

Response to Questions on the FY 2012 Budget

Request By: Supervisor McKay

Question: The number of students qualifying for free or reduced-price meals increases annually and is now at one in four FCPS students. However, the fund's ending balance also rises annually (\$8.45 million in FY 2008; \$10.87 million in FY 2009; \$16.04 million in FY 2010 and projected to be \$15.37 million in FY 2012). What is the reason for this apparent inconsistency?

Response: The following response was prepared by Fairfax County Public Schools:

Students qualifying for free and reduced-price meals are the fastest growing demographic group of students with additional needs in the school system. Families qualifying for free and reduced-price meals must meet established federal guidelines of income and household size. In FY 2012, the number of students eligible for free and reduced-price meal services is projected to be over 25 percent of all students.

The Food and Nutrition Services (FNS) Fund is a totally self-supporting fund, which means that it is not subsidized by the School Operating Fund. In fact, FNS transfers a portion of their fund balance to the School Operating Fund each year to pay for services received from the School Operating Fund. The FNS program provides appealing, nutritious, high quality, safe food at minimum cost in accordance with federal law, state regulation, and local policy. The two major sources of revenue for this fund are food sales and federal revenue. The FNS program purchases and maintains all kitchen equipment, provides staff in each school and center, and serves more than 140,000 customers each day. As a self-supporting fund, FNS maintains reserves which fluctuate depending on a variety of factors including the amount of meals served, federal aid received, efficiencies within the program, and unanticipated program-related expenses. These reserves allow FNS to maintain affordable and consistent meal prices by mitigating the impact of expenditure and revenue variations. A component of FNS' Operational Expectations, as monitored annually by the School Board, is to build a reserve equivalent to three months of operating expenses which will enable FNS to provide funding for equipment replacement, technology, training, and other improvements; to fund salary improvements, if approved by the School Board; and to meet emergency expenses. Federal aid is anticipated to increase in FY 2012 mainly due to the continued rise in free and reduced-price meals participation. FNS has also sought cost efficiencies and negotiated extensively with vendors to keep meal prices at a reasonable level despite increasing food prices.

In the division's operating fund, eligibility for free or reduced-price meals factors into FCPS' school-based staffing allocations in the form of Needs-Based Staffing and represents additional teacher positions. The number of classroom teachers provided at each school is based on specific staffing formulas for each program level approved by the School Board. Class size is determined by the number of students based on a pupil-teacher ratio with Needs-Based Staffing providing additional weight factors that include a school's free and reduced-price meals eligibility.