

Food Service Operations

The food service (“FS”) program operates as a stand-alone entity historically receiving limited support from the district. For years, the program was able to effectively service the district with the goal of remaining financially neutral. This trend has changed over the last few years. It is quite common throughout Vermont to subsidize the FS program with general fund dollars although Colchester has only had to do this on a limited basis.

The introduction of universal meals significantly changed the financial landscape for the FS program. Based on the current district model, universal meals cause the district to lose money on each meal provided. The district had planned for the FS program to breakeven in FY’24, however, the introduction on universal meals resulted in the FS program losing \$211K. The forecast for FY’25 also predicts a loss of approximately \$263K.

Should universal meals remain in place, the district can expect to budget general fund support each year going forward as do many other districts in Vermont. In the FY’26 budget, the current proposed transfer is for \$650K to cover the shortfall in FY’24, the anticipated shortfall in FY’25 and the expected financial support needed to support the program in FY’26.

The attached presentation provides more details on the program and the financial challenges.