

2025 ISBE School Nutrition Training

Resource Management

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**CHILD NUTRITION
PROGRAMS**



Resource Management (RM)

The Healthy, Hunger-Free Kids Act of 2010 (HHFKA) amended the Richard B. Russell National School Lunch Act requiring a unified accountability system designed to ensure that participating school food authorities (SFAs) comply with National School Lunch Program (NSLP) and School Breakfast Program (SBP) requirements.

- Resource Management is the overall look at the financial status of a School Food Authority (SFA)
- Review will be in conjunction with Administrative Review
- Federal Regulations
- Where can improvements be made?



Resource Management Process

Conjunction with
the Administrative
Review

- Reviews conducted within same year
- Separate Monitors between reviews
- Shared announcements and report findings

Resource Management Schedule of Review

Announcement - MCAR and RM

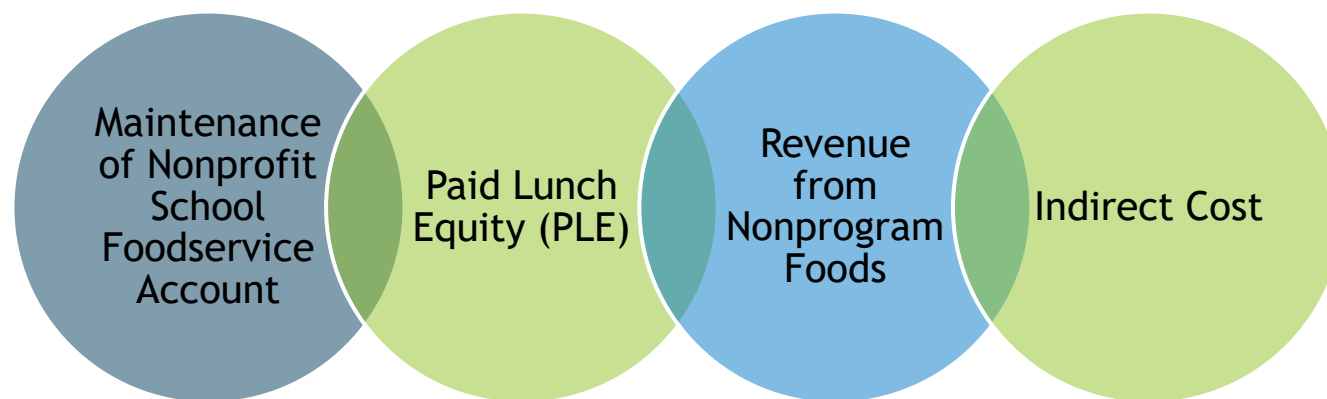
Survey Request - Determination of
Review

Schedule Review

Review Held

Review Submitted Through WINS

Four Areas of RM



RM - Key Process Issues

Turnover

Food Service Staff ~ Director ~ District Office

Lack of Communication

District office to foods Services Department

Lack of Collaboration

Resource Management and reviews require this

Collaboration Continued

Food Service Directors need to know all expectations/expenses

Nonprofit School Foodservice Account

Nonprofit School Foodservice Account

Overall look of financials; revenues vs. expenses to determine profit or loss

- Annual Financial Reports and General Ledgers

Profit or loss
How much

- Large Deficit
- Over Net Cash Resource

Purchases review through 10% of invoices

- Allowability of purchases



Nonprofit..Account Key Issues

Steep deficits

- No citation here, but obvious concern

Over Net Cash
Threshold

- Capital Improvements
 - Do the students benefit from those improvements?
- New Equipment

Unallowable
purchases

- Account must be repaid

Nonprofit..Account Key Issues Steep Deficits

68%

Nonprofit..Account Key Issues Over Net Cash Resources

4%

Paid Lunch Equity

Paid Lunch Equity (PLE)



Purpose of PLE is to increase paid lunch prices to align the total compensation of all free, reduced, and paid students.



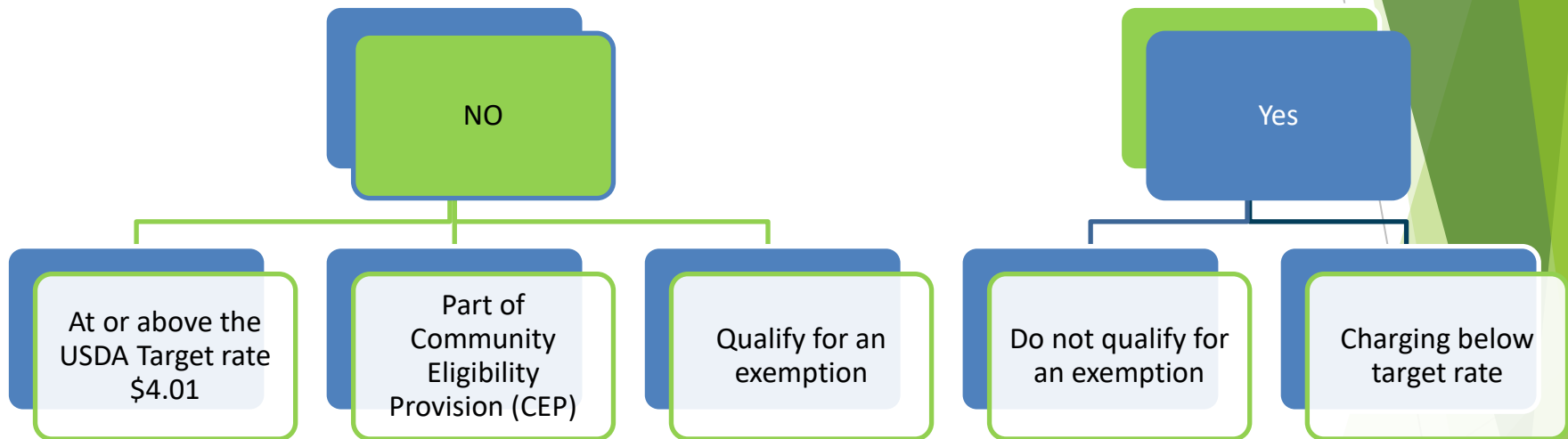
USDA Target rate for 2025-26 program year:
\$4.01



Maximum to charge Reduced students:

- Lunch: \$0.40
- Breakfast: \$0.30

Is PLE Required?



PLE Exemption

| | |
|---|----------------------------------|
| School Food Authority (District/School Name): | Agreement/RCDT# (00-000-000-00): |
| Contact Person: | Contact Phone: |
| City: | Contact Email: |

1. Provide the balance in the nonprofit food service account as of June 30, 2024

Balance as of June 30, 2024

*****This Paid Lunch Equity Exemption may NOT be used as a corrective action plan to previous citations under the Paid Lunch Equity requirements. *****

The PLE Tool - Requirement Calculator

| Unrounded Price Requirement for SY 2024-25 | Weighted Average Price Requirement for SY 2025-26 |
|---|---|
| Found in Section 1, Block A of the PLE Report from SY 2024-25 or in cell B31 of the Annual Unrounded Requirement Finder | Requirement to the nearest cent |
| \$ 3.85 | \$4.01 |

| | |
|---|---------------|
| A. Requirement to the nearest cent: This unrounded price will be entered into the SY 2025-26 tool to determine the SY 2025-26 weighted average price requirements | \$3.85 |
|---|---------------|

| Weighted Average Price for SY 2010-11 |
|---|
| Enter the weighted average price of all paid lunches charged in the SFA for SY 2010-11. |
| \$ 2.25 |

| | |
|-----------|---------|
| 2021-2022 | \$ 3.18 |
| 2022-2023 | \$ 3.31 |
| 2023-2024 | \$ 3.56 |
| 2024-2025 | \$ 3.85 |

PLE Tool - Price Raise Calculator

| SY 2025-26 Weighted Average Price Requirement | |
|---|--|
| Requirement to the nearest cent | Requirement ROUNDED DOWN to the nearest 5 cents |
| \$4.01 | \$ 4.00 |

| Shortfall or Credit |
|---|
| Enter any shortfall or credit carried forward from SY 2024-25 |
| \$ - |

| Number of Paid Lunches | Paid Lunch Prices | Monthly Revenue | Weighted Average Price for SY 2024-25 |
|------------------------|-------------------|-----------------|---------------------------------------|
| 2,051 | \$ 2.80 | \$ 5,742.80 | |
| 1,772 | \$ 2.90 | \$ 5,138.80 | |
| 2,557 | \$ 3.00 | \$ 7,671.00 | |
| | | \$ - | |
| | | \$ - | |
| | | \$ - | |
| | | \$ - | |
| | | \$ - | |
| | | \$ - | |
| | | \$ - | |
| 6,380 | | \$ 18,552.60 | \$ 2.91 |

PLE Tool - Price Raise Calculator

| Total Price Increase for SY 2025-26 (Based on the requirement rounded down to the nearest 5 cents) | |
|--|------|
| \$ | 1.09 |
| Required Weighted Average Price for SY 2025-26 (Increase with the 10 cents cap) | |
| \$ | 3.01 |
| Remaining Shortfall to Meet the Total Price Increase for SY 2025-26 (Based on establishing the price with the 10 cents cap) | |
| \$ | 0.99 |
| Credit From the Total Price Increase for SY 2025-26 (Based on a greater price in SY 24-25 and/or credit from the previous year) | |
| \$ | - |

| Total Price Increase for SY 2025-26 (Based on the requirement rounded down to the nearest 5 cents) | |
|---|--------|
| \$ | (0.25) |
| Required Weighted Average Price for SY 2025-26 (Increase with the 10 cents cap) | |
| No price increase necessary | |

PLE Tool Non-Federal Calculator

| SY 2025-26 Weighted Average Price Requirement | |
|---|---|
| Requirement to the nearest cent | Requirement ROUNDED DOWN to the nearest 5 cents |
| \$4.01 | \$ 4.00 |

| Weighted Average Price for SY 24-25 | |
|--|------|
| Enter the current weighted average paid lunch price. | |
| \$ | 2.85 |

| Non-Federal Source Contribution Calculator for SY 2025-26 | | |
|---|---|---|
| Enter the total paid lunch count (for all prices). | | |
| Annual Number of Paid Lunches for SY 2023-24 | Total Price Increase for SY 2025-26 (Based on the requirement rounded down to the nearest 5 cents) | Total Revenue from Non-Federal Sources for SY 2025-26 |
| 46,449 | \$ 1.15 | \$ 53,416.35 |

| Required Amount of Revenue from non-Federal Sources for SY 2025-26 (with the 10 cents cap) | |
|---|----------|
| \$ | 4,644.90 |

Board Approval must be shown in Board Minutes

Paid Lunch Equity Options

1. You qualify for the PLE exemption and can sit with prices for 2025-26 as they are in current school year.

OR

1. You do NOT qualify for the PLE Exemption. To sit with prices at the current level for the 2025-26 school year, the district with board approval will have to contribute non-federal funds.
2. Raise lunch prices, we only require a \$0.10 increase for compliance.
3. Increase lunch prices to the USDA target rate. However, with this option, with the 2024-25 tool, you will likely be expected to increase again.
4. Contribute non-federal funds to compensate for the \$0.10 increase.

Paid Lunch Equity - Key Issues

Tool Not
Completed

- Reasons stated
- Did not know we were required
- Received an exemption. Did not receive, chose not to complete.

A tool, but no
increase

- “We did not want to increase the price for our families”

Tool completed
incorrectly

- All three issues here lead to a citation and loss for the SFA

Revenue from Nonprogram Foods

Revenue from Nonprogram Foods



Overall look at
the revenue
NOT tied to the
reimbursable
meal

- A la carte
- Adult Meals
- Vending/Catering

Tools to
determine
Compliance

- Revenue from Nonprogram
Foods Calculator
- 5 Day Tool
- Locally generated Spreadsheets

Expectations of review and key issues

Nonprogram Foods Key Issues



Low A La Carte pricing

Requirement – To not run negative on total sales

Recommend - 40% mark up of cost



Adult meal prices still too low

FNS Instruction 782-5 Rev. 1. states adult meals must include Entitlement and Bonus

Lunch AND Breakfast must be marked up \$0.50



Vending machines expensed to food service, but revenue to another account

Food service program purchasing food for other events and not being reimbursed

STAFF MEALS catered by the district, district MUST PAY BACK

Indirect Cost

Indirect Cost

Function to charge the Food Services account for shared expenses

Tools to determine Compliance

- Indirect Cost Rates are published on ISBE website

Expectations of review and key issues



Indirect Cost

Rates Used

- Indirect Cost rates are published on ISBE website
- Nonpublic school may use up to di minimis rate of 15%
- Programs outside of nonpublic and do not have published rate may use state average

Major Functions

- Top uses of indirect cost go to utilities: gas, water, electricity and trash.
- Biggest issue comes to trash removal, this falls under indirect cost.
- If you want food services to pay trash, look to use indirect cost all areas allowed

Required Documentation

- First question will be; What Indirect Cost Rate do you use?
- We will match with general ledger to ensure what functions are billed to 2560 account
- Invoices (if MNSF not done) to verify percentages

Biggest Recommendations

▶ Food Costs

- ▶ Self operated programs should consider joining a food cooperative. 9 self operated run food cooperatives in Illinois
- ▶ Maintain proper production records with limited over production (6-10 meals overproduced per site)
- ▶ Ensure lack of theft within your kitchen

▶ Labor Costs

- ▶ Look into Meals per Labor Hour
 - ▶ 8-20 meals per labor hour, dependent on production levels

Any
1.1
Questions

Resource Management



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