

KNOX COUNTY SCHOOLS

ANDREW JOHNSON BUILDING

Bob Thomas, Superintendent



Memorandum

To: Bob Thomas
Superintendent

From: Russ Oaks
Chief Operating Officer

Brett Foster
Executive Director of School Nutrition

Date: April 23, 2021

Subject: Fiscal Year 2022 Preliminary School Nutrition Budget Recommendation

As you know, the School Nutrition Budget is a stand-alone budget that is managed independent of the Knox County Schools General Fund and Capital Fund Budgets. The revenues for this budget come from the sale of breakfast and lunch to students and staff, and from reimbursement from the federal government for meals served to students. During FY21, USDA provided flexibility to provide meals at no cost to all students; therefore, revenues from the sale of breakfast and lunch were limited to staff, and all revenue for meals served to students was provided by the federal government.

Attached is the Fiscal Year 2022 Preliminary School Nutrition Budget recommendation, which is based on projected revenue from all sources of \$27,360,000. This budget projects a revenue decrease of \$245,000 from the revenue projected in the previous year's budget. This anticipated revenue decrease is based upon trends of the current FY21 meal participation. Meal participation in FY21 was impacted by the reduction of in-person learners present in school buildings; however, in anticipation of more students returning to in-person instruction in FY22, we believe participation will begin to trend back toward pre-Covid numbers.

This budget provides for the continuation of the Community Eligibility Provision in forty-seven (47) of our highest need schools while maintaining the current meal prices in our remaining schools. However, please note that USDA has extended the flexibility to offer meals at no cost to students through June 2022. It is our intent to continue to provide this flexibility during FY22. In addition, this budget contains a step raise and 4% salary increase for all School Nutrition personnel.

The School Nutrition Budget is required to maintain a fund balance equal to three months of operating expenses. Due to a change in calculation of fund balance by TDOE School Nutrition and the impact of COVID-19, the fund balance of the Knox County Schools School Nutrition Budget has fallen under three months of operating expenses. However, the current fund balance covers all Knox County Schools School Nutrition current expenses.

The Knox County Schools School Nutrition Program currently provides approximately 35,000 meals per day to students across the county. The wholesome and nutritious offerings are provided efficiently and are a great value to the students we serve and their families. We look forward to continuing this level of service in the coming year, and we will seek ways to continue to improve our service and operational activities.

**KCS Central Cafeteria Fund - REVENUES
Budget Worksheet**

FY 2022

Budget amounts will post to cost center 0000

REVENUE

Charges for Current Services:		
29-4-0803	Café Inc - Student Lunch	-
29-4-0804	Café Inc - Student Breakfast	-
29-4-0805	Café Inc - Adult	100,000
29-4-0806	Café Inc - Ala Carte	1,000,000
29-4-0830	Other Income - rebates, GSP eve feed	200,000
<i>Subtotal</i>		1,300,000

Other Local Revenue:		
29-4-0820	Interest Income	-
29-4-0840	Summer Program (cctr 0405)	300,000
<i>Subtotal</i>		300,000

State of TN:		
29-4-0833	State Matching	250,000
<i>Subtotal</i>		250,000

Federal Government:			
A	29-4-0571	Commodity Revenue	800,000
B	29-4-0572	Commodity DOD	1,100,000
C	29-4-0581	USDA - Lunch	18,000,000
D	29-4-0582	USDA - Breakfast	5,000,000
E	29-4-0583	USDA - Snack	120,000
F	29-4-0610	CACFP-Child & Adult Care Food Prog	90,000
G	29-4-0620	State Contracted Warehouse Rebate	100,000
H	29-4-0835	State of TN - FFVP	300,000
<i>Subtotal</i>		25,510,000	
Total Revenue		27,360,000	

SEFA - Schedule of Expenditures of Federal Awards

US Department of Agriculture (USDA)		
A	10 555	Natl Sch Lunch Prog - Non-Cash Assist - Commodities
B	10 555	Natl Sch Lunch Prog - Non-Cash Assist - Commodities
C	10.555	National School Lunch Program
D	10.553	School Breakfast Program
E	10.555	National School Lunch Program
F	10.558	Child & Adult Care Food Program (CACFP)
G	10.555	State Contracted Warehouse Rebate
H	10.582	Fresh Fruit & Vegetable Program (FFVP)

**KCS Central Cafeteria Fund - EXPENDITURES
Budget Worksheet**

FY 2022

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EXPENDITURES

Personnel Services:		
29-5-5200-130	Salary Exp - Café	8,500,000
29-5-5200-140	Salary Exp - Admn & Clerical	850,000
<i>Subtotal</i>		9,350,000

Employee Benefits:		
29-5-5200-201	Per Exp - Payroll Exp - FICA	715,000
29-5-5200-211	Benefit - Retirement (State & Local)	560,000
29-5-5200-212	Benefit - Life Insurance	18,000
29-5-5200-213	Benefit - Health Insurance	1,600,000
29-5-5200-214	Benefit - Dental Insurance	9,000
<i>Subtotal</i>		2,902,000

Contracted Services:		
29-5-3400-442	R/M - Contracted Services	400,000
29-5-4200-460	Food Exp - Commodity Processing	750,000
29-5-4200-463	Food Exp - Commodity Delivery	175,000
29-5-4400-360	Telephone Service	5,000
29-5-4400-380	Travel / Mileage	30,000
29-5-4400-382	Marketing / Postage / Printing	5,000
29-5-4400-621	Operational & Bonding Fees - permits	8,000
29-5-4400-628	Bank Service Charges	30,000
29-5-4400-632	Dues / Memberships	30,000
<i>Subtotal</i>		1,433,000

Supplies & Materials:		
29-5-3400-440	R/M - KCS Supplies	200,000
29-5-3900-459	Truck Upkeep - Gas	10,000
29-5-4200-465	Purchased Food Cost	9,970,000
29-5-4300-466	Expendable Supp - Café	1,200,000
29-5-4300-467	Small Equip / Furniture / Fixtures	75,000
29-5-4300-468	Small Wares	50,000
29-5-4300-469	Office Supp - Café	25,000
29-5-4300-470	Office Supp - FSD	5,000
29-5-4400-631	Employee Uniforms / Linen	70,000
<i>Subtotal</i>		11,605,000

Other Charges:		
29-5-4400-381	Training / Conference	20,000
29-5-5400-910	Indirect Cost	1,500,000
<i>Subtotal</i>		1,520,000

Capital Outlay:		
29-5-7600-540	Major Equipment	250,000
<i>Subtotal</i>		250,000

29-5-4201-465	FFVP - Purchased Food Cost	300,000
<i>Subtotal</i>		300,000

Total Expenditures 27,360,000