



# **Willows Unified School District**

## **Food Services Review**

April 29, 2008

Joel D. Montero  
Chief Executive Officer





April 29, 2008

Dr. Steve Olmos, Superintendent  
Willows Unified School District  
823 West Laurel Street  
Willows, California 95988

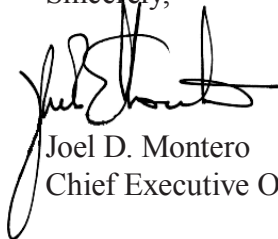
Dear Superintendent Olmos,

In December 2007, the Willows Unified School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into a study agreement to provide a review of the district's food service program. Specifically, the agreement asked FCMAT to:

1. Conduct a review of the district's Child Nutrition program including operations, staffing, policies and procedures, menu planning, and catering services and provide recommendations for enhancing revenues or improvements to reduce the department's encroachment on the general fund.
2. A specific component of the review will be to provide the district with an analysis of consolidating the number of sites for the preparation and serving of food. The district currently utilizes two sites to serve four locations. The feasibility analysis shall include logistics, equipment cost, labor cost, menu planning and implementation phasing.

The attached final report contains the study team's findings and recommendations. We appreciate the opportunity to serve you and we extend our thanks to all the staff of the Willows Unified School District.

Sincerely,



Joel D. Montero  
Chief Executive Officer

FCMAT

Joel D. Montero, Chief Executive Officer

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# Foreword

## FCMAT Background

The Fiscal Crisis and Management Assistance Team (FCMAT) was created by legislation in accordance with Assembly Bill 1200 in 1992 as a service to assist local educational agencies in complying with fiscal accountability standards.

AB 1200 was established from a need to ensure that local educational agencies throughout California were adequately prepared to meet and sustain their financial obligations. AB 1200 is also a statewide plan for county offices of education and school districts to work together on a local level to improve fiscal procedures and accountability standards. The legislation expanded the role of the county office in monitoring school districts under certain fiscal constraints to ensure these districts could meet their financial commitments on a multiyear basis. AB 2756 provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans. These include comprehensive assessments in five major operational areas and periodic reports that identify the district's progress on the improvement plans.

Since 1992, FCMAT has been engaged to perform nearly 700 reviews for local educational agencies, including school districts, county offices of education, charter schools and community colleges. Services range from fiscal crisis intervention to management review and assistance. FCMAT also provides professional development training. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The agency is guided under the leadership of 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.

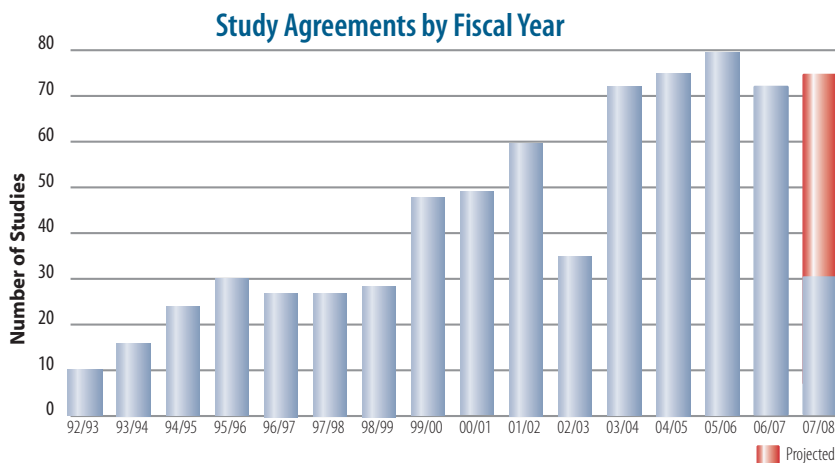
**Total Number of Studies..... 694**

**Total Number of Districts in CA ..... 982**

- Management Assistance..... 658 (94.8%)
- Fiscal Crisis/Emergency ..... 36 (5.2%)

Note: Some districts had multiple studies.

- Districts (7) that have received emergency loans from the state.  
(Rev. 2/21/08)







# Introduction

## *Background*

The Willows Unified School District is located in Glenn County and provides instructional services to approximately 1,790 students at the following school sites: Murdock Elementary, Willows Intermediate, Willows High, and Willows Community High. Murdock Elementary serves approximately 680 students in grades K-4; Willows Intermediate and Willows High School each have approximately 500 students; and Willows Community High serves 31 continuation and 8 community day students, though this number fluctuates during the year.

Participation in the district's food service program at the high school level is significantly affected by the open campus policy. Typically, only 100 students purchase school lunches and fewer than five teachers purchase a meal in the cafeteria. Participation at the intermediate school is higher, with approximately 250 lunches served per day, though the serving areas and congestion at the walk up windows may be in part responsible for lowering the participation rate at this site. Approximately 15 lunches are served daily at the community high school.

Without increased participation it will remain difficult for the food service program to break even or make a small profit. In September 2007 the district's former director of business services contacted the Fiscal Crisis and Management Assistance Team (FCMAT) to request assistance in evaluating options for the cafeteria program in an attempt to reduce general fund contributions to the program.

The district entered into an agreement for FCMAT services in November 2007 and the on-site review was originally scheduled for December 19-20, 2007. However, the dates were changed to January 31 and February 1, 2008 to allow time for the district to hire an interim replacement for the business services director. The scope and objectives of the agreement asked FCMAT to perform the following:

1. Conduct a review of the district's child nutrition program including operations, staffing, policies and procedures, menu planning, and catering services and provide recommendations for enhancing revenues or improvements to reduce the department's encroachment to the general fund.
2. A specific component of the review will be to provide the district with an analysis of consolidating the number of sites for the preparation and serving of food. The district currently utilizes two sites to serve four locations. The feasibility analysis shall include logistics, equipment cost, labor cost, menu planning and implementation phasing.

## ***Study Guidelines***

The FCMAT study team visited the district on January 31 and February 1, 2008 to interview employees, review information, collect documents, and conduct site visits. This report is the result of those activities and is divided into the following sections:

- I. Executive Summary
- II. Food Service Program Operations
  - a. Processes and Procedures
  - b. Participation
  - c. Breakfast program
- III. Staffing
- IV. Catering
- V. Site Consolidation

## ***Study Team***

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## Executive Summary

Concerns within the district regarding the food service program deficits were discussed prior to the state budget cuts that were proposed in January 2008. According to district staff, the food service budget requires contributions of \$30,000 to \$50,000 per year from the general fund. The district would like the program to become self-sufficient and expressed an interest in consolidating all food preparation at a single central site.

FCMAT observed a well trained staff following department policies and procedures related to identifying reimbursable meals, portion control, meal charges, food production, and service to students. The cafeteria manager, cook, cafeteria helper, and clerk positions are all part of the same bargaining unit. This proves to be difficult at times, especially when the cafeteria manager attempts to implement changes to improve the program.

The district estimates that 52% of its 1,720 students are eligible for free or reduced price meals. According to the October 2007 worksheet provided by the district, the average daily participation (ADP) was 848 lunches and 334 breakfasts, which means that 47% of enrolled students participate in the lunch program and 19% participate in the breakfast program. The food service manager reported that minimum days and testing schedules often affect participation in the lunch program. Although meals are offered, kindergarten and high school students are excused early and participation plummets. In addition, the high school has an open campus policy which allows students to go off campus at lunch-time.

The district uses Aeries database software and a standalone food service point of sale program, but lacks an integrated food services software application. The district should consider purchasing compatible food service administrative support software modules that will allow centralized approval of meal applications, consolidation and verification of meal counts and cash sales, and preparation of monthly reimbursement claims.

The district lacks cash procedures that would ensure sound internal controls. These procedures should be implemented.

The district does not make maximum use of commodities. The district should reduce costs by processing commodities such as cheese, beef and poultry into desirable foods that students will enjoy.

Employees sometimes use personal vehicles to transport food. This practice is prohibited by state and county regulations and should be discontinued. Foods should be stored in designated carts and transported only in appropriate enclosed district vehicles.

The current cargo truck is oversized and difficult for staff to maneuver. The district should consider purchasing a smaller enclosed vehicle for transporting food carts to sites. The local milk vendor uses an open vehicle to deliver dairy products, which makes it impossible to guarantee product temperature as required. The vendor should be required to use a refrigerated vehicle..

Reimbursable meal counts are low. The district should consider serving an additional 75 reimbursable lunches per day without an increase in staff time. This would result in an increase in income of at least \$28,980 per school year. The food service manager should continue to provide students with taste testing opportunities and ask student focus groups to test new menu items, then meet with focus groups at each school to gather input regarding the menu.

The district could increase reimbursable meal counts at the intermediate school by converting existing a la carte sales to reimbursable meals. Staff should be trained to use the point of sale software to make the conversion.

To increase participation and encourage students to stay on campus at the high school, additional lines (such as grab and go pre-made salads and sandwiches, and theme food lines) should be opened at the cafeteria and snack bar. Vegetarian options also may increase participation. A nutrition fair could be organized in conjunction with implementing the district wellness policy. Nutrition education, satisfying food choices, and student taste testing can help increase meal participation.

Because the district could increase income by at least \$18,990 per year by serving an additional 75 breakfasts per day, this option should be considered. Additional staffing would not be needed. Food costs should not exceed \$8,800, leaving a net revenue increase of \$10,190.

The district should consider reclassifying the Cafeteria Manager position to a supervisory position. The change would improve direct oversight of all aspects of the department, including those that are currently lacking.

Labor hours at all sites are high for the number of meals served. The district should consider the options provided in this report for reducing labor hours at Murdock Elementary, Willows Intermediate, Willows High and Willows Community schools.

Meals for student groups that meet at lunch and meals for celebrations and special events are often not provided by the food service program and are therefore not eligible for reimbursement. The food service program should offer and advertise a limited menu of reimbursable meals for student groups that meet during the lunch period. Choices such as premium pizza, chef's salads, and deli sandwiches are currently offered and could be boxed and ready for pickup.

The district should also explore the possibility and evaluate the cost-effectiveness of providing school meals to other local preschools, day care facilities, and private schools.

Because neither of the district's kitchens has the space to store and produce food for all district sites without significant remodeling, because centralized food production may not reduce labor costs, and because renovations are likely to be costly, the district should delay consolidating food production at a central site. In addition, the impact of declining enrollment and low meal participation are important reasons not to pursue the added expense of building a central kitchen at this time.

The district's chief business official (CBO), cafeteria coordinator and cafeteria manager should visit comparably sized school districts to observe and obtain information regarding the efficiency of reorganizing food service operations at a central site.

The district should also confirm potential funding sources to cover the cost of modernizing or replacing existing facilities. The district would also need to determine where a new facility could be built if modernization of existing facilities is not feasible.



# Findings and Recommendations

## *Food Service Program Operations*

### *Processes and Procedures*

The Willows Unified School District operates four school sites: Murdock Elementary School (grades K-4); Willows Intermediate School (grades 5-8); Willows High School; and the continuation and community day schools. The district provides meals under the National School Lunch Program and the School Breakfast Program.

According to district staff, the food service budget requires a contribution of \$30,000 to \$50,000 per year from the general fund. The entire allocation of Meals for Needy tax override money is transferred to the program and thus the program is charged the full cost of retiree benefits and for indirect costs. The district would like the program to become self-sufficient and expressed an interest in consolidating all food preparation at a single central site.

Concerns within the district regarding the food service program deficits were discussed before the state budget cuts that were proposed in January 2008. According to district staff, a representative of the classified bargaining unit made comments to the food service staff one day prior to the FCMAT study team's visit, indicating that employees should expect positions to be cut because of the impending budget crisis. An article in the local newspaper at the same time indicated that the district was facing significant cuts.

Naturally, this information made the staff nervous about meeting with and being interviewed by study team members. The team underscored that the purpose of the review was not specifically to cut positions, but to assist the district with recommendations for ensuring that the program is operating as efficiently as possible, and identifying potential opportunities to increase revenues and meal participation. If the recommendations in this report are implemented, the general fund contribution could be reduced or eliminated.

FCMAT interviewed district administrators, the entire food service staff, site administrators, custodians, and clerical aides. The staff members were helpful, accepted the primary purpose of the review, and contributed useful suggestions to improve the program.

The cafeteria coordinator is responsible for completing the monthly reimbursement claim forms, addressing personnel issues, performing staff evaluations and reconciling food service bank deposits. In addition to her role as coordinator, this employee is also the district's bookkeeper. The coordinator hopes to be able to turn her food service tasks over to the cafeteria manager in the future and focus on other areas of responsibility. In the past, the business manager developed the food service budget with little input from the cafeteria manager. However, the coordinator works closely with the manager to refine and improve the program, keeping in mind the effects of declining enrollment and decreasing resources.

The cafeteria manager is responsible for overseeing day-to-day operations at the four school sites, including inventory, ordering, food production and transport, meal service and menus. The manager and the food service staff work hard to provide students with appealing, tasty, and nutritious foods. Their achievements were observed by the FCMAT team and were reflected in the March 2006 Coordinated Review Effort (CRE) state audit. The only area of noncompliance noted in the audit concerned the sale of competitive foods on the high school campus and the problem was quickly corrected. FCMAT observed a well trained staff taking care to follow department policies and procedures related to identifying reimbursable meals, portion control, meal charges, food production and service to students. Earlier this school year, in an attempt to make better use of labor hours, the high school staff began preparing a variety of baked goods from scratch rather than purchasing only ready to use items.

The cafeteria manager, cook, cafeteria helper and clerk positions are all part of the same bargaining unit. This is difficult at times, especially when the manager attempts to implement changes to improve the program. The manager cannot evaluate the employees but does provide input to the cafeteria coordinator for staff evaluations.

The district estimates that 52% of its 1,720 students are eligible for free and reduced price meals. According to the October 2007 worksheet provided by the district, the average daily participation (ADP) for lunches was 848 meals and the ADP for breakfasts was 334 meals. This means that 49% of enrolled students participate in the lunch program and 19% participate in the breakfast program. The manager reported that minimum days and testing schedules often affect participation in the lunch program. Although meals are offered, kindergarten and high school students are excused early and participation plummets. In addition, the high school has an open campus policy which allows students to go off campus at lunchtime.

Meal applications are approved independently at each school rather than at a central location. Each site enters eligibility information into Aeries, the district's student database, and again into the standalone food service point of sale program. Double entry is required because the district has not purchased a meal software program that would link information between the point of sale program and Aeries.

For example, if siblings attending other district schools are listed on an application, a copy of the application is made and forwarded to the appropriate site and the eligibility information for the additional students is again entered into Aeries and the point of sale software. Duplicate data entry at multiple sites may result in errors, delay and the possible loss of hard copy documents as they are passed between sites, which could prevent students from participating in the meal programs.

Each school also independently tallies meal counts (using Mealtime software) and cash sales and forwards this information to a central area where it is compared against deposits and the monthly reimbursement report is generated.



Using software modules that tie the Aeries system to the point of sale would allow the district to verify daily meal counts by category, track cash sales, and eliminate the cumbersome process of forwarding meal application information from one site to the next. Information could be shared in real time, minimizing delays and the chance of error.

Money received from the sale of meals and a la carte items is counted after meal service and totals are checked against point of sale computer printouts. A double count system does not appear to be in place at all schools, nor is there evidence that staff sign paperwork to confirm the receipt or transfer of money bags to new locations. Although the bags are sealed and the deposit slips indicate the bag number, several staff raised concern regarding the public areas where money is counted and the locations where the deposit bags are held until they are taken to the bank. Ideally the money should be held in a school safe or other secure area.

Food service staff do not regularly attend school food shows, exhibits or conferences. These events can be beneficial, helping staff become familiar with all products available to schools. The annual commodity show is usually held every January in conjunction with the California School Nutrition Association conference.

The cafeteria manager is not a member of the California School Nutrition Association (CSNA) or the California Association of School Business Officials (CASBO). Membership and participation in these organizations is highly beneficial and provides the most up to date information regarding school food and nutrition programs.

The high school food service staff prepare breakfast and lunch for the high school, intermediate and community schools. Although a district truck is available, one employee uses their personal vehicle to transport hot breakfast food items to receiving sites on the morning of service. However, state and county regulations prohibit the use of personal vehicles for school food transport. Cold food items and lunch items are transported in a district vehicle one day in advance of service.

Lunch items prepared by high school staff are loaded into hot and cold cabinets in preparation for delivery to the intermediate and community schools. Two cafeteria helpers roll the cabinets into an oversized district delivery truck. Staff accept their responsibility to drive the truck to other sites but state that it is difficult to drive and they cannot see clearly when backing up the vehicle. The study team was present on a rainy day when the lift gate was inoperable. Employees from the maintenance and transportation departments quickly provided another vehicle and the food was delivered on time.

The delivery truck is used primarily for food transport, though in the past a smaller panel type van was used to transport the food. The change to the larger vehicle with walk-in loading was made after employees reported back injuries and the district purchased larger food transport carts that would not fit inside the smaller van. A pickup truck is available for the staff to transport breakfast items to receiving sites but is not preferred for use by the department.

Food transport carts are delivered and held for service at the continuation/community school. Remaining carts are delivered to the intermediate school, where the two cafeteria helpers unload them and help set up for lunch service.

The FCMAT team observed a local vendor delivering cases of milk to the elementary school from the uncovered bed of a pickup truck. Staff members indicated that this has been the practice for a long time. An open vehicle cannot safeguard from contamination or guarantee that the temperature of the product is maintained as required by the state health code. This is a health and safety concern.

Using United States Department of Agriculture (USDA) commodity foods is an effective way to reduce food costs while maintaining good nutrition. The cafeteria manager stated that commodity beef and chicken were processed into hamburgers, nuggets and other items. FCMAT noted a popular pizza product and asked if it used commodity cheese, tomato paste and flour. The cafeteria manager was not aware that commodity processing was available at a significant cost savings for these items. She immediately retrieved the advance commodity order for the 2008-09 school year and added mozzarella and cheddar cheese that will be used for pizzas and other meal items.

The state Food Distribution Division determines the district's commodity entitlement allocation based on the district's prior year average daily lunch participation. These funds can only be used for USDA commodity foods. Each year's entitlement increases with an increase in lunch participation and any change in the federal commodity entitlement rate.

Effective use of commodities can lower food program costs. Depending on the item, processed foods such as pizza, spaghetti sauce, hamburgers, chicken, and sandwich meats, may cost 25% to 30% less than similar non-commodity items. Thus the district can reduce costs by processing commodities such as cheese, beef, and poultry into desirable foods students will enjoy. As a co-op member, the district may choose the commodities it desires and avoid those with little value. Additional benefits include online access to commodity balances, ordering, and tracking. The district will have a commodity entitlement of \$32,522.90 for the 2008-09 school year.

### **Recommendations**

*The district should:*

1. Purchase compatible food service administrative support software modules that will accommodate centralized approval of meal applications, consolidation of meal counts and cash sales, and preparation of monthly reimbursement claims.
2. Develop and implement a double count system for daily cash sales. Staff responsible for a money box or register should verify the start-up cash prior to meal service. At the end of service, individuals should count the money according to accepted accounting procedures. A second person should count the same box and verify the amount. At a la carte windows, the money received must equal the cash price of the inventory of items sold during the meal period. Money received from

reimbursable meal lines must match the computer printout. Deposits should be placed in sealed bank bags with a deposit slip showing the date, amount, name of school and signature of the preparer. Bags should be kept in secure areas such as a school safe until they are taken to the bank.

3. Contact the state Food Distribution Division commodity specialist, Carol Guenther-Wilson, at 916-324-9875 or [cguenthe@cde.ca.gov](mailto:cguenthe@cde.ca.gov) and request commodity ordering and processing information through either the state ordering system or through a commodity cooperative.
4. Plan on using the entire allocated commodity entitlement amount of \$32,522.90 for the 2008-09 school year.
5. Permit key food service staff to attend school food shows and exhibits to become familiar with all products available to schools.
6. Discontinue the use of personal vehicles for transporting cases of food and prepared meal items. Foods should be stored in designated carts and transported only in appropriate enclosed district vehicles. Food must be maintained at the appropriate temperature, covered and secured for transport.
7. Consider purchasing a smaller enclosed vehicle for transporting food carts to sites or determining what other district vehicles could be assigned to food service.
8. Require the local milk vendor to use a refrigerated vehicle when making deliveries of dairy products to all sites in the district.
9. Encourage the cafeteria manager to join the California School Nutrition Association (CSNA) and California Association of School Business Officials (CASBO).

### Participation

Table 1 is based on enrollment and monthly meal counts provided by the district and summarizes the average daily number of students participating in the lunch program in October 2007. District administrators stated that 931 students, or 52% of enrolled students, are eligible for free and reduced price meals. It is surprising that 271 eligible students, or 29% of all eligible students, did not take advantage of the program.

**Table 1: Average daily lunch participation, October 2007**

Site	Murdock Elementary	Willows Intermediate	Willows Community High	Willows High	All Sites
Enrollment	673	473	38	536	1720
Reimbursable Lunch Participation					
Free Meals Served	305	168	8	83	564
Reduced Price Meals Served	49	35	2	10	96
Paid Meals Served	104	66	4	14	188
Total Lunches Served	458	269	14	107	848
% of Enrollment Served	68.0%	56.9%	36.8%	20%	49.3%

The high school's open campus policy results in many students eating off campus. The high school principal described cafeteria options as "limited." Two cafeteria serving lines are available during lunch, though many students take advantage of the multiple a la carte windows to purchase snack items.

Serving an additional 75 reimbursable lunches per day without an increase in staff hours is a feasible goal and could increase food service income by at least \$28,980 per school year, as shown in Table 2.

**Table 2: Effect of increasing reimbursable lunch service by 75 meals per day**

	Grades K-4	Grades 5-12	
Paid Lunch Price	\$1.75	\$2.00	
Reimbursement for Paid Lunch	\$0.23	\$0.23	
Income per Paid Elementary Lunch	\$1.98	\$2.23	
Projected Increase Lunch/Day	x 25	x 50	
Projected Total Income /Day	\$49.50	\$111.50	
Number of School Days	x 180	x 180	
Annual Increase in Lunch Revenue	\$8,910	\$20,070	\$28,980

The intermediate and high schools sell an average of \$700 per day in a la carte items. Many high school students purchase items that could be claimed as reimbursable meals. The high school food service staff manually count the appropriate purchases as reimbursable meals. The point of sale software is capable of making the calculations for each customer; however, staff members have not yet been trained to enter the information for this function. In the past, training has been provided in manual calculations rather than in computer use. None of the a la carte items sold in the intermediate school snack bar are claimed as reimbursable meals. A la carte pricing is standardized; however, each school determines its own price point, and single entrée a la carte items are often priced lower than the \$2 reimbursable meal.

Snack bar lines at the intermediate and high schools are extremely long, but students wait patiently for service. On the day of the review, the high school cafeteria lines ran out of food and the overflow of students moved to the snack bar lines.

At the elementary school, lunch is served between 10:30 a.m. and 12:30 p.m. on a rotating schedule. On an average day, 458 students eat in the cafeteria and are served at the rate of 3.8 students per minute in a single line. Two serving lines were used for a short time; however, site staff and the school principal prefer a single line to avoid additional congestion in an already congested multipurpose room. Entrée options are limited.

Cafeterias at all sites lack inviting décor and seating arrangements. Menu boards, posters and other advertisements are also lacking. Improvements in these areas can often attract more students.

Students currently have little or no input regarding menu choices or the meal program in general. Seeking and responding to student's preferences and needs and continuing to implement the wellness policy by providing additional nutrition education can benefit students, improve student participation and increase food service revenue.

Elementary school students who pay full price or who are eligible for reduced price meals currently pay for meals by depositing funds with the school office before the start of school each day. This is an efficient practice.

### **Recommendations**

*The district should:*

1. Consider increasing food service income by at least \$28,980 per school year by serving an additional 75 reimbursable lunches per day without an increase in staff hours.
2. Consider revising lunch menus to encourage greater participation. Work with student nutrition focus groups at each school and ask their opinion of the current menu and how they would like to see it changed. Provide student taste testing opportunities. Ask the focus groups to test new menu items and follow through by adding the items to the menu.
3. Add two entrée choices to the elementary school menu.
4. Improve the ambiance of the cafeterias by painting them in pleasing colors, displaying student artwork, posting nutrition information, and highlighting the school's mascot and athletic teams. Set up more tables than needed so that students will always have a place to sit if they decide to eat in the cafeteria. Students will be more inclined to eat in an inviting space.
5. Celebrate holidays by offering special themed menus. Ask the students to help plan the menu and decorate the cafeteria. Work with teachers and student organizations to celebrate homecoming and other activities with a special lunch menu.
6. Visit neighboring districts to learn how they set up lines and develop menus.
7. Increase reimbursable meal counts at the intermediate school by converting existing a la carte sales to reimbursable meals. Train the staff to use the point of sale software to make the conversion.
8. Open additional lines in the high school cafeteria and snack bar, such as grab and go pre-made salads and sandwiches, and theme lines (such as Mexican, Asian, and Italian foods). Try new ideas to encourage high school students to stay on campus. Vegetarian options are nutritious and may also increase participation.
9. Survey students who do not participate in the meal program to find out the reasons for their lack of participation, then act on the findings.
10. Revise and standardize the a la carte pricing so that single entrée items are priced higher than the \$2 charged for a reimbursable lunch. The dollar value and nutrition benefits for a reimbursable meal should outweigh the cost of a single a la carte entrée.
11. Organize student focus groups at the continuation school. Develop a menu at the continuation school that is similar to that of the high school, including premium pizza slices, salads, deli sandwiches, and other favorites. Work with the continuation school to create a workable system that allows students and staff to order lunches in advance.

12. Organize a nutrition fair in conjunction with implementation of the district's wellness policy. Nutrition education, satisfying food choices, and student taste testing can help increase meal participation.
13. Encourage students to continue paying for meals before the school day begins.

### ***Breakfast Program***

All district schools participate in the School Breakfast Program and site administrators agree that this is valuable for students. Breakfast has been available to elementary school students for many years. The program was added at the intermediate and continuation schools in 2006 and at the high school in 2007.

Breakfast is served before the start of school each day at all sites. Serving a breakfast during a morning break could increase participation at the Willows Intermediate and Willows High schools.

Table 3 is based on enrollment and monthly meal count information provided by the district and shows the average daily number of students participating in the breakfast program in October 2007. Districtwide, only 19% of enrolled students participated in the program.

***Table 3: Average daily breakfast participation, October 2007***

<b>Site</b>	<b>Murdock Elementary</b>	<b>Willows Intermediate</b>	<b>Willows Community</b>	<b>Willows High</b>	<b>All Sites</b>
Enrollment	6763	473	38	536	1,720
Reimbursable Breakfast Participation					
Free Meals Served	139	68	9	30	246
Reduced Price Meals Served	23	13	3	4	43
Paid Meals Served	22	19	3	1	45
Total Breakfasts Served per Day	184	100	15	35	334
% of Enrollment Served per Day	27.37%	21.1%	39.5%	6.5%	19.4%

The high school cook transports cold food items to the intermediate and continuation schools one day in advance of service; the cook transports hot food items on the morning of service. Murdock Elementary School prepares most of its breakfast items on site. Recently, the high school began baking a few items from scratch for Murdock.

Serving an additional 75 breakfasts per day could increase food service income by at least \$18,9990 per school year without the need for additional staffing, as shown in Table 4.

This number is based on paid meals only; reimbursement rates for reduced price and free meals are higher. Reimbursement rates can be found at the following Web site:

<http://www.cde.ca.gov/ls/nu/rs/rates0708.asp>.



**Table 4: Effect of increasing breakfast service by 75 meals per day**

	<b>Grades K-4</b>	<b>Grades 5-12</b>	
Paid Breakfast Price	\$1.00	\$1.25	
Reimbursement per Paid Breakfast	\$0.24	\$0.24	
Income per Paid Elementary Breakfast	\$1.24	\$1.49	
Projected Increase Breakfasts/Day	x 25	x 50	
Projected Total Income /Day	\$31.00	\$74.50	
Number of School Days	x 180	x 180	
Annual Increase in Breakfast Revenue	\$5,580	\$13,410	\$18,990

**Recommendations***The district should:*

1. Consider serving an additional 75 breakfasts per day to increase food service income by at least \$18,990 per school year. Food costs should not exceed \$8,800 leaving a net income of \$10,190.
2. Implement a ten to fifteen minute mid-morning breakfast break at the intermediate and high schools and offer easy to serve handheld breakfast food items.
3. Encourage higher participation at the elementary school by doing the following:
  - a. Ask students to participate in writing the menu.
  - b. Allow late students to eat breakfast in their classroom.
  - c. Hold contests at breakfast.
  - d. Notify parents of the benefits of eating a healthy breakfast, such as improved concentration, test scores and attendance.
4. Transport *all* breakfast items to the intermediate and continuation schools one day in advance of service, and assign someone other than the high school cook to transport meals. The cook should remain on site preparing lunch items and assisting the cafeteria manager.
5. Adjust intermediate and continuation school food service staff schedules to allow cafeteria helpers to heat items and set up the breakfast line. For example, creating a 6:45 a.m. to 1:30 p.m. work schedule would allow time to set up for meal service and warm breakfast items received the day before.



## Staffing

### *Meals Per Labor Hour*

Determining meals per labor hour (MPLH) provides management with a tool that helps determine appropriate cafeteria staffing. The number may vary from school to school within a district depending on the number of students served, the menu items and production requirements. For example, a school that prepares all menu items from scratch requires more labor hours and produces fewer meals per labor hour than a school that prepares ready to use or heat-and-serve items.

Meals per labor hour (MPLH) is calculated by converting all meals served to a meal equivalent so that it is possible to determine costs based on a standard unit of production, in this case a school lunch. A site's MPLH for any given period of time is the total number of meal equivalents divided by the total labor hours.

The MPLH calculation uses the following standards, procedures and assumptions:

- A reimbursable lunch and a complete adult lunch are each considered to be one meal equivalent.  
For example, 50 student lunches + 5 adult lunches = 55 lunches or 55 meal equivalents
- Standard procedure specifies that two breakfasts equal one lunch meal equivalent.  
For example, 100 student breakfasts = 50 meal equivalents
- Meal equivalents for a la carte items are calculated by dividing the total dollar amount of a la carte sales by the federal reimbursement for a free lunch plus the commodity value of that lunch.  
For example, \$2.47 federal lunch reimbursement + \$0.2084 commodity value of a lunch = \$2.6784  
Thus \$300 in total a la carte sales = 112 meal equivalents.

### *Staffing Options*

The cafeteria manager is responsible for all aspects of food service operations. This position, however, is not supervisory. With declining enrollment, state budget issues, and low meal participation at all schools, changes are sometimes needed, but the manager sometimes experiences difficulties and resistance when attempting to institute change. The cafeteria coordinator is responsible for staff evaluations, but her availability to assist in other food service operational areas is somewhat limited because she has other district responsibilities.

Several food service staff stated that employees who work more than four hours per day take their two fifteen minute breaks during work, but choose to take their half hour lunch break at the end of their work day and leave before the end of their actual work

day. Other employees choose to combine the two fifteen minute breaks as a one half hour lunch break and go home without taking an official thirty minute lunch break. This has been a longstanding practice and has apparently been deemed acceptable by the administration and the union.

The cafeteria staffing at Murdock Elementary School totals 31.4 labor hours per day, resulting in a MPLH of 17.6. This figure indicates a significant overstaffing for the number and type of meals produced. Staffing includes a 3.9-hour per day split shift clerk position. The clerk accepts money from students, places it in their account, sends low balance notices to parents, scans ID cards during lunch and breakfast, and runs daily cash reports. Even with increased participation, these duties could be performed by the cook and cafeteria helpers. A single serving line is used for both breakfast and lunch at this site. In the morning, one employee serves breakfast items and the clerk scans ID cards. At lunch, the cook acts as a runner, supplying food to the serving line while three cafeteria helpers serve the students. Better use could be made of the cook's time.

Food preparation at the elementary school consists mainly of setting up heat-and-serve items, and the choice of entrees is limited. During FCMAT's review, purchased shredded cheese was used on the lunch line but the romaine lettuce was cut by hand for the sandwiches. Ready-to-use salad greens are available in a variety of forms and would eliminate a significant amount of labor. Lunch and breakfast items are usually heat-and-serve; few items are prepared from scratch.

Table 5 shows current food service staffing at Murdock Elementary School and three alternative options with lower staffing and MPLH figures closer to industry averages. The alternative options reflect an increase in participation of 25 breakfasts and 75 lunches.

**Table 5: Murdock Elementary School current staffing and alternatives**

	<b>Current</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
Murdock Elementary Enrollment	673	673	673	673
	Current labor hours	Reducing FTE by 3.9 hours	Reducing FTE by 8 hours	Reducing FTE by 11.9 hours
Total Labor Hours	31.4	27.5	23.4	19.5
Student and Adult Lunches*	461	486	536	536
Breakfast Equivalents*	92	104	124	124
A la Carte Equivalents	0	0	0	0
Total Meal Equivalents per day	553	590	660	660
Meals per Labor Hour	17.6	21.5	28.2	33.8
* Numbers reflect an increase in participation of 25 breakfasts and 75 lunches				

The high school began baking a limited number of items for the elementary school earlier this school year and prepares some items from scratch. In addition to the full time cook and cafeteria helpers, a 3.5 hour per day clerical aide approves meal applications, collects

meal money for students and posts it to their accounts, and scans ID cards at breakfast and at lunch. The high school provides most of the food items for the intermediate school, and all snack bar items that are served hot are heated on site.

The high school kitchen produces fewer meals per labor hour than the elementary school kitchen because some of the high school food service staff transport food to the other sites, which reduces food production time. The elementary school serves food from one line, while the high school has two lunch lines and up to two a la carte windows. The intermediate school has two lunch lines and four a la carte windows.

Table 6 shows current food service staffing at Willows Intermediate, Willows Community, and Willows High schools, as well as two alternative staffing options.

**Table 6: Intermediate, Community and High school current staffing and alternatives**

Intermediate and High Schools	Current	Current	Current	Current	Combined Schools	Combined Schools
	Willows Intermediate	Willows Community	Willows High	Totals	Option 1	Option 2
Enrollment	473	38	536	1,047		
					Less 2.4 Hours	Less 8.0 Hours
Total Labor Hrs	13.6	1.9	28.9	44.40	42.0	36.4
					Increase Meal Participation*	
Lunch + Adult Lunch	269	14	158	441	490	515
Breakfast Meal Equivalent	50	8	17	75	100	112
A la Carte Meal Equivalent	112	0	149	261	250	250
Total Meal Equivalents	431	22	324	777	840	877
Meals per Labor Hour	31.7	11.6	11.2	17.5	20	24
* Reflects increase of 50 breakfasts and 75 lunches per day						

### **Recommendations**

*The district should:*

1. Consider reclassifying the Cafeteria Manager position to a supervisory position. This change would improve direct oversight of all aspects of the department, including those that are currently lacking.
2. Consider implementing one of the food service staffing options shown in Table 5 for Murdock Elementary School, with the goal of eliminating a total of 11.9 labor hours. This could be accomplished through attrition and transfers and would achieve a significant cost savings.
3. Consider eliminating the 3.9 hour split shift clerical position at Murdock Elementary School.

Consider training the elementary school cook to run the point of sale card scanner at breakfast and lunch as the cook has sufficient time to take over these responsibilities. During lunch service, consider giving responsibility for replenishing the serving line to one of the three cafeteria helpers working the line.

4. Consider reducing additional food service hours at Murdock Elementary School if meal participation does not increase.
5. Offer elementary students a choice of two additional entrees every day.
6. Consider the food service staffing options provided in Table 6 for Willows Intermediate School and Willows High School.

Consider eliminating 2.4 labor hours at the intermediate school and high school. Additional hours may be eliminated through attrition as shown under Option 2 in Table 6.

7. Adjust the supervisory responsibilities to include money management, computer end of day reports and other relevant tasks. Each site should be responsible for counting daily cash sales, running and verifying end of day computer meal count reports. The cafeteria manager should be responsible for oversight, including review of daily reports that include meal counts, edit checks, food production and other information from the sites.
8. Cease preparing food for the elementary school at the high school kitchen.
9. Eliminate all scratch cooking and baking.
10. Assign someone other than the high school cook to transport meals to other sites and to serve meals at the intermediate school. The cook should remain at the high school to prepare meals and assist the supervisor in food preparation.

## *Catering*

The high school provides catering services for a few events sponsored by the Associated Student Body (ASB) and the Christian Athletic Club. With advance notice from the student organizations, staff could prepare attractive and delicious meals and the student lunches could be claimed for reimbursement. Choices such as premium pizza, chef's salads, and deli sandwiches are currently offered and could be boxed in advance and ready for pickup.

To celebrate student success, the elementary school orders pizza from a local vendor rather than from the cafeteria school lunch program. This competes with the school lunch program and reduces participation and revenue because none of these lunches are eligible for meal reimbursement. Providing special reimbursable lunches for these functions would reduce costs and make them eligible for reimbursement. The cost to the school would be the price of the reduced price and paid lunches that were served.

During lunch service in the high school cafeteria, the study team observed a student picking up several pizzas for a lunchtime club meeting. The pizzas could have been part of a reimbursable meal but were not claimed.

School administrators expressed disappointment that adult salad bars are no longer available. The food service staff indicated that menu options for teachers and staff were available in the past but were discontinued because of lengthy preparation time, increasing expense, lack of portion control and low participation. Allowing adults to order in advance and using the food service point of sale program to track adult meals and take payments in advance could increase participation.

## *Recommendations*

*The district should:*

1. Advertise and offer a limited menu for student groups that meet during a lunch period. Box items in advance and have them ready for pickup.
2. Provide special reimbursable lunches for elementary school lunch functions such as students of the month, good citizens, and award celebrations.
3. Offer adults the opportunity to order a lunchtime soup and salad or deli sandwich of the day in advance. Use the food service point of sale program to track adult meals and take payments in advance.
4. Offer catered breakfasts, lunches and snacks for staff in-service training days, school board meetings and site staff meetings. Meals should be attractive, tasty and provided at a competitive price.
5. Provide back-to-school barbecues and open house snacks, taking every opportunity to showcase the flavorful and healthy food provided by the food service staff.

6. Explore the possibility of providing school meals to other local preschools, day care facilities and private schools. The effect on food service staffing, food costs, and potential revenues should all be analyzed before these services are offered to ensure that the program will produce sufficient revenue to make it worthwhile.



## Site Consolidation

The district's two kitchen facilities are comparatively large; however the floor plans lack proper work flow. Walk-in freezers and coolers are either located at a distance from the food preparation areas or are too small to be of value for a central kitchen. Dry storage is adequate for individual schools. Any changes to the kitchens would require expensive upgrades to plumbing and electrical systems. Because of the age of the buildings, there is a high probability of finding lead, asbestos and other health hazards during renovations.

The high school kitchen currently serves as a modified central kitchen, producing meals for the intermediate, continuation, and high school students. This kitchen produces a total of approximately 390 lunches, 150 breakfasts and 200 a la carte items each day. Most of the items prepared are heat-and-serve, though this year the staff has begun to bake some breads and other bakery items from scratch. The intermediate school is not set up for cooking, but food service staff bake pizza every day in a single oven stove. The elementary school prepares meals for its students, serving approximately 184 breakfasts and 458 lunches daily, but no a la carte items.

Neither of the existing kitchens has the physical space to store and produce the volume of food needed to support meal service for all four district school sites without significant remodeling. Remodels can be costly and replacing equipment at Willows High School could amount to \$100,000 or more for new and additional convection ovens, a larger mixer, a new dishwashing machine, additional transport carts, warmers, slicers, pan racks, pots and pans, and other items. Consolidating to a centralized kitchen may not result in reduced labor costs because individual sites need staff to receive and serve meals and more than one driver and vehicle could be needed to ensure that food is delivered on time. In addition, the impact of declining enrollment and low meal participation would make it difficult to pursue the additional expense of building a central kitchen at this time.

Producing separate elementary and high school menus from a single site is difficult because of the large number of entrees and side dishes needed to satisfy meal requirements and student preferences. Food produced at the serving site contributes to the perception of freshness and good taste; food transported to a site may be produced several hours prior to being served and quality may diminish.

## Recommendations

*The district should:*

1. Delay consolidating food production at a central site.
2. Visit comparably sized school districts to observe and obtain information regarding the efficiency of reorganizing food service operations at a central site. The district's chief business official (CBO), cafeteria coordinator and cafeteria manager should make these visits.

3. Confirm the potential funding sources, such as a local bond, to cover the cost of modernizing existing kitchen facilities or building a new facility. In addition, determine where a new facility could be constructed if modernizing of one of the existing kitchens is not feasible.

# Appendix



*Appendix A*  
*Study Agreement*





CSIS California School Information Services

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FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM  
STUDY AGREEMENT  
October 4, 2007

The FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM (FCMAT), hereinafter referred to as the Team, and the Willows 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 Willows Unified School District's Food Service 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.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

The District's Food Service Department currently provides services under the federal and state Nutrition Programs, including the National School Lunch and Breakfast programs. The District serves approximately 500 students to four sites throughout the District. The program has an annual operating deficit that ranges from approximately \$30,000 to \$50,000 annually. The scope and objectives of this study are to:

- 1) Conduct a review of the District's Child Nutrition program including operations, staffing, policies and procedures, menu planning, and catering services and provide recommendations for enhancing revenues or improvements to reduce the department's encroachment to the General Fund.
- 2) A specific component of the review will be to provide the District with an analysis of consolidating the number of sites for the preparation and serving of food. The District currently utilizes two sites to serve four locations. The feasibility analysis shall include logistics, equipment cost, labor cost, menu planning and implementation phasing.

B. Services and Products to be Provided

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

3. PROJECT PERSONNEL

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

A. FCMAT Child Nutrition Consultants

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 billed for the daily rate and expenses of the independent consultant, only. Based on the elements noted in section 2 A, the total cost of the study is estimated at \$8,000. 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
- C. Any change to the scope will affect the estimate of total cost referenced in item 4B and shall be mutually agreed upon. The terms and conditions proposed by FCMAT may be accepted by the District within a thirty day period from the receipt of this agreement. All terms and conditions contained herein will become null and void should the District fail to execute this agreement within the specified time period.

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. The Team anticipates interviews with the following personnel:
- 1) Board Members
  - 2) Superintendent
  - 3) Director of Business Services
  - 4) Cafeteria Coordinator
  - 5) Cafeteria Personnel
  - 6) Site Principals
  - 7) Account Payable / Purchasing Staff
  - 8) Payroll Staff
- B. The District will provide the following (if requested):
- 1) A map of the local area
  - 2) Existing policies, regulations and prior reports addressing the study request
  - 3) Current organizational charts; District & Food Service Department
  - 4) Current and four (4) prior years' audit reports
  - 5) The following documents:
    - List of current Food Service Programs
    - District and Department budgets for 2005-06, 2006-07, & 2007-08
    - Quarterly income and expense statements with % of food cost, labor cost, and other expense 2005-06, 2006-07, & 2007-08
    - End of year profit or loss 2005-06, 2006-07 & 2007-08
    - Indirect cost rate and payment from food services
    - Cash collection and handling procedures
    - Inventory final for 2005-06, 2006-07, current
    - Current year approved meal applications

- Notifications to school sites
- Meal application verification results for 2006-07; status for current year
- 2006-07 & 2007-08 meal participation compared to eligibility by site by program (breakfast, lunch, after school snack)
- Meal edit checks summary by school & month for 2006-07 and current year
- Last two Coordinated Review Effort (CRE) and School Meal Initiative (SMI) audits
- Current year menus by program and by site including snack bars
- Nutrient analysis for menus
- Cooperative purchasing information
- Bids and or requests for proposal (RFP) for food and supplies
- Food and supply ordering and delivery procedures
- Contracts for cooperatives, milk, and groceries
- Vendor invoicing and district payment
- Method of transporting food and meals to sites
- Food service staffing by site - hours, position, job descriptions (include district office and warehouse staff), hours necessary to qualify for health benefits
- Wellness policy
- Hazard Analysis Critical Control Point (HACCP) documentation and training
- Nutrition education documentation
- 3A Drawings or site maps for each site
- Equipment Listing for each site

C. The District Administration will review a preliminary draft copy of the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the Team prior to completion of the final report.

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

## 6. PROJECT SCHEDULE

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


Orientation:	November
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

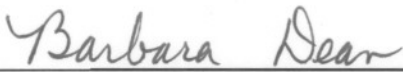
Please print name of contact person: \_\_\_\_\_  
Kevin Bultema, Director of Business

Telephone 530-934-6600 x5 FAX \_\_\_\_\_

Internet Address: kbultema@willowsunified.org

  
\_\_\_\_\_  
Dr. Steve Olmos, Superintendent  
Willow Unified School District

Date 11/14/07

  
\_\_\_\_\_  
Barbara Dean, Deputy Administrative Officer  
Fiscal Crisis and Management Assistance Team

Date Nov 6, 2007

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.