

MEMORANDUM

January 29, 2013

TO: Education Committee

FROM: Essie McGuire, Senior Legislative Analyst *EMcGuire*

SUBJECT: **Worksession – Supplemental Appropriation to the Montgomery County Public Schools (MCPS) FY13 Operating Budget, \$1,000,000 for Food Services Enterprise Fund (Source of funds: Federal and State) Update – School breakfast program**

Today the Education Committee will consider a supplemental appropriation to the Montgomery County Public Schools (MCPS) FY13 operating budget, \$1,000,000 for the Food Services Enterprise Fund. The Committee will also receive an update on and discuss recent efforts to increase State funding for the school breakfast program Maryland Meals for Achievement (MMFA). The following individuals are expected to attend:

- Marla Caplon, Director, Division of Food and Nutrition Services, MCPS
- Anne Sheridan, Executive Director, Governor's Office for Children
- D'Juan Hopewell, Maryland Advocacy Manager, Share Our Strength

Update: School Breakfast Program

Maryland Meals for Achievement (MMFA) is a State funded program that provides universal breakfast in public schools which have at least 40 percent of students eligible for Free and Reduced Meals (FARMS). The breakfast is provided to all students in the classroom, which significantly increases participation and access to nutrition for students.

In November 2012, Committee Chair Ervin led an effort for both the Montgomery and Prince George's County Delegations to send a letter to Governor Martin O'Malley and State Superintendent Lillian Lowery advocating for increased funding for the MMFA program to allow more schools statewide to participate. Both letters are attached at circles 5-11, and Superintendent Lowery's response is attached at circle 4.

Governor O'Malley included the requested \$1.8 million increase in funding in his FY14 budget for the Maryland State Department of Education. This increase is expected to bring the Statewide total funding to approximately \$5.2 million and expand the program to an estimated 130 additional schools statewide. Related materials are attached at circles 1-3.

Montgomery County has a total of 82 schools eligible for MMFA, and currently 40 participate and receive funding. The Council has been following this issue closely for several years, and has worked with the Board of Education to ensure that all eligible schools apply each year regardless of the amount of funding available Statewide. A list of the participating Montgomery County schools is attached on circle 13.

The Montgomery County Board of Education has included support for expansion of the MMFA program in its legislative platform for at least six years. The Board's 2013 legislative platform states that the Board supports "Expansion of Maryland Meals for Achievement as an entitlement to include all eligible schools that choose to apply" and opposes "Limiting the number of eligible schools from participation in Maryland Meals for Achievement."

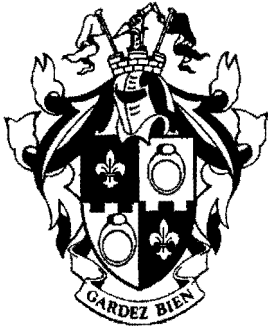
Supplemental Appropriation

The Council introduced this supplemental appropriation on January 15 and held a public hearing on January 29 (there were no speakers). The Board of Education requested this appropriation on November 13 (transmittal attached on circles 18-20) and the County Executive recommended approval on December 11 (transmittal and approval resolution attached on circles 14-17).

The source of funds for this appropriation is Federal and State funds. The appropriation has three components:

- **\$560,000 from the United States Department of Agriculture (USDA)** in response to the final ruling on the Healthy Hunger Free Kids Act. Funds will assist MCPS in providing menu options with fewer processed foods, more whole grains, fresh salads, and increased vegetarian choices. MCPS provided additional description of the requirements on circle 12, including the cost implications. While the Federal reimbursement provides an additional \$.06 per meal for compliance, MCPS estimates that the implementation cost will be higher. MCPS states that it expects to maintain the enterprise fund without a loss through increased participation and continuing cost control measures.
- **\$107,000 from the State MMFA program** which will partially fund the cost for eight additional schools in this school year. As noted above, a total of 82 MCPS schools are eligible for the program. Each year all apply, and currently 40 schools receive funding.
- **\$333,000 from additional Federal reimbursement** because of an increase in the number of students eligible for Free and Reduced Meals (FARMS). Committee members are aware that MCPS enrollment of students eligible for FARMS continues to increase each year, and that currently approximately one-third of all MCPS students are eligible for this program.

Council staff recommends approval of the supplemental appropriation as requested.



Montgomery County Council

From the Office of Councilmember Valerie Ervin

January 16, 2013

CONTACT: Sonya Healy 240-777-7970 / Neil H. Greenberger 240-777-7939

Governor O'Malley Recommends Expanding 'Maryland Meals for Achievement' by Including Additional \$1.8 Million in FY14 State Budget, as Requested by Montgomery Councilmember Ervin and Coalition of Elected Leaders

*Councilmember Ervin Applauds Governor O'Malley's
Commitment to Increasing Universal Breakfast for Students*

ROCKVILLE, Md., January 16, 2013—Montgomery County Councilmember Valerie Ervin, who chairs the Council's Education Committee, worked with members of the Maryland General Assembly, the Maryland Partnership to End Childhood Hunger and Share Our Strength's No Kind Hungry Campaign to advocate for expanded funding for the Maryland Meals for Achievement (MMFA) Program, which Governor Martin O'Malley included in his recommended Fiscal Year 2014 State Budget that was released today.

Governor O'Malley's recommended budget contains an additional \$1.8 million in the FY14 Maryland State Department of Education budget to fund universal breakfast. This means an additional 56,896 children in Maryland could receive the benefit in schools across Maryland.

"I have been working on this issue for years, and I was ecstatic when I heard that Governor O'Malley had included the additional funding that we had advocated for in the Maryland Meals for Achievement Program," said Councilmember Ervin. "This is another example of how Governor O'Malley continues to provide the building blocks necessary for the success of our children."

Maryland Meals for Achievement is a national model for increasing access to the School Breakfast Program (SBP), with proven links to improved educational performance, health and behavior. It allows schools that have at least 40 percent of their student population

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eligible for free or reduced-price meals (FARMS) to provide universal, in-classroom breakfast.

Councilmember Ervin joined with the Maryland Partnership to End Childhood Hunger, Share Our Strength's No Kid Hungry Campaign and members of the Montgomery and Prince George's Delegations to the General Assembly in a letter advocating for the increased funding. Every member of the Montgomery County Delegation and nearly all of the Prince George's County Delegation signed onto the request.

In December, State Senator Jamie Raskin and Delegate Susan Lee from Montgomery County, Delegate Aisha Braveboy from Prince George's County and Board of Education President Chris Barclay joined Councilmember Ervin at Roscoe Nix Elementary School in Silver Spring to highlight the importance of the universal breakfast program for students.

"Providing nutritious meals is one of the most immediate and cost-effective ways to improve a child's health and performance in the classroom," said Councilmember Ervin.

In MMFA schools, such as Roscoe Nix Elementary, the average participation in school breakfast is close to 70 percent. That is significantly higher than school breakfast participation in non-MMFA schools. Low-income children are at great risk of experiencing food insecurity, and often, the meals that they do receive outside of a structured program lack the vitamins and nutrients essential for their development. The lack of good nutrition can have a dramatic impact on student achievement.

"The groundswell of support from elected officials illustrates how much of an impact this program has on the lives of children," said Councilmember Ervin. "I am thankful for the many partners we have at the federal and state levels to support summer food and universal breakfast in Montgomery County, and I am extremely hopeful that the General Assembly will fund the Governor's recommendation in the budget."

In Montgomery County, more than one out of every seven children is at risk of hunger. Over the last three academic years, the number of children qualifying for free or reduced-price meals in the county has increased more than 25 percent with more than 47,000 children now falling below 185 percent of the federal poverty level. Currently, Montgomery County has more than 80 schools that meet the criteria to participate in MMFA, but because of funding levels, only 40 schools are benefiting from the program this school year.

Governor O'Malley is known for his commitment to ending childhood hunger in Maryland. Through the Partnership to End Childhood Hunger in Maryland and the dedicated support of Share Our Strength's national No Kid Hungry Campaign, Gov. O'Malley, over the course of his administration, has proven to be a staunch champion for children struggling with hunger. His commitment is vital in the fight to ensure that all of the nearly 237,000 Maryland children at risk of hunger have the foundation for a bright and healthy future.

NOTE: Letters sent to the Governor and State Superintendent of Schools Lowery are attached.

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Gazette.Net

Maryland Community News

Published: Friday, January 18, 2013

O'Malley recommends expanding free breakfast program to needy schools *By Jen Bondeson*

Staff Writer

Gov. Martin O'Malley listened to the local elected officials and 23 organizations he heard from last month asking him to increase state funding for a program that feeds breakfast to students at needy schools.

O'Malley announced his recommendation this week for \$1.8 million to be added to the state's budget for Maryland Meals For Achievement, which provides free breakfast for all students in their classrooms in schools that qualify.

This school year, the state is spending \$3.38 million for services that provide breakfasts to 33,000 students at 271 schools.

With the extra funding, the program would be expanded to serve 56,896 more children in about 130 more needy schools, bringing the total spent to \$5.18 million for 89,896 students in 407 schools.

O'Malley has made it a policy goal to end childhood hunger in Maryland by 2015 and has partnered with advocacy groups such as national nonprofit Share Our Strength and its No Kid Hungry campaign.

Maryland Hunger Solutions, one of the groups that wrote to O'Malley, said the funding recommendation demonstrates the governor's continued commitment.

The organization urges the General Assembly to support the increase, Cathy Demeroto, the director, wrote in a press release.

Led by Montgomery County Councilwoman Valerie Ervin, elected officials in Montgomery and Prince George's counties gathered in December to announce their request to O'Malley and the Maryland State Board of Education for the additional \$1.8 million.

Ervin (D-Dist. 5) of Silver Spring said in a press release Wednesday she was ecstatic to hear the governor's decision.

Providing the meals improves a child's health and performance in the classroom, Ervin said in the release.

Ervin is hoping that most of the money go to schools in Montgomery and Prince George's counties, where she says there is the most need. Of Montgomery's 80 schools that qualify, 40 currently participate.

It is up to the local school boards to advocate for the funding from the state's education board.

jbondeson@gazette.net

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Lillian M. Lowery, Ed.D.
State Superintendent of Schools

200 West Baltimore Street • Baltimore, MD 21201 • 410-767-0100 • 410-333-6442 TTY/TDD • MarylandPublicSchools.org

January 7, 2013

The Honorable Valerie Ervin
Councilmember
Montgomery County Council
Stella B. Werner Office Building
100 Maryland Avenue
Rockville, Maryland 20850

Dear Councilmember Ervin:

Thank you for your recent letter requesting that the Maryland State Department of Education (MSDE) seek increased funding for Maryland Meals for Achievement (MMFA) in the Fiscal Year (FY) 2014 Aid to Education budget. Since my arrival at MSDE, I have learned of MMFA's tremendous record of success in improving the educational performance, health and behavior of children in Maryland schools.

Governor O'Malley and I have received much correspondence this fall in support of additional funding for the MMFA program. The letters clearly reflect the benefits of this program as an anti-hunger tool.

The Maryland State Department of Education was very pleased last year to support the 20 percent budget increase to this program provided by the Maryland legislature. The \$560,000 additional funding established in the FY 2013 budget represents a strong recognition of the value this program imparts toward the Governor's goal of ending childhood hunger in Maryland.

Thank you for your correspondence and for your dedication and your colleagues' dedication to improving the health and well being of children in Maryland's public schools. If you require further information, please do not hesitate to contact Mr. Stephen Brooks, Deputy State Superintendent for Finance. He may be reached at 410-767-0011.

Sincerely,

Lillian M. Lowery, Ed.D.
State Superintendent of Schools

LML:bm
w/f 28447

November 26, 2012

The Honorable Martin O'Malley
Governor of Maryland
100 State Circle
Annapolis, MD 21401

Dr. Lillian Lowery
State Superintendent of Schools
Maryland State Department of Education
200 West Baltimore Street
Baltimore, MD 21201

RE: FY 2014 MSDE Budget – Funding for Maryland Meals for Achievement

Dear Governor O'Malley and Superintendent Lowery,

Thank you for your commitment to making Maryland the top school system in the nation for four consecutive years and for providing the funding necessary to help our students achieve success. As you know, one of the keys to this success is the Maryland Meals for Achievement (MMFA) Program. As access to food and good nutrition is critical for everyone's well-being, reliable sources of healthy meals through programs like the School Breakfast Program, are now more important than ever. This program can also help us close the "poverty gap" in test scores between those who are eligible for free and reduced meals and those who are not.

The current funding level for the MMFA Program is \$3.38 million; however, as you develop and review the FY 2014 Maryland State Department of Education - Aid to Education budget, we respectfully request that you invest an additional \$1.8 million to expand this program. This increase is necessary to ensure that an additional 130 schools receive this critical subsidy. While this is a state-wide issue, Montgomery and Prince George's County students would benefit from this increase because combined we have more than a quarter of the eligible schools.

As you know, MMFA is a national model for increasing access to the National School Breakfast Program, with proven links to improved educational performance, health and behavior.¹ It allows schools, which have at least 40 percent of students eligible for free or reduced-price meals, to provide universal, in-classroom breakfast. In MMFA schools, the average participation in school breakfast is close to 70 percent, which is significantly higher than school breakfast participation in non-MMFA schools.

A June 2012 survey from Share Our Strength and APCO insight, which we have included for your review, shows that three out of five teachers report that their students come to school hungry and three out of four reported that addressing childhood hunger must be a national priority.

As you know, the recession has made a significant impact on families and their children throughout Maryland. In Montgomery County, more than one out of every seven children is at risk of hunger.² Over the last three academic years, the number of children qualifying for free or

reduced-price meals in the county has increased more than 25 percent with more than 47,000 children now falling below 185 percent of the federal poverty level.³ Currently, Montgomery County has more than 80 schools that meet the criteria to participate in MMFA, but because of funding levels, only 40 schools are benefiting from the program this school year.

In Prince George's County, over the last three academic years, the number of children qualifying for free or reduced-price meals has increased by nearly 20 percent with more than 70,000 children now falling below 185 percent of the federal poverty level.⁴ Prince George's County now has more than 150 schools that meet the criteria to participate in MMFA, but at the current funding level, only 27 schools are benefiting from the program this school year.

In order to keep our schools at the top of the national rankings, we need to ensure that our students' basic needs are met, and that starts with a nutritious meal at the beginning of each academic day. Children simply cannot learn when they are hungry, and MMFA is one of the most effective tools at our disposal to ensure that they don't have to.

We are joining with other organizations, including members of the Partnership to End Childhood Hunger in Maryland, and will stand with you to ensure that an increased investment in the Maryland Meals for Achievement Program is a top priority. Thank you for your ongoing support, and we look forward to working with you on this issue during the 2013 Maryland General Assembly Session.

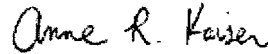
Very truly yours,



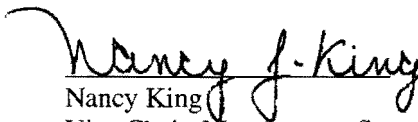
Valerie Ervin
Montgomery County Council, District 5



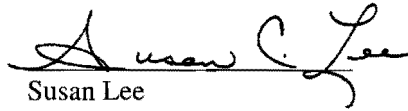
Jamie Raskin
Chair, Montgomery County Senate Delegation
Senator, District 20



Anne Kaiser
Chair, Montgomery County House Delegation
Delegate, District 14



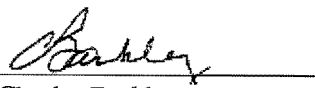
Nancy King
Vice Chair, Montgomery Senate Delegation
Senator, District 39



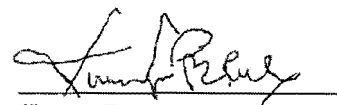
Susan Lee
Vice Chair, Montgomery House Delegation
Delegate, District 16



Sam Arora
Delegate, District 19



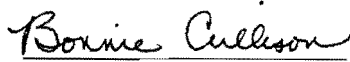
Charles Barkley
Delegate, District 39



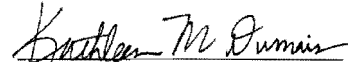
Kumar Barve
Delegate, District 17



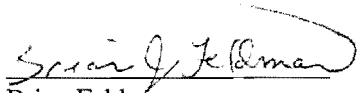
Al Carr
Delegate, District 18



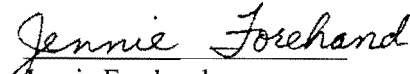
Bonnie Cullison
Delegate, District 19



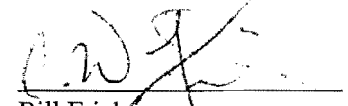
Kathleen Dumais
Delegate, District 15



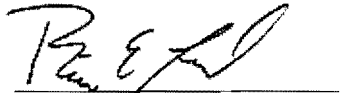
Brian Feldman
Delegate, District 15



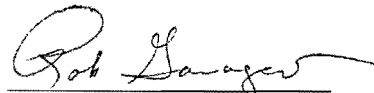
Jennie Forehand
Senator, District 17



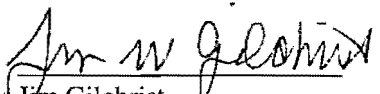
Bill Frick
Delegate, District 16



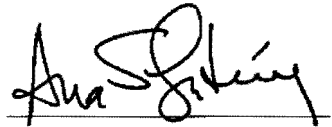
Brian Frosh
Senator, District 16



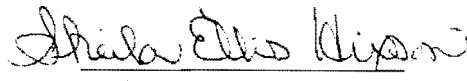
Rob Garagiola
Senator, District 15



Jim Gilchrist
Delegate, District 17



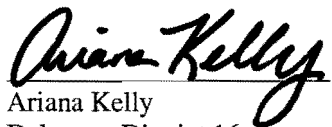
Ana Sol Gutierrez
Delegate, District 18



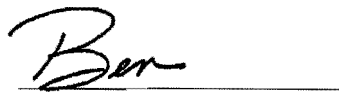
Sheila Hixson
Delegate, District 20



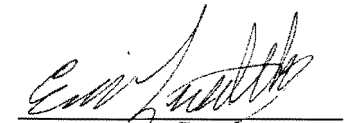
Tom Hucker
Delegate, District 20



Ariana Kelly
Delegate, District 16



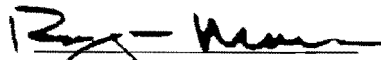
Ben Kramer
Delegate, District 19



Eric Luedtke
Delegate, District 14



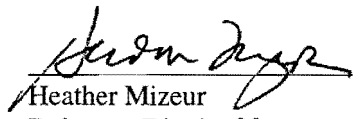
Rich Madaleno
Senator, District 18



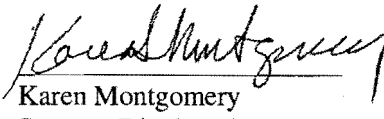
Roger Manno
Senator, District 19



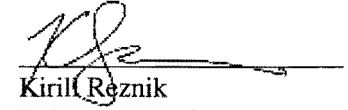
Aruna Miller
Delegate, District 15



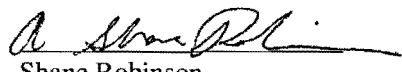
Heather Mizeur
Delegate, District 20



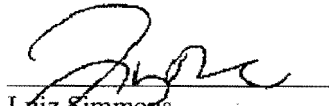
Karen Montgomery
Senator, District 14



Kirill Reznik
Delegate, District 39




Shane Robinson
Delegate, District 39



Luiz Simmons
Delegate, District 17



Jeff Waldstreicher
Delegate, District 18



Craig Zucker
Delegate, District 14

¹ J. M. Murphy et al. (2001, October). *Maryland Meals for Achievement Year III Final Report*. Retrieved from <http://www.eric.ed.gov/PDFS/ED460784.pdf>.

² Feeding America. (2012). *Map the Meal Gap: Child Food Insecurity 2012*. Retrieved from <http://feedingamerica.org/hunger-in-america/hunger-studies/map-the-meal-gap.aspx>.

³ 37,777 children were eligible for free or reduced-price meals during the 2008-2009 school year, with that number rising to more than 47,000 for the 2011-2012 academic year.

⁴ 60,719 children were eligible for free or reduced-price meals during the 2008-2009 school year, with that number rising to more than 71,000 for the 2011-2012 academic year.

November 26, 2012

The Honorable Martin O'Malley
Governor of Maryland
100 State Circle
Annapolis, MD 21401

Dr. Lillian Lowery
State Superintendent of Schools
Maryland State Department of Education
200 West Baltimore Street
Baltimore, MD 21201

RE: FY 2014 MSDE Budget – Funding for Maryland Meals for Achievement

Dear Governor O'Malley and Superintendent Lowery,

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We are joining with other organizations, including members of the Partnership to End Childhood Hunger in Maryland, and will stand with you to ensure that an increased investment in the Maryland Meals for Achievement Program is a top priority. Thank you for your ongoing support, and we look forward to working with you on this issue during the 2013 Maryland General Assembly Session.

Very truly yours,



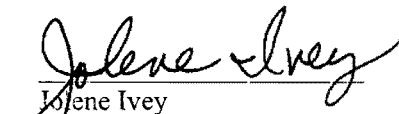
Valerie Ervin
Montgomery County Council, District 5



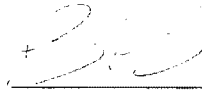
Douglas J.J. Peters
Chair, Prince George's Senate Delegation
Senator, District 23




C. Anthony Muse
Vice Chair, Prince George's Senate Delegation
Senator, District 26



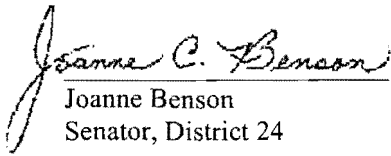
Lolene Ivey
Chair, Prince George's House Delegation
Delegate, District 47

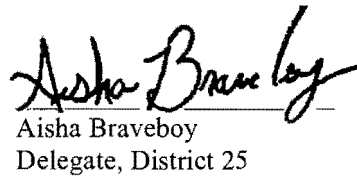


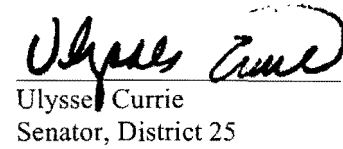
Benjamin S. Barnes
Vice Chair, Prince George's House Delegation
Delegate, District 21

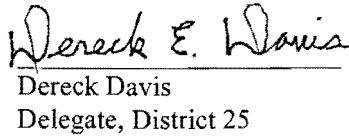


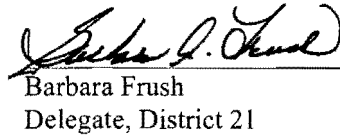
Veronica L. Turner
2nd Vice Chair, Pr. George's House Delegation
Delegate, District 26

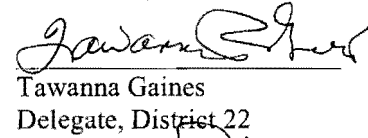

Joanne Benson
Senator, District 24

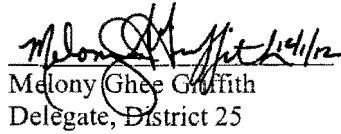

Aisha Braveboy
Delegate, District 25

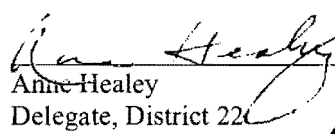

Ulysses Currie
Senator, District 25

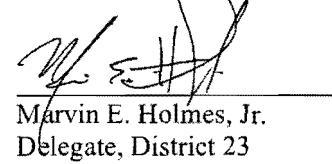

Dereck Davis
Delegate, District 25

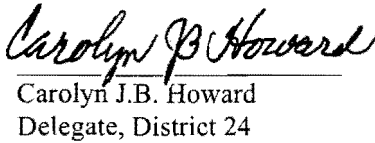

Barbara Frush
Delegate, District 21

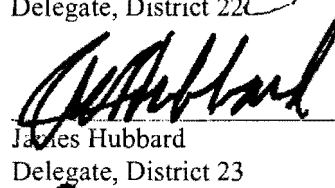

Tawanna Gaines
Delegate, District 22

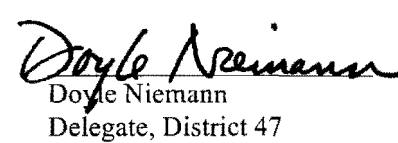

Melony Ghee Griffith
Delegate, District 25

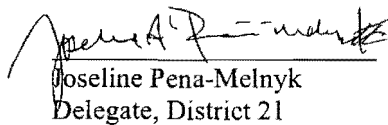

Anne Healey
Delegate, District 22

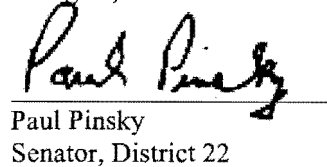

Marvin E. Holmes, Jr.
Delegate, District 23

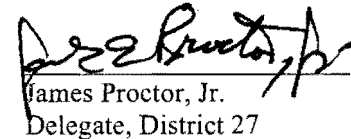

Carolyn J.B. Howard
Delegate, District 24

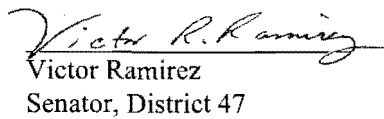

James Hubbard
Delegate, District 23

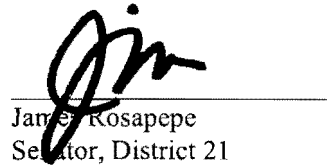

Doyle Niemann
Delegate, District 47

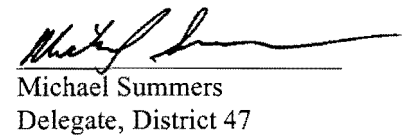

Joseline Pena-Melnyk
Delegate, District 21

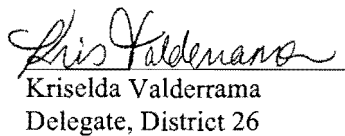

Paul Pinsky
Senator, District 22

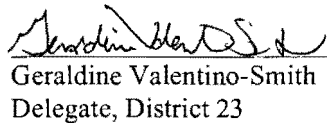

James Proctor, Jr.
Delegate, District 27

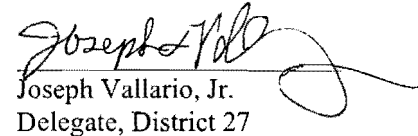

Victor Ramirez
Senator, District 47

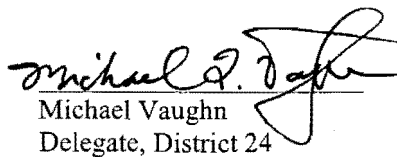

James Rosapepe
Senator, District 21

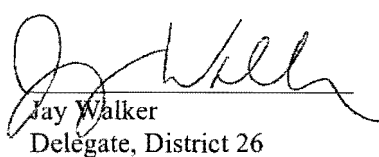

Michael Summers
Delegate, District 47


Kriselda Valderrama
Delegate, District 26


Geraldine Valentino-Smith
Delegate, District 23


Joseph Vallario, Jr.
Delegate, District 27


Michael Vaughn
Delegate, District 24


Jay Walker
Delegate, District 26

¹ J. M. Murphy et al. (2001, October). *Maryland Meals for Achievement Year III Final Report*. Retrieved from <http://www.eric.ed.gov/PDFS/ED460784.pdf>.

² Feeding America. (2012). *Map the Meal Gap: Child Food Insecurity 2012*. Retrieved from <http://feedingamerica.org/hunger-in-america/hunger-studies/map-the-meal-gap.aspx>.

³ 37,777 children were eligible for free or reduced-price meals during the 2008-2009 school year, with that number rising to more than 47,000 for the 2011-2012 academic year.

⁴ 60,719 children were eligible for free or reduced-price meals during the 2008-2009 school year, with that number rising to more than 71,000 for the 2011-2012 academic year.

Montgomery County Public Schools
Division of Food and Nutrition Services

January 16, 2013

Healthy Hunger Free Kids Act (HHFKA) (effective July 1, 2012):

The Healthy Hunger Free Kids Act (HHFKA) of 2010 authorizes funding for child nutrition programs and increases access to healthy food for low-income children. The act allows USDA to set nutritional standards for all food regularly sold in schools during the school day, including vending machines, a la carte sales and food items sold in school stores. Additional funding, \$.06 per meal, is provided to LEA's for compliance with the HHFKA. The HHFKA meal pattern requires that additional portions of fruits and vegetables be offered to students and at least 50% or more of grains offered are whole grain. Fluid milk must be 1% or fat free; flavored milk must be fat free; and water must be available to students during mealtime. In addition, in order to be considered a reimbursable meal, students must select ½ cup of fruit or vegetable. This is a first; students have always been afforded the opportunity to select 3 of 5 meal components.

Implementation of the HHFKA has resulted in a significant increase in food costs. Introduction of new vegetable choices include, zucchini coins, grape tomatoes, red pepper slices, celery slices, sliced cucumbers, baby spinach and romaine salad. A fresh garden salad has been added as an entrée twice a month in all elementary schools. As of December, 2012, fresh produce purchases have increased \$214,078 since December, 2011; reflecting a 46% increase.

Yogurt and hummus have been added as meal choices on menus. A new, whole muscle, unbreaded chicken bite, i.e. considered less processed, is priced \$.26 greater per serving than the breaded chicken nugget. An unbreaded bone-in chicken has been added as a replacement to a breaded product, at an additional cost of \$.13 per serving.

51% of all grains offered to students must be whole grain. A whole grain hamburger bun has been introduced at an additional cost of \$.05 per unit. As of December, 2012, bakery purchases have increased \$200,454 since December, 2011; reflecting a 30% increase.

DFNS revenue projections for FY 2013 include additional funding of \$.06 per lunch, resulting from HHFKA compliance, which will offset a portion of the added food costs. Food cost per meal is expected to increase \$.13 resulting in a \$.07 deficit per meal. The increase in revenue from an expected increase in student meal participation and continuing cost control measures will allow the enterprise fund to operate without a loss associated with these food cost increases.

MMFA Program Information:

The attached spreadsheet provides a list of the current 40 schools that participate in MMFA. At this time, there are 42 additional schools that are eligible for the program. Each year, DFNS submits applications for all eligible schools to MSDE.

Montgomery County Public Schools
 Division of Food and Nutrition Services

MMFA Schools SY 2012 - 2013

Sch. #	School Name
304	Broad Acres ES
791	New Hampshire Est. ES
797	Harmony Hills ES
774	Highland ES
779	Sargent Shriver ES
788	Wheaton Woods ES
777	Weller Road ES
563	Summit Hall ES
553	Gaithersburg ES
786	Georgian Forest ES
564	South Lake ES
805	Kemp Mill ES
790	Arcola ES
552	Washington Grove ES
100	Clopper Mill ES
775	Viers Mill ES
305	Jackson Road ES
808	Cresthaven ES
766	Oak View ES
307	R. Nix ES
817	Glenallen ES
767	Glen Haven ES
780	Bel Pre ES
111	Capt. James E. Daly ES
549	Flower Hill ES
206	Twinbrook ES
309	Burnt Mills ES
807	Brookhaven ES
818	E. Brooke Lee MS
559	Brown Station ES
558	Whetstone ES
776	Montgomery Knolls ES
822	Strathmore ES
555	Rosemont ES
310	Cannon Road ES
568	Stedwick ES
756	East Silver Spring ES
787	Loiederman A Mario MS
812	Parkland MS
647	Silver Spring Int MS

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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

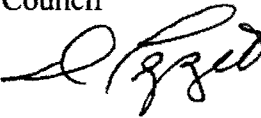
Isiah Leggett
County Executive

071122



MEMORANDUM

December 11, 2012

TO: Nancy Navarro, President, County Council
FROM: Isiah Leggett, County Executive 
SUBJECT: Fiscal Year 2013 Supplemental Appropriation #13-350
for the Montgomery County Public Schools
Food Services Enterprise Fund
\$1,000,000

RECEIVED
MONTGOMERY COUNTY
2012 DEC 12 AM 7:57

On November 13, 2012, the Board of Education requested to receive and expend an FY13 supplemental appropriation of \$1,000,000 for the Montgomery County Public Schools (MCPS) Food Services Enterprise Fund.

The FY13 Operating Budget for MCPS included an appropriation in the Food Services Enterprise Fund of \$47,476,295. Since the MCPS budget was approved, there have been several occurrences that will require additional expenditures by the Division of Food and Nutrition Services (DFNS) during the current and in subsequent fiscal years.

First, on March 26, 2012, the U.S. Department of Agriculture implemented its final ruling on the Healthy Hunger Free Kids Act (HHFKA). At the time the MCPS budget was approved, there was still uncertainty over the impact on FY13 food costs. This ruling updates meal patterns and nutrition standards for the National School Lunch Program by aligning them with the Dietary Guidelines for Americans. As a result, MCPS will offer menu options that offer fewer processed foods, more whole grain breads, fresh salads and salad bars, and increased vegetarian choices. Approximately \$560,000 will be provided by the USDA through the State of Maryland as a result of the HHFKA ruling.

Second, after the FY13 budget was adopted, eight MCPS schools were made Maryland Meals for Achievement (MMFA) Program schools. This addition provides breakfast at no cost to all students in the schools and will require the purchase of additional food for breakfast. DFNS will receive \$107,000 from the State to partially fund the program.

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Nancy Navarro, President, County Council
December 11, 2012
Page 2

Third, additional federal reimbursement will be received as a result of an increase in the number of students eligible for the Free and Reduced-price Meals System program.

I recommend that the County Council approve this supplemental appropriation of \$1,000,000 from the USDA, State of Maryland, and federal Free and Reduced-price Meals system program. The source of funds will be Federal and State revenues.

IL:lob

Attachments: Supplemental Appropriation #13-350
Request from the Board of Education

Resolution No: _____

Introduced: _____

Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: County Council

SUBJECT: Fiscal Year 2013 Supplemental Appropriation #13-350
for the Montgomery County Public Schools
Food Services Enterprise Fund
\$1,000,000

Background

1. Section 5-105(d) of the Education Article of the Annotated Code of Maryland provides for the expenditure of non-local funds by the County Board of Education after adoption of the budget, only with the approval of the County fiscal authority.
2. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
3. The County Executive received the Board of Education's action of November 13, 2012, requesting a supplemental appropriation to the operating budget as follows:

<u>Category</u>	<u>Amount</u>	<u>Funding Source</u>
61 Food and Nutrition Services Fund	\$ 893,000	Federal Revenue
	\$ 107,000	State Revenue
Total	\$ 1,000,000	

4. The Board of Education has stated that this appropriation is needed to receive and expend \$1,000,000 in the Food and Nutritional Services Fund, for the Montgomery County Public Schools Food and Nutritional Services Enterprise Fund. The Division of Food and Nutritional Services will receive approximately \$560,000 in additional federal revenue via the State of Maryland as a result of the Healthy Hunger Free Kids Act ruling, \$107,000 in additional revenue from the State for adding eight schools to the Maryland Meals for Achievement breakfast program, and additional federal reimbursements as a result of more students being eligible to participate in the Free and Reduced-price Meals System Program
4. The County Executive recommends a supplemental appropriation to the FY13 Operating Budget of \$1,000,000 and has specified that the source of funds will be federal and state revenue.
5. Notice of a public hearing was given, and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

A supplemental appropriation to the FY13 Operating Budget of the Montgomery County Public Schools is approved as follows:

<u>Category</u>	<u>Amount</u>	<u>Funding Source</u>
61 Food and Nutrition Services Fund	\$ 893,000	Federal Revenue
	<u>\$ 107,000</u>	State Revenue
Total	\$ 1,000,000	

This is a correct copy of Council action.

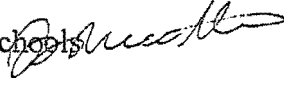
Linda M. Lauer, Clerk of the Council

Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

November 13, 2012

MEMORANDUM

To: Members of the Board of Education

From: Joshua P. Starr, Superintendent of Schools 

Subject: Recommended Fiscal Year 2013 Supplemental Appropriation for the
Montgomery County Public Schools Food Services Enterprise Fund

Recommendation in Brief

Authorization is requested to receive and expend, subject to County Council approval, a Fiscal Year (FY) 2013 supplemental appropriation of \$1,000,000 for the Montgomery County Public Schools (MCPS) Food Services Enterprise Fund. This supplemental appropriation will be funded by additional federal and state reimbursements.

Background

The amount budgeted for the Food Services Enterprise Fund for FY 2013 is \$47,476,295. Since the MCPS budget was approved by the County Council last May and adopted by the Board of Education in June, there have been several occurrences that will require the Division of Food and Nutrition Services (DFNS) to make additional expenditures during FY 2013 and in subsequent years.

The United States Department of Agriculture (USDA) implemented its final ruling on the *Healthy Hunger Free Kids Act* (HHFKA) on March 26, 2012. When the MCPS operating budget was approved last May, there still was uncertainty regarding the impact of this ruling on food costs. This ruling updates meal patterns and nutrition standards for the National School Lunch Program by ensuring that they are aligned with the Dietary Guidelines for Americans. Schools are required to increase the availability of fruits, vegetables, and whole grains; reduce sodium levels and saturated and trans fats in meals; and meet the nutrition needs of school children within their caloric requirements. These improvements to school meal programs are expected to enhance the diet and health of school children and help mitigate the childhood obesity trend. As a result, MCPS will offer menu options that offer fewer processed foods, more whole grain breads, fresh salads and salad bars, and increased vegetarian choices.

After the FY 2013 MCPS budget was adopted, eight MCPS schools were added as Maryland Meals for Achievement (MMFA) Program schools, bringing the total number of participating schools to 40. This program provides breakfast, at no cost, to all students at these schools. This will require the purchase of additional breakfast food items.

Approximately \$560,000 of the revenue to support these expenditures will be provided by USDA through the state of Maryland as a result of the HHFKA ruling. DFNS will receive \$107,000 from the state of Maryland to partially fund the MMFA Program. Additional federal reimbursements will be received as a result of an increase in the number of students eligible to participate in the Free and Reduced-price Meals System Program.

Use of Funds

The supplemental appropriation will be used to purchase food items that will provide healthier menus for students, including more fresh fruits and vegetables, whole grain bread items, yogurt, and other items that have less sodium and fat. Funds will be used to provide breakfast items, including milk and juice for the eight additional MMFA schools.

Evaluation

As required by HHFKA, the Maryland State Department of Education will conduct a nutritional review of school lunches during the 2012–2013 school year. Certification will be based on compliance with the meal patterns and dietary specifications based on a two-week review of menu and production records. MCPS also conducts an annual audit of the Food and Nutrition Enterprise Fund using an external auditing firm, CliftonLarsonAllen.

Recommended Resolution

WHEREAS, The Fiscal Year 2013 budget for the Food and Nutrition Services Enterprise Fund is \$47,476,295; and

WHEREAS, There was uncertainty when the Montgomery County Public Schools budget was approved by the County Council last May and adopted by the Board in June, regarding the impact on food costs resulting from the final rule of the *Healthy Hunger Free Kids Act*, signed March 26, 2012; and

WHEREAS, As a result of the *Healthy Hunger Free Kids Act* ruling, schools are required to increase the availability of fruits, vegetables, and whole grains; reduce sodium levels and saturated and trans fats in meals; and meet the nutrition needs of school children within their caloric requirements, which will increase food costs; and

WHEREAS, Eight schools were added to the Maryland Meals for Achievement breakfast program for Fiscal Year 2013 after the Montgomery County Public Schools operating budget was adopted, which will increase the cost of breakfast items; and

WHEREAS, The Division of Food and Nutrition Services will receive approximately \$560,000 in additional federal revenue via the state of Maryland as a result of the *Healthy Hunger Free Kids Act* ruling, \$107,000 in additional revenue from the state for adding eight schools to the Maryland Meals for Achievement breakfast program, and additional federal reimbursements as a result of more students being eligible to participate in the Free and Reduced-price Meals System Program; now therefore let it be

Resolved, That the superintendent of schools be authorized to receive and expend a Fiscal Year 2013 supplemental appropriation of \$1,000,000 in Category 61, Food and Nutrition Services Fund, for the Montgomery County Public Schools Food and Nutrition Services Enterprise Fund; and be it further

Resolved, That a copy of this resolution be sent to the county executive and the County Council; and be it further

Resolved, That the county executive be requested to recommend approval of this resolution to the County Council.

JPS:LAB:TPK:jp