

KNOX COUNTY SCHOOLS

UT TOWER

Bob Thomas, Superintendent



Memorandum

To: Bob Thomas
Superintendent

From: Russ Oaks
Chief Operating Officer

Brett Foster
Executive Director of School Nutrition

Date: April 20, 2022

Subject: Fiscal Year 2023 Preliminary School Nutrition Budget Recommendation

The School Nutrition Budget is a stand-alone budget managed independent of the Knox County Schools General Fund and Capital Fund Budgets. The revenues for this budget typically 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 Fiscal Year 2022, the United States Department of Agriculture (USDA) gave schools the 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 2023 Preliminary School Nutrition Budget recommendation, based on projected revenue from all sources of \$27,855,000. This budget projects a revenue increase of \$245,000 from the previous year's budget. This anticipated revenue increase is based upon current trends in the FY22 meal participation rate. Meal participation in FY22 has increased due to our flexibility to serve meals at no cost to all students. We are uncertain whether the USDA will extend this flexibility for FY23; therefore, this budget returns to the normal revenue structure of both revenues from the sale of breakfast and lunch to students and staff, and from reimbursement from the federal government for meals served to students. Should the USDA extend the flexibility to feed all students at no cost to the student, the School Nutrition Department will take advantage

of that flexibility.

This budget provides for the continuation of the Community Eligibility Provision (CEP) in our highest need schools. The School Nutrition Department is required to reapply for Community Eligibility Provision in the spring of 2022, and the list of schools eligible for participation will be finalized in June of 2022. Due to current direct certification numbers, we anticipate a reduction in the number of schools eligible for Community Eligibility Provision.

Due to rising operating costs and the need to increase wages to remain competitive in the local market, this budget includes an increase to the current meal prices in our non-CEP schools, as well as a price increase for adult meals. The proposed increase to meal prices is \$0.25 across all paid price categories in breakfast and lunch. The chart below shows the proposed prices for FY23:

STUDENTS		FACULTY	
Breakfast, Reduced	\$0.30	Breakfast	\$2.25
Breakfast, Paid	\$2.00	Lunch	\$3.50
Lunch, Reduced	\$0.40	VISITOR	
Lunch, Paid ES	\$2.75	Breakfast	\$2.50
Lunch, Paid MS/HS	\$3.00	Lunch	\$4.00

This budget provides a step increase for all School Nutrition personnel. It also specifically includes a 15% pay increase for our school site-based School Nutrition staff. This will help us to recruit and retain team members and to better align our pay scale with current industry trends. We face significant challenges hiring and retaining school nutrition personnel including:

1. Most of our staff are only employed for about six hours a day.
2. Our employment year is only 177 days for most school based staff.
3. Our starting salary for school based staff is \$8.65 per hour and it tops out at \$14.11 per hour after 14 years

This budget also provides for a four percent pay increase for all other School Nutrition personnel.

The School Nutrition Budget is required to maintain a fund balance equal to three months of operating expenses. The Knox County Schools School Nutrition Budget has a healthy fund balance. As of December 31, 2021, the undesignated fund balance totaled \$7,953,416.59.

The Knox County Schools School Nutrition Program currently provides approximately 50,000 meals per day to students across the county. The wholesome and nutritious offerings are provided efficiently and are of 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	FY 2023
Budget amounts will post to cost center 0000			
REVENUE			
Charges for Current Services:			
29-4-0803	Café Inc - Student Lunch	-	4,000,000
29-4-0804	Café Inc - Student Breakfast	-	300,000
29-4-0805	Café Inc - Adult	100,000	125,000
29-4-0806	Café Inc - Ala Carte	1,000,000	950,000
29-4-0830	Other Income - rebates, GSP eve feed	200,000	250,000
	<i>Subtotal</i>	1,300,000	5,625,000
Other Local Revenue:			
29-4-0820	Interest Income	-	1,000
29-4-0840	Summer Program (cctr 0405)	300,000	499,000
	<i>Subtotal</i>	300,000	500,000
State of TN:			
29-4-0833	State Matching	250,000	250,000
	<i>Subtotal</i>	250,000	250,000
Federal Government:			
29-4-0571	Commodity Revenue	800,000	800,000
29-4-0572	Commodity DOD	1,100,000	1,200,000
29-4-0581	USDA - Lunch	18,000,000	14,415,000
29-4-0582	USDA - Breakfast	5,000,000	4,500,000
29-4-0583	USDA - Snack	120,000	90,000
29-4-0610	CACFP-Child & Adult Care Food Prog	90,000	90,000
29-4-0620	State Contracted Warehouse Rebate	100,000	80,000
29-4-0835	State of TN - FFVP	300,000	305,000
	<i>Subtotal</i>	25,510,000	21,480,000
	Total Revenue	27,360,000	27,855,000

SEFA - Schedule of Expenditures of Federal Awards

US Department of Agriculture (USDA)

- 10.555 Natl Sch Lunch Prog - Non-Cash Assist - Commodities
- 10.555 Natl Sch Lunch Prog - Non-Cash Assist - Commodities
- 10.555 National School Lunch Program
- 10.553 School Breakfast Program
- 10.555 National School Lunch Program
- 10.558 Child & Adult Care Food Program (CACFP)
- 10.555 State Contracted Warehouse Rebate
- 10.582 Fresh Fruit & Vegetable Program (FFVP)

KCS Central Cafeteria Fund - EXPENDITURES			
Budget Worksheet		FY 2022	FY 2023
Budget amounts will post to cost center 0000			
EXPENDITURES			
Personnel Services:			
29-5-5200-130	Salary Exp - Café	8,500,000	10,000,000
29-5-5200-140	Salary Exp - Admn & Clerical	850,000	890,000
	<i>Subtotal</i>	9,350,000	10,890,000
Employee Benefits:			
29-5-5200-201	Per Exp - Payroll Exp - FICA	715,000	835,000
29-5-5200-211	Benefit - Retirement (State & Local)	560,000	655,000
29-5-5200-212	Benefit - Life Insurance	18,000	20,000
29-5-5200-213	Benefit - Health Insurance	1,600,000	1,750,000
29-5-5200-214	Benefit - Dental Insurance	9,000	10,000
	<i>Subtotal</i>	2,902,000	3,270,000
Contracted Services:			
29-5-3400-442	R/M - Contracted Services	400,000	375,000
29-5-4200-460	Food Exp - Commodity Processing	750,000	700,000
29-5-4200-463	Food Exp - Commodity Delivery	175,000	175,000
29-5-4400-360	Telephone Service	5,000	10,000
29-5-4400-380	Travel / Mileage	30,000	30,000
29-5-4400-382	Marketing / Postage / Printing	5,000	7,000
29-5-4400-621	Operational & Bonding Fees - permits	8,000	8,000
29-5-4400-628	Bank Service Charges	30,000	25,000
29-5-4400-632	Dues / Memberships	30,000	30,000
	<i>Subtotal</i>	1,433,000	1,360,000
Supplies & Materials:			
29-5-3400-440	R/M - KCS Supplies	200,000	150,000
29-5-3900-459	Truck Upkeep - Gas	10,000	7,000
29-5-4200-465	Purchased Food Cost	9,970,000	9,000,000
29-5-4300-466	Expendable Supp - Café	1,200,000	1,000,000
29-5-4300-467	Small Equip / Furniture / Fixtures	75,000	60,000
29-5-4300-468	Small Wares	50,000	40,000
29-5-4300-469	Office Supp - Café	25,000	20,000
29-5-4300-470	Office Supp - FSD	5,000	3,000
29-5-4400-631	Employee Uniforms / Linen	70,000	75,000
	<i>Subtotal</i>	11,605,000	10,355,000
Other Charges:			
29-5-4400-381	Training / Conference	20,000	25,000
29-5-5400-910	Indirect Cost	1,500,000	1,500,000
	<i>Subtotal</i>	1,520,000	1,525,000
Capital Outlay:			
29-5-7600-540	Major Equipment	250,000	150,000
	<i>Subtotal</i>	250,000	150,000
29-5-4201-465	FFVP - Purchased Food Cost	300,000	305,000
	<i>Subtotal</i>	300,000	305,000
	Total Expenditures	27,360,000	27,855,000

FY 2023

**Knox County Schools
Central Cafeteria Fund
Budget Summary**

Revenue:

Charges for Current Services	\$	5,625,000
Other Local Revenue	\$	500,000
State of TN	\$	250,000
Federal Government	\$	21,480,000
Total Revenue	\$	<u>27,855,000</u>

Expenditures:

Personnel Services	\$	10,890,000
Employee Benefits	\$	3,270,000
Contracted Services	\$	1,360,000
Supplies & Materials	\$	10,660,000
Other Charges	\$	1,525,000
Capital Outlay	\$	150,000
Total Expenditures	\$	<u>27,855,000</u>

School Nutrition Salary Schedules
Proposed Wage Increase

Step	Worker	10%	12%	15%	Step	Site Mgr/Asst Mgr	10%	12%	15%
Sub	8.65	9.52	9.69	9.95	0	13.14	14.45	14.72	15.11
0	9.12	10.03	10.21	10.49	1	13.56	14.92	15.19	15.59
1	9.42	10.36	10.55	10.83	2	13.95	15.35	15.62	16.04
2	9.67	10.64	10.83	11.12	3	14.34	15.77	16.06	16.49
3	9.95	10.95	11.14	11.44	4	14.75	16.23	16.52	16.96
4	10.23	11.25	11.46	11.76	5	15.16	16.68	16.98	17.43
5	10.49	11.54	11.75	12.06	6	15.59	17.15	17.46	17.93
6	10.82	11.90	12.12	12.44	7	16.03	17.63	17.95	18.43
7	11.11	12.22	12.44	12.78	8	16.49	18.14	18.47	18.96
8	11.43	12.57	12.80	13.14	9	16.96	18.66	19.00	19.50
9	11.75	12.93	13.16	13.51	10	17.58	19.34	19.69	20.22
10	12.2	13.42	13.66	14.03	11	18.23	20.05	20.42	20.96
11	12.64	13.90	14.16	14.54	12	18.9	20.79	21.17	21.74
12	13.11	14.42	14.68	15.08	13	19.6	21.56	21.95	22.54
13	13.58	14.94	15.21	15.62	14	20.34	22.37	22.78	23.39
14	14.11	15.52	15.80	16.23					
Stockpilers on, Driver,									
Step	Specialist	10%	12%	15%	Step	Manager	10%	12%	15%
0	11.38	12.52	12.75	13.09	0	15.04	16.54	16.84	17.30
1	11.76	12.94	13.17	13.52	1	15.52	17.07	17.38	17.85
2	12.09	13.30	13.54	13.90	2	15.96	17.56	17.88	18.35
3	12.44	13.68	13.93	14.31	3	16.42	18.06	18.39	18.88
4	12.79	14.07	14.32	14.71	4	16.88	18.57	18.91	19.41
5	13.15	14.47	14.73	15.12	5	17.36	19.10	19.44	19.96
6	13.5	14.85	15.12	15.53	6	17.87	19.66	20.01	20.55
7	13.91	15.30	15.58	16.00	7	18.36	20.20	20.56	21.11
8	14.29	15.72	16.00	16.43	8	18.87	20.76	21.13	21.70
9	14.68	16.15	16.44	16.88	9	19.41	21.35	21.74	22.32
10	15.22	16.74	17.05	17.50	10	20.14	22.15	22.56	23.16
11	15.79	17.37	17.68	18.16	11	20.89	22.98	23.40	24.02
12	16.38	18.02	18.35	18.84	12	21.66	23.83	24.26	24.91
13	16.99	18.69	19.03	19.54	13	22.47	24.72	25.17	25.84
14	17.61	19.37	19.72	20.25	14	23.29	25.62	26.08	26.78