlay based on latest projection.	(750,000)
6. Decrease Indirect Cost to reflect adjusted calculation.	<u>(178,152)</u>
Net Decrease in Appropriations	<u>\$ (37,747,157)</u>

<u>ENDING FUND BALANCE</u>	<u>Increase (Decrease)</u>
Net Increase in Fund Balance	<u>\$ 588,284</u>
Net Decrease in Appropriations and Ending Fund Balance	<u>\$ (37,158,873)</u>

RECOMMENDED: That The School Board of Miami-Dade County, Florida, approve Resolution No. 1, FY 2020-21 Food Service Fund Mid-Year Budget Review, decreasing revenues by \$37,158,873, decreasing appropriations by \$37,747,157 and increasing ending fund balance by \$588,284.

**SUMMARY OF REVENUES AND APPROPRIATIONS
2020-2021 FOOD SERVICE BUDGET**

	FY 2020-2021 ADOPTED 09/09/20	INCREASE (DECREASE)	FY 2020-2021 AMENDED 02/10/21
<u>REVENUES</u>			
Federal Through State			
National School Lunch Act	\$ 125,218,002	\$ (31,620,867)	\$ 93,597,135
Child Nutrition Programs COVID-19 Relief Funds	-	9,402,865	9,402,865
U.S.D.A. Commodities	10,500,000	(3,000,000)	7,500,000
Other	750,000	(450,000)	300,000
Total Federal	\$ 136,468,002	\$ (25,668,002)	\$ 110,800,000
State			
Food Service Supplement	\$ 1,818,995	\$ -	\$ 1,818,995
Miscellaneous		-	
Total State	\$ 1,818,995	\$ -	\$ 1,818,995
Local			
Interest and Other	\$ 52,470	\$ 159,129	\$ 211,599
Food Sales	12,000,000	(11,650,000)	350,000
Total Local	\$ 12,052,470	\$ (11,490,871)	\$ 561,599
TOTAL REVENUES	\$ 150,339,467	\$ (37,158,873)	\$ 113,180,594
BEGINNING FUND BALANCE	\$ 14,504,012	\$ -	\$ 14,504,012
TOTAL REVENUES & BEGINNING FUND BALANCE	\$ 164,843,479	\$ (37,158,873)	\$ 127,684,606
<u>APPROPRIATIONS AND RESERVES</u>			
APPROPRIATIONS			
Salaries	\$ 43,325,683	\$ (2,407,241)	\$ 40,918,442
Employee Benefits	24,742,131	(1,241,803)	23,500,328
Purchased Services	6,250,000	(1,188,723)	5,061,277
Energy Services	5,998,775	(480,238)	5,518,537
Food & Supplies	74,388,000	(31,501,000)	42,887,000
Capital Outlay	1,500,000	(750,000)	750,000
Indirect Cost & Other	2,623,605	(178,152)	2,445,453
TOTAL APPROPRIATIONS	\$ 158,828,194	\$ (37,747,157)	\$ 121,081,037
Ending Fund Balance			
Non-Spendable	\$ 5,338,818	\$ -	\$ 5,338,818
Restricted	676,467	588,284	1,264,751
TOTAL ENDING FUND BALANCE	\$ 6,015,285	\$ 588,284	\$ 6,603,569
TOTAL APPROPRIATIONS & FUND BALANCE	\$ 164,843,479	\$ (37,158,873)	\$ 127,684,606