

# The School Lunch and Breakfast Cost Study II

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SNA's Annual National Conference

Philadelphia, PA

July 20, 2008

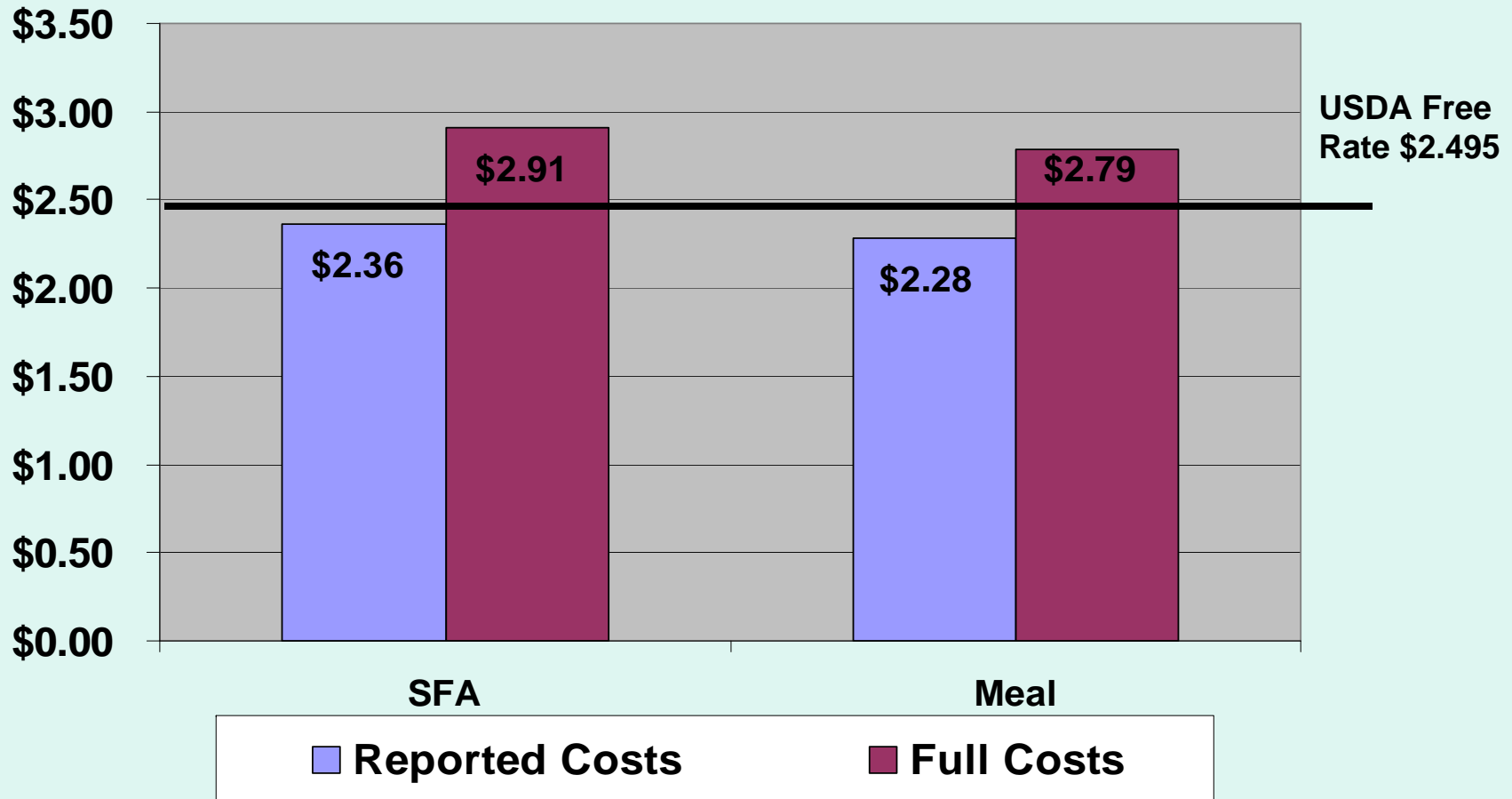
# Research Questions

- What is the national mean reported cost and full cost to produce reimbursable meals in the NSLP and SBP? How do these compare with Federal free meal subsidies?
- What portion of reported costs and full costs for reimbursable meals is attributable to food costs? To labor costs? To other costs?
- What is the composition of SFA revenues?
- How do reported costs and full costs compare with the revenues derived from their sale?
- How has the cost of producing reimbursable meals changed over time?

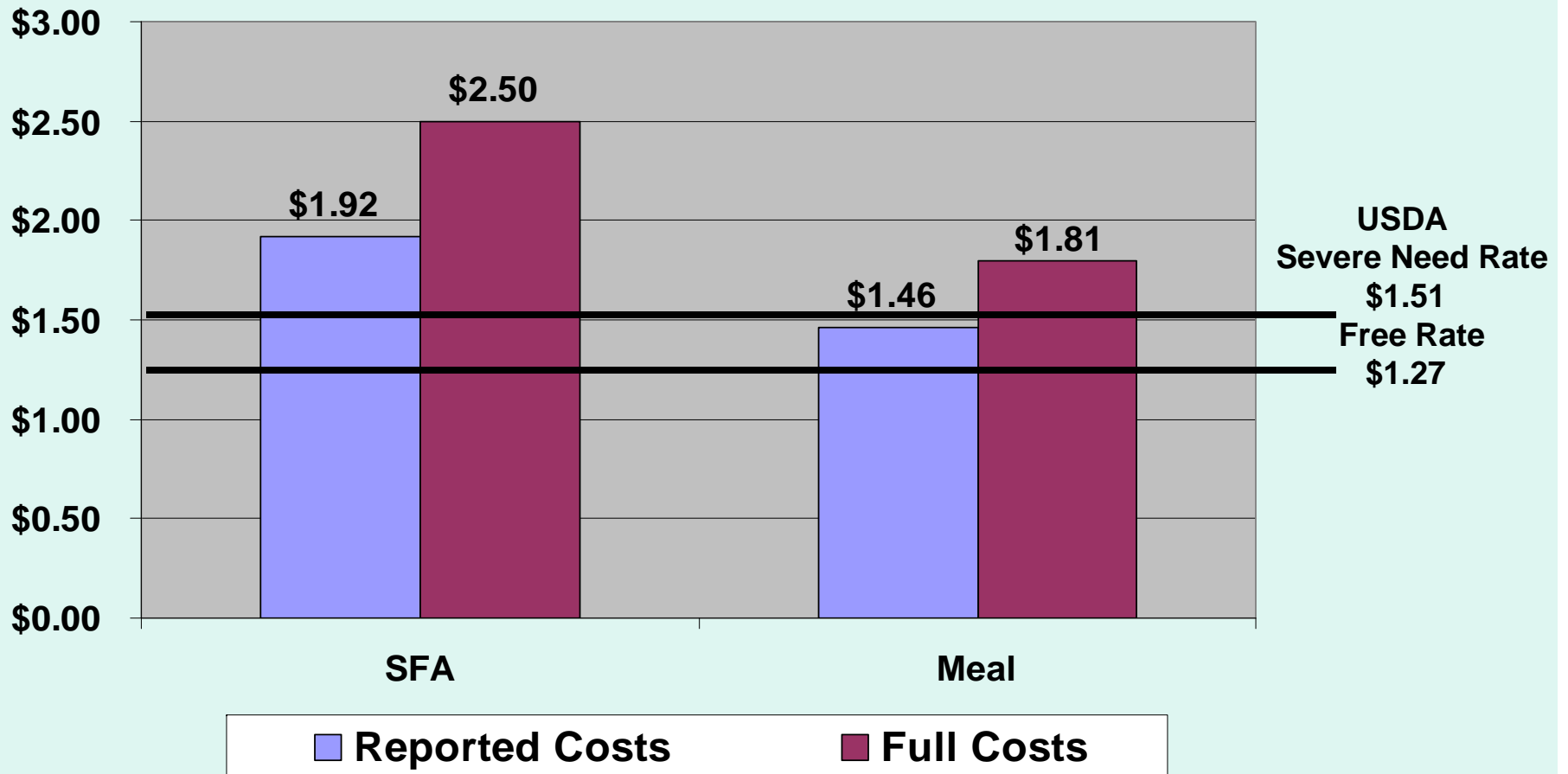
# Study Design and Analysis

- Nationally representative sample of 120 SFAs and 353 schools (1-5 per SFA)
- Data collected for SY 2005-06 to estimate:
  - Reported Costs – costs charged to the school foodservice budget
  - Full Costs – reported costs plus unreported costs (costs incurred by the school district in support of SFA but not charged to the SFA)
- Costs of producing reimbursable meals examined from 2 perspectives:
  - SFA-level (cost of a “typical” SFA)
  - Meal-level (cost of an average meal)

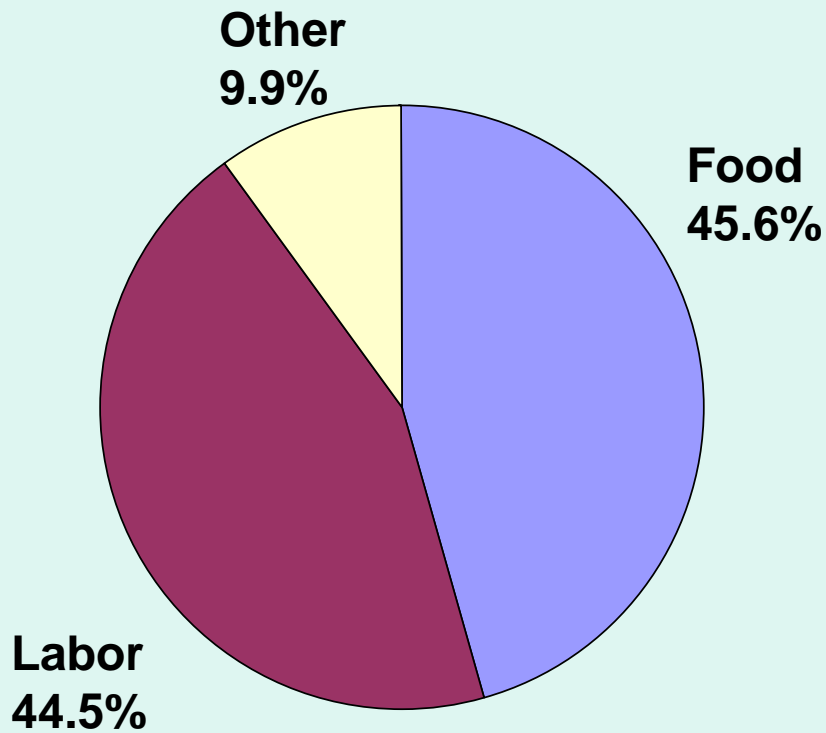
# Mean Reported and Full Cost per Reimbursable Lunch



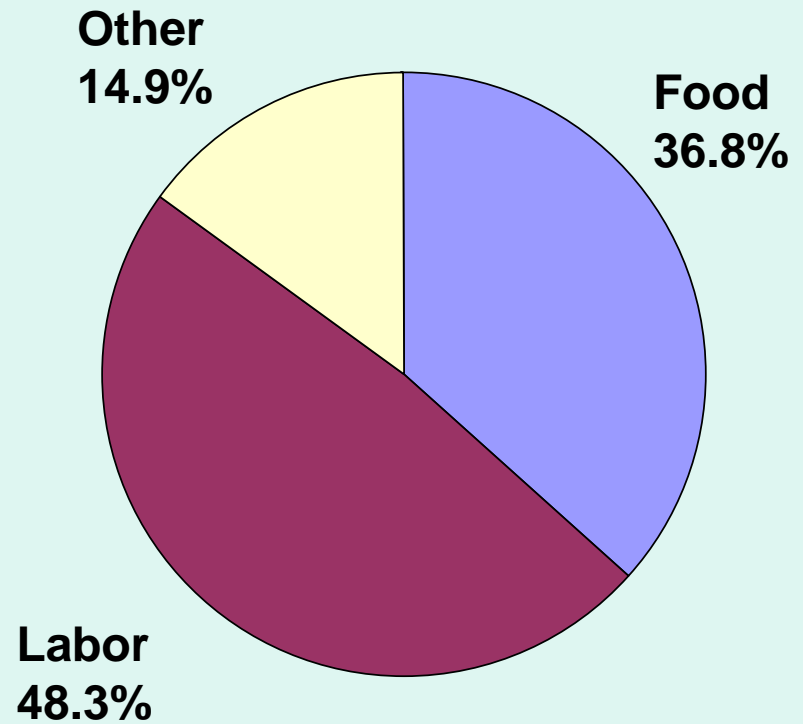
# Mean Reported and Full Cost per Reimbursable Breakfast



# Composition of Reported Costs and Full Costs

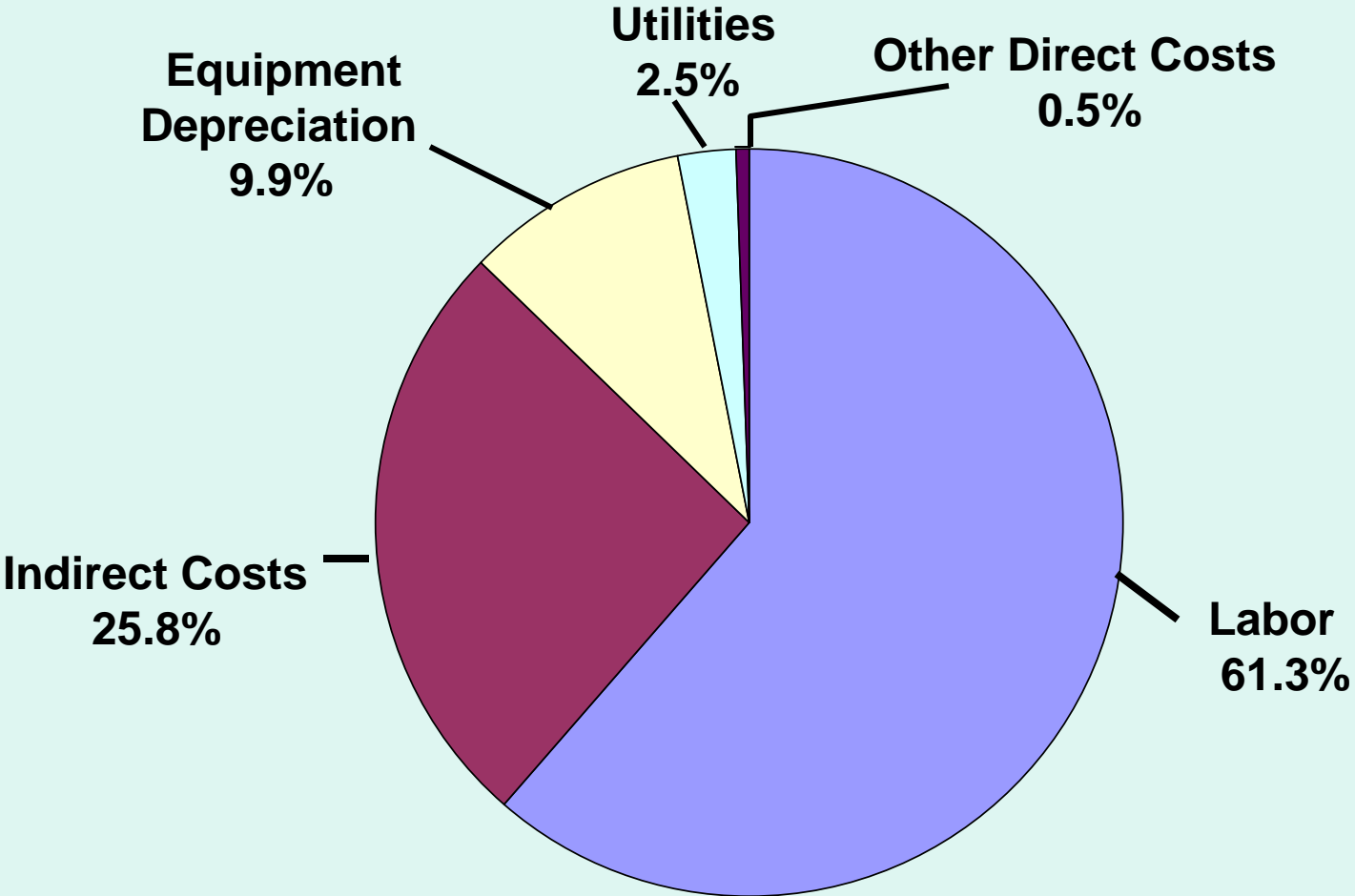


**Reported Costs**

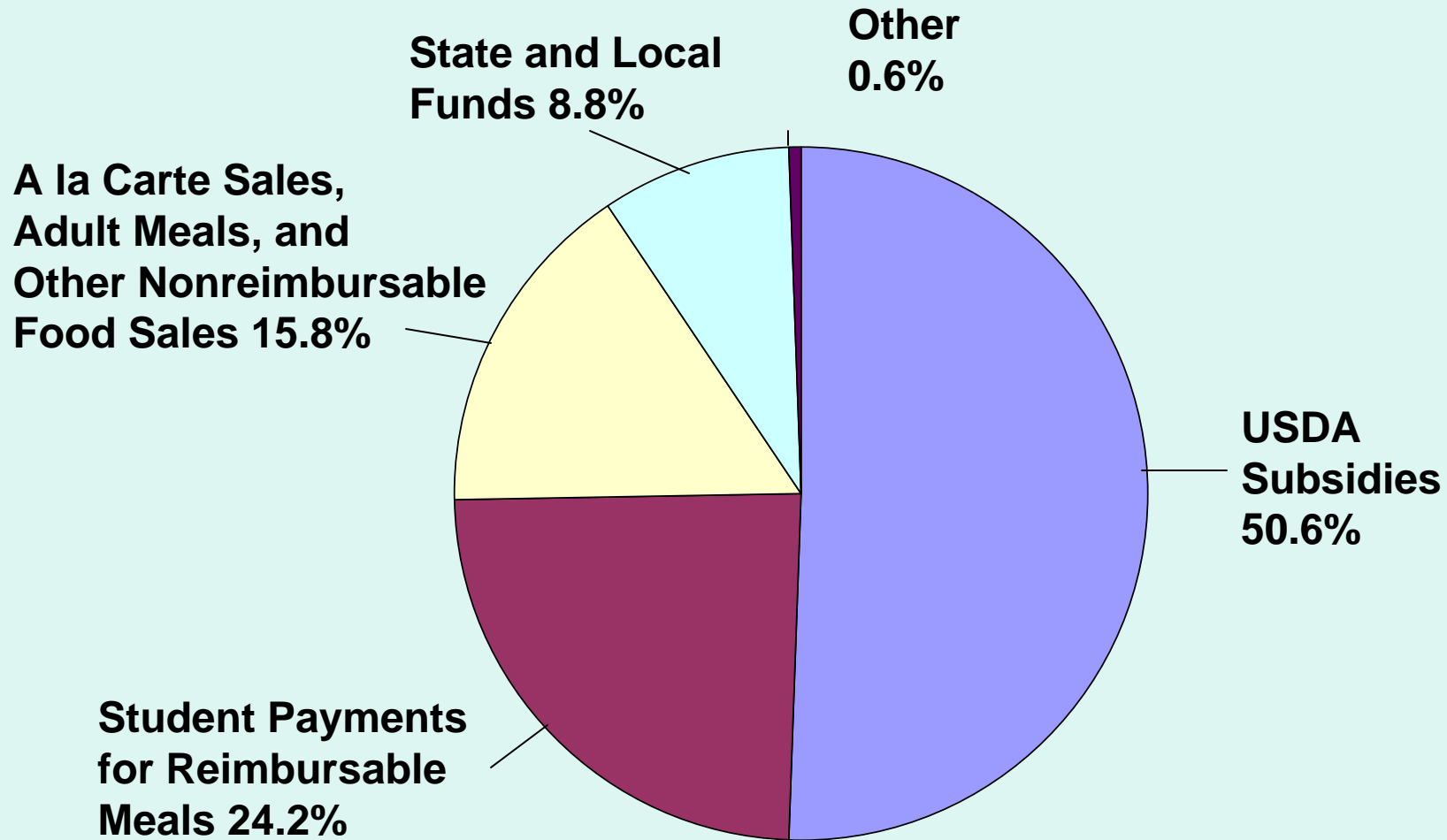


**Full Costs**

# Composition of Unreported Costs

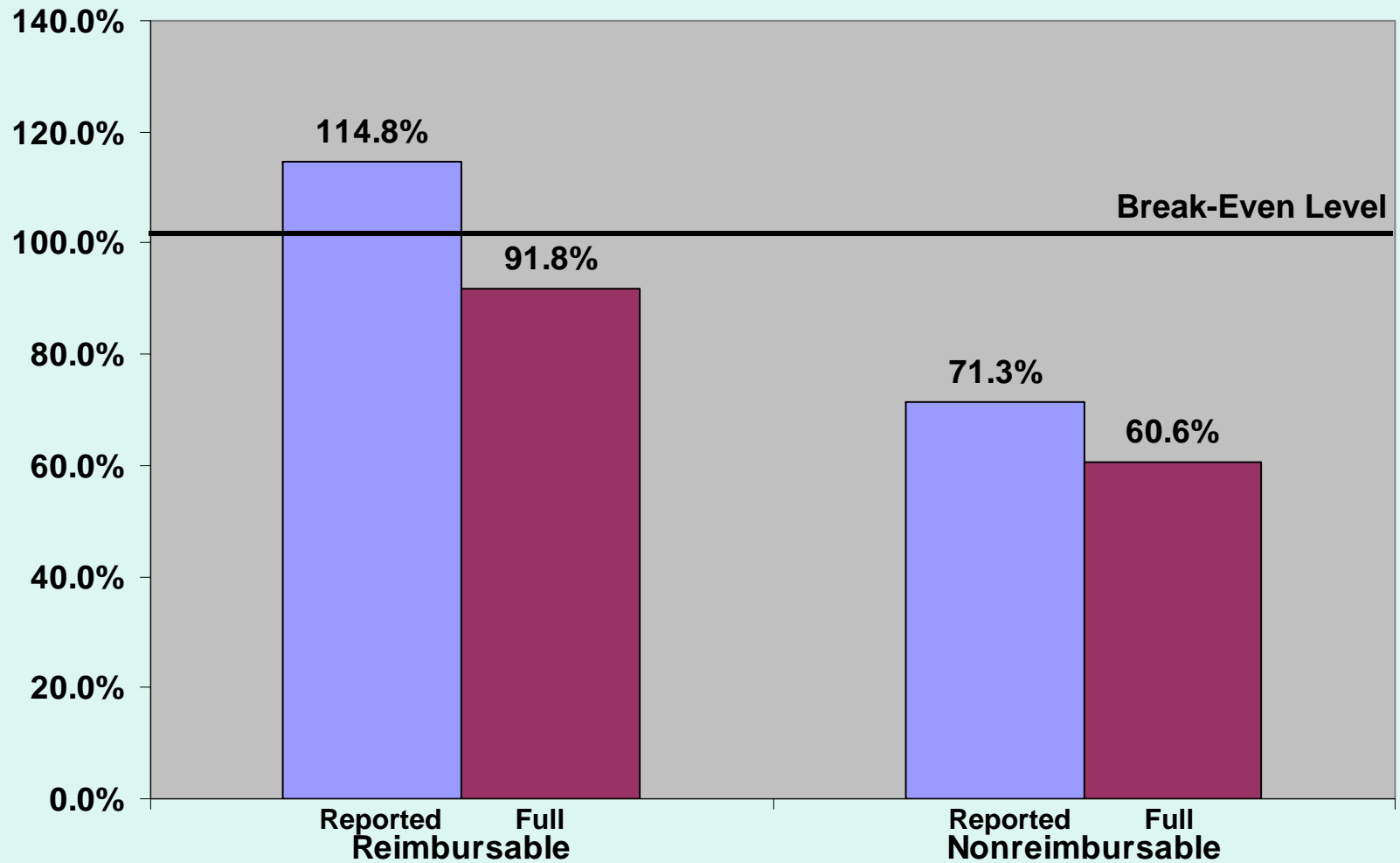


# Composition of SFA Revenues

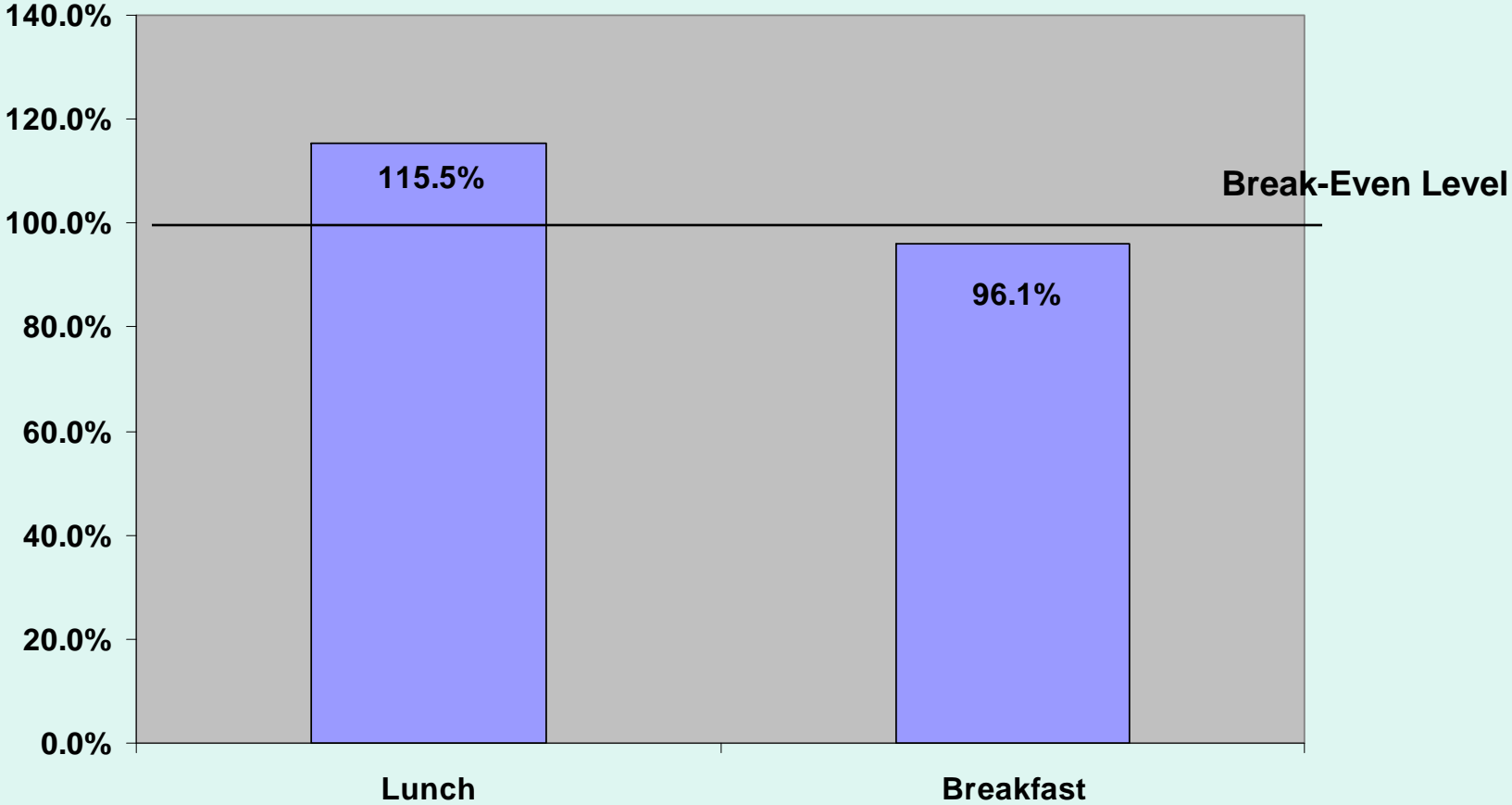




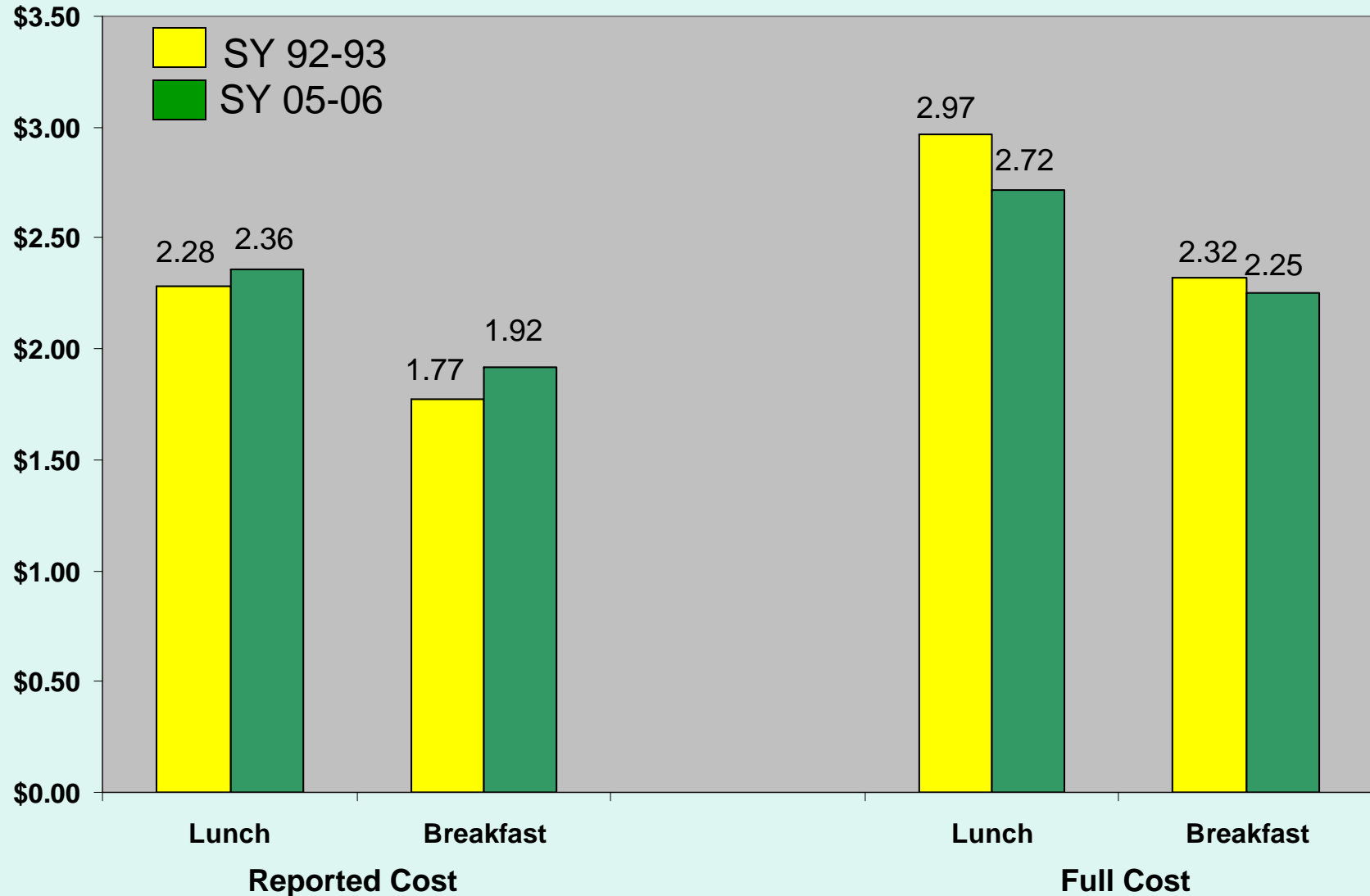
# Ratio of Revenue to Reported/Full Cost for Reimbursable and Nonreimbursable Meals



# Ratio of Revenue to Reported Cost for Reimbursable Lunches and Breakfasts



# Comparison of the Inflation Adjusted Mean Reported and Full Costs per Reimbursable Meal: SY 92-93 vs. SY 05-06



# Conclusions

- In general, things haven't changed much since the last meal cost study.
- On average, SFA revenues just cover reported costs; they fall short of covering full costs.
- Free Federal lunch subsidy covers the reported cost of producing a reimbursable lunch while the free Federal breakfast subsidy does not cover reported breakfast costs.
- Reimbursable lunches cross-subsidize breakfasts and non-reimbursable meals (e.g., a la carte).
- Real full costs of producing reimbursable meals have decreased over time reflecting a decrease in unreported costs.