

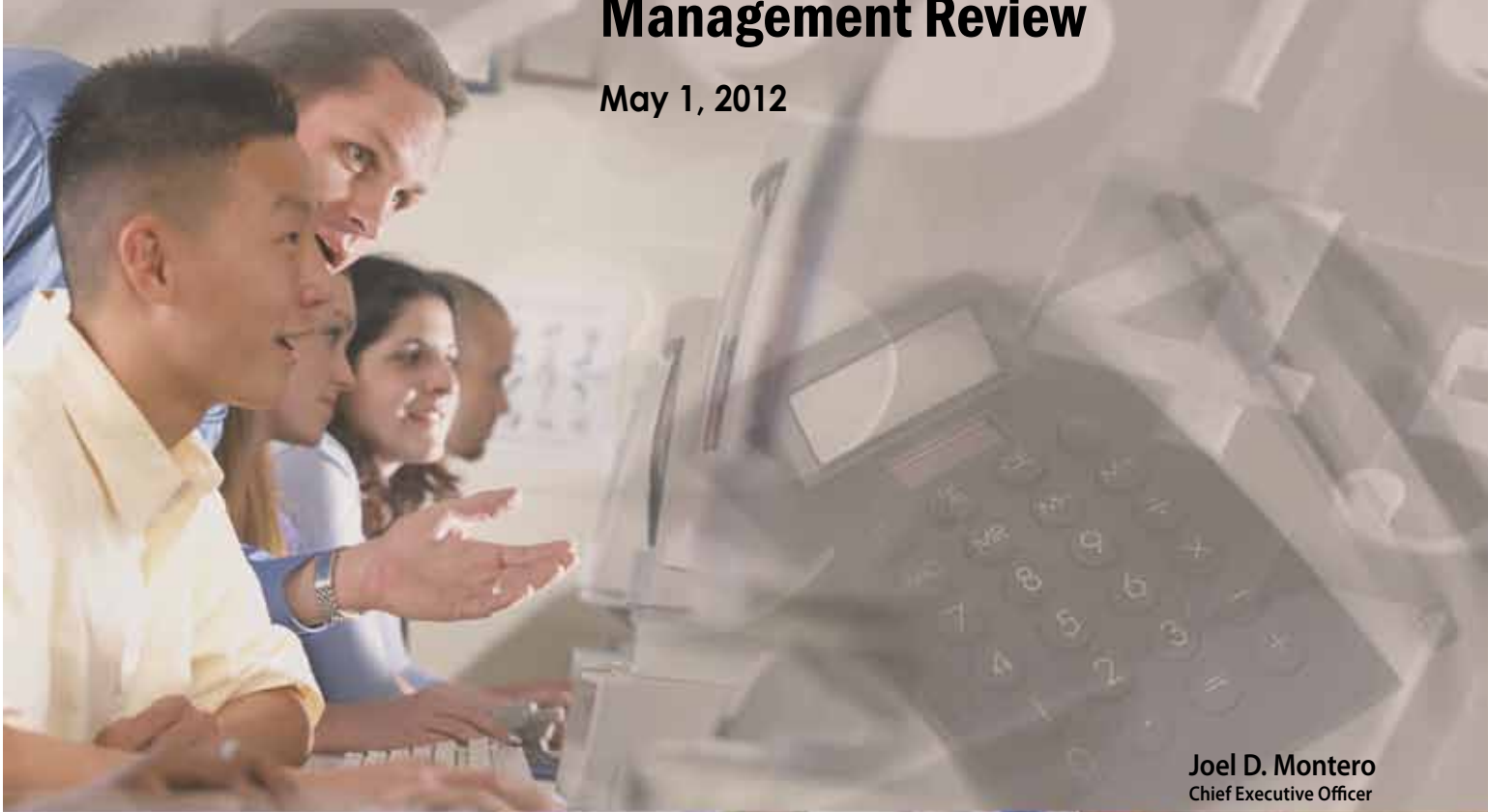


**CSIS** California School Information Services

# San Lorenzo Unified School District

## Management Review

May 1, 2012



**Joel D. Montero**  
Chief Executive Officer





May 1, 2012

Dr. Dennis Byas, Superintendent  
San Lorenzo Unified School District  
15510 Usher Street  
San Lorenzo, CA 94580


Dear Superintendent Byas:

In November 2011, the San Lorenzo Unified School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for management assistance. Specifically, the agreement stated that FCMAT will perform the following:

1. Conduct an evaluation of the district's personnel department and its recruitment and selection procedures for management, certificated and classified employees. The review will include a data sampling and testing of a minimum of twenty-five vacant positions hired by the district during the 2010-11 and 2011-12 fiscal years. The team will review the district's board policies, administrative regulations and department procedures and make recommendations for improvement, if any. The district currently operates under the merit system with a Personnel Commission for the purposes of hiring classified employees.
2. Review the district's food service department and evaluate the menu planning options provided to students to determine if federal and state nutritional compliance requirements are being met and make recommendations, if any. This component of the review will include an evaluation of the department's catering operations.

This final report contains the study team's findings and recommendations in the above areas of review. FCMAT appreciates the opportunity to serve the San Lorenzo Unified School District and would like to thank all the staff for their assistance during fieldwork.

Sincerely,



Joel D. Montero  
Chief Executive Officer

**FCMAT**

Joel D. Montero, Chief Executive Officer

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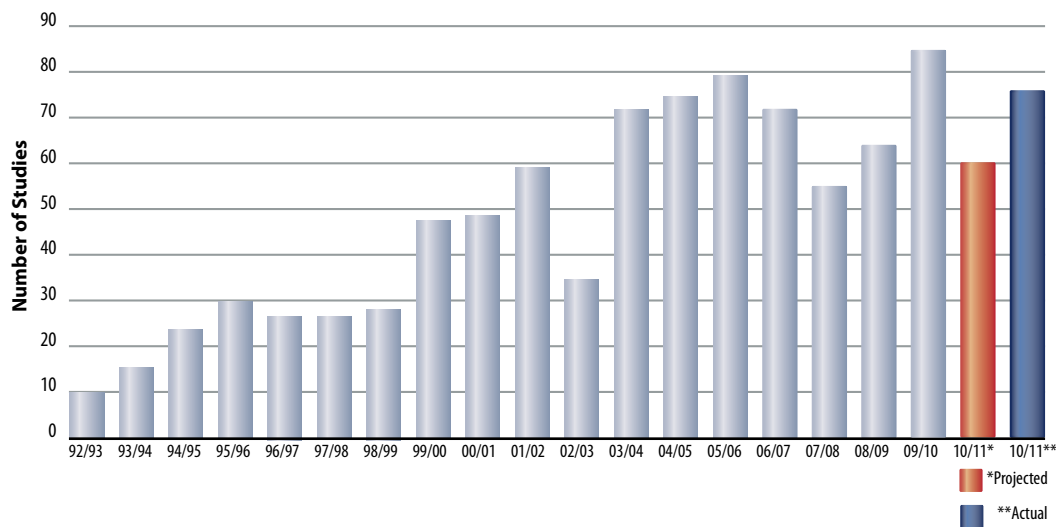
# About FCMAT

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.

**Studies 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

Located in Alameda County, the San Lorenzo Unified School District has a five-member elected governing board and serves approximately 11,879 students in kindergarten through 12th grade. The district has nine elementary schools, three middle schools, two comprehensive high schools, two alternative high schools, and is the authorizing agency for two charter schools.

Approximately 29% of the district's students are English learners and 51% are eligible for free and reduced-price meals. According to the 2011 Adequate Yearly Progress (AYP) Report, the district did not meet all of the criteria for AYP and was identified for year three program improvement (PI) status in 2011-12. Schools and local educational agencies that do not meet AYP criteria for two consecutive years are identified for PI under the federal Elementary and Secondary Education Act (ESEA). The ESEA requires all states to implement statewide accountability systems based on state standards in English-language arts and mathematics, annual testing for students, and annual statewide progress objectives, with the goal that all students achieve proficiency by 2013-14. Schools and districts that fail to make AYP toward proficiency goals are subject to improvement and corrective-action measures.

In November 2011, the San Lorenzo Unified School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for management assistance. Specifically, the agreement states that FCMAT will perform the following:

1. Conduct an evaluation of the district's personnel department and its recruitment and selection procedures for management, certificated and classified employees. The review will include a data sampling and testing of a minimum of twenty-five vacant positions hired by the district during the 2010-11 and 2011-12 fiscal years. The team will review the district's board policies, administrative regulations and department procedures and make recommendations for improvement, if any. The district currently operates under the merit system with a Personnel Commission for the purposes of hiring classified employees.
2. Review the district's food service department and evaluate the menu planning options provided to students to determine if federal and state nutritional compliance requirements are being met and make recommendations, if any. This component of the review will include an evaluation of the department's catering operations.

## Study Guidelines

FCMAT visited the district on January 12 and 13, 2012 to conduct interviews, visit school sites and collect data. This report is the result of those activities and is divided into the following sections:

- Human Resources Department
- Child Nutrition Department
- Appendices

## Study Team

The study team was composed of the following members:

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\*As a member of this study team, this consultant was not representing his employer but was working solely as an independent contractor for FCMAT.

# Executive Summary

## Human Resources

The district's Human Resources (HR) Department is responsible for coordinating all aspects of personnel services. The department has seven staff members that are directed by the assistant superintendent of HR. The division of labor among department staff members may not be equitable and some duties may need to be reallocated based on the study team's experience. The district should consider having each HR Department staff member complete a one-month time analysis of their daily job duties, and then reallocate duties as necessary. Desk manuals of step-by-step procedures should be developed for all positions and staff should be cross-trained so that more than one employee is able to perform each job, thereby helping to provide for proper internal controls and good customer service.

The physical layout of the department does not provide the privacy and confidentiality that is often required when dealing with personnel matters. The district should consider installing partitions or desk shelves to help shield confidential materials. In addition, a space other than the assistant superintendent's office should be provided for conferencing with employees and/or discussing personnel topics of a sensitive nature.

A review of the district's board policies and administrative regulations for personnel indicated a lack of policies or regulations for some key operational functions. Having board approved policies and regulations in key areas helps align procedures with the governing board's direction, increases transparency and protects the district. Board policies and administrative regulations for key personnel issues should be adopted and/or revised immediately. Utilizing a well-recognized source such as the California School Boards Association for this process is advisable.

Some staff members perceive that the HR Department does not handle matters fairly and that the HR leadership is autocratic in decision-making. While the scope of this study did not assess how widespread this perception may be, the district should develop systems of communication to help counteract it. Examples of communication tools include periodic email to all employees that includes positive and helpful personnel information and/or developing a blog or wiki that allows for the free flow of information on current topics regarding personnel issues.

The district operates under a merit system for which a personnel commission oversees the recruitment, selection and other proceedings of the classified employees. The district's Rules and Regulations for the Classified Service document governs the processes and procedures for classified employees. A random sampling of employment records for positions hired in 2010-11 and 2011-12 indicates fidelity to the principles of the merit system. However, the process could be enhanced by more vigilance and consistency in some merit system procedures such as ensuring that testing protocols are followed. Including a district employee on oral interview boards to oversee the process also could help ensure transparency and fairness.

Interviews revealed concerns about perceived nepotism and/or hiring practices that were unfair in selecting classified employees who were known by staff. Despite its location in the larger Oakland-San Francisco metropolitan area, the San Lorenzo USD is quite insular. When this happens, it is inevitable that family connections in employment may occur as school districts are often one of the largest employers in the area. A review of a random sampling of employment records showed no evidence suggesting that any unfair considerations were given to relatives of employees. The district should consider instructing paper screeners and interviewers to inform

the HR Department if a person they are related to is a candidate for the position and use this information to ensure that relatives of a candidate are not included in the hiring process for that position.

The screening and selection process for certificated positions is almost entirely site-specific and is controlled by the school administrators. Centralizing some of the selection processes for these positions could help achieve districtwide hiring goals, ensure that all applicants are given an equal opportunity through the screening and selection process, and save site administrators time.

Standard paper-screening documents and position-specific interview screening rubrics should be developed and used for certificated and management positions to better clarify the rationale for moving candidates to the next level in the hiring process. In addition, the individuals who complete the paper-screening should be different from those responsible for first-round interviewing, and in turn, from those responsible for the final hiring decision. This will more readily ensure fairness, merit and equal opportunity.

Site and department managers should be given written procedures regarding the proper use of substitute employees and should be held accountable to follow them. The HR Department should only authorize the use of substitute employees for appropriate employee leaves/absences or for short-term vacancies while seeking applicant pools and developing eligibility lists.

## Child Nutrition

The Child Nutrition Department provides meals to all of the district's schools and 23 contract sites. A new state-of-the-art central kitchen facility was completed in the 2009-10 fiscal year. Food is prepared and transported from the central kitchen to the elementary schools and contract sites, the high schools prepare food on site, and the middle schools prepare most of their food on site, and use a few items prepared in the central kitchen.

The district participates in the National School Lunch Program (NSLP) and School Breakfast Program (SBP) and follows the United States Department of Agriculture's (USDA's) Enhanced Food-Based Menu Planning Option and the offer-versus-serve option, which allows students to refuse foods they do not plan to eat but requires that they take a certain number of items in various food groups. The district menus comply with required nutrition standards. However, based on the October 2011 nutritional analysis documents, it appears that the minimum calorie requirements for high school students have not been programmed correctly in the nutritional software. The district should review this discrepancy and reprogram the software to ensure that it reflects the Enhanced Food-Based Menu Option.

Observations of the lunch service at three school sites indicated that appropriate meal components and portion sizes were offered. However, at the elementary and middle schools many students were observed leaving the line with less than the required amount of food and no district employee was observing the trays at the end of the food lines to ensure a complete meal was taken per federal meal program requirements. The district should redesign the lunch lines at every affected school so an employee can confirm that students take complete meals.

To provide more variety for students, increase the number of meals served and generate additional revenue for the child nutrition program, the district may want to offer an additional hot entrée at elementary school sites. In addition, the district should consider increasing the points of

sale, adding menu choices and using mobile carts for a la carte items at its middle schools. This would also help to reduce the amount of time students wait in line for meals.

The Healthy, Hunger-Free Kids Act of 2010, Public Law 111-296, provides that meals for non-needy students are not subsidized by federal reimbursements for meals of needy students. An analysis of the prices charged by the district indicates that the average prices for paid meals are slightly lower than they should be. The district should review the USDA guidelines and create an action plan to meet the regulations. Federal and state regulations regarding meal pricing for adults and non-students also should be reviewed and prices adjusted as necessary.

The food service operation must follow all local and state health regulations, and school districts participating in the federal meal program must follow a specific format in their food safety plan, the Hazard Analysis and Critical Control Point (HACCP). All food safety policies and procedures must be outlined in HACCP-based standard operating procedures (SOPs). Although the district's SOPs follow the correct format, they do not contain policies and procedures specific to the district's program. Procedures should be reviewed and rewritten for district needs, with specific SOPs defining the district's practices. Staff members should be trained on all procedures, and department managers should monitor the central kitchen and school sites to ensure procedures are implemented correctly. HACCP procedures should be developed and staff trained immediately for Transporting Foods to Satellite Sites and Proper Use of Leftovers.

The district is required to complete and keep daily menu production record forms noting the types and amounts of food served to students and adults. These documents are required by the USDA and state to demonstrate that sufficient food was produced for the number of meals claimed for reimbursement. They also function as a planning tool to ensure the proper amount of food is produced. The district's production and transport records are missing some required elements and are not completed consistently and thoroughly at each site. The department should review the program requirements and ensure that production and transport forms include all necessary elements, train staff members to properly complete the forms and ensure that management staff regularly monitor the records to confirm they are completed accurately.

The Child Nutrition Department offers catering services for meals, snacks and beverages to the district, Alameda County Office of Education, and some community organizations, and operates an employee café at the county office. While the department provides a convenience for staff by offering these services, prices should be reasonable and competitive, and the district should ensure that federal and state funds for the reimbursable meal program do not subsidize catering services.

No account detail is available for contract sites and catering services in the district's financial system, so the department keeps a separate accounting of the revenue and expenditures for these services. Because the department has a large number of contract sites and catering services, specific account codes should be developed and implemented for revenue and expenses related to these areas so they may be easily tracked.

The department's budget records indicate that the catering program operated at a loss of \$26,900 in 2010-11. The program is projected to operate at a loss of \$33,700 in 2011-12. The district should carefully examine the catering operation and budget to determine if it should continue offering the service. If the district decides to continue offering catering services, steps should be taken to ensure that the program does not operate at a deficit. For example, labor costs should be reviewed to determine how staffing can be restructured to reduce costs, district and county office

staff should be surveyed to determine what would attract more customers, and catering prices should be compared to local vendors to ensure they are competitive.

The director of child nutrition should regularly review the cafeteria fund budget with the district's business services department and update it throughout the fiscal year, at least at each financial reporting period, to ensure that projections are accurate and based on the most current information available. The director should also meet with personnel from all contract sites at least annually to assess their satisfaction and find ways to improve services to retain clients.

# Findings and Recommendations

## Human Resources Department

### Department Operations

The San Lorenzo Unified School District has operated under the merit system since 1963. California Education Code Sections 45240 through 45320 contain the laws to be followed by school districts that have adopted the merit system. The system provides a method to ensure that merit and fitness govern the selection, progress, and retention of classified personnel. The district adopts specific rules and regulations consistent with these sections of the Education Code that augment the collective bargaining agreements with classified employee groups. The rules specify procedures regarding classification of positions, examinations for positions, establishment of employment lists, layoff and disciplinary action and appeal.

A personnel commission is responsible for oversight of the recruiting, assessment, selection, hiring, promotion, discipline/demotion and other proceedings of the classified employees. This three-member commission is appointed in the following manner: one member is appointed by the district's governing board and one member is nominated by the exclusive representative of the classified employees and appointed by the governing board. These two members then appoint a third member. The term of office is three years. The commission holds a monthly public meeting and considers items such as reports showing administrative actions, examinations, eligibility lists, records and files of employment, classification plans, and correspondence.

The assistant superintendent of human resources (HR) serves both the district's governing board and the personnel commission as their chief officer. Though it is not a merit system requirement, it is fairly common for a separate director or supervisor of classified personnel to serve the personnel commission. However, greater efficiency and a natural mitigation of potential conflict may be achieved if a district can function without two managers overseeing personnel functions. FCMAT's observations showed that the district's decision to have one assistant superintendent over all personnel functions is a prudent use of resources. Indications are that the governing board and the personnel commission work well together and have worked with district administration to develop mutual respect for the duties and powers of each respective body.

The assistant superintendent of HR serves as the district's chief negotiator in collective bargaining with the certificated and classified units. The San Lorenzo Education Association (SLEA) represents the certificated staff and two units represent classified employees: the California School Employees Association (CSEA) represents clerical and office, information technology, and instructional assistant positions; the Service Employees International Union (SEIU) represents transportation, custodial, grounds, maintenance and skilled trade, and food service positions.

The collective bargaining agreements indicate a labor-friendly environment that maintains necessary management rights in areas such as use of compensatory time, ability to evaluate as needed and closure of contracts (zipper clauses). However, contract terms that include enhanced vacation with longevity, transfer considerations, liberal absence and leave policies, the ability to request a temporary reassignment to train in some positions when another employee is absent, a shorter than average duty day/week, access to pre-retirement part-time work (the Willie Brown Act), and post-retirement health benefits reflect strong union representation and a district that has been cognizant of the working conditions of its employees.

The grievance procedures in all three collective bargaining agreements move an unsettled grievance directly from the informal and formal district levels to binding arbitration. Level III of the grievance procedures in the SLEA collective bargaining agreement includes an opportunity for the district's governing board to directly address a grievance prior to binding arbitration. It would be advisable to consider eliminating this procedure because the governing board should not be put in a position of deciding a grievance only to be overturned in binding arbitration. If there were no arbitration or only advisory arbitration, having the board as the final decider of a grievance is common and appropriate.

The district's Human Resources Department is responsible for coordinating all aspects of personnel services. The department consists of seven employees that are directed by the assistant superintendent of HR who came from the certificated teaching and school site administrative ranks and has served for approximately eight years as the district's chief personnel officer.

The department's seven employees include an administrative secretary II; a human resources secretary I; four HR assistant/technician positions in the areas of certificated personnel, classified personnel, and benefits oversight; and an absence control specialist who also serves as the department's receptionist. Some of the department staff members perceive that the workload is heavy and that an additional employee is needed. However, the FCMAT study team's experience indicates that the number of staff is likely adequate for a school district of this size, and may be a bit larger than that of comparable districts. Although the scope of work in this study did not include a staffing comparison and analysis, the following suggestions could help mitigate the staff's workload concerns.

Observations indicated that the division of labor among department staff members may not be equitable and that some duties may need to be reallocated based on the FCMAT study team's experience. To get a better understanding of the amount of time required for the tasks assigned to each position, the district should consider assigning each department staff member to complete a one-month time analysis of daily job duties.

Proper internal controls require that more than one employee is able to perform each job. Internal controls are a means by which the organization's resources are directed, monitored, and measured. They play a critical role in preventing and detecting fraud and protecting the organization's resources. Each staff member should be required to use accrued vacation time, and another staff member should be able to perform those duties and provide good customer service. Employees in the HR Department work in close proximity to one another. This should provide many opportunities for cross-training, thus helping to better manage work flow and provide for proper internal controls.

The HR Department lacks desk manuals that include step-by-step procedures for all job duties. Desk manuals of procedures help to ensure proper internal controls and provide a better understanding of the responsibilities of each position. These manuals would provide for routine procedures to be more easily shared when new employees join the department or when an extended absence creates the need for untrained substitutes.

Although the physical layout of the department facilitates intra-departmental communication, it impedes the privacy and confidentiality that is often required with personnel matters. Because of the need for confidentiality and because the office serves as the central reception area, the district should consider installing partitions or desk shelves to help shield confidential materials. In addition, a space other than the assistant superintendent's office should be provided for conferencing with employees and/or discussing personnel topics of a sensitive nature.



Largely because of its location and the telephone routing system, the district's HR Department serves as the reception and information center. It is not unusual for a department to double as the reception area, and often human resources departments serve in that capacity. Utilizing the absence control specialist as the receptionist is appropriate; however, implementing a schedule for other employees in the department to be responsible for phone and foot traffic when the absence control desk is impacted and during break periods would help to balance the workload and provide for more seamless reception services.

Observations indicated that recordkeeping in the HR Department is generally well-organized and complete. The department keeps hard-copy files of all transactions that are easily accessible for review. However, the position control system (the system whereby an organization tracks employee positions and the associated budget and resource allocations) needs to be more closely reviewed by the HR, budget and payroll departments for efficiencies and accuracy. For example, Request for Personnel and Personnel Action forms exist for classified and certificated personnel transactions. The Request for Personnel form requires approval from accounting and human resources, and the Personnel Action forms are distributed to payroll, human resources, and benefits administration. However, there is a lack of consistency in the assigning of account numbers for positions; the numbers are frequently missing or are not accurate.

The originating administrator for a position vacancy is supposed to assign the appropriate account numbers, then the accounting supervisor verifies the funding and assigns a position control number; but this protocol is not always followed. These procedures could be easily fixed by either requiring accurate completion of the forms or by developing an automated review protocol in the district's position control system (ESCAPE). Interviews indicated that the ESCAPE system has specific features for position control and other HR functions, but that not all system modules are used nor has necessary training been provided to employees. Utilizing the position control system to its fullest extent and ensuring that employees are adequately trained in its use could also help to reduce the amount of time staff spends performing these functions.

Board policies (BP) and administrative regulations (AR) are based on laws contained in numerous codes including the Education Code, Government Code, and Public Contract Code as well as federal regulations, case law and individual agency practice. Policies and regulations provide an educational agency with a key component of internal control. They supply the guidelines and directives by which the agency and its personnel operate. Because they are based on laws and regulations that are revised frequently, board policies should be updated and revised as changes are made. A review of the district's board policies and administrative regulations for personnel indicated there are no BPs or ARs for some key operational functions, such as: criminal record checks, employment of relatives, sexual harassment, dress and grooming, unauthorized release of confidential information, publication and creation of materials, soliciting and selling, and work-related injuries. While it is not necessary to develop formal board policy and administrative regulations for every personnel function, having board approved policies and regulations in key areas helps align procedures with the governing board's direction, increases transparency and provides protection for the district. Utilizing a well-recognized source such as the California School Boards Association for policy updating is advisable.

Some staff members perceive that the HR Department does not handle matters fairly and that the HR leadership is autocratic in decision-making. For example, the HR Department sent an email to employees stating that the department did not have the resources to meet individually or answer emails or phone calls regarding the recent health and welfare benefits provider change that affected all district staff. Although the department email provided a date that information

sessions with the benefit provider would be conducted and the provider's phone number for questions, the tone of the message left staff with the impression that the department was too busy to help them with such an important matter.

While the scope of this study did not assess how widespread this negative perception may be, the district should develop systems of effective communication and training that would help counteract it. This may be accomplished by the HR Department sending regular emails to all employees that include positive and helpful information, such as profiles of new employees, tips about employee benefits and celebratory announcements. The district may also wish to consider other means of electronic communication such as a blog or wiki that allows for the free flow of information on current topics, including the evaluation process, collecting bargaining and safety issues. These forms of communication can be used to help inform employees, create collegiality and provide honest feedback to the department about employee perception.

FCMAT has developed an extensive list of standards to evaluate the personnel management functions of public school agencies. These standards cover general functions such as policies and procedures, job descriptions, internal and external communication, employee recruitment, selection, orientation and training, state and federal compliance, use of technology, evaluation and due process procedures, employee services, and employer and employee relations. The district should review all the standards to ensure they are being met and to help develop best practices for its personnel operations. The standards may be accessed and downloaded at the following Web address, and begin on page 13 of the document:

<http://wwwstatic.kern.org/gems/fcmat/FCMATStandards2009.pdf>

## Recommendations

*The district should:*

1. Consider negotiating with SLEA to eliminate the step of grievances being sent to the governing board for review and possible decision, prior to arbitration.
2. Consider assigning each HR Department staff member to complete a one-month time analysis of daily job duties, and then reallocate duties as necessary.
3. Ensure that effective internal control processes have been implemented and that employees are cross-trained in all key areas of responsibility.
4. Develop individual desk manuals for each position and ensure that each employee includes in his or her manual the step-by-step procedure for all assigned duties.
5. Implement a schedule for other employees in the HR Department to be responsible for phone and foot traffic when the absence control specialist's desk is impacted and during break periods.
6. Consider office space restructuring, such as installing partitions or desk shelves and clearly delineating a space for receptionist functions, to ensure confidentiality.

7. Provide a more private space for conferencing with employees and/or discussing personnel topics of a sensitive nature.
8. Utilize the position control system to its fullest extent and ensure that employees are adequately trained in its use.
9. Immediately update the board policies and administrative regulations relating to personnel and develop a plan to keep them current.
10. Consider providing positive communication regularly from the HR Department, such as an email newsletter or blog.
11. Review FCMAT's list of standards for personnel management functions and ensure they are being met.

## Employee Recruitment and Selection

Fiscal years 2008-09 through 2011-12 have been unprecedented budget years for California's local educational agencies (LEAs). To address the state's ongoing budget deficit, state lawmakers used numerous strategies to help balance the budget, including reducing expenditures, adding new taxes, borrowing money, using federal stimulus funds and imposing mid-year cuts. LEAs have been subjected to deep budget cuts and increased cash deferrals, and funding for fiscal year 2012-13 is uncertain given the ongoing state budget deficit.

Though employee morale has been affected by budget constraints, layoffs, and changes in health and welfare benefits providers, the district has not experienced significant employee turnover. Interviews indicated that teachers are respected and valued in the community, and that school principals are generally pleased with the recruitment and selection of employees for their sites.

FCMAT completed its analysis of the district's employee recruitment and selection procedures by selecting a random sampling of vacant positions filled in 2010-11 and 2011-12 and reviewing district documents pertaining to these positions. The testing associated with this review was based on a sample selection and did not include testing of the complete list of all records for this period. Sample testing and review results are intended to provide reasonable, but not absolute assurance as to the accuracy of the district's recruitment and selection procedures.

Documents were reviewed for classified, certificated and management positions. Following are the results of the document analysis.

### **Classified Positions**

The district's Rules and Regulations for the Classified Service document governs the processes and procedures for classified employees, including recruitment and selection. An analysis of the random sampling of employment records and the hiring practices for 2010-11 and 2011-12 indicate fidelity to the principles of the merit system. Recruitment bulletins contain the required information. The employment application meets legal requirements, and the procedures for paper screening and assessment are generally followed. The district consults the Cooperative Organization for the Development of Employee Selection Procedures (CODESP) as a source for assessments that have been tested for reliability. A review of the data indicated that the determination of open positions and those deemed promotional for district employees is done fairly. Most positions have competitive examinations (open to the outside), but in positions

such as grounds equipment operator or head custodian, where a sufficient number of lower level employees could promote, that opportunity was provided. Oral interview boards are conducted according to the Rules and Regulations. Eligibility lists are developed accordingly and there is no indication of favoritism in these procedures because civil service objectives and merit determine the rankings. In some areas, however, the process could be enhanced.

During FCMAT's fieldwork, multiple interviews revealed that a candidate was allowed to enter a test setting late, even though it was clearly posted on the invitation that the door would be closed and no late admittance into the testing area would be allowed. This individual was subsequently hired for the position. Section 4.3 of the Rules and Regulations states, "The continuous examination shall be promulgated under similar conditions and techniques as previous examinations..." Section 5.2 states, "All competitors in any open-competitive or promotional written examination must take the examination on the prescribed date and under the same or similar conditions. In special circumstances, by approval of the Chief Personnel Officer, an alternative date for testing may be arranged that resembles the original testing situation as closely as possible." While written processes and procedures should be followed, the validity of the situation is perhaps less significant than the widespread negative communication regarding the occurrence, which has caused dissension among employees.

The district's oral interview boards are often composed of all outside interview raters. Because there are several merit system districts in the metropolitan area, the department is able to access raters that are familiar with the processes. However, it is advisable to more often include a school district employee as part of the oral interview board, such as a member of the Human Resources Department. This employee should not be a first or second level supervisor of the classification being interviewed. This often helps to monitor the interview and rating process and ensure transparency and fairness. Though the interviews are recorded, there is not necessarily a check in place to guarantee meritorious ratings. A district employee could help make sure all questions are asked in the same manner, oversee the scoring process, and limit any discussion about candidates by panel members.

Classified positions are subject to reclassification studies on an irregular basis. Recent history indicates that positions are reclassified to create new positions or because of a request by bargaining representatives or employees for a particular study. For example, the credential technician position was recently reclassified as human resources technician, and a request was also submitted for a review of the payroll technician. Reviewing positions in this manner is not proactive and tends to create expectations that reclassification of job specifications also will increase the compensation of the classification. In reality, compensation and reclassification are often mutually exclusive. The purpose of a classification study is to determine if the specifications in the job description accurately describe the work being performed, and then to make any necessary corrections. Wages should not typically change because of the study. Compensation differences are more accurately adjusted based on salary studies.

Many merit districts have developed the capacity internally to complete an annual classification study on a five- or six-year rotational cycle, as part of their normal procedures. In any given year, several job families may be studied. For example, one year's work could include grounds and custodial positions, represented by SEIU, and instructional aide positions, represented by CSEA. The current job class specifications can be sent to all employees who work in those classes and their supervisors for comments. Work site observations by an HR Department employee could be scheduled, and comparative specifications gathered from comparable school districts could be obtained. This type of procedure assures employees that their particular job will be analyzed

periodically, and it becomes less likely that requests for classification studies will occur outside the established cycle. It also helps protect against the expectation that a classification study will automatically result in a wage increase, though this needs to be considered as part of the process. The California School Personnel Commissioners Association (CSPCA) and CODESP offer workshops designed to train staff to conduct classification studies.

Section 6.4 A. of the Rules and Regulations for the Classified Service states, “If an eligible is certified from the same list three (3) separate times and is passed over by the appointing power on all three (3) certifications in favor of other eligibles certified, his/her name may be permanently removed from the list by the Chief Personnel Officer upon receiving a written statement from the appointing power as to why the eligible was not appointed. The eligible will be informed by the Chief Personnel Officer of the reasons for removal from the list.” Section 4.10 A. specifies the following reasons the Chief Personnel Officer may refuse to examine an applicant or withhold an applicant from an eligibility list:

1. Failure to meet the general qualifications as listed in 4.9 may be grounds for disqualification.
2. Refusal to take or sign the Oath of Allegiance shall be grounds for disqualification.
3. Advocacy of overthrow of the Government of the United States (or the State of California) by force, violence or unlawful means shall be grounds for disqualification.
4. Conviction for any of the following are is (sic) grounds for disqualification: crime involving moral turpitude or sex offense and some narcotics offenses as outlined in Sections 45304, 44010, 44011. Other convictions may be grounds for disqualification, such as various felonies, mistreatment of children; misdemeanor of a serious nature.
5. Intentionally making a false statement as to any material fact or practicing any deception or fraud in certification or appointment or in securing eligibility to take the examination shall be grounds for disqualification.
6. A person’s conviction record will be evaluated on the following basis: nature, seriousness and circumstances of the offense and recency of the offense; number of convictions; relationship of the offense to the position applied for, evidence of rehabilitation and maturing including the employment record with respect to job responsibility and duration; truthfulness in admitting the offenses.
7. Evidence of the habitual use of intoxicating beverages or drugs while on duty/ or affecting person’s ability to perform work may disqualify a person.
8. Dismissal or resignation to avoid dismissal for cause which indicates poor performance in the type of work sought may disqualify a person.
9. Separation for cause from the San Lorenzo Unified School District.

10. A person may be disqualified for mental or physical inability to perform the duties of the position. Written proof of such condition or disability must be submitted by a physician after a medical examination paid for by the District.
11. A person may be disqualified for failure to report for duty after accepting an employment offer or for not being available to report for interview or work.
12. A person may be disqualified for serious or numerous traffic violations when driving is part of the duties of the class.
13. A person may be disqualified for failure, after due notice, to report promptly for review of any of the above bases for rejection.
14. Refusal to testify in a hearing before the Commission or the Governing Board.
15. Other reasons deemed sufficient by the Commission.

Therefore, unless the appointing power is able to demonstrate through reference checking or some other means that the eligible is unfit to qualify for one of the reasons delineated in Section 4.10 A., it seems inconsistent with the merit system to remove an individual from the eligibility list only because they were passed over three times.

Interviews revealed concerns about perceived nepotism and/or hiring practices that were unfair in choosing classified employees. A review of district documents for classified positions found instances of individuals who were related to employees who became eligible for consideration by the appointing authority (the administrator or supervisor of the position). FCMAT also noted that in many instances a substantial number of applicants attended district high schools, and the number of individuals who applied for multiple positions over a period of time was also significant. Despite its location in the larger Oakland-San Francisco metropolitan area, the San Lorenzo USD is quite insular. When this happens, it is inevitable that family connections in employment can occur because school districts are often one of the largest employers in the area. However, no evidence was found to suggest that any unfair considerations were given to relatives of employees, and the review of a random sampling of application screening, testing, certification and eligibility list ranking documents indicated that the process appeared to be fair.

### **Certificated Positions**

The department has used multiple avenues for certificated position recruitment, including posting vacancies at colleges and universities and staff attendance at job fairs and recruitment centers. However, the department relies most heavily on advertising positions through Ed-Join, an online service for both job seekers and employers. The use of Ed-Join is common for educational agencies throughout the state.

The district's HR Department commonly accepts applications for certificated positions whether or not there is an advertised vacancy. The applications are kept for two years and are available any time a position needs to be filled. When a school principal has a teaching vacancy that is not filled through the voluntary/involuntary employee transfer process or by an employee returning from layoff or leave, these applications are made available for review. The HR Department may

screen the applications for credential qualification or other factors, but the screening and selection process is almost entirely site-specific and is controlled by the school administrators.

The district should consider centralizing some of the selection processes for several reasons. For example, job seekers may submit applications to many school districts, and when it is time for principals to begin the interview process, they find that many candidates have already taken jobs elsewhere. A centralized process that includes removing files of those who have accepted jobs elsewhere would save site administrators time. If districtwide hiring goals need to be achieved, such as increasing the number of individuals with bilingual ability or specific educational technology skills, a centralized paper-screening process could identify those experiences, educational resumes, or answers to supplemental application questions that best align with those goals.

Although the district is an equal opportunity employer, there is no guarantee inherent in the current screening system to ensure that all applicants are given an equal opportunity. Interviews indicated that school site principals can implement whatever screening and selection process they like. A centralized process that provides a pool of qualified and pre-screened applicants to the site administrators for their consideration would help guarantee more equity. Further, the current process does not ensure that the interview process used at the sites is fair in terms of the types of questions asked, similarity of questions for all candidates, performance assessments or composition of the interview panel.

A more centralized selection and screening process should not remove a site principal's ability to staff his/her school appropriately but should provide for consistency and standardization. A more centralized yet site-based decision-making process would include:

1. Utilizing a paper-screening template for specific certificated positions, based on established criteria that will serve to limit those applications site staff must review.
2. Developing a list of potential questions that are specific to the position, to be used in the formal interviews. Districtwide goals could be incorporated into these questions.
3. Developing protocols that require the same questions to be asked of each candidate.
4. Ensuring that the approved reference-checking documents are used consistently and are kept on file for each finalist that is considered for hire.

Staff members indicated some concerns regarding the amount of time it can take to fill certificated positions, particularly in regard to temporary employees who were released or employees who were laid off to be notified and determine if they wish to fill a vacancy, and the inability to fill a vacancy while this process occurs. However, because of issues such as reduced state funding, fluid student enrollment and staffing projections and open enrollment movement, filling positions may take longer than staff would like. Further, the domino effect of transfer decisions may affect multiple sites. While positions are so dependent on the state's fiscal uncertainty and the resulting employee layoff procedures, it is difficult to speed up the hiring process.

## **Management Positions**

Interviews and the review of a random sampling of employment selection materials indicate that the district uses a generalized process to fill administrative vacancies. Positions are advertised using Ed-Join and through Ed-Cal, a weekly newspaper published by the Association of California School Administrators (ACSA). Required qualifications are included in the posting, and the application packet includes supplemental questions specific to the administrative position.

A group of individuals that includes representatives from the three bargaining units and administrative/managers, chaired by the assistant superintendent of HR meet to screen the applications. This group determines which applicants move forward to the interview process. Most often, this same group conducts the first round interview and selects the candidates that will move to the next interview. These finalists are then interviewed by the superintendent, cabinet members and others, as determined by the superintendent.

There was no evidence of a paper-screening rubric or of other criteria used for selecting those who moved forward in the recruitment and selection materials chosen for review. Interviews indicated that while all screeners read the packets thoroughly, discussions also take place regarding the screeners' knowledge of the candidates. For example, application documents for one administrative position were screened by several individuals. Fifty-three applicants were considered and five were moved forward for an interview. FCMAT's review of the applications indicated that all five candidates were qualified. However, several other application packets included individuals that may also have been qualified. Although screening applications is a subjective process, a review of the letters of recommendation, resumes, work history, and similar career paths indicated individuals who appeared to be equal in an objective sense. The five candidates chosen for interview may have been the most qualified. However, if each screener were required to complete a standard scoring rubric independently, and then discussed their results and reason for the individual scores, the rationale for moving the five candidates to the next level would be clear.

The questions used in the first-round interview for the position were appropriate and thoughtful. A writing sample was obtained and an in-basket assessment was given. In-basket assessments are tools that provide candidates a list of items that would need to be addressed within a certain time frame. The candidates must then prioritize the items and justify their reasoning to the interview panel. These activities were scored accurately and this part of the process was transparent and fair.

A clear position-specific screening rubric should be developed and each screener should independently screen the applicants for each open position. In addition, a different set of individuals should conduct the first interview. By separating those individuals responsible for paper screening from those responsible for first-round interviewing, and in turn, from those responsible for the final hiring decision, fairness, merit and equal opportunity is more readily ensured. (Samples of rating sheets for paper screening and interviews are included in Appendix A of this report.)

## **Substitutes**

During FCMAT's fieldwork, some concerns were raised about the policies and procedures governing substitute employees. Substitute employees, both certificated and classified, have limited rights as school system employees. Per Education Code Section 44953, districts "may dismiss substitute employees at any time at the pleasure of the board." While substitute employees have protections against discrimination as provided by the California Department



of Fair Employment and Housing and the U.S. Equal Employment Opportunity Commission, districts have a great deal of flexibility in selecting, hiring, and dismissing substitutes.

Per Education Code Section 44917 and the Rules and Regulations for the Classified Service Section 7.1, substitute employees are to be used to substitute for a temporary vacancy due to the absence of a regular employee. If an individual is not substituting for a temporary leave but is working in a new position, providing some other sort of duty, or filling in for a position where an eligibility list is active, then this person is not a substitute. The district opens itself up to challenges from the bargaining units and employees when a substitute serves in an inappropriate capacity. Site and department managers need to be provided with written procedures regarding the proper use of substitute employees and held accountable to follow them. The HR Department should only authorize the use of substitutes for appropriate employee leaves/ absences or for short-term vacancies while seeking applicant pools and developing eligibility lists.

Unless required by governing board policy, substitute employees are not required to be evaluated and can be released without cause at the discretion of the district. However, the district may choose to evaluate substitutes to serve its interests in determining long-term employment options and documenting concerns in the case of a discrimination claim. If the district chooses to evaluate substitutes, the process should be consistent and transparent.

The district uses its eligibility lists as a source for classified substitutes. This signifies that the individuals have been screened and are qualified for a position, and provides on the job training.

A substitute handbook and specific training, particularly for substitute teachers, that clearly describes district culture, expectations, procedures and maps indicating site locations should be developed. Providing clear guidelines and a training regimen helps to limit the district's risk of liability and enhances the goals of the organization.

## Recommendations

*The district should:*

1. Be vigilant and consistent in all merit system procedures, including testing protocols.
2. Consider the use of HR Department employees, at least periodically, to oversee oral interview board procedures.
3. Consider implementing a job classification study cycle.
4. Consider taking the necessary steps to eliminate Section 6.4 A. from the Rules and Regulations for the Classified Service.
5. Consider including in its hiring process the practice of instructing paper screeners and interviewers to inform the HR Department if a person they are related to is a candidate for the position.
6. Ensure that relatives of a candidate are not included in the hiring process for that position.
7. Centralize more of the hiring processes for certificated positions.

8. Define a clear paper-screening protocol for certificated and administrative positions.
9. Use different groups of individuals to paper screen and interview for administrative positions.
10. Ensure that site and department managers are provided with written procedures regarding the proper use of substitute employees and are held accountable to follow them.
11. Ensure that the HR Department only authorizes the use of substitute employees for appropriate employee leaves/absences or for short-term vacancies while seeking applicant pools and developing eligibility lists.
12. Determine if substitute employees are to be evaluated. If so, implement a consistent and clear process of evaluation.
13. Continue using employment eligibility lists as a source for classified substitutes.
14. Develop and implement a substitute employee handbook and training program.

# Child Nutrition Department

## Menus and Meal Program

The district's Child Nutrition Department provides meals for all of the district's schools and 23 contract sites. A new state-of-the-art central kitchen facility was completed in the 2009-2010 fiscal year. Food is prepared and transported from the central kitchen to the elementary schools and contract sites. The high schools prepare food on site, and the middle schools prepare most of their food on site, and use a few items prepared in the central kitchen. The department also offers catering services to the district, Alameda County Office of Education and some community clients.

The district participates in the National School Lunch Program (NSLP) and School Breakfast Program (SBP) and serves breakfast and lunch at district schools and nine of the contract sites. The NSLP is a federally assisted meal program that operates in public and nonprofit private schools and licensed residential child care institutions. The program provides students with nutritionally balanced low-cost or free lunches and breakfasts each school day. The program was established when the National School Lunch Act was passed in 1946. The remaining 14 contract sites are not part of the NSLP but simply purchase vended meals, food sold for an agreed upon cost, from the district. Some of the district's schools and contract sites also participate in the NSLP After-School Meal Supplement Program.

The district follows the United States Department of Agriculture's (USDA's) Enhanced Food-Based Menu Planning Option and the offer-versus-serve option, which lets students turn down foods they do not plan to eat but requires that they take a certain number of items in various food groups. The enhanced menu option requires specific portion sizes for meal components from each of the following food groups: meat, breads, fruits, vegetables and milk. Complete USDA guidelines for each food group are available online at [www.fns.usda.gov/cnd/menu/menu\\_planning.doc](http://www.fns.usda.gov/cnd/menu/menu_planning.doc).

The following tables summarize the requirements of the offer-versus-serve option:

National School Lunch Program Offer Versus Serve Enhanced Food-Based Menus
<ul style="list-style-type: none"> <li>• All five food items must be offered to all students.</li> <li>• Serving sizes must equal the minimum required quantities for the appropriate grade group.</li> <li>• Lunch must be priced as a unit.</li> <li>• Students have the option of which item(s) to decline.</li> <li>• Students must take a full portion of at least <u>three</u> of the five food items:               <ul style="list-style-type: none"> <li>• One serving of meat, meat alternative, milk or grains/breads and</li> <li>• Two servings of vegetables and fruits.</li> </ul> </li> </ul>

## National School Breakfast Program

## Offer Versus Serve

## Enhanced Food-Based Menus

- Four food items must be offered in the specified minimum amounts.
- Students must take at least three of the following:
  - One serving of juice/fruit/vegetable and
  - One serving of milk and
  - Two servings of grains/breads OR
  - One serving of meat/meat alternative and one serving of grains/breads OR an equivalent combination of meat/meat alternate/grains/bread (such as a breakfast sandwich, such as egg or ham on an English muffin).

Meals are also required to meet standards for calories, proteins, fats and certain vitamins and minerals based on the students' grade in school. Under the Enhanced Food-Based Menu Planning program, the district is not required to perform a nutritional analysis of the menus, but state officials will conduct an analysis when the district receives its state compliance review, and the menus must meet nutritional standards. Because the district previously followed the Nutrient Standards Menu Planning Option, which required the district to perform a nutritional analysis of its menus, the department already has the necessary software and has continued to perform this important function. The following table illustrates the different caloric and nutrient standards for students in preschool, grades K-6 and grades 7-12.

***Lunch Calorie and Nutrient Standards for Enhanced Food-Based Menu Planning Options (Average School Week), by Grade Level***

Nutrients and Energy Allowances	Pre-School	Grades K-6	Grades 7-12
Energy Allowances (calories)	517	664	825
Total Fat (g)*	17	22	28
Total Saturated Fat (g)**	6	7	9
Protein (g)	7	10	16
Calcium (mg)	267	286	400
Iron (mg)	3.3	3.5	4.5
Vitamin A (RE)	150	224	300
Vitamin C (mg)	14	15	18

\*Total fat is not to exceed 30% of calories over the course of a school week.

\*\*Saturated fat is not to exceed 10% of calories over the course of a school week.

Grams of fat will vary depending on the number of calories.

A review of the nutritional analysis of district menus indicates compliance to required standards at elementary and middle schools. The high school nutritional analysis also complies with standards, except that the department's computer-generated analysis for October 2011 reflects

that weekly caloric totals were between 97-99% of requirements. However, because the district follows the Enhanced Food-Based Menu Planning Option, grade 7-12 standards may be used for high school students. Therefore, it appears that the minimum calorie requirements for high school students have not been programmed correctly in the nutritional software and it is still following the Nutrient Standards Menu Planning Option, which requires slightly higher calorie levels.

The USDA announced plans to revise nutrition standards for meals subsidized by the federal government. The new rules, released on January 31, 2011 are the first major revisions to the standards in more than 15 years and will include the following:

- A decrease in the amount of starchy vegetables such as potatoes, corn and green peas (item proposed but was repealed 10/21/11 due to disagreement in its intent).
- A requirement to serve only unflavored 1% milk or fat-free flavored or unflavored milk.
- An increase in offerings and variety of fruits and vegetables.
- An increase in whole grains. There is no requirement at present.
- A requirement to use products that have zero grams of trans fat per serving.
- A reduction of the sodium in meals over the next 10 years that would eventually reduce total sodium by more than 50%.
- The establishment of calorie maximums and minimums, instead of minimums only, by grade level.

There is no specific timeline for implementation of these new USDA requirements. They will be phased in gradually over the next several years. Additional detailed information is available from the California Department of Education (CDE) website at <http://www.cde.ca.gov/ls/nu/he/mealmenu.asp>.

A review of district menus, observations at school sites and discussions with San Lorenzo child nutrition staff indicated the department has already begun implementing some of the new standards. For example, only 1% and non-fat milk are served, a large variety of fresh fruits and vegetables (from local sources) are offered, whole grain pasta and bread products are used whenever possible, only brown rice is used and menus are trans-fat free.

Lunch service was observed at Hesperian Elementary School, San Lorenzo High School and Edendale Middle School. Observations indicated that appropriate meal components and portion sizes are offered at all sites. The high school students take the required three components to qualify as a complete meal. However, at the elementary and middle schools many students leave the line with less than the required amount of food. Although the federal meal program requires that an employee observe the trays at the end of the line to ensure a complete meal is taken, no employee was responsible for this task at the schools FCMAT visited. If students are observed taking incomplete meals during a state compliance review, the district can be denied reimbursement for those meals and it would be noted as a non-compliance issue on the report, requiring corrective action.

### **Elementary School**

At the elementary school the line is structured so that students first pass the milk cooler and the cashier. Hot food is served by a food service employee stationed behind a counter in the kitchen. Another individual is stationed at the end of that food line offering yogurt and crackers to students who did not want the hot entrée. The students then pass by a salad bar where they may serve themselves or proceed directly to a cafeteria table. There is no employee at the end of the salad bar line to remind students to take all of the required food components. Observations found that some students had incomplete meals because they didn't take milk with their entrée and/or didn't take salad or fruit. This could be corrected by having the employee who serves the hot food also offer the yogurt alternative, freeing up the second individual to stand at the end of the salad bar to ensure that students have a full meal.

The menus at the elementary schools are limited. Only one hot entrée is offered, with an option of yogurt and crackers as the second (and vegetarian) entrée. Staff indicated that prior to the 2011-12 school year two hot entrees were offered, but this was changed due to site principal requests. When two hot entrees were offered, the Child Nutrition Department required the students in each classroom to decide which entrée they wanted and for those individual counts to be provided to the department. This procedure took too much time in the classroom, and students would often change their minds about the entrée they had selected once they arrived in the cafeteria. The normal industry practice is to obtain a total head count for students planning to eat lunch; the choices are then offered in the cafeteria until the entrée is gone.

While it is impossible to determine exact quantities in any food service setting, even with a pre-count, the central kitchen should have a good idea of the most popular items based on history and plan production accordingly. Students typically adapt to the situation if the entrée they wanted that day is no longer available, and as long as sufficient food is available to provide complete meals, federal and state regulations are satisfied. The district should reconsider providing additional entrée choices for students such as a second hot entrée, a sub sandwich or a rotation of a few popular items such as burritos and pizza.

### **Middle School**

At the middle school the line is structured so that students first go to the cashier, then to a hot food station. Students then pass by the milk cooler and salad bar without an employee observing the final meals. This issue could be resolved by stationing the cashier at the end of the line so they can ensure students have a complete meal. Another alternative is to place the milk cooler before the hot food line and have some other meal components available at that line, such as bread items, low-fat chips, hot vegetables, and/or a fruit basket so staff can ensure students have a complete meal when they leave the counter; the salad bar could then just enhance the meal. A third option would be to place the salad bar and milk before the hot food line so staff can check for a complete meal when students leave the counter. Given the current layout of the food service facility, this option would also require the cashier to be relocated.

Only one point of sale is available at Edendale Middle School at each of the two lunch periods. Serving lines are long, and although students were served in sufficient time to eat their lunch, it would be more appealing if additional points of sale were available. Staff indicated they would like to have more points of sale at the middle schools but have not pursued this because the food service computer system cannot operate wirelessly. However, the layout of the cafeteria would allow for additional points of sale that are hard-wired if a wireless option is not available. For

example, an additional cashier could be stationed at another location in the cafeteria offering either different menu items than the current line, such as grab and go sandwiches and salads, or a duplicate line using warming carts to keep supplies hot. Both lines could be situated so that all students can participate in the salad bar.

Menu items are more limited than those offered at the high school and include two hot entrees, a sub sandwich that is made in the central kitchen and yogurt. The salad bar offers many fresh fruits and vegetables. It would be beneficial to explore more menu offerings for middle schools, including options such as Subway and Burger King if contracts with the vendors would allow, as middle school students typically respond favorably to familiar brands.

A la carte sales are also a popular option for middle school students; however, they are not offered at the district's middle schools. These options could be added by setting up portable carts outside as additional points of sale. This would help to increase student satisfaction with lunch options and generate additional revenue for the child nutrition program.

### **High School**

The menu offerings at the high school are impressive and appropriate for the age group. They include a Burger King franchise, offering low-fat versions of classic favorites such as the Whopper, a grilled chicken sandwich and a veggie burger. These items are prepared fresh just before the meal time and are appealing. Other food lines offer Subway sandwiches, pizza slices from a local vendor, yogurt and fruit parfaits, shaker salads, rice bowls and spaghetti. There is also a carving station that offers partially self-serve meals. One day a week freshly carved roasted meats such as turkey, beef or pork are served on a fresh French roll. Students then proceed to a condiment station and salad bar where they may top their sandwich as desired and add a side salad. This station offers other food options the rest of the week, such as a baked potato bar or chili bar where students may add toppings and salad of choice from the salad bar.

A la carte items are sold at the high school in a snack bar located in a building near the cafeteria. Items offered comply with state nutrition standards, which are different than those for meals. A la carte foods must contain 250 calories or less, with no more than 35% of calories from fat or sugar. A la carte entrees can have no more than 400 calories and four grams (36 calories) of fat per 100 calories. Allowable beverages are milk, water with no sweeteners, unsweetened fruit juice and electrolyte replacement beverages that meet specific guidelines.

The high school menu offers a lot of variety and seems popular with students. An option that may enhance the offerings is to allow students to participate in the salad bar with all entrée choices; currently only the students choosing the carving station have this option. This would require some rearranging of the salad bar location and an employee to oversee it but may be a desirable option for students.

The food at the high school was visually appealing, smelled inviting and tasted fresh and flavorful. There are several points of sale for the various menu items. The lines are long but the staff is efficient and students are served in enough time to enjoy their lunch.

The salad bars were visually appealing and bountiful at all three sites observed by the FCMAT study team. However, there was a great deal of leftover food at the end of the meal period. Smaller containers of food should be used for the salad bar, with back-up products on hand to replenish items as needed. This would help ensure fresh food with fewer leftovers. Observations indicated that leftover product is being reused, which is not a good food safety practice. All salad

bar leftovers should be discarded at the end of the day, except for whole, fresh fruit. In addition, the elementary school uses two salad bars and both include a large volume of items.

### **Meal Prices**

Prices charged to students that do not qualify for free or reduced-price meals have recently been addressed by the USDA and state. The Healthy, Hunger-Free Kids Act of 2010, Public Law 111-296, provides that meals for non-needy students are not subsidized by federal reimbursements for meals of needy students. Guidelines regarding this issue have been posted on the following USDA websites: [http://www.fns.usda.gov/cnd/Governance/Legislation/Pricing\\_Equity\\_Facts.pdf](http://www.fns.usda.gov/cnd/Governance/Legislation/Pricing_Equity_Facts.pdf)

and <http://www.fns.usda.gov/cnd/governance/Policy-Memos/2011/SP39-2011osr.pdf>

In summary, the ruling indicates that average meal prices in a district should be at least the amount equal to the difference between the higher federal subsidies for free meals and the lower subsidies for paid meals. In 2011-12 the amounts are as follows:

<b>Breakfast</b>	
Federal reimbursement rates	\$1.80 for free and \$.27 for paid meals
Average breakfast prices should be	$\$1.80 - \$.27 = \$1.53$
<b>Lunch</b>	
Federal reimbursement rates	\$2.79 for free and \$.28 for paid meals
Average lunch prices should be	$\$2.79 - \$.28 = \$2.51$

The 2011-12 meal prices in San Lorenzo are as follows:

<b>Breakfast</b>	
Meal price	\$1.25 at elementary and middle schools \$1.50 at high schools
District average breakfast price	$(\$1.25 + \$1.25 + \$1.50) / 3 = \$1.33$
<b>Lunch</b>	
Meal price	\$2.25 at elementary and middle schools \$2.50 at high schools
District average lunch price	$(\$2.25 + \$2.25 + \$2.50) / 3 = \$2.33$

Therefore, the average district prices for paid meals are slightly lower than required by the guidelines. The rules allow the district to decide how to equalize the pricing. For example, prices could be increased at all schools, at the secondary schools only, or at schools with fewer needy students. The rules allow for a gradual increase in prices by limiting the maximum required annual average price increase to \$.10 if the district feels it would be too much of a burden to families. Most districts prefer to keep pricing in \$.25 increments, and increasing the paid meal prices by \$.25 at all schools would make the district compliant in 2011-12. However, a thorough review of the USDA guidelines should be completed before the district decides on an action plan.

In addition, district information indicates that school meals sold to non-students (adults and siblings) are the same price as student meals. Federal regulations require higher pricing for non-students so that the price charged covers the cost of providing the meal and federal subsidies are not used. If the data regarding the actual cost for these meals is not available, the minimum meal price should reflect the paid student meal price plus the current federal cash value of donated food assistance for full-priced meals. The CDE has determined that the average federal cash



of donated food assistance price is \$.50. Therefore, adult and sibling meal prices should be at least \$.50 higher than paid student pricing. References to these regulations can be found at the following website: <http://www.cde.ca.gov/ls/nu/sn/mb00111.asp>

## Recommendations

*The district should:*

1. Reprogram the minimum calorie requirements in the nutritional software to comply with the Enhanced Food-Based Menu Option.
2. Redesign the lunch lines at every affected school so that an employee can ensure that students take complete meals.
3. Use smaller containers of food in the salad bars at applicable school sites and have back-up products on hand to replenish items as needed.
4. Discard salad bar leftovers at the end of the day, except for whole, fresh fruit.
5. Review USDA regulations and implement an action plan to adjust prices for paid student meals accordingly.
6. Review federal and state regulations regarding meal pricing for adults and non-students and adjust prices accordingly.

At elementary schools:

1. Consider offering an additional entrée. Classroom lunch counts should only consist of the number of total students eating lunch, without a separate count for each entrée choice.
2. Continue to offer the yogurt and cracker alternate entrée choice, as it requires minimal preparation.
3. Reduce the number of salad bar items and consider using only one salad bar per school.

At middle schools:

1. Consider adding points of sale to speed up service time for students.
2. Consider more entrée choices and/or specialty items such as Burger King, Subway or other popular choices that meet nutritional standards.
3. Offer a la carte items similar to those offered at the high school, and consider using outdoor mobile carts for points of sale for these items.

At high schools:

1. Consider offering the salad bar component with all entrée choices, rather than just the carving station.

## Food Handling and Food Safety

Proper food handling is essential for any food service operation to maintain fresh foods and avoid the possibility of foodborne illness. The food service operation must follow all local and state health regulations, and school districts participating in the federal meal program must follow a specific format in their food safety plan, the Hazard Analysis and Critical Control Point (HACCP). All food safety policies and procedures must be outlined in HACCP-based standard operating procedures (SOPs).

The USDA issued guidance for implementing HACCP-based food safety programs in schools participating in the NSLP and/or the SBP. Section 111 of the Child Nutrition and WIC Reauthorization Act of 2004 (Public Law 108-265) amended section 9(h) of the Richard B. Russell National School Lunch Act by requiring school food authorities (SFAs) to implement a food safety program for the preparation and service of school meals served to children. The requirement became effective in the school year beginning July 1, 2005. The food safety program must be based on HACCP principles as outlined in the guidance.

The National Food Service Management Institute (NFSMI) has developed HACCP-based SOPs in conjunction with the USDA and the Food and Drug Administration (FDA). SOP templates are available at the following website: <http://www.nfsmi.org/ResourceOverview.aspx?ID=75>. These templates can simplify the development of policies and procedures; however, districts need to individualize them to fit their food service program rather than simply using them as written by the NFSMI. The district's HACCP program is to include not only the SOPs but corrective actions, monitoring, verification and record keeping procedures.

The San Lorenzo Child Nutrition Department has an HACCP manual, and the following specifically requested SOPs were provided to the FCMAT study team for review:

- Cooking Potentially Hazardous Foods
- Cooling Potentially Hazardous Foods
- Holding Hot and Cold Potentially Hazardous Foods
- Reheating Potentially Hazardous Foods
- Transporting Food to Remote Sites (Satellite Kitchens)
- Preventing Contamination at Food Bars

Although the SOPs follow the correct format, they are mostly verbatim copies of the NFSMI generic templates and do not include policies and procedures specific to the district's program. The district's HACCP procedures were last revised in July 2007. Since that time, the new central kitchen was built, new equipment obtained, and a new director of child nutrition appointed. Procedures should be reviewed, revised and personalized for district needs, and specific SOPs should be written to define practices used in the district. Because the kitchen contains some very specialized equipment, such as filling and packing equipment and a blast chiller, specific SOPs should address their use, cleaning and sanitation procedures, and staff should be provided training for all new procedures.

An SOP regarding the handling of leftovers was not available during FCMAT's fieldwork; the director indicated that a procedure needed to be written. The information later provided to the

study team was not an SOP, but rather a staff directive dated 2011-12 stating that “no cooked food items shall be returned to the Central Kitchen” and that “the central kitchen has the discretion to determine if a particular food item may be reheated one time at the site.” This directive does not instruct staff in proper disposition of leftovers. Handling of leftovers is a critical food safety issue, and an SOP is needed that includes specific, detailed instructions in the proper HACCP format. The SOP for leftovers should address specific instructions on district procedure including proper heating, holding, chilling and reheating, and quality issues regarding when it is acceptable to reuse leftovers instead of discarding them.

This same staff directive also included seven other one-line instructions regarding chemical storage, food labeling and dating, food temperature logs, and site production paperwork; however, each of these topics should have its own specific SOP. This may also indicate a lack of clear procedures and proper training in these areas.

Interviews indicated that some unsafe food practices may have occurred in the district. For example, several individuals stated there was a practice of using leftovers several times to prevent product loss. It was further stated that standard practice was to send leftovers back to the central kitchen where they may be frozen, reheated and served again in future meals. A review of district production records from satellite sites indicate that the general practice for leftovers has been to return them to the central kitchen. These records also indicate that the department may prepare considerably more food than is needed for meals. A careful study of usage would help remedy this situation by ensuring that the proper amount of food is prepared.

In addition to food safety, food quality is an important factor to consider in reusing leftovers. The food must first be heated to and held at proper temperatures, cooled safely, and stored (refrigerated or frozen) safely. Then leftover foods must be reheated and held at proper temperatures again. Food that has been heated well in advance of serving and held for several hours often becomes dry or unappealing the first time it is served. If reused one or more times, the quality and safety of the food may be unacceptable.

Because the district transports most of its food from the central kitchen to satellite sites, there are many variables to consider regarding the quality and safety of the food, and it is best to err on the side of safety rather than take unnecessary chances in food handling. Leftovers should not be reused unless careful records of temperatures are kept and staff is well trained in determining acceptable quality. It is best practice for any leftovers to be dealt with at the sites and not sent back to the central kitchen. If the department chooses to approve reusing leftovers at sites, they must follow HACCP procedures for holding, chilling and reheating. Hot food must be held at 135 degrees or higher, chilled quickly to below 40 degrees and then reheated to 165 degrees. If this cannot be ensured and quality maintained, then leftovers should be discarded.

Several interviews indicated that salad bar leftovers are reused even though they have been in a self-serve environment. While this is not a direct violation of the health code, it is not good practice and can lead to contamination and foodborne illness. When food is in a self-serve environment, it is subject to cross-contamination because of potential handling of the food by the customer. This is especially true when the customers are children. Even though proper sneeze guards are in place and utensils are available, students often use their hands to retrieve food items and sometimes put items they have touched back into food containers. Utensil handles are often left in the food, thus contaminating products. If these food products are reused, there is a higher risk of food poisoning that may jeopardize the health of students and staff and make the district vulnerable to potential liability and/or a poor reputation for its Child Nutrition Department.

Another leftover practice observed at the elementary schools was the reuse of served but unopened milk containers. Milk that was taken by students and not opened was being returned to the milk coolers to be served again. While this may not pose a health threat if the product has not been outside of temperature requirements for an extended time, it is prohibited by California Health Code Section 114079. This regulation was clarified in a Nutrition Services Management Bulletin from the CDE in September 2008, and is available at the following website: (<http://www.cde.ca.gov/ls/nu/sn/mbnsdsnp052008.asp>) Milk and other foods taken by students must be discarded if not consumed. While this may cause a great deal of waste and can be troublesome to observe, the best method to reduce this waste is to encourage students to make nutritious food selections and take only what they intend to consume. Nutrition education marketing can also be used to remind students of the importance of drinking milk.

Some district staff perceive that the quality and safety of the food being served is compromised because of unsafe food handling practices. However, the Child Nutrition Department management staff believe that good practices are in place. During the FCMAT study team's site visits, the central and school kitchens appeared to be clean and organized. However, often it is difficult to determine the daily practices during a brief onsite review. Proper food handling procedures need to be developed and staff needs to be adequately trained and routinely monitored by supervisory staff to ensure that proper food handling practices are followed daily.

Key Child Nutrition Department staff members are certified in food safety as required by California Health and Safety Code Sections 113947-113947.6, but general staff training is not completed as a regular practice. Formal staff training sessions only occur once per year, at the employee back to school meeting. Some informal training takes place when the assistant director and nutritionist visit school sites, but it would be prudent to have regular staff meetings, possibly monthly or quarterly, with the lead site food service staff members providing ongoing training and facilitating open communication.

The study team was made aware of two food safety complaints and subsequent inspections by the California Department of Education (CDE) and the Alameda County Health Department. Following is a brief description of those inspections and the district's corrective actions.

On January 6, 2012 the CDE made an unannounced visit to the central kitchen as a result of an anonymous complaint against the district regarding alleged food safety violations. The complaint included concerns regarding thawing food at room temperature, refreezing thawed food, not marking or dating leftovers, and reusing hamburger patties by grinding them up for use in spaghetti. On January 10, 2012 the CDE contacted the district by phone to discuss the findings. The allegations were determined to be true. The findings and corrective action plan were outlined in a January 27, 2012 letter from CDE. The plan required the district to forward policies and procedures to the Nutrition Services Division at the CDE by January 31, 2012 regarding the following:

- Storage of food items in the refrigerator and freezers
- Proper storage of cleaning supplies
- Safe food handling of food items that enter and exit the central kitchen for all sites
- Provide staff training on food safety and sanitation

The CDE conducted another unannounced inspection of the central kitchen on February 8, 2012. No violations were noted, and the CDE found that the corrective action had been implemented.

A final CDE report was received by the district on February 10, 2012, detailing the inspections, findings and corrective action. In this report it was confirmed that standard department practice had been for satellite sites to return leftover food to the central kitchen where it was frozen for reuse. Improper food and chemical storage, product dating and temperature recording were other issues noted. The report acknowledged that the requested corrective actions had been submitted to CDE and that the district decided to halt the practice of sites returning food to the central kitchen for reuse. District documents also indicate that training was conducted for the central kitchen and site food service staff from January 13 to 24, 2012.

On January 12, 2012, the Alameda County Department of Environmental Health also conducted an investigation of the central kitchen as a result of an anonymous food safety complaint including: poor storage, food falling on the floor being reused and raw chicken being served. The inspector observed the facility and spoke with the central kitchen manager and child nutrition director. The inspector also asked whether the department had received any related complaints, which staff denied. No violations were found, but the department was again instructed to “retrain employees in proper food safety concepts and practices regularly or as often as necessary.”

A review of the district’s revised HACCP procedures indicate that they were written to satisfy the requirements of the corrective action plan required by CDE, but they are not in the best format for staff use. The revised documents are presented in a consolidated format, and the HACCP manual is referenced for details. These are different than the district’s original HACCP procedures with the same names; however, many topics are combined on the same page and there are no revision dates. For example the district’s original HACCP “Storing” procedure included food storage (refrigerated, frozen and dry) and chemical storage in detail. The new procedure includes a very brief refrigerated food storage section (no dry or frozen) and an abbreviated chemical storage section. A section was also included on the same page regarding labeling and date-marking foods. The documents provided to the FCMAT study team appear to be merely outlines/summaries of changes addressed in the revised procedures; however, this is not indicated on the document and therefore may be confusing to staff members.

The previous HACCP procedures did not address leftovers coming back to the central kitchen from school sites, and three of the revised procedures include one sentence comments about leftovers that are not consistent with each other. The Storing procedure indicates that all prepared foods returned to the central kitchen must be “logged as discarded.” The Cooking procedure indicates that school sites are to discard any remaining food after meal service and mark the discarded items on the log sheet. The Re-Heating procedure states that no food returned to the central kitchen shall be re-used for service. This inconsistent information is confusing for staff members and does not include enough detail.

The most important part of any food safety program is for the procedures to be understood and followed. Procedures should be specific, clear and kept in one manual that follows the HACCP format. Staff needs to be trained and have a clear understanding of each new and/or revised procedure, and management needs to follow up on actual practice to ensure procedures are being followed.

## Recommendations

*The district should:*

1. Review, revise and/or develop HACCP procedures to ensure they are in the proper format and reflect actual district protocol.
2. Immediately develop and train staff to implement specific, detailed HACCP procedures on Transporting Foods to Satellite Sites and Proper Use of Leftovers.
3. Discontinue the reuse of salad bar leftovers and recycling of unopened milk cartons served to students.
4. Study its food usage to help ensure that the proper amount of food is prepared and funds are not wasted on unneeded leftovers.
5. Conduct regular, thorough staff training in food safety protocols and ensure that management staff monitors sites and retrains staff as needed.
6. Conduct regular monthly or quarterly staff meetings with the lead site food service staff members to provide ongoing training and facilitate open communication.
7. Ensure that all new and revised HACCP procedures include the date the document was adopted or revised and that only one document exists for each critical topic.
8. Once new policies and procedures are in place, the department should market its practices to the district and public to help improve negative perceptions.

## Meal Production

The district is required to complete and keep daily menu production record forms noting the types and amounts of food served to students and adults. Many different formats are used for these forms, and several examples are provided on the CDE website at <http://www.cde.ca.gov/ls/nu/he/mnprodfrm.asp>, but use of a particular form is not required. As long as all the required information is completed, the district may use any form it chooses. The School Meal Initiative (SMI) is the second part of the state's Coordinated Review Effort (CRE) and includes a review of menus and nutritional analysis. The information required for the production records is listed on the SMI checklist and includes the following:

- Number of meals planned and number served
- All planned menu items used to meet the required meal pattern, as well as condiments and non-creditable desserts
- Serving size of each food item
- Total amount of food prepared for the students

- Number of a la carte and adult meals planned and served
- Leftover usage records, substitution lists and dates

A food service operation such as San Lorenzo, with a central kitchen and many satellite sites, has a more of a challenge with production records. Master records noting the consolidated production and usage must be kept, and transport records indicating the amounts of food sent to each site must be completed. Then each site must keep records specific to its usage and leftovers. The purpose of these records is twofold. First, they are required by the USDA and state for accountability to show that sufficient food was produced for the number of meals claimed for reimbursement. Second, and very important for planning needs, is to keep records of usage of various menu items at all the sites so future projections can be more accurate.

The district's records include master lists for the total quantity of food prepared in the central kitchen, a separate sheet noting number of servings distributed to individual sites, and transport sheets noting number of servings sent to sites from the central kitchen. The transport sheets are used as a production record at each site and are meant to be completed by site staff to record number of portions used and leftovers. However, these records are not being completed consistently and thoroughly at each site. Each of these records should list the planned number of servings of each menu item, the amount actually served and the amount left over. The disposition of leftovers (reuse or disposal) should also be noted. Clear and accurate records of usage and leftovers are vital; however, a review of the documents provided indicated that the department does not have an accurate accounting of the amount of food used and thus overproduces to ensure sites do not run out of food. Clear and accurate records should help facilitate more precise food production and less waste or leftovers, resulting in a savings in food cost and providing students with fresher food.

To ensure food stays within the proper temperature zones, food temperatures should be kept on all production and transport records. A column for food temperatures is included on the central kitchen's production records, but it was not completed on the records reviewed. A temperature column was not included on the central kitchen's site transport records. Temperatures should be filled out daily on these sheets when food leaves the central kitchen and when it arrives at sites.

## Recommendations

*The district should:*

1. Review and revise the format of its production records to simplify record-keeping and make records more useful.
2. Review the program requirements for production records and ensure the revised forms include all of the necessary elements, such as the number of servings of all menu items planned, served and leftover and the disposition of leftovers (reused or discarded).
3. Ensure that department staff members are thoroughly trained in the completion of production and transport records and that department supervisors regularly monitor the completed records.

4. Use production records as tools to plan future meal production and reduce waste and leftovers.
5. Ensure that production and transport records include temperatures when food leaves the central kitchen and when it arrives at sites.

## Catering Services

The Child Nutrition Department offers catering services for meals, snacks and beverages to the district, Alameda County Office of Education, and some community organizations. The department offers a wide variety of menu choices and recently completed a new, professional-looking catering book that is in full color and spiral bound.

Catering prices are a point of contention with some district staff members who believe the prices are too expensive, and department staff indicated that catering business has declined. While there is no standard rule for markup of catered items, common practices are 15% above the costs of food and labor. This may vary depending on the amount of labor an item requires; for example, bottled beverages require minimal labor. This can also vary depending on the price that the market will bear or what customers are willing to pay for the items; some items can be marked up by a greater percentage because there is a high demand for them.

A review of the department's catering prices indicated that a few items seem reasonably priced but most are high. While costs need to be covered, prices should be reasonable and should entice the district staff to use them. The breakfast specials seem fairly priced at \$3.75 (pastries & coffee) to \$6.50 for full breakfasts with protein items, pastries and fresh fruit. The beverages seem overpriced; a 12-ounce soda or 16-ounce water is priced at \$1.00, this is not a high labor item so depending on food cost, \$.50-\$.75 would be more appropriate. The price of coffee is also costly at \$14.25 per air pot (approximately 12 eight-ounce servings), which is \$1.19 for a small cup. Although Starbucks coffee is used, the district should not charge the same or higher prices as Starbucks stores because the district is not a franchise and this is not a high labor item. A more reasonable price for coffee should be in the range of \$10-\$11 per air pot. Yogurt is listed on the menu at \$1.50. The container size is not included but if it is the usual 4- to 6-ounce container, the price should be approximately \$.75-\$1.00, depending on the food cost.

Compared to the catering prices in other districts and the FCMAT study team's experience, most of the prices for the lunch and dinner specials are expensive. Individual salads are priced at \$5.25-\$6.50 with no extras. Prices should either be lowered or extras (such as bread, fruit, a cookie or beverage) should be offered, as they are with the boxed lunches. Dinner entrees priced at \$6.50-\$9.00 should include more than just a garden salad. They should include a complete meal with beverage, salad, bread and a cookie or brownie, or prices should be reduced. Experience indicates that complete meal deals are preferred over a la carte items and will encourage participation.

Menu prices for the bulk salads and party trays are also expensive and may be higher than other local sources. It is best practice to compare prices to local markets and delis to ensure district prices are competitive.

While it is a convenience for district staff to have the department deliver food items rather than having to pick up food for meetings, prices should be reasonable and competitive. Although budget information provided by the department indicates it is losing money on catering services,



prices and costs should be reviewed to determine if they can be reduced to encourage staff to use the services.

The 2010-11 catering budget indicates total revenue of \$102,500 with expenses of \$129,400, for a loss of \$26,900. This budget includes all district catering and the operation of an employee café and catering at the county office of education. Fifty-three percent of the revenue (\$54,300) and 66% (\$85,100) of the expenses in the total catering budget are attributed to services provided to the county office, for a loss of \$30,800. Most of the labor expense for the county office services (\$42,273) is due to the café operation, and the director of child nutrition indicated that the café only has revenue of \$17,559. However, the catering and café budgets are not separated, so it is difficult to evaluate the revenue and expenditures attributable to each service.

The 2011-12 catering budget projects \$100,000 in total revenue and expenses of \$133,700, for a deficit of \$33,700. This loss includes the services provided to the county office that are projected to operate at a deficit of \$38,000. Labor costs are projected at \$88,700, or 89% of revenue, and food costs are \$35,000, or 35% of revenue. Industry standards for food and labor costs are each between 40-45% of revenue. The department's projected food cost for catering and café services are well below industry standards, but the labor costs are extremely high.

District catering services includes serving coffee/beverages, breakfasts, lunches, dinners, and/or snacks for district events and a café at the district office and the county office. The department has staff designated for catering even though it is not a daily event. The budget includes 15.67 hours per day for catering. Total hours charged include the helper 1 and 2 positions (6.75 and 1.75 hours per day) assigned to the county office café operation, .4 hours per day for a central kitchen cook; .75 hours for a salad maker; .4 hours for clerical staff and 5.62 hours per day for a driver. No summary records or calendar were available indicating how many catering events occur in any given day, week or month. This makes it difficult for the department to analyze the number and size of catering events. However, it may be more cost effective to utilize staff currently in other positions, such as the central kitchen or site kitchens, to perform catering duties and add extra hours when necessary rather than dedicating staff to catering.

Some district staff perceive that no other catering sources are allowed on district sites, including services for outside groups such as parent organizations that are using district facilities. However, department staff indicated they were not aware of this requirement except that groups must use the department's catering services when the conference room in the food services building is used because of the necessary clean-up that is involved.

Education Code Section 45103.1 is intended to ensure that specific conditions are met before districts contract for "services currently or customarily performed by classified school employees..." The statute imposes a number of conditions/tests for each contracting issue. For example, is there a cost savings achieved by using a private caterer? Would district employees be required to work beyond eight hours a day to provide the service? Are there services that employees cannot provide? The conditions stated in the Education Code should be reviewed carefully with the district's legal counsel to determine whether there is a basis for contracting out catering services and whether these conditions apply to outside agencies that use the district's facilities.

## Recommendations

*The district should:*

1. Carefully examine the catering operation and budget to determine if it should continue offering the service.
2. Carefully examine the county office café operation and budget to determine if it should continue offering the service.
3. Separate the budgets for catering and county office café operations so that each service may be reviewed and analyzed individually.
4. Ensure that federal and state funds for the reimbursable meal program are not used to subsidize the catering and/or café services.
5. Review the labor costs for catering and café services and determine how staffing can be restructured to ensure there is no budget deficit.
6. Survey the district and county office staff regarding the catering and café services to determine what would attract more customers, such as different menu choices, lower prices, or better service.
7. Review catering prices and compare them to local markets and delis to ensure they are competitive.
8. Simplify the catering menu by offering more basic meals and/or meal deals and fewer choices, as the current menu is fairly expansive.
9. Review Education Code Section 45103.1 with its legal counsel to determine whether there is a basis for contracting out catering services and whether outside agencies, such as parent groups, that use the district's facilities are required to use district catering services.

## Budget and Staffing

A review of the district's 2010-11 unaudited actuals report for the cafeteria fund indicated that revenues exceeded expenditures by \$1,557,431, and that the total ending fund balance was \$2,035,604. Labor costs were 36% and food/supply costs were 32% of revenue. These percentages are excellent when compared to industry standards of 40-45% of revenue for both food/supply and labor costs. Title 7 of the Code of Federal Regulations, Parts 210.14 and 220.7, requires that food service programs limit their net cash resources to ensure they do not exceed three months' average expenditures, and the district should ensure that it meets this requirement.

However, the 2011-12 budget for the cafeteria fund included substantially different projections. The projected revenue is \$899,793 (14.6%) less than 2010-11, and a deficit in revenue over expenditures totaling \$104,335 is projected. Food cost projections increased by 23%; labor and benefits increased by 2.9% and 3.5%, respectively. Capital outlay is projected to increase by approximately \$98,000 due to plans to purchase additional transport vehicles.

The director of child nutrition indicated that revenue projections were decreased based on the possibility of losing some of the food service contracts with other districts and/or outside agencies. However, at the time of FCMAT's fieldwork no contracts had been lost for 2011-12. Therefore, the budget should be adjusted to reflect current and more accurate revenue projections. In addition, if revenue projections for outside contracts are reduced in the future, the associated costs for food and labor should also be reduced.

The district contributes a portion (\$488,064) of its unrestricted meals for needy pupil funding to the cafeteria annually, and based on the 2011-12 adopted budget, the cafeteria fund has a projected ending balance of \$1,931,269. Handwritten department notes indicate that the contract sites generated \$1,519,959 in gross revenue for 2010-11, approximately 25% of the cafeteria revenue. Therefore, while the 2011-12 projected ending fund balance is healthy, loss of revenue from outside contracts could have a significant financial impact on the cafeteria budget.

No account detail is currently available for contract sites and catering services in the district's financial system, so the department keeps a separate accounting of the revenue and expenditures for these services. Because the district has a large number of contract sites and catering services, specific account codes should be developed and implemented for revenue and expenses related to these areas so they may be easily tracked. It would also be beneficial to separate the federal and state income earned at the contract sites to help project the financial effect that losing these accounts would have on the cafeteria budget.

FCMAT's scope of work did not include a staffing analysis for the Child Nutrition Department. However, a basic review of labor hours and meals served was completed to justify the need for any additional positions that may be necessary to improve service in the student meal lines, as reflected in the Menus and Meal Program section of this report.

Meals per labor hour (MPLH) is an industry standard used to measure staff efficiency and determine the number of hours needed in an operation. There are many ways to determine MPLH, but for this basic analysis only student meals and after-school snacks (reimbursable and vended) were used. Catering meals and a la carte sales were not included, but would be in a complete analysis. Breakfast and lunch were counted as full meals and snacks as .5 of a full meal. The data used for the analysis came from district reports for October 2011. The following chart reflects the results:

### *Meals per Labor Hour, October 2011*

Breakfasts per Day	2,001
Lunches per Day	8,684
Snacks (counted as .5 meal equivalents)	557
<b>Total Meal Equivalents</b>	<b>11,242</b>
Districtwide Labor Hours	303.6
<b>Meals Per Labor Hour</b>	<b>37</b>

Industry standards for efficiency are 30 MPLH or higher. As reflected in the above table, the district is at 37 MPLH and would be considerably higher if a la carte and catering equivalents were included. This basic calculation indicates that the district would be able to add a few additional labor hours to increase points of sale and remain above the industry standard of 30

MPLH. The district may also benefit from reassigning staff to other areas. For example, some of the staff hours now dedicated to catering services could be used for additional points of sale at the middle schools.

## Recommendations

*The district should:*

1. Ensure that the cafeteria fund's cash resources do not exceed three months' average expenditures as required by the Code of Federal Regulations.
2. Review 2011-12 revenue projections and adjust the cafeteria fund budget accordingly.
3. Ensure that the director of child nutrition regularly reviews the cafeteria fund budget with the business services department and updates it throughout the fiscal year, at least at the first and second interim financial reporting periods.
4. Ensure that the director of child nutrition meets with personnel from all contract sites at least annually to assess their satisfaction and find ways to improve services if needed to retain clients.
5. Develop and implement specific revenue and expenditure account codes for catering services and outside contracts.
6. Determine whether staffing levels need to be reduced if outside services contracts are lost.
7. Monitor meals per labor hour districtwide and by site, and use the information as a staffing tool and to determine program efficiency.

# Appendices

**Appendix A - Rating Sheets for Paper Screening/Interviews**

**Appendix B - Study Agreement**



Appendix A

\_\_\_\_\_ SCHOOL DISTRICT

**PAPER SCREENING GUIDE**

Evaluator \_\_\_\_\_ Position \_\_\_\_\_ Date \_\_\_\_\_

Recommendation

3 = Consider For Interview

2 = Possible Interview Candidate

1 = Do Not Consider For Interview

Candidates	App/Res	Cred.	Exp.	Ref.	Recom.	Comments
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						

**Instructions:**

Please review each application carefully, paying particular attention to the following items:

- Care given to preparation of application and resume (App/Res).
- Appropriate academic training and credential. ( Fully credentialed = 3)
- Successful experience working with children (Exp.).
- Professional reference letters (Ref.) How successful were they in past positions?
- Other valuable assets or areas of special skill or knowledge (CLAD, BCLAD).  
List in comments section.

On the basis of your review, please indicate your recommendation (Recom.) for each candidate using the scale provided.

Signature of Evaluator \_\_\_\_\_



**ADMINISTRATIVE CANDIDATE INTERVIEW SCREENING FORM - SAMPLE**

Candidate \_\_\_\_\_ Interviewer \_\_\_\_\_ Date: \_\_\_\_\_

1. BACKGROUND/EXPERIENCE	
2. STRENGTHS AND LEADERSHIP STYLE	
3. DECISION MAKING	
4. EFFECTING CHANGE	
5. WORKING WITH STAFF	
6. WORKING WITH STUDENTS	
7. WORKING WITH PARENTS	
8. BUDGET MANAGEMENT	
9. SCHOOL CLIMATE	
10. PHILOSOPHY	
WRITTEN EXERCISE	
OVERALL COMMENT S/RECOMMENDATION	



## Appendix B



**FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM  
STUDY AGREEMENT  
October 20, 2011**

The FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM (FCMAT), hereinafter referred to as the Team, and the San Lorenzo Unified 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 San Lorenzo Unified 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:

1. The San Lorenzo Unified School District is requesting the FCMAT Team to conduct an evaluation of the district's personnel department and its recruitment and selection procedures for management, certificated and classified employees. The review will include a data sampling and testing of a minimum of twenty five vacant positions hired by the district during the 2010-11 and 2011-12 fiscal years. The Team will review the district's board policies, administrative regulations and department procedures and make recommendations for improvement, if any. The District currently operates under the Merit System with a Personnel Commission for the purposes of hiring classified employees.

2. The Team will review the district's food service department and evaluate the menu planning options provided to students to determine if Federal and State nutritional compliance requirements are being met and make recommendations, if any. This component of the review will include an evaluation of the department's catering operations.

B. Services and Products to be Provided

**Orientation Meeting** - The Team will conduct an orientation session at the District to brief District management and supervisory personnel on the procedures of the Team and on the purpose and schedule of the study.

**On-site Review** - The Team will conduct an on-site review at the District office and at school sites if necessary.

1. **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.
2. **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.
3. **Draft Reports** - Sufficient copies of a preliminary draft report will be delivered to the District administration for review and comment.
4. **Final Report** - Sufficient copies of the final study report will be delivered to the District administration following completion of the review.
5. **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, CFE, Deputy Executive Officer, Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The study team may also include:

- |                     |                    |
|---------------------|--------------------|
| A. To Be Determined | FCMAT Staff Member |
| B. To Be Determined | FCMAT Consultant   |
| C. To Be Determined | FCMAT Consultant   |
| D. To Be Determined | FCMAT Consultant   |

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.
- 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 \$15,000.**

- 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 or proposed organizational charts
  4. Current and two (2) prior years' audit reports
  5. Any documents requested on a supplemental listing
  6. Any documents requested on the supplemental listing should be provided to FCMAT in electronic format when possible.
  7. Documents that are only available in hard copy should be scanned by the district and sent to FCMAT in an electronic format.
  8. All documents should be provided in advance of field work and any delay in the receipt of the requested documentation may affect the start date of the project.
- 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 pupils. The District shall take appropriate steps to comply with EC 45125.1(c).


## 6. PROJECT SCHEDULE

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

Orientation:	November/December - pending board approval
Staff Interviews:	to be determined
Exit Interviews:	to be determined
Preliminary Report Submitted:	to be determined
Final Report Submitted:	to be determined
Board Presentation:	to be determined
Follow-Up Support:	If requested

7. **CONTACT PERSON**Name of contact person: Dr. Dennis Byas, SuperintendentTelephone: (510) 317-4690 FAX: (510) 278-3048E-Mail: [dbyas@slzusd.org](mailto:dbyas@slzusd.org)  
\_\_\_\_\_  
Dr. Dennis Byas, Superintendent  
San Lorenzo Unified School District

Date

11/20/2011  
\_\_\_\_\_  
Anthony L. Bridges, CFE  
Deputy Executive Officer  
Fiscal Crisis and Management Assistance Team

Date

October 20, 2011