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Township of Union School District
Foodservice Department

May 19, 2016
Mr. Manuel Vieira
Business Administrator
Union Township School District
2369 Morris Avenue
Union, New Jersey 07083

Dear Mr. Vieira

This letter is sent as our proposed budget between Union Township Public Schools and ARAMARK Education for food service in the 2016-2017 school year.

We are proposing a guaranteed surplus of \$204,447. In order to meet this budget, we made the following assumptions:

- Price increase of \$0.20 for paid breakfasts and \$0.20 for lunches at all grade levels. These increases are per the guidance issued by the Department of Education.

	Current Lunch Meal Prices	Proposed Lunch Meal Prices	Current Breakfast Meal Prices	Proposed Breakfast Meal Prices
Elementary	\$2.25	\$2.45	\$1.70	\$1.90
Middle	\$2.50	\$2.70	\$1.85	\$2.05
High	\$2.50	\$2.70	\$1.85	\$2.05
Average	\$2.42	\$2.62	\$1.80	\$2.00

- The Department of Education guidance is due to the changes under the section 205 of the "Healthy, Hunger-Free Kids Act of 2010". This regulation requires the program to provide the same level of support for lunches served to students who are not eligible for free or reduced price meals as they do for meals served to students eligible for free lunches. If the School food authorities (SFA) in the continental US are currently charging less than \$2.78 for a paid lunch they are required to gradually increase prices or provide additional non-Federal support for its lunches; per USDA memo SP09-2016, November 13, 2015.
- No change in state reimbursements.
- Federal reimbursement has an additional \$0.06 for Performance based lunch reimbursement.

ARAMARK's total fees are described below.

- Administrative Fee - \$ 0.1381 cents per meal; CPI increase ½%
- Management Fee - \$0.0529 cents per meal; CP1 increase ½%
- Equivalent Meal Factor - \$ 1.00
- Service Days - 175
- Current Enrollment - 7,368
- Unlimited guaranteed return - \$204,447

Thank you for allowing ARAMARK to provide the food service for the Union Township School District. We look forward to our continuing partnership.

Sincerely,

Deb Smith
Deb Smith, District Manager

Sarah Bridges
Sarah Bridges, General Manager