

CHILD NUTRITION

**TRANSYLVANIA
COUNTY SCHOOLS**



TCS Child Nutrition

- TCS Child Nutrition projects a deficit of \$140,000 in FY 2008–09.
- TCS Child Nutrition requests a minimum \$50,000 and a maximum \$100,000 to stabilize the Department for FY 2009-10.

North Carolina Child Nutrition Programs

- All NC programs are on track to lose money in FY 2008-09 because rising food & labor costs have out-paced federal reimbursement
- In June 2008, 94 of 115 LEAs reported financial losses
- The average loss for 2007-08 was \$200,000
- 15 LEAs began FY 2008-09 with “0” zero operating balance, another 15 with less than “¼” months operating balance
- 43% began FY 2008-09 with less than 1 month operating balance

North Carolina Child Nutrition (Cont)

- Many area Child Nutrition departments are already receiving local assistance. For example, Henderson and Rutherford counties have been supplemented 3 of the last 5 years. Asheville City has been supplemented for the last 2 years.

Economic Factors

- **Free-Reduced Rates are increasing.**
- **Higher free-reduced rates equal lower sales revenues.**
- **For TCS-Child Nutrition**
 - **2007-08: 3% increase**
 - **2008-09: 3.61% YTD increase**
 - **1998- Current: 26.0% increase**

Increased Expenses

FY 2003-04 - 2008-09

- **CN Labor Costs**

- Have risen 18.5% in 3 years due to the NC minimum wage law

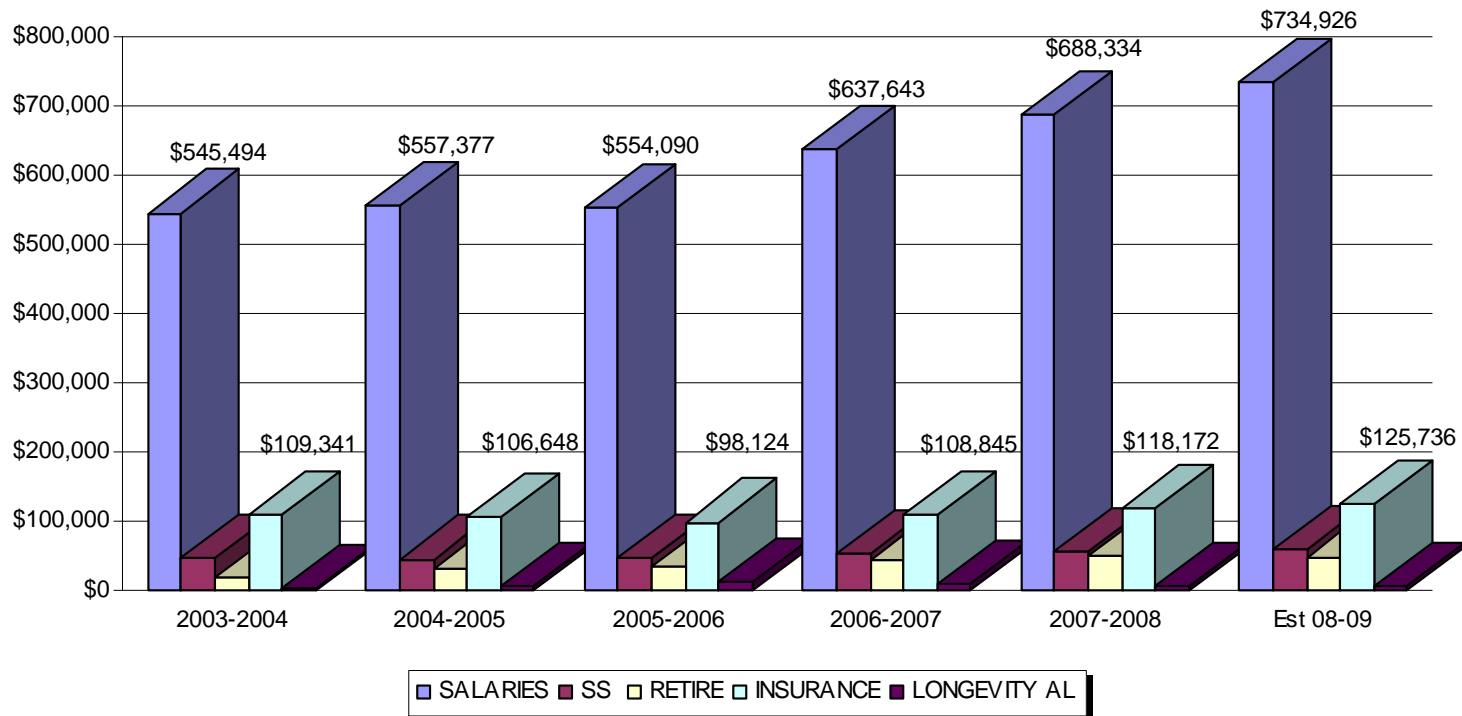
- **Food Costs**

- According to NC-DPI, food costs have risen over 30% in the last 5 years.

Increased Labor Cost

FY 2003-04 - 2008-09

LABOR COST

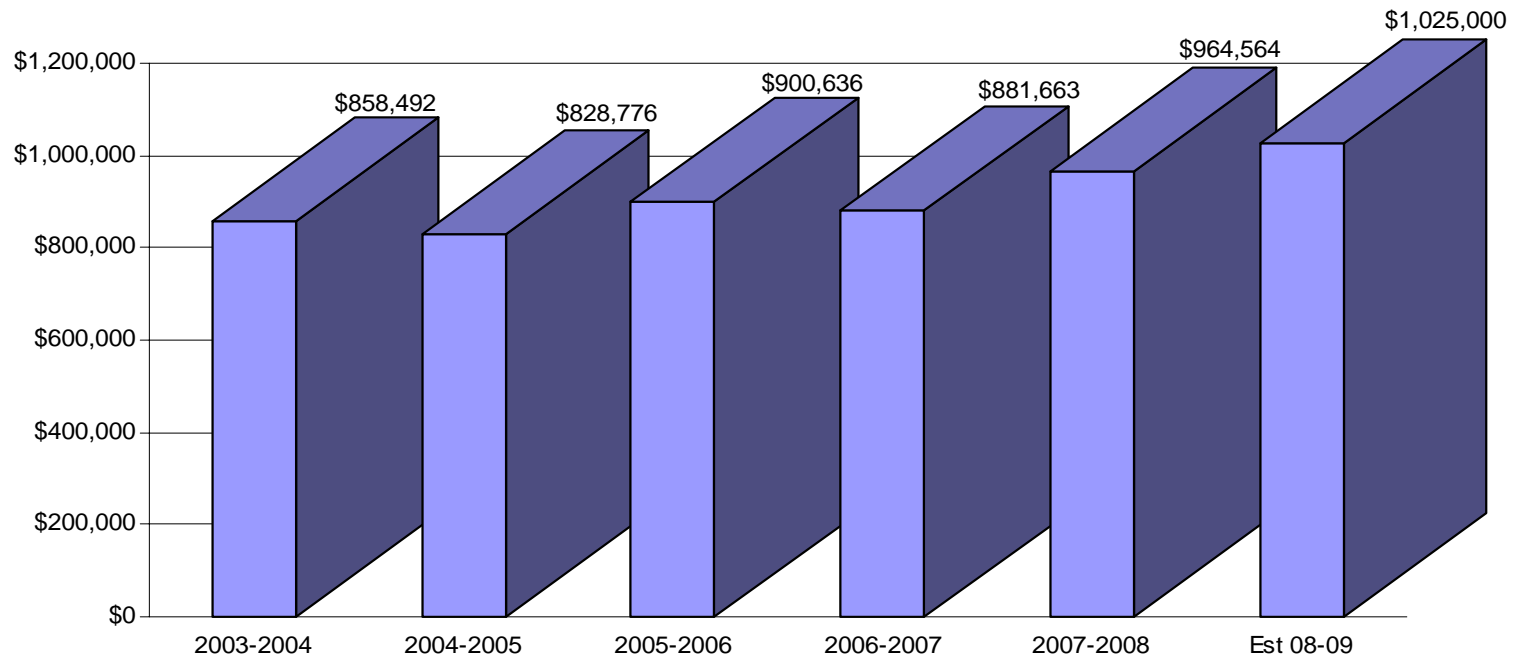


- Insurance costs are projected to increase 25% for 2009-10

Increased Food Cost

FY 2003-04 - 2008-09

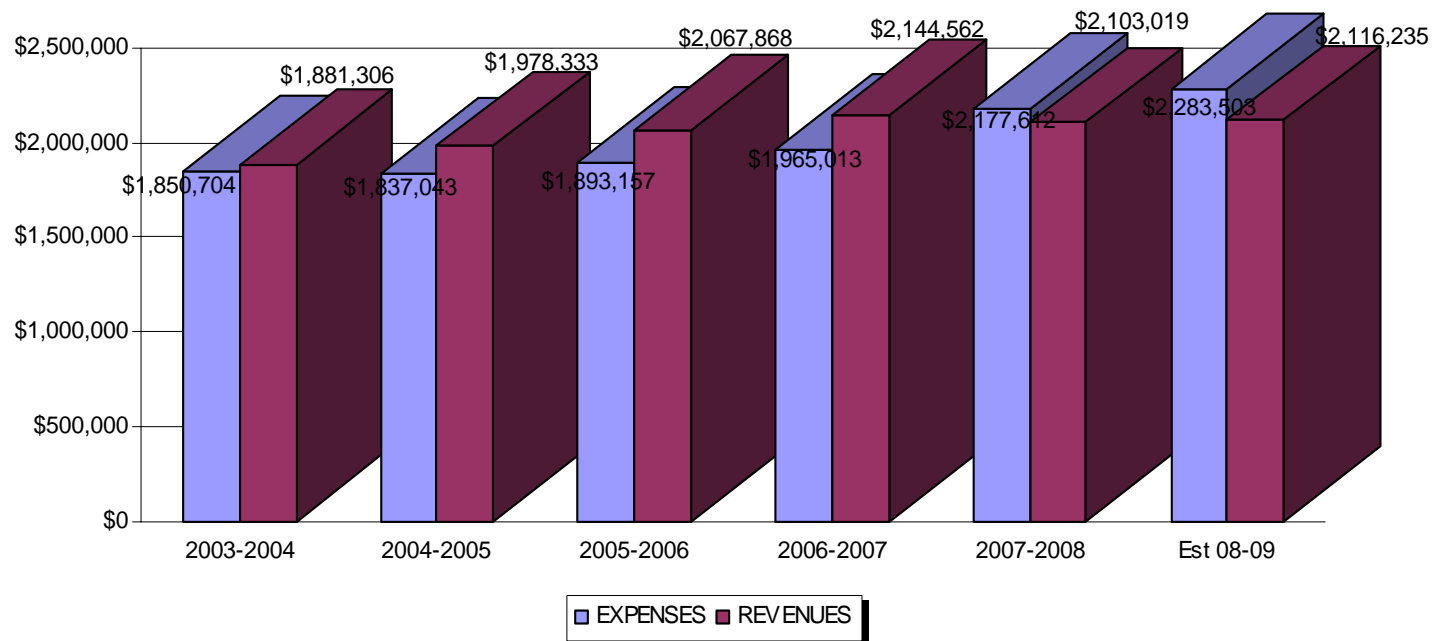
Food Purchased



CN Expenses vs Revenues

FY 2003-04 – 2008-09

EXPENSES VS REVENUES
FISCAL 2004 - 2009



SUMMARY

- Child Nutrition proposes using a combination of lunch price increase, local subsidy and federal reimbursement rate increase to balance its budget for FY 2009 –10.
- Projected deficit for 2009 – 2010 = \$222,000
- Funding Sources:
 - \$50,000 Indirect Cost
 - \$50,000 County Appropriation
 - \$37,500 Increase student lunches by .25
 - \$ 9,200 Adult meal increase
 - \$101,200 Increase Federal reimbursement
 - \$247,900