

School District of the City of Royal Oak  
**MEMORANDUM**

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TO: Thomas L. Moline

FROM: John R. Schwartz

DATE: March 18, 2011

SUBJECT: 2011-12 Budget Development Update  
**Special Revenue Funds**

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The following represents an update of the most recent developments in the preparation of the 2011-12 proposed budgets for the Special Revenue Funds. The Special Revenue funds include the Food Service Fund and the Community Service Fund.

**Food Service Fund**

- Federal reimbursement revenue is based upon the projected number of students eligible for free and reduced meals. There is no significant change in revenue expected for 2011-12.
- No change in lunch prices is recommended for 2011-12. This will be the ninth consecutive year without an increase. Lunch prices are as follows:
  - Elementary \$2.25
  - Middle School 2.50
  - High School 2.50

There is also a tiered price schedule for premium meal selections at ROMS (\$2.75 and \$3.00) and ROHS (\$2.75, \$3.00 and \$3.75). These prices will remain unchanged as well.

- No changes in food service staffing levels are recommended for next year.
- Indirect cost rate charged to Food Service operations will remain at 12% of all non-food costs. This will cover overhead costs applicable to food service operations.
- At this time, the preliminary budget projects a small operating deficiency of \$13,500. There is sufficient fund equity to cover the projected shortfall.

### **Community Service Fund**

This fund includes the operation of the Churchill Community Education Center, Community High School, Latchkey Programs, and the fee-for-service programs at Addams Early Childhood Center.

- An increase in fees of approximately 3% has been approved by the Board of Education at the March 10 meeting. This fee increase will be applicable to all fee-for-service programs. The 2011-12 fee schedule has been prepared and shared with Executive Administration and the Board of Education in a previous mailing.
- No program changes are proposed. Latchkey, preschool, childcare, summer camp, and the alternative education program will be offered in 2011-12. Efforts will be put forth to ensure maximum participation and to maintain proper staff-to-student ratios in these programs.
- Additional State funding may be available for the Great Start Readiness Program (GSRP) in 2011-12. If the funding materializes and the enrollment is sufficient to expand the program, we will do so.
- It is anticipated that revenues and expenditures will be equal in 2011-12.

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