



CSIS *California School Information Services*

Lassen Union High School District

Food Services Review

November 29, 2010

Joel D. Montero
Chief Executive Officer





CSIS California School Information Services

November 29, 2010

Todd Cutler, Ed. D., Superintendent
Lassen Union High School District
Street Address
Susanville CA 96130

Dear Superintendent Cutler:

In August 2010, the Lassen Union High School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement to provide a review of the district's food service programs. Specifically, the agreement states that FCMAT will perform the following:

The scope and objectives of this study are to:

Conduct a review of the Lassen Union High School current child nutrition program including food preparation, ordering, inventory, cash management, staffing, policies and procedures, federal and state compliance, menu planning; warehousing and food storage, purchasing and facilities.

Review efficiency of current operations including menu planning, food preparation and setup; staffing; cash handling, ordering and inventory; the feasibility of serving meals to charter high school students; benefits of a NSLP approved vending machine; evaluation of costs and ideas for cost containment to prevent deficit spending; and staffing recommendations.

The team will provide recommendations for enhancing revenues or implementing changes to reduce the potential level of unrestricted general fund contribution needed to support the program and provide a more efficient.

The following report contains the study team's findings and recommendations.

It has been a pleasure to serve you, and we thank the Lassen Union High Unified School District staff for its cooperation and assistance during fieldwork.

Sincerely,

Joel D. Montero.
Chief Executive Officer

FCMAT

Joel D. Montero, Chief Executive Officer

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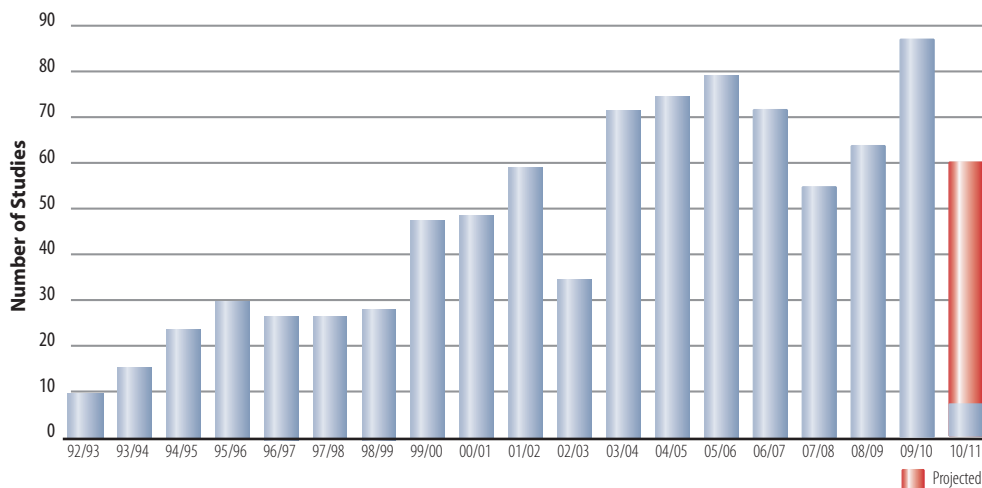
About FCMAT

FCMAT's primary mission is to assist California's local K-14 educational agencies to identify, prevent, and resolve financial and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related school business and data services. FCMAT's fiscal and management assistance services are used not just to help avert fiscal crisis, but to promote sound financial practices and efficient operations. FCMAT's data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and share information.

FCMAT may be requested to provide fiscal crisis or management assistance by a school district, charter school, community college, county office of education, the state Superintendent of Public Instruction, or the Legislature.

When a request or assignment is received, FCMAT assembles a study team that works closely with the local education agency to define the scope of work, conduct on-site fieldwork and provide a written report with findings and recommendations to help resolve issues, overcome challenges and plan for the future.

Study Agreements by Fiscal Year



FCMAT also develops and provides numerous publications, software tools, workshops and professional development opportunities to help local educational agencies operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) arm of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS) and also maintains DataGate, the FCMAT/CSIS software LEAs use for CSIS services. FCMAT was created by Assembly Bill 1200 in 1992 to assist LEAs to meet and sustain their financial obligations. Assembly Bill 107 in 1997 charged FCMAT with responsibility for CSIS and its statewide data management work. Assembly Bill 1115 in 1999 codified CSIS' mission.

AB 1200 is also a statewide plan for county office of education and school districts to work together locally to improve fiscal procedures and accountability standards. Assembly Bill 2756

(2004) provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans.

In January 2006, SB 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT's services to those types of LEAs.

Since 1992, FCMAT has been engaged to perform nearly 850 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Joel D. Montero, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

Introduction

Background

The Lassen Union High School District is located in Susanville, CA and includes the following schools: Lassen High School, Diamond Mountain Charter High School, Credence (Alternative) High School, and a community day school. Over the past four years, the district has experienced a steady decline in students. Enrollment has decreased from 1,234 students in the 2006-07 fiscal year to 965 in the current fiscal year (this includes enrollment at Lassen High School, alternative education and the community day school). The charter school has experienced a growth of 20 students during that time and currently has 75 students.

Approximately 21 percent of the district's students are eligible for free and reduced meals through the National School Lunch Program (NSLP). The cafeteria fund has encroached on the general fund budget for the past few years and does not contribute indirect costs to the district. The cafeteria serves meals to Lassen High School, Credence High School and the community day school. Diamond Mountain High School does not participate in a meal program. Cafeteria revenue is declining, and the fund showed a budget deficit in the district's 2008-2009 audited financial statements. Staff hours were decreased in 2009-2010 to mitigate the deficit, and current-year projections estimate that revenues will exceed expenditures by \$7,730 in the cafeteria fund.

Study Team

The study team was composed of the following members:

William P. Gillaspie, Ed.D.
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Judith E. Stephens,* Director
Food Services, Purchasing & Warehouse
Lucia Mar Unified School District
Arroyo Grande, CA

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*As a member of this study team, this consultant was not representing her respective employers but was working solely as independent contractor for FCMAT.

Study Guidelines

FCMAT visited the Lassen Union High School District on October 6-7, 2010 to interview staff members, observe meal production and service, collect data, and review documents.

Executive Summary

The Lassen Union High School District delivers a quality food services program to staff and students. During FCMAT's visit, the staff exemplified dedication to the students and maintained a clean and well kept kitchen facility.

The district confronts many fiscal and programmatic challenges maintaining a competitive student participation rate. Several of these factors will be outlined and discussed in this report. However, the following issues have a significant fiscal impact on the final recommendations of the report:

1. The school is an open campus, and most students leave campus during lunch period.
2. Nearby businesses market their products to the high school students and economically benefit from student lunch purchases. Therefore, most of the local business community supports the open-campus policy.

It would be beneficial for the Food Service Department to determine what students purchase for lunch off campus and what they would prefer in the cafeteria through a well designed survey. Menus could then be revised to include student preferences that might generate higher student participation. Because of cost and nutritional standards, some students preferences cannot be served in the cafeteria, but many can be provided through alternative menu planning.

Finding ways to enhance revenue will also help balance expenses. Every effort should be made to improve the meal program and market it to increase participation. Surveys of students, families and staff members should be conducted to determine preferences and provide them in a customer friendly manner. As revenues increase, the cafeteria fund should be more fiscally independent from the general fund and perhaps even contribute indirect charges to the district.

An overview of staff hours and meals served indicate the program serves 26 to 27 meals per labor hour, and the target amount is 30 meals or more, according to the National School Lunch Program. Although the staff is fairly efficient, site observations by the FCMAT study team indicate that there is sufficient time to produce more meals and provide additional variety for students. If the department continued the current menu program, the number of staff members should be reduced. However, since the district wants to improve the food program, staffing should remain at current levels. The current staff also has sufficient time to serve additional students if participation increases or the district decides to offer food service to the charter high school.

Findings and Recommendations

Menus and Meal Program

The Lassen High School cafeteria serves students during breakfast, nutrition break, and lunch. Students from alternative education and Lassen High School use the cafeteria line, and the site staff picks up and delivers meals for the community day school. The Diamond Mountain Charter School does not participate in the meal program.

The cafeteria program follows the USDA Enhanced Food Based Menu Planning option for meals. A detailed outline of this program is included in the appendix section of this report. This option specifies the type, serving size and number of meal components (meats, fruits and vegetables, grains and breads and milk) that must be offered at each meal.

The district also follows a menu option called offer versus serve. This option requires the cafeteria to offer all five meal components, but serve only three. This option is meant to provide students with choice and can reduce food cost by not requiring students to take items that may be discarded.

Lassen High School menus consist mainly of heat-and-serve foods, and the choices served are repetitious. The printed menus include the previous day's leftovers as an entrée choice, which means that only one fresh hot entrée is planned daily. Other entrée choices offered include ham and cheese, turkey and cheese and peanut butter sandwiches. A high school menu should offer two or three fresh hot entrees a day in addition to cold sandwiches, according to the National School Lunch Program.

During the FCMAT on-site visit, the entrees were breaded chicken tenders and breaded (oven-fried) chicken breasts on one day. The following day the lunch included chicken fajitas, leftover chicken tenders, and breaded baked chicken. This lack of variety in entrée choice could contribute to the low participation rate.

The menu includes few fruits and vegetables. The daily fruit choice is either canned or part of a commodity trail mix, and fresh fruit is rarely offered unless it is available as a commodity. The cafeteria supervisor believes fresh fruit is too costly, and the only vegetable offered is a small package of baby carrots. Side salads are not provided. More variety and choices in produce should be provided to students to enhance participation and improve the nutritional quality of the meals.

The Enhanced Meal planning option requires 15 servings of bread or grain per week. Besides obvious bread sources such as sandwiches, corn-based chips and the breading on chicken products may also be counted as bread servings. Observation by FCMAT and a review of production records indicate that chips and breaded items are offered frequently, which is not the most nutritious way to provide bread or grain products and can increase fat content. Lower-fat choices would include items such as rice, pasta, whole grain rolls or soft bread sticks. Brown rice and whole grain pasta could also be used for more nutritional value.

In addition to the meal component requirements described above, menus must meet certain nutritional standards according to a computerized analysis. Child nutrition programs following the Enhanced Food Based Menu Option are not required to analyze their own menus since they are analyzed in the district's state program review. Lassen Union is scheduled for its state review

in November 2010. A menu analysis indicates that the number of calories is too low and the amount of fat and saturated fat is too high. Portion sizes should be adjusted, and lower-fat menu items should be added to correct this problem.

Menus should include more variety for customer appeal. Many students leave campus for lunch because of the school's open-campus policy. Some students leave because it gives them a sense of freedom and independence; however, a creative revision of the menus may entice more students to stay on campus and participate in the meal program.

It would be beneficial for the Food Service Department to determine the items purchased by students off campus and their preferences for the cafeteria, perhaps through a well designed survey. Menus could be revised to reflect student preferences. Although not all student preferences can be served in the cafeteria because of cost and nutritional standards, many can be provided.

Students may be interested in items such as rice bowls, and vegetables and meat items such as orange or Szechwan chicken or teriyaki beef. Wide varieties of ready-made sauces are available and can be mixed with meats that are already on hand. A frozen stir-fry vegetable mix could complete the dish. The cafeteria menus already feature egg rolls, which could be accompanied with fried rice. For additional appeal, oriental meals could be served in restaurant-style takeout containers with fortune cookies. Mexican foods that are already on the menu (burritos, tacos, enchiladas & fajitas) could be accompanied by rice or beans.

These suggested changes may increase food costs in some instances, but revenue can offset expenses if additional students participate.

Spaghetti with meat sauce or meatballs could be served with warm bread sticks or garlic bread. Turkey and gravy with mashed potatoes could be served with whole-grain dinner rolls.

The food services program should try serving varieties of pizza other than pepperoni (after obtaining student input on preferences). Toppings such as ham and pineapple, fresh vegetables, olives, sausage, etc. can be added to purchased cheese pizza instead of having several varieties of pizza on hand. Another option is contracting with an outside (local) vendor to supply pizza. These vendors would have to ensure the product meets nutritional guidelines (if the pizza is sold a la carte) and is affordable to students.

More varieties of sandwiches such as subs and wraps (with a variety of meats, cheese vegetables and condiments) should be considered. Sandwiches would be more similar to the fast-food varieties that are familiar to students if they were enhanced with jalapeños, olives, pickles, lettuce, tomato, etc. Condiments could either be added by food services or made available for students to use.

Since the menu includes a limited amount of fruits and vegetables the district should consider incorporating salad bars. A self-serve salad bar containing salad greens, a variety of fresh and canned fruits and vegetables, reduced-fat salad dressings and croutons would appeal to students and staff. This can be offered as a side or an entrée depending on the items included.

Homemade or partly homemade items could be added to the menu to enhance quality. Fresh-baked cookies or cinnamon rolls (made from frozen dough) could be made daily to replace premade equivalents. The aroma from baking these items can draw customers to the cafeteria. Many bakery items that meet nutritional standards are now available.

These suggested changes may increase food costs in some instances, but revenue can offset expenses if additional students participate. Many items can be made from ingredients offered through the commodity program such as turkey roasts, ground beef, pasta and rice, and many potato products. Fresh fruits can be affordable if they are purchased from vendors while in season.

Recommendations

The district should:

1. Survey students, school staff and parents to determine meal preferences.
2. Revise menus to include more variety such as rice bowls, pasta, turkey and gravy, and different types of pizza.
3. Offer bread choices other than chips such as rice, pasta, soft bread sticks and dinner rolls. This can help improve compliance with nutritional standards (more calories, less fat) as well as increase variety.
4. Discontinue the practice of using leftovers as the second entrée choice. The food service program should plan at least two and possibly three hot entrees daily. Students may decide that certain favorites, such as pizza, burritos or burgers, may be desired as a daily menu item alongside one or two other hot entrees.
5. Consider providing more innovative sandwiches (wraps, deluxe subs) and entrée salads as another cold entrée (varieties could include chef, Caesar, taco or oriental salads).
6. Consider incorporating a salad bar to increase fruit and vegetable choices, or at least offer substantial side salads and fresh fruit daily.
7. Market the meal program to increase participation. Changes and new menu items can be advertised in the student newsletter, daily bulletin, and on cafeteria signs.
8. Consider using the aroma from products such as freshly baked cinnamon rolls, cookies and other breads to increase sales. Entrees such as turkey and gravy and spaghetti with warm bread sticks or garlic bread also provide enticing smells for potential customers.

A la Carte Foods

All menu items (entrees, milk, fruits, vegetables and chips) are available either as a complete meal or a la carte. However, the a la carte selections are less expensive discouraging students from selecting the more complete nutrition of a whole meal, reducing revenue from meal reimbursement, and slowing cafeteria lines. The district should make efforts to promote sales through special prices and incentives. These could include providing “meal deals” in which an entire meal is more cost-effective than the a la carte items, offering favorite entrees and other items only with a meal, and including an extra items such as a small bottle of water with complete meals.

Most entrées and some snack items (including the Sun Chips) that are sold a la carte do not fit the nutritional guidelines for food sales. In the one week menu analyzed by the state, four of five entrees did not meet guidelines.

Guidelines for a la carte sales are as follows: Snack items should be less than 250 calories, 35% fat, 10% saturated fat and receive less than 35% of their weight from sugar. Entrees must be less than 400 calories and no more than 36% fat. A detailed guideline or these regulations is attached to the appendix section of this report. The a la carte menu will need to be reviewed for compliance.

The la carte snack items include too much variety. Several flavors of all beverages and snacks are available, for example, adding to inventory costs and slowing service. Snack items should be included in student menu surveys, and only the most popular should be sold. Further, some items are too expensive and should either be discontinued or increased in price. Examples include Naked Juice (a fruit smoothie), which costs the department \$2.39 each and is sold to students for \$3; Arizona Iced Tea, which costs 79 cents and is sold for 99 cents; and chocolate chip cookies, which cost 42 cents and sell for 50 cents

Recommendations

The district should:

1. Review all a la carte items to ensure they meet the nutritional standards. Guidelines are included in the appendix section of this report.
2. Severely limit a la carte entrees to encourage meal sales and increase efficiency in the serving line. This will also save time in ordering, stocking, and inventory.
3. Survey students as to determine their favorite a la carte items and reduce variety to only the most popular products. Snack and beverage flavors should be reduced to a minimum.
4. Avoid selling items that are too expensive, and increase inventory costs or seek more competitive prices from vendors.

Food Preparation and Setup

Meals and snacks are served in a cafeteria line and the adjoining snack bar, and snacks are also sold from a food cart in the kitchen during nutrition break. The main lunch serving line is long and slow. During the FCMAT review, one staff person handled the point-of-sale register, and one person stood behind the line watching students, reportedly to reduce theft.

The kitchen area has room for another serving line, and there are sufficient staff members and a point-of-sale computer to manage it. An additional line would enable students to be served faster and may encourage more students to participate. Shorter, less congested lines would also reduce the opportunity for theft and bring in more revenue.

Having more than one serving line would allow for many menu options. Both lines could offer identical foods, speeding the serving process, or different menu options could be sold in each line. In the latter scenario, one line could provide hot food and side dishes, and the other could offer cold sandwiches, specialty salads, as “grab-and-go” complete meals etc. Another option is for the original line to provide traditional offerings such as hamburgers, chicken, and pizza, and the new line offer specialties such as sandwiches with several ingredients, entrée salads, and rice bowls.

The mobile cart could be used to sell snacks in the cafeteria during break, offering grab-and-go lunches such as sandwich/salad/fruit meals in a plastic hinged-lid container. Whatever the choice, an additional serving line would help reduce congestion and create more interest in the program.

The use of an NSLP vending machine to increase meal availability was reviewed at the district’s request. These machines offer complete reimbursable meals and are linked to the point-of-sale computer system for meal accountability. Because of the high cost of the machine and the labor involved, the additional serving line options should be attempted first.

Another important improvement in the cafeteria line would be to offer students trays or boats to carry their meal components. At present, students must handle the separate food items along with money, ID badges for scanning, and backpacks. This process can be cumbersome and time-consuming.

Students in the serving line cannot view what they are served because all food items are wrapped in foil. These items can be labeled only with sticky notes attached near the serving line, which is unappealing to many customers. Packaging materials are available to make the presentation more attractive and the food more visible. These include clear lids for containers, heatable plastic sleeves, labels, and foil bags printed with the names of menu items. Many food items (such as burritos) can also be purchased individually wrapped in heatable packages that are transparent or aesthetically pleasing and labeled for easy identification. Individually wrapped items may cost a bit more than bulk items, but will save staff time and packaging materials.

Meal production records are not properly completed. These records should be used to project the quantities of supplies needed and produce historical data so the staff can plan meals. They also serve as proof that adequate quantities of food are prepared for the number of meals served and claimed, an area that auditors sometimes evaluate in a compliance review. The district production records reviewed by FCMAT listed menu items and quantities prepared, but not the amounts served or the total meals served to the students and staff. The district uses a standard production record found on the state website, and detailed instructions are included. These instructions should be carefully reviewed and followed. A copy of the production record and instructions is included in the appendix section of this report.

The kitchen area has room for another serving line, and there are sufficient staff members and a point-of-sale computer to manage it.

Recommendations

The district should:

1. Rearrange serving areas to add a second meal line. The district should decide whether both lines should serve the same items, or one should be a specialty line (similar to those used in a food-court concept).
2. Provide food boats or trays at all times on food lines.
3. Create flyers to communicate the available food menu items to students as well as specify which foods are sold in the various lines.
4. Consider using alternate food containers and wraps to increase food visibility and appeal. These may cost more, but increase participation and revenue.
5. Review instructions for completing production records, and follow through daily.

Staffing

FCMAT reviewed meal counts and food service labor hours to assess meals per labor hour (MPLH), which is used to measure productivity. The meal count data used was from September 2010 food service computer worksheets. There are various ways of calculating MPLH, but for this report, daily breakfast and lunch counts were added to an a la carte meal equivalent to determine the total meal equivalents, which were then divided by labor hours. A simple formula for an a la carte equivalent is to use the average cost of a breakfast and lunch (in this case, $2.75 + 2.00 / 2 = 2.38$) and divide it into the daily a la carte sales. The following spreadsheet illustrates these calculations.

Daily Breakfasts	Daily Lunches	Total Daily Meals	Daily a la Carte Sales	A la Carte Equivalent (Sales / 2.38)	Total Meal Equivalents (Meals + a la carte equivalents)
78	97	175	433	182	357
Labor Hours/Day	13.33				
Meals Per Labor Hour	27				

This calculation indicates that the department produces 27 MPLH compared with the National School Lunch Program target of 30 or more. The data suggests a fairly efficient program, especially for a high school district. However, observations made during the FCMAT review indicate that the staff may not be working to its full potential. During site visits, staff members had a great deal of discretionary time. Meal preparation was completed well in advance of serving times, so extra time is available to produce more meals, increase variety, and possibly incorporate cooking from scratch.

Because of budget deficits, food service labor hours were reduced in the 2009-2010 fiscal year. The supervisor's hours were cut from eight to six per days and the annual schedule was reduced from 12 months to 10½ months. A two-hour position was also eliminated. If the department continued its current menu program, the staff could be further reduced; however, the district has indicated a desire for an improved food program. Therefore, staffing should remain at current levels, and the district should use additional staff hours to implement some of the recommendations and strive for an improved program.

The staff should also have sufficient time to serve additional students if there is increased participation. This could include additional students from the district as well as Diamond Mountain Charter School, which does not have a meal program. Providing the charter school with meals would increase meal revenue and enhance the productivity of the food service staff.

Recommendations

The district should:

1. Consider implementing the FCMAT recommendations described above, and monitor participation levels. If increased participation does not result, consider reducing staffing.
2. Expand menus as described above with more variety and student-friendly items.
3. Create an additional serving line, and make use of the staff on hand to monitor the line.

4. Consider incorporating a salad bar.
5. Pursue the possibility of providing meal service to charter school students.

Purchasing, Cost Containment and Revenue Enhancement

Purchasing

Foods and supplies are purchased from state commodities and three primary vendors without bids or quotes to suppliers. Food prices are relatively high when compared with those of other areas. Some of this cost may be unavoidable because of the district's remote geographical location, but it would be prudent to solicit bids to suppliers to determine whether more competitive pricing is available. A review of commodity purchases should also be conducted to ensure that the district utilizes all of its entitlement.

A review by FCMAT found that prices that may be substantially high are as follows:

Item	Price
One carton 2% fat milk	27 cents
One carton chocolate milk	31 cents
Four-ounce container juice	31 cents
One beef & bean or breakfast burrito	87 cents
Chicken tenders, 2.5 ounces	50 cents

Milk and four-ounce juice containers are five to 10 cents more expensive than what other districts are charged. Other costly items were noted in the a la carte section.

The cost of some menu items is high, and these should be eliminated or replaced with less costly alternatives if possible. Some items such as milk must be purchased regardless of the price, but reducing the variety of a la carte items, especially costly ones, will help reduce costs.

Finding ways to enhance revenue will help balance expenses. Every effort should be made to improve and market the meal program to increase participation. Students, families and staff members should be surveyed to determine their preferences, and the program should try to provide these in a customer-friendly manner. As revenues increase, the cafeteria fund should be more independent from the general fund and perhaps even contribute indirect charges to the district.

Recommendations

The district should:

1. Submit requests for quotes on food and paper supplies to current vendors as well as new vendors. The district should send all vendors lists of desired products along with estimated annual usage so they can compete against each other for the lowest price. The district should also communicate with nearby districts to consider bidding universal items together.
2. Consider incorporating more cooking from scratch to reduce product costs.
3. Closely monitor product use and production to avoid waste.
4. Fully utilize the available commodity entitlement. If the full allotment from direct shipments is not used, the district should consider utilizing commodity processing to obtain more competitive prices for ready-made items such as hamburger patties, pizza and chicken products.

5. Make a concerted effort to improve and market the meal program to enhance participation and increase revenue. This should be considered a priority.

Cash Handling

The cafeteria receives local revenue of about \$450 a day in cash from meal and snack sales. This currency is maintained in an unlocked drawer next to the serving line, leaving it vulnerable to theft or misappropriation of funds. To enhance security, cash should be locked in the supervisor's office between meals.

At the end of the day, two food service staff members count, and double-check the cash, seal it in a bag, and take it to the district office where it is counted or reconciled again and deposited in the bank. This is an effective practice for cash handling.

Recommendation

The district should:

1. Lock cash in the manager's office between serving times and ensure staff members stay in the vicinity of the serving line at all times when currency is in the cash drawer.

Inventory

The food service supervisor indicated that she and her staff perform inventories of supplies only once a year. With the amount of food on hand and the number of people with access to the kitchen, this is a risky practice because it makes it easy to lose track of merchandise. Daily inventories of snack items should be performed, and snacks should be locked in storerooms at the end of the day. An informal inventory of other food and supplies should be performed weekly before ordering, and a thorough inventory should be completed once a month.

Recommendations

The district should:

1. Create inventory forms for daily use at all points of sale for a la carte items. All food items should be counted and recorded when serving lines are stocked and after each serving time.
2. Lock all food items in the snack bar or storeroom at the end of the day to discourage theft.
3. Develop inventory forms for general inventory, including the storeroom, refrigerators and freezers. A physical count should be completed at least once a month. This information should ideally be incorporated into a spreadsheet for monitoring throughout the year. This practice helps with inventory control and can be used to monitor food costs.

Budget Concerns

Over the past several years, the cafeteria fund has experienced a decline in revenue. Total revenue was \$224,495 in the 2007-08 fiscal year compared with projections of \$158,600 for the 2010-11 fiscal year. In 2007-08, the cafeteria fund had a balance of only \$185, and in 2008-2009, it had a deficit of \$26,000. During 2008-09, the fund received a \$22,000 loan from the general fund that was never repaid or charged to the program budget. Despite the loan, the fund overspent by \$4,202. Food and labor costs have been consistently high over the years and were at 50% and 51% respectively in 2008-2009. These costs should be 40-45% of revenue, according to the NSLP. As a result of that year's deficit, labor and benefits were decreased by \$19,000, or 42 percent of revenue, in 2009-2010. The supervisor's hours were reduced, and a two-hour position was eliminated. As a result of these efforts, the 2009-2010 budgets ended with a balance of \$9,842. However, the department has been unable to contribute indirect charges to the district.

Declining revenue may be partly due to declining enrollment. Food service records show that free and reduced meal eligibility rose from 23% in 2007-2008 and 2008-2009 to 26% in 2009-2010. As of September 30, 2010 eligibility is 21%. During the fall, eligibilities tend to vary from week to week because new applications are being processed so that data could change.

However, the percentage of eligible students participating in the food service program has declined from 50% in 2007-2008 to 35% in September 2010. Capturing more student participation (eligible as well as paid) should be a prime focus for revenue enhancement. Therefore, focusing on an improved menu and meal-serving methods are the most vital goals for the department.

Recommendations

The district should:

1. Focus on revenue enhancement by trying to increase participation in the meal program as discussed in the above sections of this report.
2. Ensure families are aware of the meal program and are encouraged to submit applications to capture as many eligible students as possible. The district should also explore the possibility of obtaining direct certification.
3. Attempt to reduce expenses by reducing waste, monitoring inventory and seeking more competitive prices on food and supplies.
4. Closely monitor the suggested menu changes and serving methods to ensure that although they may result in increased expenses, they also increase revenue. These changes should be visibly marketed.
5. Include the food service supervisor in budget development and the monthly budget review so this position is aware of goals.

Facilities and Equipment

The kitchen and cafeteria facilities are clean and well designed. All staff members are certified in safe food handling and have the appropriate certificates posted in the kitchen. The kitchen layout includes spacious work areas, updated equipment and ample serving areas. The cafeteria is large and can accommodate additional student participation. Enhancing meal service could require the purchase of new serving or hot holding equipment. The supervisor indicated that the stove top does not function properly and may need maintenance or replacement. She also mentioned the need for new small equipment such as stock pots and sheet pans.

Recommendations

The district should:

1. Assign the cafeteria supervisor to take stock of kitchen equipment and communicate with the chief business officer regarding replacement and repair needs.
2. Determine whether changes in the cafeteria menu and service require new equipment such as hot holding carts, serving line equipment or a salad bar.

Coordinated Review Effort Readiness

The district's food service state compliance review (School Meals Initiative [SMI] and Coordinated Review Effort [CRE]) is scheduled for November 2010. This includes program areas such as meal eligibility determination and meal count procedures as well as compliance with nutritional standards. Some areas may be found to be out of compliance. Some a la carte items do not meet nutritional standards, meal production records not properly completed, and written meal collection procedures are outdated. The food service supervisor is also not aware of or involved in the district's wellness policy. Citations may result from these or other areas, and this will probably require a corrective action plan that will provide an opportunity to make the necessary changes. The child nutrition consultant that performs the CRE will be able to assist in determining improvements needed and ways to achieve these changes.

The websites of the California Department of Education website and USDA include a wealth of helpful information, including policies, regulations, manuals and ideas for menu improvements and marketing the food service program. These are valuable resources for the food service supervisor and district.

This information is available at the following Web addresses:

<http://www.cde.ca.gov/ls/nu>

<http://www.fns.usda.gov/fns>

Recommendations

The district should:

1. Review menus to improve fat and calorie ratios. This could be achieved by serving less fatty entrees (fresh baked instead of breaded chicken, and hamburgers instead of cheeseburgers) or increasing the type of bread items offered (rolls, soft breadsticks, pasta or rice instead of chips).
2. Thoroughly complete daily production records.
3. Review all items sold a la carte to ensure compliance with nutritional standards.
4. Update meal collection policies to include use of the point-of-sale system instead of ticket collection.
5. Assign the supervisor to review the wellness policy and become involved in the wellness program.

Appendices

- A. Outline of Food Sale Regulations**
- B. Production Record with Instructions**
- C. Study Agreement**

**LAWS REGARDING FOOD SALES TO STUDENTS
FOOD AND BEVERAGE REQUIREMENTS SB 12 & SB 965
EFFECTIVE JULY 2007**

FOOD SALES AT ALL SITES

- Must have sales approved by the Governing Board
- Must comply to the California Health Code Regulations
- May not be prepared on campus or in private homes (only commercially prepared and packaged food)
- Must meet the Food and Beverage requirements in SB 12 & SB 965 if sold during school day (see below)
- Foods that do not meet SB12 & SB965 may be sold either off campus or 1/2 hour after end of school day
- Laws apply to cafeteria sales, student and organization sales and vending machines

ELEMENTARY SCHOOLS

- No food sales at lunch or lunch recess
- Limited to 4 sales/year and one food item per sale.
- Food item cannot duplicate food sold in school cafeteria on that day.

SB 12 / SB 965:

Restricts food & beverages sales
during the school day to the following:

Full Meals or:

A la carte items, (individual portion sizes) of

- Nuts/seeds, eggs, cheese, fruit, & non-fried vegetables.

Dairy and grain products

(e.g., yogurt, ice cream, muffins granola bars)
may be sold a la carte, if:

Maximum of:

- 175 calories
- 35% of calories from fat
- 10 % of calories from saturated fat
- 35% of weight from sugar

Beverages:

- Water with no sweeteners added
- Low fat or non fat milk, including flavored milk
- Vegetable & fruit juice: min. 50% juice & no added sweeteners

MIDDLE & HIGH SCHOOLS

- 1 organization per day (e.g., student store/ASB) may sell everyday (no more than 3 types of foods.)
- 4 days during the year, multiple organizations may sell approved foods (all on the same 4 days).
- Food item cannot duplicate food sold in school cafeteria on that day

SB 12 / SB 965:

Restricts a la carte food & beverage sales
during the school day to the following:

SNACKS are limited to a maximum of:

- 250 calories per item.
- 35% of calories from fat (exception of nuts, nut butters, seeds, eggs, single serving cheese, fruit, & non-fried vegetables)
- 10% of calories from saturated fat
- 35% of weight from sugar

ENTREES are limited to maximum of:
(except in a reimbursable meal)

- 400 calories
- 4 grams of fat per 100 calories (36% fat)
- Must be categorized in the National School Lunch or breakfast program as an entrée.

Beverages:

- Same as elementary plus:
Electrolyte replacement beverage
(max 42 grams sugar/20 oz.)

Food Based Menu Production Record #6

Purpose: One day on one page

California Department of Education

Nutrition Services Division

Date: _____ Site: _____ Offer vs. Serve: (circle) yes / no

Menu		Meal counts					
			Students			Adults	Total
			Record groups			Group	
		Age/grade groups					
		Estimated					
		Actual					
Menu item and form used	Recipe or product (name & No.)	Planned serving size (by wtg or portion)	Contribution to meal pattern (e.g. 2oz. M/MA)	Number of portions prepared	Amount of food used in purchase units (lbs., qty.)	A la carte & adult servings	Leftover servings
Meat/meat alternate							
Grains/breads							
Vegetables/fruits							
Milk							
Extra foods							

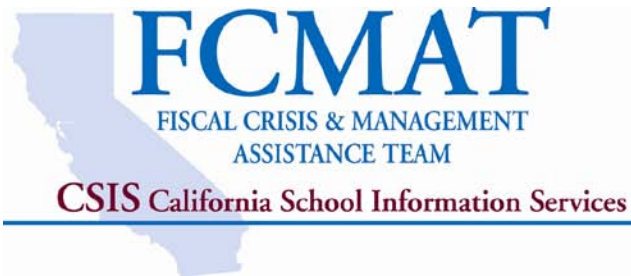
All required information for Offer vs. Serve and/or portion adjusting and choices.

8/99

Food Based Menu Production Record #6 -- Instructions

Complete:

1. Date:
2. Site:
3. Offer versus serve: Circle yes or no.
4. Meal counts: Complete by age/grade group. Note new required and optional age/grade groups. If not adjusting portions by age/grade groups record all in highest group served.
5. Menu: List each menu item.
6. Food item and form used: List each specified menu/food ingredient that contributes to the meal requirements. Include a detailed description of the form used; for example, frozen, fresh, diced in own juice. Extra foods, record all condiments and food items used that *do not contribute* toward the meal pattern; for example, low fat salad dressing, butter on vegetables or bread. If portions are adjusted, see #10 below.
7. Recipe or products: List recipe name and code number, if using a convenience product, list brand and code number.
8. Planned serving size: List each menu item. Note here the amounts of each food item to actually be served; for example, a scoop size, or portion size.
9. Contribution to meal pattern: Note here the actual contribution to the meal pattern; for example, 3/4 cup spaghetti and meat sauce = 2 ounces M/MA (meat/meat alternate), 1 G/B (grain/bread), 3/8 cup V/F (vegetable/fruit).
10. Number of portions prepared: Note here the number of servings that are actually going to be prepared. If portion sizes are adjusted, complete form across columns for each different portion size. Do the same for different choices.
11. Amount of food prepared in purchase units: Record in common units of measurement as purchased; for example, pound, No. 10 can, each. *Always round up if rounding is necessary.*
12. A la carte/adult servings: Record here the number of portions that were served on this date, but not used as part of the reimbursable meal.
13. Leftovers: Record here the total number of portions not served at the end of the meal service, whether they are to be reused or discarded. Count if pre-portioned, estimate quantity leftover, if bulk food is used.



**FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
August 16, 2010**

The FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM (FCMAT), hereinafter referred to as the Team, and the Lassen Union High School District, hereinafter referred to as the District, mutually agree as follows:

1. BASIS OF AGREEMENT

The Team provides a variety of services to school districts and county offices of education upon request. The District has requested that the Team provide for the assignment of professionals to study specific aspects of the Lassen Union High School District operations. These professionals may include staff of the Team, County Offices of Education, the California State Department of Education, school districts, or private contractors. All work shall be performed in accordance with the terms and conditions of this Agreement.

In keeping with the provisions of AB1200, the County Superintendent will be notified of this agreement between the District and FCMAT and will receive a copy of the final report. The final report will be published on the FCMAT website.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

The scope and objectives of this study are to:

The District is requesting the Team to conduct an in depth review of the District's Food Services Department. Conduct a review of the Lassen Union High School District's current child nutrition program including food preparation, ordering, inventory, cash management, staffing, policies and procedures, federal and state compliance, menu planning; warehousing and food storage, purchasing and facilities. The team will provide recommendations for enhancing revenues or implementing changes to reduce the potential level of unrestricted general fund contribution needed to support the program and provide a more efficient operation.

B. Services and Products to be Provided

- 1) Orientation Meeting - The Team will conduct an orientation session at the School District to brief District management and supervisory personnel on the procedures of the Team and on the purpose and schedule of the study.
- 2) On-site Review - The Team will conduct an on-site review at the District office and at school sites if necessary.
- 3) Exit Report - The Team will hold an exit meeting at the conclusion of the on-site review to inform the District of significant findings and recommendations to that point.
- 4) Exit Letter - The Team will issue an exit letter approximately 10 days after the exit meeting detailing significant findings and recommendations to date and memorializing the topics discussed in the exit meeting.
- 5) Draft Reports - Sufficient copies of a preliminary draft report will be delivered to the District administration for review and comment.
- 6) Final Report - Sufficient copies of the final study report will be delivered to the District administration following completion of the review.
- 7) Follow-Up Support – Six months after the completion of the study, FCMAT will return to the District, if requested, to confirm the District’s progress in implementing the recommendations included in the report, at no cost. Status of the recommendations will be documented to the District in a FCMAT Management Letter.

3. **PROJECT PERSONNEL**

The study team will be supervised by Anthony L. Bridges, Deputy Executive Officer, Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The study team may also include:

- | | |
|-------------------------------------|----------------------------------------------|
| <i>A. Bill Gillaspie</i> | <i>FCMAT Chief Management Analyst</i> |
| <i>B. Judith E. Stephens</i> | <i>FCMAT Consultant</i> |

Other equally qualified consultants will be substituted in the event one of the above noted individuals is unable to participate in the study.

4. **PROJECT COSTS**

The cost for studies requested pursuant to E.C. 42127.8(d)(1) shall be:

- A. \$500.00 per day for each Team Member while on site, conducting fieldwork at other locations, preparing and presenting reports, or participating in meetings. Cost per day for outside consultants will be billed at the actual daily rate.
- B. All out-of-pocket expenses, including travel, meals, lodging, etc. The District will be invoiced at actual costs, with 50% of the estimated cost due following the completion of the on-site review and the remaining amount due upon acceptance of the final report by the District.

Based on the elements noted in section 2 A, the total cost of the study is estimated at \$7,500.

- C. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT services are payable to Kern County Superintendent of Schools - Administrative Agent.

5. **RESPONSIBILITIES OF THE DISTRICT**

- A. The District will provide office and conference room space while on-site reviews are in progress.
- B. The District will provide the following (if requested):
 - 1) A map of the local area
 - 2) Existing policies, regulations and prior reports addressing the study request
 - 3) Current organizational charts
 - 4) Current and four (4) prior year's audit reports
 - 5) Any documents requested on a supplemental listing
- C. The District Administration will review a preliminary draft copy of the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the Team prior to completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAT will have limited contact with District pupils. The District shall take appropriate steps to comply with EC 45125.1(c).

6. PROJECT SCHEDULE

The following schedule outlines the planned completion dates for key study milestones:

<i>Orientation:</i>	<i>to be determined</i>
<i>Staff Interviews:</i>	<i>to be determined</i>
<i>Exit Interviews:</i>	<i>to be determined</i>
<i>Preliminary Report Submitted:</i>	<i>to be determined</i>
<i>Final Report Submitted:</i>	<i>to be determined</i>
<i>Board Presentation:</i>	<i>to be determined</i>
<i>Follow-Up Support:</i>	<i>If requested</i>

7. CONTACT PERSON

Name of contact person: Debbie Fry

Telephone: (530) 251-1194 FAX: (530) 257-0796

E-Mail: Debbie.fry@lassenhigh.org

Todd Cutler, Ed.D. Superintendent. Date
Lassen Union High School District



August 16, 2010

Anthony L. Bridges, Deputy Executive Officer Date
Fiscal Crisis and Management Assistance Team