

**GLENBROOK HIGH SCHOOLS
REGULAR BOARD MEETING – SEPTEMBER 27, 2010**

**TO: Dr. Mike Riggle
Hillary Siena**

FROM: Kimberly Ptak

DATE: September 27, 2010

RE: FREE AND REDUCED BREAKFAST PROPOSAL

Critical Questions

1. Should the District offer a free and reduced breakfast program to students meeting federal free and reduced eligibility requirements?
2. Should the District extend Quest's contract in exchange for Quest's annual funding of the free and reduced breakfast proposal in an amount not to exceed \$15,000?

Recommendation

This topic was discussed at the September 16, 2010 finance committee meeting and it was the consensus of the committee that the District both offer a free and reduced breakfast program and extend Quest's contract in exchange for Quest's funding of the program in an amount not to exceed \$15,000/year.

Legal Requirement

Under the Illinois School Breakfast and Lunch Program Act, the District is required to have a free/reduced lunch program for students meeting the federal eligibility requirements, even though the District does not participate in the federal National School Lunch Program. The District is not required to have a free breakfast program under the Act.

Current Free/Reduced Lunch Program

Among many other lunch offerings, Quest currently offers a choice of three daily value meals at a price ranging from \$2.75 (hot value meal) to \$3.25 (deli value meal and salad value meal). This lunch is free to students meeting the free lunch eligibility requirements and is \$1 for students meeting the reduced lunch eligibility requirements. Under our current contract with Quest Food Management Services (Quest), Quest absorbs this cost, which was approximately \$52,000 in FY 09/10. In FY 09/10 the district had 567 students with free or reduced status. Of these students, an average of 27% participated in the program daily.

Proposed Free/Reduced Breakfast Program

Effective with the FY 10/11 school year, Quest is offering breakfast value meals at a cost of \$2.25 – see attached for menu options. There have been discussions about offering a free/reduced breakfast program to students meeting federal eligibility requirements. Potential costs of this program are –

Maximum Cost (if every free/reduced student participated every day)	\$110,000
Potential Cost based on 27% lunch participation	\$30,000
Potential Cost based on Quest’s experience (30% of F/R lunch participation)	\$9,000

Other districts in our immediate area including New Trier, District 207, District 211 and District 214 offer a free and reduced breakfast program.

Funding Options to Consider

1. Beginning with the FY 10/11 school year, fund balance 19 (food services) is \$26,000. We anticipate adding \$230,000 to this fund balance during FY 10/11, thus ending the year with a positive fund balance of \$256,000. The cost of the free/reduced breakfast program could be absorbed in this fund balance.

2. Quest has offered to absorb \$15,000 annually for the cost of a free and reduced breakfast program, in exchange for a contract extension. Currently the district is beginning the fourth year of a five year contract with the option to renew for an additional five years. Quest is proposing a new 5 year term, with a five year renewal option. The current contract has provisions for either party to terminate the contract, for any reason, for the next school year with written notice by April 1st of the current year.

Historical Financial Information

Following is the financial summary shared with the Board at the August 9, 2010 board meeting.

<u>In-house (through 1992)</u>	<u>Sodexo 1992 – 2006</u>	<u>Quest 2007 – traditional</u>	<u>Quest 2008 – rent based</u>	<u>Quest 2009 – rent based</u>	<u>Quest 2010 – rent based</u>	<u>Quest 2011 projection</u>
		Rent:	\$193,000	\$252,000	\$255,000	\$260,000
		Expense:	(\$50,000)	(\$50,000)	(\$60,000)	(\$30,000)
Average Loss (\$75K)	Average Profit \$35K	Profit \$85K	Net Rent: \$143,000	Net Rent: \$202,000	Net Rent: \$195,000	\$230,000