

FOOD SERVICES PROGRAM EVALUATION

PREPARED FOR
POCANTICO HILLS CENTRAL SCHOOL DISTRICT
March 28, 2011

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INTRODUCTION

On March 11, 2011, SLANT Consultants visited the Pocantico Hills School District to conduct a program evaluation of its Child Nutrition Program. The intent of my visit was to review the overall operation of the food services program, and to make recommendations that will allow the program to operate on a more cost effective basis, thereby eliminating as much of the current district subsidy as possible.

As part of my program evaluation, I reviewed the following areas of program operation:

- Financial & Cost Effectiveness of the Program's Operation
- Staffing & Productivity Analysis
- Marketing & Student Participation
- Food Preparation & Menu Planning
- Staff Development & Training
- Options available to the district

The program evaluation included a desk review of the program's operational and participation records, and an on-site evaluation of the breakfast and lunch preparation and service. The findings and recommendations presented in this report are based on my fact-finding visit, management interviews, a review of the program's 2009-2010 year-to-date financial data, and my years of experience.

On March 11, 2011, I met with Mr. Jay Scotto Friedman, Assistant Superintendent for Business, to discuss the program's operation, my observations to date, and to provide a summary of the direction this report would take.

My highest praise and gratitude is extended to the food services team for their professionalism and assistance during my visit to the district. It is not easy to have an "outsider" evaluating the program in which one is employed, presumably seeking only what may be wrong, and the need for change. Their professionalism and character during my visit was outstanding. Moreover, they had to withstand my walking around, asking questions and constant note taking, something that would be very difficult for any of us to experience as we do our job.

Whenever I conduct a "program evaluation" of this type, I normally need to concentrate on the negative seeking recommendations for improvement and change. However, during my visit to the Pocantico Hills School District, I found many exciting and positive aspects of the program, which include a wide variety of daily menu offerings, and food of excellent quality. Nonetheless, my charge was to make recommendations that would help improve the bottom line, and I would be remiss if I concentrated only on the positive. That may be difficult for some of the food services team to accept, but maintaining the status quo will not result in a more cost effective program.

Schools are an important part of the community in which they are located and so too is their Child Nutrition Program. More and more parents now recognize the importance of breakfast and lunch at school, and the administration at the Pocantico Hills School District must be commended for recognizing that the program may not be operating as efficiently as possible, and for requesting an "outside" opinion.

EXECUTIVE SUMMARY

I believe that with good management, commitment, and a team effort, the Child Nutrition Program at the Pocantico Hills Central School District Schools can operate more cost effectively. If a food service management company can operate a program at no cost to the district and make a profit, most districts can do the same. However, in order to succeed, a district must be prepared to adopt the same philosophy, strict cost control techniques, and the total business approach employed by management companies. This normally means a paradigm change in the way in which the program is operated and viewed by the Food Service Manager, members of the faculty, the Board of Education, district administrators, and the entire school community.

The following is a summary of options available to the district. I must state here that although I am including them, I am not in favor of all of them. However, they are options available to the district and I would be remiss if I did not include them for consideration:

Essentially, the district has several choices:

1. The cost of operating the program must be reduced. Accordingly, efforts would have to be directed toward significantly reducing the operational cost for labor to recommended levels (no more than 55%-60% of program revenue). To facilitate this effort, the district should apply to the State Education Department to drop its participation in the school breakfast program. Serving 5 breakfasts per day does not justify the cost of labor employed each morning.

In addition the program must begin to negotiate itself out of the current generous benefit agreement. It must also reduce food costs, while increasing revenue through increases in student participation, increased selling prices and increased ala Carte and vending sales. This option will present a significant challenge for the district, and the food service team.

2. Subsidize the program by ever increasing amounts annually. Last year \$80,000.00 was appropriated; this year \$90,000.00 is appropriated. Next year, and for succeeding years, this amount will increase to even greater amounts. Having an open checkbook to operate a school food service program is not a viable option for any district.
3. Include a budget item to subsidize the program, with the district's annual budget, for voter approval. If approved by the voters, the amount requested will have to increase each year, and could be denied in a subsequent vote. If denied by the voters, the program would be on austerity and, therefore, cannot operate in the red. This would most certainly assure closure of the cafeteria.
4. Cease participation in the School Lunch program and move to an ala Carte food service program, which will allow for lower food costs, and increased program revenue. By choosing this option the program could sell anything that it wants, at any price, and would not be bound by federal meal pattern requirements, or minimum portion sizes.
5. Contract the program out to a Food Service Management Company. Note, the district has already investigated this option and found that the program is too small for a private company to be interested in its operation.

There is "no magic" here; bringing this program to a more cost effective status will not be easy, and will necessitate a major change in the way that the program has operated to date. My recommendation would normally be to pursue a combination of item 1, and item 2 presented above. However, I do not believe that the district will be able to negotiate itself out of a labor contract that allows full benefits for part-time workers. Without doing so, I do not believe that this program can ever eliminate, or even significantly reduce the amount of district subsidy necessary to operate the program. Therefore, unless the district and taxpayers are happy to pour a hundred thousand dollars a year into the program, option number 4 may be the only real option available to the district.

I had intended to include with this report a suggested 2011-2012 operational budget that would help eliminate or significantly reduce the amount of district subsidy. However, without eliminating the high cost of labor and benefits for the workers, attempting to prepare a realistic budget proved to be impossible and I abandoned the idea.

The assumptions that I would have to make, in my budget, to reduce last year's \$174,000.00 operational loss to a reasonable level would be unrealistic for the district to achieve this year, or next, without negotiating a new labor contract. I can budget for small increases in revenues and for an \$18,000.00 savings with a reduction of staff hours, and for a \$10,000.00 savings on food, but the reality is that even if all of this accomplished, the program would still require a \$90,000.00 or greater subsidy next year.

The remainder of this report presents my observations and discusses recommendations for change in greater detail.

GENERAL COMMENTS

The Problem:

When evaluating a program like the one at Pocantico Hills, we must recognize that the greatest revenue generating potential exists from the sale of meals, ala carte and snack items. Moreover, it is in the middle and high schools where students who have "money to spend" and will do so if menu and daily offerings are to their liking. Unfortunately, Pocantico Hills is a Pre K – 8 building and therefore lacks the revenue generating potential of the average high school student.

Today, most self-supporting school feeding programs are facing major problems, which include:

1. The cost of food, labor, and benefits is increasing faster than the program's ability to generate revenue.
2. A perception that the nation's overweight and "obese" children are the fault of the school cafeteria.

School food service programs routinely struggle to operate on a self-supporting basis. However, today they face the added problem of losing thousands of dollars in ala Carte and snack sales revenue due to proposed regulations and over zealous "wellness plans". Despite this developing trend, it is possible for today's school cafeteria to operate on a self-supporting basis, even at Pocantico Hills.

School food service program revenues essentially come from three sources:

1. The sale of student breakfast and lunches
2. Federal and State Meal Reimbursement
3. Ala carte or other sales that include snacks, vending, adult lunches, and catering revenue
4. Local subsidy

The Financial Review segment of this report shows that, according to the 2009-2010 ST-3 Report, the program operated at a loss of \$74,838.14, which includes an \$80,000.00 General Fund subsidy. If we did not consider the GF subsidy, the program operated at a loss of (\$154,858.14). This amount is extremely large and beyond the program's ability to generate an equivalent amount of new program revenue. It is the cost of labor that is resulting in this huge operational loss. Unfortunately, the only course of action available to eliminate or significantly reduce the amount of district subsidy is to significantly reduce operational costs (labor), while working to generate as much additional revenue as possible.

If the program at Pocantico Hills is to operate on a more cost effective, and one day on a self-supporting basis, the food service manager must be willing and able to make change when change is needed. Her job is a complex one, requiring diverse skills and training to do it correctly. In essence, he/she has a four-fold responsibility: to serve high quality meals, to provide an attractive and sanitary setting for students to dine, and to be an efficient, and cost conscious manager. She must do all this while facilitating the training and staff development of the food service team. Succinctly put, at Pocantico Hills, the Food Service Manager, must know when change is necessary, what needs to be done, when it is to be done, and who is going to do it, and then act on that knowledge. In order to succeed she must have the full support of district administrators, building principals, and the community. Additionally, she must have accurate and fully accrued financial data made available monthly for use in preparing a Profit and Loss Statement. Her role is unique in the district; for other than the Superintendent and Business Official, she is the only administrator charged with generating revenue, balancing operational budgets, and working within that budget. This challenge is one that teachers, custodians and even building principals do not typically have to contend.

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The program at Pocantico Hills:

- Experiences below average participation at breakfast and lunch. Breakfast participation is virtually nonexistent and averages less than 10 breakfasts per day. The state average is approximately 18% of enrollment. Participation at lunch, 38% is also below state averages (53%). These low rates of participation significantly limit program revenues, but they do allow the option of working to increase program revenue through increases in meal participation.
- Incurred labor and benefit costs that accounted for 95% of the 2009-2010-program revenue. My normal recommendation is to limit labor costs to 50%-55% of program revenue. Unless the cost of labor and benefits to the staff can be significantly reduced, the program will always require a district subsidy. In addition to the high cost of benefits, the staff of the program is paid a very large hourly rate (\$33.59, \$26.03, and \$23.00). This is among the highest that I have seen in school food service.
- Employs a total of 20 hours of labor per day, when the rates of participation, justify no more than 8 total hours of labor per day. In addition, all employees receive the full benefit packet. Therefore the option of reducing one or more employees to part-time status, and reducing some or all of the cost of benefits is not an option. Note: I discuss labor later in this report but at this point suffice it to say that the cost of labor must be reduced, or the district must commit to subsidizing the program at ever increasing amounts.
- Operates a breakfast program that serves less than 5-10 students per day, and simply does not justify the cost of food, labor, and benefits associated with the program's operation.
- Offers a monthly menu(s) that is very simply to prepare and serve, does not justify the number of staff hours employed, and consists of expensive high quality foods.

Accordingly, the recommendations that I will offer in this report will concentrate on reducing labor and food costs, while pursuing ways to increase program revenue through increases in participation (where possible), and increases in selling prices (where feasible).

FINANCE AND PROFIT & LOSS STATEMENT REVIEW

Using the 2009-2010, ST-3 Data, last year, the program at Pocantico Hills served 20,177 Lunches representing a 38% rate of participation. The district served only 483 breakfasts all year, representing a participation rate of <1% district wide. The program generated \$194,869.51 in revenue during the year, including an \$80,000.00 General Fund subsidy. Of the total operational revenue, 39% was consumed by food costs, 95% by labor, and 5% by other expenses. This resulted in an operational loss of \$(74,838.14).

Revenue & Expense Summary (September 2009 to 2010)¹

Revenue

Sale of Meals (Bkfst & Lunch)	\$ 45,587.67	
Other Cafeteria Sales	52,017.07	
Federal Reimbursement	14,433.77	
State Reimbursement	2,831.00	
<u>Transfer from General Fund</u>	<u>80,000.00</u>	
Total Operational Revenue		\$194,869.51

Expense

Cost of Food Purchased	\$ 75,179.55	(39%)
Salaries	\$150,859.27	(77%)
Social Security	11,453.90	(6%)
<u>Hospital, Medical, Dental</u>	<u>23,006.64</u>	<u>(12%)</u>
Total Labor	\$185,319.81	(95%)
Supplies Purchased	\$8,433.52	(4%)
Contractual	774.77	
BOCES Services (included as Labor)		
Total Misc. Expenses	\$ 9,208.29	(5%)
Total Expenses		<u>\$269,707.65</u> (138%)
Program Profit/Loss		(74,838.14)
Operational Loss without GF Subsidy		(154,858.18)

¹ All financial and participation data contained in this P&L was provided to me by the district in its "Budget Status Report" and does not include any adjustments that may have been filed with the State Education Department.

SUMMARY OF RECOMMENDATIONS

The recommendations that follow are discussed in greater detail in the appropriate segment of this report and can help the program to operate in a more cost effective manner. However, the extent to which a self-supporting program can be attained or the program operated in a more cost effective manner will depend on support from the Board of Education, and the district's administrators, and the manager's ability to develop and follow an Action Plan. The Food Service Manager will need the cooperation of the entire school community if she is to succeed. Nonetheless, change must occur. In my opinion, the status quo is unacceptable, because the cost of food and labor will increase every year. Without change, this year's subsidy budgeted at \$90,000.00 will most likely have to increase to \$100,000.00 next year and more the year after. The district must decide what it wants from the food service operation; Is it the status quo, or a program that operates more cost effectively and possibly with little or no district subsidy? When discussing the options available to the district (presented later in this report), we must remember that "good nutrition" cannot be mandated, rather it must be learned. Moreover, that learning must take place in the home and the classroom.

Consider this, if we eliminated the \$80,000 subsidy, the program generated \$114,869.51 on its own, to serve 20,660 total meals; essentially an average revenue of \$5.56 per meal. If we consider the GF subsidy, the program generated average per meal revenue of \$9.43. With this amount of revenue, the program ought to be serving steak and lobster every day. While I agree that some programs require a district subsidy in order to operate, taxpayers should not be asked to subsidize inefficiency. Most programs and district, with which I work, generate less than \$3.00 per meal in average revenue, and operate without a General Fund Subsidy. Therefore, achieving self-supporting status at Pocantico Hills is possible, if the district operates the program as a business, employing a business approach to menu planning, pricing, and operational costs, while holding the manager accountable.

1. My recommendation for attaining a "break even" operation allocates program revenues as follows:

Food – 35%-38%
Labor – 50%-55%
Other Expenses – 4%-6%

Unless the program begins to generate more revenue, my recommendation would mean that the district couldn't spend more than \$40,204.00 on food, \$68,922.00 on labor and benefits, and \$5,743.00 on miscellaneous expenses, if it wants to eliminate a district subsidy. In my opinion this would be impossible to attain. Accordingly, my recommendation is to try to generate more revenue through the sale of (healthy) ala Carte foods, increase vending sales, while reducing food and labor cost. A definite challenge for the food services team, but one that is realistic.

There will be some in the school community that do not want to accept the change that must occur in order to reduce, or eliminate the annually increasing district subsidy. That will be for the Board to decide. We must remember, that we can have anything that we want, if we can pay for it.

2. The cost of labor at Potantico Hills must be reduced. Without reducing the cost of labor and the benefit package available to employees, the district will have few options available to it. In a self-supporting program, employees cannot afford to ask for anything at the bargaining table that they cannot afford to pay themselves.

My recommendation is to eliminate the breakfast program, and reduce the number of labor hours employed to 14 hours per day. If I were to recommend the typical amount of labor needed in a school food service program (18 meals per labor hour), serving an average of 110 lunches per day would require only 6 hours of labor per day. In addition, this amount would include preparing many food items from "scratch". Realistically, the program at Pocantico Hills needs more than 6 hours per day to function properly, therefore I am recommending, that the program employ **no more** than 12-14 hours per day – double the recommended level. This adjustment would mean a reduction of 6-8 hours per day and place all but the cook/manager in a part-time position. Reducing both workers by 2 hours per day would save the program about \$18,000.00 per year, a long way from eliminating a district subsidy. Therefore, the district must try to negotiate its way out of the current benefit package, which allows benefits for even the part-time workers.

Note: I rarely recommend reducing labor, as I would prefer to put existing labor to work to increase participation, and to help reduce food costs. However, at Pocantico Hills this approach is not an option.

3. The selling price of all snack and ala Carte items must be increased.
4. Per meal food costs are very high and must be reduced. Some reasons for this include the fact that:
 - Monthly physical inventories are not being taken
 - The Food Service Manager does not know the per meal cost of various menu items
 - The Food Service Manager does not prepare or operate within a food budget
 - Too many options are available to students and faculty
5. The printed menu indicates that soup is offered on every Tuesday, and Thursday. Soup, unless it is homemade, is normally cost prohibitive and most schools simply cannot afford it. The soups served at Pocantico Hills, while of very good quality, cost approximately \$.67 - \$.68 per 8 ounce serving (the USDA meal pattern requirement). When we add the cost of labor, and benefits, serving a bowl of this soup to students or adults, (even on an ala carte basis) would necessitate a selling price of about \$3.50 or more per bowl. All purchased soups should be eliminated from the menu.
6. Food costs must be reduced by a minimum of 5% - 6%. According to the 2009-2010 ST-3 report the program generated \$194,869.51 in total program revenue. Therefore, a 5% reduction in food costs would immediately place approximately \$10,000.00 to \$12,000.00 on the bottom line.
7. Program revenues must be increased to help reduce the extent to which operational costs will have to be reduced. Some ways to increase program revenue include:
 - a. Increasing student participation, through a marketing and promotion campaign, directed toward the parents.
 - b. Eliminating "soup and sandwich" menus. While some will argue that these are popular, they are very expensive, justify unnecessary labor, and reflect a menu that parents can send from home in a lunch box. In addition, those lunch boxes also contain snack foods, chips, and beverages that cannot be purchased at school.
 - c. Increasing the selling price of lunches from \$2.00 to \$2.25. While this may result in anger and reduced meal participation, there is a regulation and law pending in Washington that will mandate that paid lunch selling prices be increased to equate to the level of revenue received for the serving of a free lunch to an eligible student. Currently free meals are reimbursed at \$2.78 per lunch.

- d. Expand vending options available to students. My recommendation is to move the beverage vending machine to the front of the dining room, and to add a snack machine. By doing this revenue will be increased and the machines will be able to generate money after normal cafeteria hours. The addition of a snack machine (containing healthy snacks), will result in the cashier not having to sell snacks to students, allowing her more time for other tasks. If this recommendation is accepted, the Food Service Manager must ensure that the machines are filled every day and that missing product is immediately replaced. Expanding vending is one way to justify one or two hours of labor every week.
 - e. Create a Board approved ala Carte price list. Currently the cashier makes a determination of how much to charge for various items. This should not be her decision. As I point out later in this report, no one in the kitchen knows how much various food and menu items are costing the program. Therefore, how can anyone know how much to charge for these items? During my visit, I was asked repeatedly, "How much should I charge for this"? The normal recommendation is to take the food cost for the item, double it and round up to the nearest nickel.
 - f. Ensure that all adult meals are properly priced and paid for, whether by the individual or the district. In addition, I would discontinue the current practice of preparing additional items for the adults. With reductions in staff hours, there simply will not be enough time. Members of the faculty should be able to select their lunch from the same items offered to students. Consider that if the extra item prepared solely for the faculty were properly priced, to include actual food cost, and the cost of labor and benefits, the selling price would be prohibitive.
8. The Food Service Manager must meet monthly (by the 10th of each month) with the Business Official to review the previous month's Profit & Loss Statement (e.g. Nov. 10 for Oct. P&L). A monthly Profit & Loss Statement must be prepared each month (by the business office) and fully accrued to account for all program revenues and expenses including employee benefit costs. That P&L must then be compared to the Operational Budget for that month. Differences (between the P&L and the budget) of 2% or greater must immediately become the subject of a corrective action plan as to why the category is off budget and how it will be brought back "into line" before the next P&L statement.
 9. Upon receipt of this report, I recommend that an Action Plan is prepared outlining each recommendation made, what the Food Service manager will do to implement the recommendation, and the time frame in which completion of the objective will be attained. She should then be held accountable for the successes or failures to complete the objectives of the Action Plan.
 10. When labor hours are reduced, the manager's time management skills will be challenged. In addition to preparing meals, serving, cleaning up, etc., she will have the demands of "the desk". Ordering food, taking inventories, and responding to telephone calls will take time. Accordingly, I would recommend that a custodian be assigned to assist her with accepting deliveries, taking inventories, etc.

I recognize that there may not be an easy solution to these recommendations and that I may be overly critical at times, but operating a cost effective and self-supporting program requires a strict business approach, and at times some very "frank" statements to get things moving in the right direction.

Labor Expense

As I wrote on page 7, the cost of labor and benefits at Pocantico Hills must be reduced. According to the ST-3 Report, last year (2009-2010) it consumed 95% of the revenue generated by the program, and resulted in the need for a General Fund subsidy of \$80,000.00. The Business Official has informed me that this year's subsidy will be \$90,000.00 and even at that level the program will still lose about \$60,000 to \$70,000.00 (assuming the same cost structure that was incurred last year). There is no other way of saying this, but the program is significantly overstaffed, and burdened with a benefit package that it cannot afford, all for the service of only 113 to 125 lunches per day. The lunch menus are simple and not labor intensive. Menu items like "burgers", "French Toast Stix", "pizza", soup, and sandwiches, are either frozen and heat-n-serve, or require only the opening of a can and heating. Serving canned fruit to 113 students requires the opening of only 4 cans. My point, is that anyone reading this report could "tray up" frozen pizza, open 4 cans of fruit, make 8 or 10 sandwiches, and not require 20 hours to do it. Fresh fruit require no more than washing and placing in a bowl for self-service (it is not necessary to place them in individual cups which result in more labor, and increased supply cost). However, the reality is that there are many wonderful fruit and vegetable, and sandwich choices available daily. Some of this may be done to keep the excess staff busy. But I think it is the fact that the staff take pride in their work and want to offer as many choices as possible while protecting the nutritional integrity of the program.



Nonetheless, despite the wonderful quality, the aesthetics of the offerings, and abundance of choices, the program simply cannot afford either the level of staffing employed, or the cost of food used.

My recommendation for staffing a program serving only 113 lunches a day is as follows:

Cook/Manager - 8:00 am to 2:00 pm

This allows time for morning prep, and completion of paperwork. Most of the menu items are frozen and ready-to-heat, do not require "cooking", and take 20 minutes or less in an oven. Therefore, they do not require hours to prepare.

Food Service Helper/Cashier (2) - 9:30 am to 1:30 pm

These positions would help prep food for lunch, operate the cash register, and assist with clean up.

Note: in most school food service programs, and all programs operated by a food Management Company (FSMC), only one server and one cashier is needed on the line. In addition a FSMC would not be operating a dish machine. Meals would be served on disposables, thereby eliminating most of the expense of operating a dish machine (sanitizers, repairs, hot water), while eliminating a portion of the day's labor needs. A management company would also pay minimum wage (or slightly higher), and include no benefits.

Food Expense

The cost of food used to operate any food service program is one of the two largest expense categories to the program (labor being the other). The cost of food used is also a variable program cost rather than a fixed cost. Therefore, efforts can often be directed toward controlling and lowering a program's food cost. Last year, food costs at Pocantico Hills (39%) is more than that which I recommend, and must be reduced. The program currently offers many fruit/vegetable and sandwiches choices daily. While I recommend salad plates, and sandwiches as choices, when only 113 students are served daily, we do not need as many of these options prepared. The photo shown below shows the number of sandwiches left over from the previous day's (March 10th) menu. Obviously staff prepared many more sandwiches than needed to serve 113 students. My quick count indicated over 50 extra sandwiches were made. There is no reason for this. Often preparing this amount of "extra" food is done to justify employee time in the kitchen, thinking that we can always offer them tomorrow as an extra choice. Although this can be true, on the day of my visit the staff still prepared new sandwiches despite all the leftovers. To make this situation worse, I believe that the program manager spent time, removing the ham from the sandwiches, for use on another day. This is not an efficient use of time, and resulted in the waste of many sandwich rolls.



If the extra staff hours were not available, the extra food would not have been prepared, and food costs would be significantly lower.

With that said, if we divide the total amount spent last year on food by the number of meals served last year ($\$75,179.55 / 20660$), we find that the district actually spent an average of \$3.63 per meal on food. Most districts with which I work, have \$1.50 or less to spend (per meal) on food.

My point here is that by reducing the number of labor hours employed, (which in turn should reduce the amount spent on benefit costs), combined with a reduced food expenditure, the program can operate on a more cost effective basis, while enhancing menu options, and increasing participation. There is no question that success in this endeavor will present a significant challenge to the Food Service Manager. Nonetheless success is possible. My concern is that success at Pocantico Hills may require a paradigm switch by the district the school community, and the food service team, in the way that it has to date operated the food services program, and I am not sure that the faculty and community will support the change that is necessary.

The following, recommendations will help the food service team, and the district to work toward lowering the cost of food used in the program.

Assessing and controlling the factors that effect food costs like purchasing, inventory control, deliveries, maximizing government commodities, menu planning, preparing a food budget, processing, and more is a challenge with which school food service directors must constantly contend. In my opinion, and despite the low food cost percentage, the Food Service Manager and her team are not properly evaluating or managing these issues.

1. The manager should be using a food budget to help her plan menus and purchase food.

For example, using the 2009-2010 data, average meal revenue, without the GF subsidy, calculates to approximately, \$5.70 per meal. A food budget of 35% would limit spending to approximately \$1.99 per meal (breakfast and lunch) instead of the current \$3.63. Operating within a \$1.99 food budget is a "realistic goal for the district, but one that without training, and oversight will pose a significant challenge for the team. Many schools with whom I work have only \$1.00 per meal to spend on food. The following chart demonstrates a simple food budget based on an expenditure of \$1.99 per meal.

Sample Food Budget (\$1.99)

<u>Menu item</u>	<u>Portion Size</u>	<u>Approx. Cost.</u>
Milk	8 oz.	\$.22
Fruit	½ Cup	\$.16
Vegetable	½ Cup	\$.16
Bread	3/day	<u>\$.15</u>
		\$.69
Entrée (amount remaining)		\$ 1.30

In the above example, I used typical food cost amounts and did not allow for government commodities. I subtracted the average cost of milk, fruit & vegetable and bread, leaving a “whopping” \$1.30 for the purchase of the Entrée. This amount is approximately \$.80 more than the typical school cafeteria. Of course this is only an example, but it presents the type of information and cost data that a manager must have available, in order to make future cost-effective menu planning decisions. When an “unprocessed” government donated commodity is substituted for any of the menu items noted above, a corresponding per meal savings in food cost is immediately realized. Additionally, because the food budget is based on a percentage of revenue, if the amount of program revenue increases, the amount available for a 35% food budget will increase respectively.

2. A review of the menu shows that a “salad bar” is offered several times each month. Although I will have to see the “salad bar”, before I make comment about its cost effectiveness, I normally recommend that all my clients discontinue the offering of a salad bar. I discuss salad bars and salad plates later in this report.
3. The program manager must discontinue offering students a 4-ounce fruit juice with every lunch. This item is not necessary and adds approximately \$.08 - \$.10 to the cost of each lunch. Juice should be available daily, but it should be offered via the vending machine located in (the front of) the dining room.
4. The Food Service Manager must take a physical inventory of all food and supplies every month. The accuracy of each month’s physical inventory and the extension of its value must be ensured, as they are critical to the calculation of “Value of Food Used”. This calculation must be of purchased foods only, and not include the value of government commodities received or used. In addition, the manner in which items are counted must be consistent especially with respect to open cases, partially used spices, supplies, and the product value used to make the calculation. Staff must be trained to properly take an inventory. If a monthly physical inventory is to be properly taken, it may be necessary to remove, or relocate cases from the freezer, cooler, and dry storage areas, in order to ensure an accurate count is being taken, and that nothing is being overlooked; something that I am certain is not presently taking place.
5. It is imperative that all deliveries be checked when they arrive to ensure that the product and amount being delivered is what was ordered, and at a price stipulated on the bid quote. A favorite tactic of delivery persons is to arrive (with a delivery) at the kitchen’s busiest time, when they know that staff does not have time to properly “check in” every case of the delivery. Drivers can be very friendly and accommodating, offering to “put the product” away for the staff, which is yet another “tactic”. They know that if they can “short” a delivery, or substitute a different product, or one of lesser value, they can end up with an “overage” and at the end of the day make their home their last delivery stop.

If deliveries are allowed at mealtime, and staff have time to stop what they are doing and check in a delivery, then my point that there is too much time scheduled every day is made. Normally staff is much too busy at mealtime to stop what they are doing to receive a delivery.

6. The manager must begin to cost out menu items and know their per serving cost before she purchases them. During my visit, I calculated a “per serving” cost of some common menu items that are shown below. If the manager is to work within a specific per meal food budget, she must know the cost of every menu item. When I discussed some of these costs with her (and the staff), the response was “well I buy off the BOCES bid”. Certainly she does, but what she didn’t realize is that the BOCES bid does not ensure that per serving price falls within a district’s food budget.

<u>Item</u>	<u>Cost per Serving</u>
Pizza 5” round	\$.79 (with extra cheese added)
Chicken Noodle Soup Broccoli Cheddar Soup Minestrone	\$.67 per 8oz – all frozen soups
Beef Patty	\$.14 (without bun or condiments)
Mozzarella Cheese	\$.16 per ounce (normally added to the pizza)
Franks 8/1#	\$.385 (without roll)
Chicken Breast (natural)	\$1.17

This is only a partial list, but it demonstrates the very high cost of serving some of the most common items found on the menus, and the need for the manager to know these costs when planning her menu. A school feeding program cannot afford to spend \$1.17 on a serving of chicken (whether it’s natural or not)! Spending \$.67 on a serving of soup, or \$.385 for a frankfurter (add \$.05 for the roll), or \$.79 for a serving of pizza is equally prohibitive. Consider that the federal and state reimbursement on a free lunch is approximately \$2.80 per lunch. How can anyone justify spending \$1.17 for a chicken breast, or \$.79 for a serving of Pizza, or \$.67 for a cup of soup when these items represent only one (of 5 required) menu items? Additionally, these costs do not include the cost of labor and benefits paid to staff that prepare them.

MENUS

Menu items like Tacos and Taco Salads, Fajitas, Vegetarian Pizza, Baked and BBQ Chicken, mashed potatoes, Oven Baked Fries, and Sandwich Wraps, are some of the most popular menu items found in the School Lunch community. Each of these items (other than the fries) can be prepared from scratch in the time I have recommended, and can be “worked into” the nutritional requirements of the program. Additionally, offering Seasonal Specials e.g. World Series “Double Dog Day”, All You can Eat Pasta (one time through the line), “Bring a Sweetheart to Lunch” day, etc. can make lunchtime fun, increase student participation and thereby increase program revenue. The food service team needs to work these types of foods and promotions into the Pocantico Hills lunch menu, at all levels each month, while reducing the number of daily choices.

My review of 4 months of menus, did not show any of these menu items, and did not include any promotions that are intended to increase meal participation. The menus I reviewed were basic, not labor intensive, repetitive, and do not appear to be increasing participation, as the rate of participation remained about the same each month last year. Staff will argue that I must be crazy to recommend reducing labor on one hand and increasing the amount and type of menu items served on the other. However, the program cannot afford to do otherwise.

At the risk of upsetting the school community, and to repeat myself, I do not recommend Salad Bars. Salad Bars are expensive, labor intensive, and prone to unsanitary practices. Students should be offered a daily choice a salad plates. Salad plates and sandwich choices should be prepared in the morning, packaged in a clear clamshell container, labeled, and presented on the line for all to see. This will help increase participation by students and faculty, provide more of a “grab and go” option, significantly increase the speed of the line, and will not cost any more to prepare. Salad plates offered to all grades should look exactly the same; the exception might be the size of the K-3 student’s salad. Included in this report are four different salad plate options for the district to consider. They are presented in a manner that will allow each to be laminated and posted in the kitchen in order to ensure the consistency of the product produced. Moreover, the manager should know the food cost for each salad, in order that she properly price them for ala Carte sale.

Fruit & Yogurt Salad Plate

1. Place 1 $\frac{3}{4}$ cups of mixed salad greens in an 8 X 5 inch clear “clam shell” container.
2. Place a Whole Grain or Low-Fat Muffin (unlike the one pictured), or crackers, or bread sticks in one corner of the container.
3. Place a small carton of yogurt and a container of canned fruit in opposite corners.
4. Place a 1 ounce strip of cheese in the container (not on the carton of yogurt).
5. Add 2 more types of loose fresh fruit on the bed of salad greens.

Note: It is recommended that fresh “Red Grapes, Watermelon slice, Strawberries, or other “red fruits” be used as the color combinations will help to promote students selecting the salad plate.



Chef Salad

1. Place 3 cups of mixed greens in a 8 X 5 inch clear “Clam Shell” container.
2. Add 4 tomato wedges, of an 8 cut tomato and place 2 of them in 2 opposite corners of the container.
3. Place 2 packages of crackers in the center back of the container, facing front.
4. Top the salad greens with 1 oz of ham, 1 ounce of Turkey, and 1 ounce of cheese; all sliced julienne style and placed in the center of the tray at a slight angle.
5. Place 3 slices of cucumber in the back corner.
6. Place 2 wedges of hard cooked egg in corner opposite the cucumber slices.



Chicken Caesar Salad

1. Place 3 cups of washed, chopped Romaine Lettuce in a clear 8 x 5 inch “Clam Shell” container.
2. Place 3 oz. Of Chicken strips (Grilled or other) in the center of the lettuce.
3. Place 4 Cherry Tomatoes or 4 wedges of an 8 cut tomato in opposite corners.
4. Place 2 packages of Crackers in one corner.
5. Add a Caesar dressing packet in back of salad (name facing front).
6. Place 2 Red Onion rings (optional) over the chicken (this should be a last step for easy removal).
7. Garnish with croutons and Parmesan Cheese.



Asian Chicken Salad

1. Place 1 cup of Romaine Salad Mix in 8 X 5 Clear “Clam Shell” type Container.
2. Place a 4-ounce cup of Mandarin Oranges & Pineapple tidbits in opposite corners of the container.
3. Place ¼ cup of “Chowmein” noodles in the front corner of the container.
4. Place 2 packages of crackers in the back corner, facing front.
5. Place 2 ounces of diced chicken in the center of the lettuce bed.
6. Top the salad with almonds or walnuts. These items can be placed in a 2-ounce cup to facilitate easy removal.



MARKETING AND STUDENT PARTICIPATION

One of the primary methods used to assess the success and acceptability of a school feeding program is the number of students choosing to purchase lunch and breakfast each day. Therefore, efforts to increase meal participation (especially breakfast) district wide, must be on going. An increase of only 15 lunches per day would generate an additional \$6,500.00 per year. Moreover, if any of these students qualify for free or reduced price breakfast and lunch, the return would be greater.

There are many factors that effect whether a student purchases breakfast and/or lunch at school each day. Although the following do not all apply to the Pocantico Hills School District, they are included here for information and future reference purposes. They include:

- **Length of lunch periods** – Lunch periods must allow ample time for students to wait in line to obtain their lunch and to sit in a relaxed atmosphere to consume it. The amount of time this may require will vary by school, and is dependent on the number of students in each lunch period, the number of serving lines, the availability of menu offerings, the speed of the servers, and the speed of the cashiers.
- **Selling price of the complete meal versus ala Carte selling prices** – The complete, nutritious meal should be priced to make it the best buy, but we need the revenue generated by ala carte sales. Therefore, we need to balance our quest to increase the number of students purchasing a complete meal with our need for the revenue generated by ala Carte sales.
- **The number of eligible free and reduced price students** – Free and reduced price students participate in the school lunch and breakfast programs at a higher rate than do students from the “paid” category.
- **Parents** – At the elementary level it is normally the parent(s) who decide whether their child(ren) will bring lunch from home or purchase/obtain it at school. At the secondary level most students have money to spend and therefore, even if mom or dad packs a lunch, the student can still make the decision to buy lunch at school. Publishing the nutritional content of menus each month can and does encourage elementary parents to have their child(ren) purchase lunch and/or breakfast at school.

There is no question that it is the way we promote menus that influences a student’s (and parent’s) decision whether to purchase lunch in the school cafeteria, or to bring it from home. Increasing awareness of the complete, nutritious, and healthy school meal, attention to detail, a variety of choices, a strong marketing campaign, combined with making the cafeteria a fun place to eat, are factors that will work to increase student participation.

Merchandising is vital to a strong marketing campaign. How food and menus are presented to “the customer” will determine acceptance. Displays, and signage cost little money and take very little time, but they do make food more attractive, encourage healthy food choices, and convey the idea that “someone cares”.

I am including the following in this report for information purposes only. One reason is that we can always increase student participation rates further. The other is that a direct correlation between the number of meals served and the number of staff hours needed. Therefore, efforts to increase student participation must be on going, and as participation rates increase, so too will program revenues.

- Ensure that all display and merchandising space on the line are filled with food and seasonal decorations, nutritional information, and signage.

- Train staff with respect to “The Student as a Customer” both on the serving line and in the dining room.
- Offer monthly promotions that require purchase of the complete (reimbursable) lunch.
- Develop a Marketing & Merchandising Plan.

The following recommendations need to become part of a district Marketing Plan of which the following steps will be key to success:

1. Commitment – All food service staff, and the building staff, must all be committed to the marketing plan. Through staff development they must understand that the plan is an investment strategy for the future of their Child Nutrition Program.
2. Consistent & Continual effort – all aspects of the plan must be continual and consistent between buildings. For example, staff cannot afford to “skip” a monthly promotion because there is a lot going on. Customers will expect the promotion once they begin.
3. Develop a Food Services Mission Statement and post it in every cafeteria. In a Staff Development session, have someone facilitate a process in which the food service staff actually creates their own Mission Statement. This process alone will help some of them to think about, and focus on what their job is really about. I have included a sample and suggested Mission Statement with this report.
4. Empower Staff – Part of giving the managers more responsibility will include empowering them to transform their cafeteria through displays, choices, attitude, and customer service. Consider a small petty cash account (\$25) for each cook to be used to purchase seasonal decorations, etc. Through staff development, ensure that they recognize that their employment is actually supported by students who buy lunch at school, and they, therefore, need to view all students as customers.
5. Customer Service – We (in school food service) are employed in a service industry and must remain cognizant of that fact. Staff needs to greet customers with a smile, learn student names (when possible), and wear nametags so students can greet the staff by name as well.
6. Get the word out – Publicity is critical to any successful promotion. Plan in advance how you are going to “get the word out”. This District can provide a wonderful beginning. Issue a press release with respect to its existence and with finalized recommendations, request local radio stations to read school menus on the air as a public service, and use the menu back to send a message home to parents. Require the Food Service Team Leader to have a column in the school paper that addresses menu changes, nutritional content, what’s new, and perhaps author a “Because You Asked” column in the school paper with answers to student questions regarding the menu.

Some other ideas for marketing school meals used by other districts include:

- Plan two or three promotions each month.
- Offer new foods that tie into monthly promotions.
- Show only one new food at a time with two or three a month.
- Use adjectives like: Warm, Hot, Chilled, Yummy, Crisp, Fluffy, Nutritional, etc. on the menu to make new foods sound appealing. Where possible, menus should include daily choices to facilitate parental review of menu with children each evening.
- Involve students – meet with student leaders to discuss menus and how menus can link with classroom activities. For example work with the Spanish Club, French Club, Italian Club, etc to plan a menu that features foods of the world - ala an “Around the World Food Tour” – “South of the Border Festival”, Far East Feast, Italian Festa, etc.

- Plan menus around sport activities, school dances, etc. If allowed by district policy, consider offering a chance to win “prom bids”, tickets to the big game, the #1 CD on the market, etc. when a complete lunch is purchased.
- Sponsor a Menu Planning Contest and credit the winning student/class on the menu. Menu prepared by Mrs. Smith’s Fifth Grade, the Spanish Club, etc.
- At the 5-8th grade level, use signage on the serving line (in the manner of colleges) to post the nutrient content of the foods offered to help students to make “the healthy choice”. At the elementary level, post the average nutrients for the week in a column at the end of the week’s menu.
- Begin to gradually introduce more Family Style meals into the menu. Breaded Chicken, Mashed Potatoes, Hot Turkey Sandwiches, Spaghetti, All You Can Eat Spaghetti (one time through at the secondary level), home made soups, and Taco Salads are all widely accepted by students throughout the country.
- Create a listing of mandatory promotions for each month of the school year and require each manager to follow through on the promotion. Promotions should be planned for the specific age/grade of students -Some suggestions that have been successful in other schools follow:

September

Welcome Back Breakfast
Open House Reception – Meet your food service staff

October

Guess the weight of a Pumpkin and take it home
World Series Special – Double Dog Day (two hot dogs with lunch)

November

Bring a Buddy to Breakfast (two eat for the price of one)
School Spirit Lunch

December

Two for One Day
Free Cookie Day

January

Super Bowl Menu
Jelly Bean guessing contest

February

Bring a Valentine to Breakfast (two eat for price of one)
Heart Healthy Week Promotion (entire Week of Feb. 14)

March

National Breakfast Week Promotion
St. Patrick's Day Menu
Beach Party Lunch to Welcome Spring

April

Spring Fling Breakfast
School Color Day (wear the school colors and receive a free cookie)

May/June

Mother's Day Breakfast
Breakfast with the Principal Day
National Teachers' Day promotional Lunch

STAFF DEVELOPMENT & TRAINING

As a former State Agency and Food Service Management Company Training Coordinator, I place a program of Staff Development and training at the "top of my list" of factors, paramount to the success of operating a self-sustaining Child Nutrition Program. This is especially true for Pocantico Hills since most of the staff have been employed by the program for years, and have not been trained with respect to many of the topics listed below.

I am a huge proponent of every district having a training program for their food service staff that includes a system of annually scheduled:

- Coursework
- Workshops
- Group activities, designed to deliver: Professional enrichment, opportunities for improved job performance, advancement, and educational as well as self-esteem growth

I also believe that whenever a teacher training conference day, or Superintendent Conference Day is scheduled in any district, that the food service staff also needs to be scheduled for training. Often, on these days the food service staff either has the day off, or work preparing morning coffee, refreshments, and lunch for the faculty. This process does nothing to contribute to the self-esteem of the food service staff. Instead, coffee, refreshments and lunch could be prepared in the morning by the food service staff, which would bring the program much needed revenue, then the staff could be scheduled for their own training workshops. Their self-esteem would be further enhanced if other than the 2 or 3 working "the coffee service"; the other members of the food service team were invited to share in the morning refreshments and lunch with the other members of the staff.

It is, therefore, my recommendation that:

- Staff is scheduled for staff development on days when the Pocantico Hills CSD faculty receives training
- A "Needs Assessment Survey" (a suggested format is included with this report) be conducted among members of the food service staff to ascertain:
 - o Their perception of the objectives of this report
 - o Their perception of the program's operation as it is
 - o What they perceive their training needs to be

I further recommend, that the results of a Training Needs Assessment be used as the basis of a Staff Development Plan, for the remainder of this school year. In addition to the training subject matter generated from the needs assessment survey, I recommend (at a minimum), training sessions be considered for the following topics:

- Financial Management (for the food service worker) – Each employee needs to understand how everything they do each day affects the financial status of the program in either a positive or negative manner. I have had great success presenting one I have developed titled, "Are You Costing Your Program Money?"
- Serv-Safe – Food Service Sanitation. Although some employees may have attended this type of program previously, some have not. Moreover, any training should be approached in a manner in which staff learns why people get sick from food, and what they can do to prevent that from occurring at Pocantico Hills.
- Eye Appeal and Merchandising School Food Service.

- Nutrient Standard Menu Planning and Offer versus Serve.
- Menu Planning & (applicable regulatory requirements) “Offer versus Serve”.
- Inventory &: Receiving – How to properly take an inventory, how to “receive food deliveries”, and the importance of food cost & inventory control.

If requested, I will forward to the district (under separate cover), a Staff Development Proposal for the 2011-2012 school year in which I will spend 2 days in August with the district’s staff and Food Service Director (1 day training each). Included will be an option to return on 2 Conference Days to present a ½ day program on a topic(s) to be determined. Additionally, I will include 1 day in October and 1 day in January 2011 in which I will visit the district, review the program and report to the administration, on the progress being made, and what areas may require additional work or “fine tuning”.

CLOSING COMMENT


The Child Nutrition program at Pocantico Hills has a lower than average lunch and breakfast participation, and the ability to operate more cost effectively.

Those recommendations combined report will allow the food service team to operate in a more cost effective manner during the 2011-2012 school year, and to “hold the line” on the current subsidy. However, the Board must either commit to subsidizing the program, by a large amount each year, or commit to the change that is necessary to save the district these large annual subsidies. Regardless, of their decision, the Food Service Manager will have to “step up” and make some difficult managerial decisions to meet the recommendations contained in this report. The responsibility is hers, but must be shared by the Board and the administration. If she is to succeed, the entire district, will have to adopt a different philosophy, a strong business approach to the program’s operation, with a more pro-active approach to menu planning, purchasing, and use of available staff hours – essentially that “paradigm change” that I wrote about at the beginning of this report. This would include negotiating the food service staff separate from the other non-instructional employees of the district.

In closing, I recommend that an “Action Plan” be prepared, by the Food Service Manager, that will encompass the 2011-2012 school year. The plan must present to the district those recommendations contained in this report that will be pursued, a time line for implementation, the method/manner of implementation, an estimated cost/savings, and an operational budget.

I know that some of the statements and observations made in this report will be difficult for a defensive manager and/or staff to accept, and I have at times sounded harsh. But my “charge” was to observe the program and to make recommendations that will allow the program to operate in a more cost effective manner. It’s easy for a consultant to observe, be critical, and make recommendations when someone else has to follow through with the actual implementation. It is for this reason (albeit self-serving) that I always hope my role continues after submission of the final report. I have advised the Food Service Manager that I will make myself available to provide advice via email (at no charge) should she encounter a problem, have a question, or is unsure how to proceed with a particular issue.

Respectfully submitted,


Frank Rinaldi
President

