



FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

CSIS California School Information Services

Santa Ana Unified School District

Food Service Review

August 8, 2014

Joel D. Montero
Chief Executive Officer





August 8, 2014

Rick Miller, Ph.D., Superintendent
Santa Ana Unified School District
1601 East Chestnut Avenue
Santa Ana, CA 92701

Dear Superintendent Miller:

In February 2014, the Santa Ana 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 would perform the following:

1. Examine the food service department's procedures and practices for managing all operations with regard to efficiency. The department is responsible for establishing the framework for overall operations, allocating resources, providing functional guidance, and assessing districtwide opportunities to provide improved service. The team will evaluate the current workflow and distribution of management and leadership functions in the department and provide recommendations for improved efficiency, if any. The review will include, but not be limited to, the following areas: food preparation, ordering, inventory, cash and resource management, staffing, policies and procedures, federal and state compliance, menu planning, warehousing and food storage, purchasing and facilities. The review will include any constraints to productive management by evaluating systems, structures and employee responsibilities in relationship to the district's goals.

This component will include reviewing documentation, including board policies and administrative regulations and job descriptions, and gathering data regarding current practices, procedures and separation of duties to ensure the proper internal controls are in place. In addition, the team may interview other department or site staff to determine the efficiency and effectiveness of services delivered.

2. Review training and professional development programs for employees and managers and make recommendations.

FCMAT

Joel D. Montero, Chief Executive Officer

1300 17th Street - CITY CENTRE, Bakersfield, CA 93301-4533 • Telephone 661-636-4611 • Fax 661-636-4647
755 Baywood Drive, 2nd Floor, Petaluma, CA 94954 • Telephone: 707-775-2850 • Fax: 707-636-4647 • www.fcmat.org
Administrative Agent: Christine L. Frazier - Office of Kern County Superintendent of Schools

This final report contains the study team's findings and recommendations in the above areas of review. FCMAT appreciates the opportunity to serve the Santa Ana Unified School District, and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,

A handwritten signature in black ink, appearing to read "Joel D. Montero".

Joel D. Montero
Chief Executive Officer

Table of Contents

About FCMAT	iii
Introduction	1
Background	1
Study and Report Guidelines	1
Study Team	2
Executive Summary	3
Findings and Recommendations	7
Department Overview	7
Participation Trends and Provision 2 Status	10
Staffing and Meals Per Labor Hour	13
State Audits and Use of Cafeteria Funds	16
Personnel Activity Reports	18
Budget	20
Purchasing and Inventory	22
Facilities	25
Menus, Standardized Recipes, and Nutrient Analysis	28
Offer versus Serve and Menu Production Records	32
Competitive Food Sales	34
Food Waste	36
Staff Training	37
Appendices	39

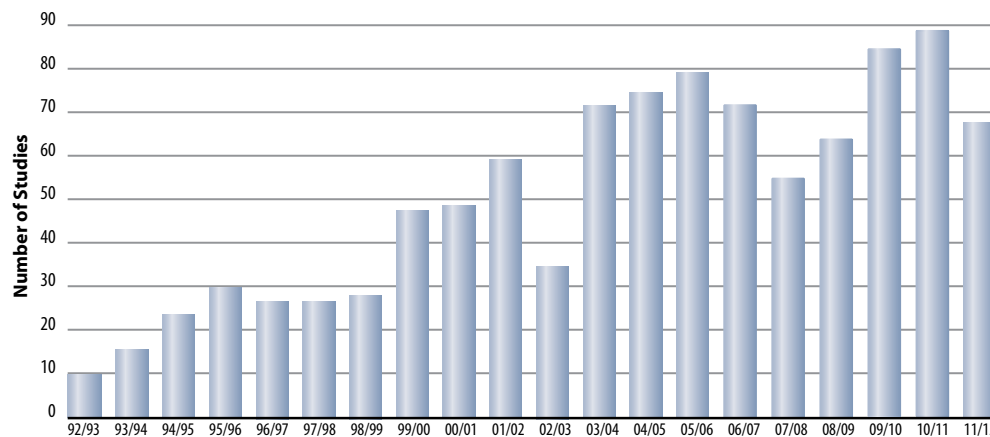
About FCMAT

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 offices 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 more than 1,000 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 Orange County, the Santa Ana Unified School District has a five-member governing board and is the seventh largest school district in California. The district serves approximately 57,499 K-12 students at numerous elementary, intermediate, comprehensive high, and alternative education schools, and has authorized five charter schools. According to data from the California Department of Education, student enrollment has remained relatively flat since 2006-07, and reached a peak of 63,610 students in 2002-03.

The district serves a high-needs population, and its Nutrition Services Department's eligibility reports indicate that free and reduced-price meal eligibility districtwide was 89% as of March 31, 2014, and ranged from 88% to 91% during the past 12 months. California Department of Education data indicates that free and reduced-price meal eligibility has been between 78-84% for the prior four years; however, this data includes the five charter schools, which are not part of the district's meal program.

In February 2014, the Santa Ana Unified School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for management assistance to review the operations of the district's Nutrition Services Department.

Study and Report Guidelines

FCMAT visited the district March 31 through April 3, 2014 to conduct interviews, visit food service facilities, collect data, and begin reviewing documents. District staff continued to provide requested documents following FCMAT's fieldwork. This report is the result of those activities and is divided into the following sections:

- Executive Summary
- Department Overview
- Participation Trends and Provision 2 Status
- Staffing and Meals Per Labor Hour
- State Audits and Use of Cafeteria Funds
- Personnel Activity Reports
- Budget
- Purchasing and Inventory
- Facilities
- Menus, Standardized Recipes, and Nutrient Analysis
- Offer versus Serve and Menu Production Records
- Competitive Food Sales
- Food Waste
- Staff Training
- Appendices

In writing its reports, FCMAT uses the Associated Press Stylebook, a comprehensive guide to usage and accepted style that emphasizes conciseness and clarity. In addition, this guide emphasizes plain language, discourages the use of jargon and capitalizes relatively few terms.

Study Team

The study team was composed of the following members:

Diane Branham
FCMAT Chief Management Analyst
Bakersfield, CA

Judy Stephens
FCMAT Consultant
Nipomo, CA

Rod Blackner*
Director of Food Services
Paso Robles Joint Unified School District
Paso Robles, CA

Janette Wesch*
Director of Child Nutrition
Orcutt Union School District
Orcutt, CA

Laura Haywood
FCMAT Technical Writer
Bakersfield, CA

*As a member of this study team, this consultant was not representing his or her employer but was working solely as an independent contractor for FCMAT. Each team member reviewed the draft report to confirm its accuracy and to achieve consensus on the final recommendations.

Executive Summary

The Nutrition Services Department has experienced many challenges in the past several years, and there has been a great deal of turnover in staff both at school sites and at the management level. Most of the management employees have been hired within the past two years. The new management team is energetic, with diverse talents, knowledge and employment backgrounds. The management team expressed a positive attitude, a desire to provide excellent service, and a commitment to their jobs.

Although there have been numerous changes in the department, it appears to be functioning well in many areas. However, the division of management responsibilities is not clear and has caused some confusion within the department and throughout the district. There is some uncertainty among staff regarding who to call with questions or problems about food service. The department needs to determine the responsibilities of each management position, develop a written list that includes each position and its assigned responsibilities, and distribute the list throughout the district. It may also be helpful to assign one contact person, such as a secretary or clerk in the nutrition services office, who can direct callers with specific questions to the proper management staff member.

Improved communication is needed among the Nutrition Services Department's management staff, between the department's management staff and school site nutrition services staff, and between nutrition services and district office staff. Improved communication is also needed between the food service and district office staff for functions such as purchasing, accounts payable, and inventory systems in order to function successfully and resolve issues quickly.

The management team has undertaken many complex projects and has created a department plan stating its goals. The goals are ambitious but need to be prioritized and delegated to appropriate staff for implementation. Job descriptions for food service positions, and board policies and administrative regulations pertaining to food service need to be reviewed; some need to be revised.

Approximately 89% of the district's students are eligible for free or reduced-price meals. The district received state approval for Provision 2 status districtwide beginning in 2013-14. Provision 2 is an alternative meal claiming procedure that allows all students in the district to receive meals at no cost, regardless of their eligibility. Most of the department's revenue comes from federal reimbursements, so student participation in the meal program is vital, especially from students who are eligible for free or reduced-price meals. Meal participation reports indicate that meal counts decreased during the first several months of the 2013-14 school year compared to 2012-13 but are gradually increasing; nutrition services staff indicated that this may be due to delayed implementation of Provision 2 in 2013-14. To increase student participation, the district needs to ensure that students and families know that all students may eat for free. New meal service options, such as breakfast in the classroom, nutrition breaks, and two lunch periods at secondary schools also need to be explored. Plans to increase entrée choices at elementary schools should also be implemented, and the district should consider reintroducing salad bars at the high schools.

Based on the study team's experience, meals per labor hour (MPLH) in schools are generally about 30. Most of the district's elementary school sites exceed this standard, but only two of the intermediate and high schools are at or above 30. This should continue to be monitored and analyzed as the district strives for efficiency in the food service program. To provide a more accurate analysis, the department's MPLH calculation for the elementary schools needs to include central kitchen labor hours.

The 2012 Coordinated Review Effort (CRE) conducted by the California Department of Education (CDE) found that the cafeteria fund's net cash resources were out of compliance because they exceeded three months' average expenditures. The district prepared a five-year spending plan, which was approved by the CDE. The plan needs to be fully implemented according to the annual schedule, and the department needs to continue to monitor the cafeteria fund to avoid excess balances in the future. The plan also needs to be reviewed with all food service staff.

In January 2012, the CDE conducted a fiscal review of the district's cafeteria fund and found the district to be out of compliance in documenting costs charged to the cafeteria fund for staff paid from multiple funds. Interviews indicated that personnel activity reports (PARs) are now being completed for all multi-funded activity supervisors. However, PARs were not provided for account technician and a senior buyer positions the funding for which has been split between the cafeteria and general funds. The district needs to ensure that all multi-funded positions are documented by PARs as required by the CDE and federal regulations. The district also needs to closely monitor general administrative costs and indirect costs charged to the cafeteria fund to ensure that they meet state and federal requirements.

The 2012-13 unaudited actuals report includes a cafeteria fund balance of \$20.3 million that, coupled with the April 1, 2014 income statement, indicates that the department is financially sound. However, it is important to closely monitor finances because they can change quickly. The 2013-14 cafeteria fund budget projects an operating deficit of approximately \$5.3 million. Although some of the deficit may be attributed to partial implementation of the five-year spending plan, the budget needs to be analyzed and closely monitored throughout the year to ensure that an unplanned deficit does not occur.

Education Code Section 38083 allows districts to purchase perishable foodstuffs and seasonal commodities needed to operate cafeterias in accordance with the rules and regulations adopted by the governing board, as long as they do not conflict with Education Code provisions. However, to obtain the best possible price and service, districts often find it advantageous to request bids or obtain quotes for these items. The district should continue with its plans to solicit bids or issue requests for quotes.

FCMAT observed several district food service facilities and found that some are small for the quantity of meals served, some of the kitchen equipment is old and has exceeded its expected lifecycle, several of the structures have visible maintenance and repair needs, and there are some code violations. The district needs to immediately inspect all kitchens and make a list of needed repairs. The list needs to be prioritized, and all top priority items need to be completed in summer 2014. In addition, kitchen storage areas need to be restricted to food service items only so that staff may properly perform their duties.

The Nutrition Services Department has done a good job of incorporating new federal school nutrition requirements into its menus, but has had to make some unpopular changes to comply and pass the certification process. Some food service staff members may not understand or accept the limitations associated with the new regulations, and school site staff indicated they would like more choices to help increase student participation. This issue should be discussed at the monthly meetings with field and site supervisors so that a consensus can be reached regarding which products can be chosen while maintaining inventory controls and compliance with regulations.

The department is required to have a recipe for each menu item, and to have it available at each school site. However, the department has few recipes, and those it has are not in a standard

institutional format and are difficult to read. Food service menus are required to be analyzed on a state-sanctioned nutritional analysis software program to ensure that they meet required standards. However, the reports generated from the district's program are tedious and hard to follow, and staff reported that the program is difficult to use. The district needs to consider using a software program that integrates all phases of menu planning, recipes, production records, and nutrient analysis. The program should be efficient, easy to use, and provide reports that are easy to understand.

Strict federal and state regulations govern competitive food sales in school districts. However, the FCMAT study team observed that the parent-teacher organization at one elementary school was selling food to parents and students during lunchtime. The district needs to ensure that all groups that sell foods and beverages on a school campus follow laws, regulations and policies regarding competitive food sales. Training should also be provided to school administrators and food service staff regarding competitive food sale regulations.

The district has placed a high priority on training food service staff and has designated a field supervisor whose chief responsibilities include developing and implementing training programs. Training manuals that include all aspects of food service and safety requirements have been developed for all Nutrition Services Department employees. The district should continue its plans to provide a training program for all food services employees. In addition, food service staff need more training in several areas, including Oracle software for ordering and inventory functions; completing menu production records; competitive food sale regulations; analysis of data provided by the Meals Plus point of sale system; and, for site supervisors, Healthy, Hunger-Free Kids Act regulations.

Findings and Recommendations

Department Overview

The Nutrition Services Department has experienced many challenges in the past several years. The department has approximately 350 employees, and there has been a great deal of turnover in staff both at school sites and at the management level in recent years. The current director of nutrition services is the third since 2007 and has been in the position for less than two years. Most of the management team, which includes two assistant directors, two operations managers, a manager of accounting, nutrition manager, nutrition specialist, three central kitchen production supervisors, a warehouse supervisor and five field supervisors have been hired within the past two years. Many of those positions are newly created, including:

- one assistant director
- one operations manager
- one production supervisor
- three field supervisors
- one manager of accounting
- one nutrition manager
- one nutrition specialist
- one warehouse supervisor

Four of the management staff members are registered dietitians. The February 2014 organizational chart also includes a new marketing coordinator position to help promote the meal program to students and families; this position has not yet been filled.

Interviews indicated there was previously not enough management and supervisory staff to properly oversee the department functions, so it was necessary to increase positions as noted above. A staffing review was not part of FCMAT's scope of work. However, the division of management responsibilities is not documented in writing and has caused some confusion within the department and throughout the district. The additions to the management team within such a short time frame may have resulted in a structure that is still evolving.

Numerous interviews with staff members revealed uncertainty regarding who to call with questions or problems about food service. Interviews also revealed concerns regarding the lack of complete and timely communication among the Nutrition Services Department's management staff, between the department's management staff and site nutrition services staff, and between nutrition services and district office staff. Although nutrition services supervisors conduct monthly meetings with site food service staff, interviews indicated that site staff feel management does not always hear their concerns and that they receive different answers to the same question. This creates frustration and can reduce morale.

Several staff members indicated that it would be helpful to have one contact person, such as a secretary or clerk in the nutrition services office who could direct them to the proper management staff member for specific questions, and when an immediate site concern arises if the field supervisor isn't available.

The management team has undertaken many complex projects since joining the district, including working to fix a dysfunctional inventory and order system, implementing major changes in federal and state food requirements for the school meal program, hosting food fairs to obtain students' input on menu choices, filling numerous employee vacancies in the department, and developing a comprehensive employee training program. The team has also created an all-encompassing department plan stating its goals, titled *The Plan to Win*. The goals are ambitious; however, it is important that the big picture goals are prioritized for implementation and do not overshadow the more pressing and immediate issues that site staff may have. It is vital that staff feel they are heard and receive an appropriate, timely response to concerns. It is also important that new managers spend time getting to know site staff and understand their concerns.

The new management team is energetic, with diverse talents, knowledge and employment backgrounds. Some members have previous school food service experience and some do not, which can create a learning curve, but they bring other types of work experiences to their positions. The management team expressed a positive attitude, a desire to provide great service, and a commitment to their jobs.

Most of the district's job descriptions for food service positions have not been updated in several years. The majority of the descriptions provided to the study team were approved by the governing board in 2001; however, several did not include an approval date. Some of the duties have changed based on new menus and the use of more convenience foods. For example, there are job descriptions for baker and senior baker positions, but the Nutrition Services Department no longer bakes items at the central kitchen. In addition the food service worker I, food service worker II, and food service lead job descriptions have been revised by strikethroughs and typed insertions, but they do not appear to have board approval dates for the revisions.

Several board policies and administrative regulations pertaining to food service are outdated. For example, the most recent item is Administrative Regulation 5030, Student Wellness, which was approved in September 2007. The other policies and regulations were adopted prior to that time; the oldest, Administrative Regulation 3551, Food Service Operations/Cafeteria Fund, was approved in August 1998. There have been many changes to federal and state laws and regulations and to the district's food service program operations and procedures since these policies and regulations were adopted.

Recommendations

The district should:

1. Determine the responsibilities of each Nutrition Services Department management position, and try not to overlap responsibilities when possible.
2. Develop a simple written list of Nutrition Services Department management positions with responsibilities for each, and distribute the list throughout the district so that staff members know who to call for specific questions and concerns.
3. Assign a contact person at the nutrition services office, such as a secretary or clerk, who can direct questions and immediate site concerns to the appropriate management staff member.
4. Prioritize goals and projects, and delegate them to appropriate staff for implementation.

5. Ensure that accurate, complete and timely communication is a high priority.
6. Ensure that staff meetings include time for site staff to discuss their concerns and that they can participate in decisions that affect their sites, when appropriate.
7. Review job descriptions for food service positions, and work with the employee bargaining unit to revise them as necessary.
8. Review board policies and administrative regulations pertaining to food service, and revise them as necessary.

Participation Trends and Provision 2 Status

The district has a large percentage of students who are eligible for free and reduced-price meals. Per the Nutrition Services Department's reports, the districtwide eligibility was 89% as of March 31, 2014. It was at 91% in October 2013 after an intensive promotion of the program leading up to the district's plan to apply for provisional status districtwide.

The district received Provision 2 approval districtwide beginning in 2013-14. Provision 2 is an alternative meal claiming procedure that allows all students in the district to receive meals at no cost, regardless of their eligibility. Therefore, a higher level of student participation could be expected. The base year of the program is 2013-14, so eligibility is collected in the usual manner and student meal counts are obtained and reported by eligibility type.

Overview of Provision 2

- This provision reduces application burdens and simplifies meal counting and claiming procedures. It allows schools to establish claiming percentages and to serve all meals at no charge for a four-year period.
- Schools must serve meals to all participating children at no charge for a period of up to four years. During the first year, or base year, the school makes eligibility determinations as usual and takes meal counts by eligibility type. During the next three years, the school makes no new eligibility determinations and counts only the total number of reimbursable meals served each day. Reimbursement during these years is determined by applying the percentages of free, reduced-price and paid meals served during the corresponding month of the base year to the total meal count for the claiming month. The base year is included as part of the four years.
- At the end of each four-year period, the state agency may approve four-year extensions if the income level of the school's population remains stable.

More details about the School Nutrition Provision Program options may be found on the California Department of Education (CDE) website at <http://www.cde.ca.gov/ls/nu/sn/provisions.asp>.

Schools electing this alternative must pay the difference between federal reimbursement and the cost of providing all meals at no charge. The money to pay for this difference must be from sources other than federal funds.

The district's counting and claiming written procedures still reflect processes prior to the districtwide implementation of Provision 2 status and include paid meal prices, application and verification procedures. They need to be updated to reflect current practices.

For all meals served to students, the district receives both federal and state reimbursements. The 2013-14 federal reimbursement rates for lunch are \$2.95 for each free meal and \$2.55 for reduced. Breakfast rates are \$1.89 for free and \$1.59 for reduced. State subsidies for free and reduced-price breakfasts and lunches are \$0.22 per meal. Paid meals only receive federal reimbursements of \$0.30 for lunch and \$0.28 for breakfast. As a result of the new meal regulations and related certification, the district also receives an additional \$0.06 for all lunches served (free, reduced and paid). The new menu regulations and certification are discussed in another section of this report.

Most of the department's revenue comes from federal reimbursements, so student participation in the meal program is vital, especially from the free and reduced population. According to district

meal participation reports comparing the number of meals served from August through January 2012-13 and 2013-14, lunch counts dropped during the first several months of the current year but are gradually increasing. Daily lunch participation reports indicate that districtwide averages from August through March of 2013-14 were 75% of average daily attendance. February and March 2014 numbers average 80%.

A comparison of grade levels on the department's Meal Participation % based on Average Daily Attendance reports indicates that elementary lunch participation is much higher than districtwide participation, with average lunch participation from August through February of 86% for elementary schools. Intermediate schools and high schools are considerably lower with 67% and 63% respectively. However, this is typical of other districts because elementary students generally participate in the food service program at higher rates than older students.

Breakfast participation from August through February 2013-14 is significantly lower than lunch, averaging 28% districtwide. Elementary levels are even less, averaging 18.6%. Low participation rates are not uncommon when breakfast is served before school. Typically, students either aren't hungry early in the morning or they do not get to school early enough to participate. Many districts serve breakfast at a mid-morning nutrition break, sometimes instead of before school and sometimes in addition to it. According to the Nutrition Services Department management staff, a mid-morning nutrition break had been offered at some intermediate and high school sites but was discontinued. Interviews further indicated that there are plans to reinstitute nutrition breaks. This would help increase participation greatly because mid-morning is an ideal time for breakfast for this age group as many of them are not ready to eat in the early morning. Department reports indicate that the intermediate schools have the best participation rates at breakfast; however, current year trends indicate that meal counts were lower for several months in 2013-14 compared to the same months in 2012-13.

The district is considering serving breakfast in the classroom at elementary schools. The program has been successful in many districts. It adds to the students' nutritional well-being and has been shown to be an asset in attentiveness and behavior in the classroom. The implementation of this program would greatly increase the number of breakfasts served, and could possibly increase participation rates to 90% or more. There are various ways of implementing this program. The method most likely to capture maximum participation is to deliver meals to the classroom for students to take as they enter their class. Teachers then record each student who took a meal as they take attendance. With this method, menu items should be simple, prepackaged and easy to eat; for example, breakfast burritos or sandwiches, cereal bars, bagels, or muffins. Trash and leftovers can be set outside the classroom for food services staff or custodians to pick up so there is no food left in the classrooms. Another method of implementation is for each student to pick up a meal from the cafeteria and take it to their classroom for consumption. However, similar to traditional cafeteria breakfast service, students still must get to school early enough to go to the cafeteria before class starts. Therefore, student participation with this method will likely not be as great as compared to having meals delivered to the classroom. Collaboration among nutrition services staff, teachers and administrators is necessary to ensure that the program is successful.

As discussed previously, 2013-14 districtwide average lunch participation was 75% as of March 2014. Serving 75% of students at lunch is commendable. However, based on free and reduced-price eligibility of 89% and the Provision 2 status, a higher level of participation could be expected.

Several factors could be affecting district meal participation. For example, all students and families may not be aware of the new provision allowing all students to eat for free. The district should make ongoing efforts to communicate this fact to families.

Long lines may also discourage students from participating. Because this is the base year of the Provision 2 process, the district still needs to collect individual student participation data by using the point of sale computers. In the following years meal counts may be taken on total student counts, rather than requiring students to input their identification numbers to indicate free, reduced or paid eligibility. An alternate counting method such as a hand-held clicker or tray counts could be considered for implementation at elementary schools. However, at intermediate and high schools this would be more difficult to monitor due to the need for multiple lines and the possibility for a student to receive more than one meal. An alternate method for these sites would be to have two pin pads attached to each point of sale computer. Because money does not need to be exchanged or eligibility checked, one staff member could oversee two pin pads. Alternate methods such as these could speed up lines and may encourage more students to participate, particularly at the secondary levels.

In addition, some of the district's secondary schools have only one lunch period. Because of the large number of students, serving lines are long, which may discourage maximum participation and not provide enough time for students to eat. Implementing two lunch periods at these sites could help to alleviate this issue. Such a change would require collaboration with school site, district and nutrition services staff.

Another important factor in meal participation is the food being offered. As discussed later in this report, federal nutritional regulations have become much stricter during the past two years, changing the types of foods schools are allowed to serve. This can greatly impact student attitudes toward the program. The district is addressing this issue by conducting food fairs to ascertain student preferences and adjusting menus accordingly. However, at secondary levels particularly, no matter what the district does to improve services, oftentimes students do not want to participate in the food service program because it is not the popular thing to do or they would rather spend time socializing.

Recommendations

The district should:

1. Revise written procedures regarding counting and claiming, application processing and meal pricing to reflect Provision 2 procedures.
2. Explore new meal service options, such as breakfast in the classroom, nutrition breaks, and two lunch periods at secondary schools to increase participation.
3. Ensure that all students and families are aware of the new provision that allows all students to eat for free, regardless of eligibility.
4. Following the Provision 2 base year, consider alternate methods of obtaining student meal counts, to speed up serving lines.
5. Continue to obtain student input and make menu improvements accordingly. This should be done by grade level because students may have different opinions and requests.

Staffing and Meals Per Labor Hour

According to district site staffing lists, the Nutrition Services Department has approximately 280 food service workers and site supervisors assigned to school site kitchens. The central kitchen has approximately 30 food service workers, cooks, and bakers and five delivery drivers all tasked with food preparation and delivery to elementary sites. Additional employees include the management staff, central kitchen custodians, equipment mechanic, storekeepers, network technician, personnel technicians, secretarial and clerical staff.

The department has worked to fill many staff vacancies in recent years. This adds challenges to the program, with numerous staff members and substitutes who are not experienced employees.

According to reimbursable meal claims, daily average meal totals are approximately 40,000-41,000 lunches and 12,000 breakfasts. The district also serves reimbursable snacks at several elementary sites, and intermediate and high school sites offer some a la carte menu items for sale. A typical manner of analyzing staff efficiency in the food industry is to study the number of meals per labor hour (MPLH). Meals are given an equivalency based on the difficulty of service. There are many ways to assign equivalency factors, but the most important aspect is to use a consistent method so trends can be observed and site comparisons can be made. The Nutrition Services Department analyzes its meals in such a manner.

The meal equivalent factors used in Santa Ana are as follows: A lunch counts as one meal equivalent, breakfast as .66, elementary snacks as .33, and a la carte sales are based on a dollar factor. The a la carte factor used is equal to the free lunch reimbursement (\$3.01) plus the commodity food value per meal (\$0.2029) for a total equivalent factor of \$3.2129.

The total numbers of meals and snacks are multiplied by their appropriate factors and the total a la carte dollar sales are divided by the a la carte factor to determine total meal equivalents. The meal equivalents are then divided by the total number of staff hours to determine meals per labor hour. Typically this analysis is done for each site so comparisons can be made in the number of labor hours assigned to each site. The department is completing this analysis.

The department provided an example of its MPLH analysis to the study team. Because the Nutrition Services Department is not experiencing financial concerns at this time and excessive labor hours is not a focus of this review, the study team did not prepare a separate analysis of MPLH but rather reviewed the department's report.

The study team found the following discrepancies in the department's MPLH report. The report included snack counts from January and February 2014, a la carte sales from December 2013, and breakfast and lunch counts from November and December 2013. To help ensure accuracy, all meal counts should be for the same time frame.

The analysis for the elementary schools was incomplete. Elementary meals are prepared in the central kitchen and delivered to sites by central kitchen delivery drivers. This is a significant portion of the labor required to produce these meals; however, central kitchen labor hours were not included in the MPLH analysis.

According to the food service staff schedule list, 35 employees are identified as food service workers, cooks, bakers and delivery drivers working in the central kitchen, accounting for a total of 275.44 budgeted labor hours. Per the department's MPLH analysis there are 37 elementary sites, including the child development center served by the central kitchen. A simple method of allocating the central kitchen labor hours to the elementary schools is to divide the total 275.44 hours by 37, adding 7.44 hours to each elementary site labor hour total. This is the easiest

method of assigning central kitchen hours; however, if the department wanted to use a more equitable method, it could assign each site a percentage of the hours based on the number of meals produced for each site.

Accounting for the central kitchen labor hours makes a substantial difference in the number of MPLH for each site and is a more accurate reflection of the amount of labor it takes to produce meals for elementary school sites. Department staff indicated that only site hours are used so staffing at various schools can be compared. However, this would still be possible if the central kitchen hours were included, and the document would be a more accurate reflection of district labor efficiency.

For comparison purposes the study team inserted the central kitchen labor hours into the department's MPLH worksheet for elementary sites to compare outcomes (see Appendix A). These changes are shown on the worksheet in three columns titled CK Hours, Change in Hours, and New MPLH (all shown in red text). The department's report reflects an average elementary MPLH of 70. Adding 275.44 central kitchen hours changes the average to 41. In addition, the department's report does not include a MPLH goal for elementary schools.

The department's MPLH analysis for intermediate schools show an average of 26, and the department identifies its goal as 30-35 MPLH. The high school sites average 20 MPLH with a goal of 21-25. It is generally more difficult to entice student participation at secondary sites, and due to shorter lunch periods than elementary schools, they require more staff. Secondary sites also often rely on a la carte sales to help increase meal equivalents. Stricter nutritional regulations on snack foods have made it difficult to find foods the students like; thus sales often decline. However, MPLH goals for high schools should be higher than the department's goal of 21-25. Realistic, high targets should be set so that sites strive for improvement. Without higher aspirations, complacency can overshadow efficiency and improvements to service.

Based on the study team's experience, MPLH in schools are generally about 30. Most of the elementary school sites exceed this standard, even after adding the central kitchen labor hours. However, only two of the district's intermediate and high schools are at or above 30 MPLH, which indicates a high number of labor hours. If the department were to experience financial issues, such as ongoing deficit spending, this would be a serious concern because salaries and employee benefits are such a large part of department expenses.

Although it may be difficult to reduce staff based on the number of meals served in the district and the long serving lines, particularly at sites with only one lunch period, it is something the district should continue to be aware of and to analyze as it strives for efficiency in all aspects of the food service program. The department has had many open positions at times, which often have been difficult to fill. However, this can provide an opportunity to periodically review procedures and find ways to complete tasks more efficiently. A good example is with the point of sale procedures. The current staffing at most elementary sites uses two people per line to operate the point of sale computers. Intermediate and high schools have multiple lines with two staff members at each line. Alternate methods of counting student meals, as discussed previously, could help reduce the number of staff needed at the end of the lines. These methods could also help speed up lines and attract more students.

Reducing the number of staff members assigned to counting students at the end of each serving line could also allow the department to reassign staff to duties that may be more beneficial and attractive to students, such as more scratch cooking and salad or food bars.

Another important factor in the MPLH analysis is the number of meals served. If the district can find ways to increase meal counts without increasing labor, the MPLH would naturally improve. For example, as discussed previously, serving breakfast in the classroom at elementary school sites, adding a nutrition break and establishing two lunch periods at the secondary schools could increase meal counts tremendously. Continued efforts to find, market, and serve foods the students prefer should also increase the number of meals served.

Recommendations

The district should:

1. Use data from the same time frame for all meal counts when preparing a MPLH analysis.
2. Include central kitchen labor hours in the elementary site MPLH totals for a more accurate reflection of labor.
3. Determine appropriate MPLH goals for each grade level: elementary, intermediate and high school. Share these goals and results with site staff so they can see how they compare to other schools and strive for improvement.
4. Regularly assess labor use and look for ways to be more efficient to properly manage expenses.
5. Following the Provision 2 base year, consider alternate student counting methods so that staff assigned to operate point of sale computers may be reassigned to more beneficial and productive duties.
6. Continue to look for ways to increase meal counts and student participation, without increasing labor.

State Audits and Use of Cafeteria Funds

In January 2012, the California Department of Education's Audits and Investigations Division conducted a fiscal review of the district's cafeteria fund for 2008-09, 2009-10 and 2010-11. As a result of this review, the district was found to be out of compliance in documenting costs charged to the cafeteria fund for staff paid from multiple funds. The disallowed salaries and benefits totaled \$2,398,716. The district was ordered to transfer \$499,667.51 per year, which includes principal and interest, from its general fund to repay the cafeteria fund over a five-year period beginning in June 2013.

The district was also found to be out of compliance for charging bad debt from uncollected meal charges in the amount of \$101,823 to the cafeteria fund. Bad debt is not allowed to be paid for from federal revenues. The general fund was required to reimburse the cafeteria fund for the uncollected meal charges, and the district was required to write a policy for handling this type of bad debt in the future. The district complied with both requirements. This should no longer be an issue with Provision 2 status because all students now eat for free.

As a result of another review from CDE's Nutrition Services Division, the Coordinated Review Effort (CRE) conducted for the month of January 2012, the district's net cash resources were found to be out of compliance. Title 7 Code of Federal Regulations Section 210.19 requires that net cash resources for the cafeteria fund not exceed three months' average expenditures. The CRE report indicated that the fund's net cash resources exceeded three months' average expenditures by \$15,894,921 and stated that the district needed to develop and submit a written spending plan to reduce the cafeteria fund to an allowable level. However, the total listed on the CRE report also included the allowable three months' expenditures. In discussions between the district and CDE about this issue, it was agreed that the total minimum excess that needed to be spent was \$8,376,000. The district prepared a five-year spending plan totaling \$8,647,455, which was initially approved by CDE's Nutrition Services Division as part of the CRE corrective action plan in August 2012.

One item on the initial cafeteria fund spending plan was to replace the central kitchen roof, for a total of \$225,000. The district was notified by CDE in October 2012 that the central kitchen roof was not an allowable expenditure, and that the district's proposed spending plan had been approved prematurely. In January 2013 CDE sent a letter to the district that stated the CDE had been informed that \$300,978 had been spent from the cafeteria fund for the central kitchen roof and required the district to transfer the funds back to the cafeteria fund by February 15, 2013.

A revised spending plan dated January 2013 totaling \$8,376,000, which omitted the roof and a few other items, was submitted to the CDE and approved but has not yet been fully implemented.

The cafeteria fund should be more in line with regulatory requirements in the future once it fully implements the five-year spending plan and due to higher food costs expected from the new menu program. As the department strives to improve services and food quality, it may need to spend additional funds for food and equipment to help achieve its goals.

There have been many regulatory changes regarding cafeteria fund use, and financial scrutiny of the fund is now a part of the routine child nutrition program reviews conducted by the CDE. The CDE website has many resources with information about cafeteria fund use. A comprehensive management bulletin titled Cafeteria Funds – Allowable Uses was sent to districts in spring 2013. It is bulletin number NSD-SNP-07-2013 and can be found at <http://www.cde.ca.gov/l/nu/sn/mbnsdsnp072013.asp>.

Recommendations

The district should:

1. Ensure that appropriate staff members have current information on the regulations for cafeteria fund use and follow them so it can avoid future fiscal actions by the CDE.
2. Fully implement the five-year spending plan according to the annual schedule.
3. Continue to monitor the cafeteria fund budget and plan for sufficient allowable expenditures to avoid excess fund issues in the future.

Personnel Activity Reports

Due to the CDE audit findings and resulting repayments to the cafeteria fund, the district had to change its timekeeping documentation procedures for multi-funded employees. Most of the salaries and benefits referenced in the findings were for activity supervisors that work in the cafeterias at meal times. However, there was also a finding regarding salaries and benefits charged to the cafeteria fund in the 2010-11 fiscal year for custodial, security, warehouse, maintenance, and groundskeeper employees. Allocation of these salaries and benefits was based on classroom units instead of documentation of actual time worked on food service and non-food service activities, which is not allowed for the cafeteria fund.

Personnel activity reports (PARs) are detailed documents that support the salary and benefit distribution of employees that work on multiple activities or cost objectives by identifying the employee's daily activity by hours or percentage of time spent in each program. The federal requirements for PARs (Code of Federal Regulations [CFR], Title 2, Part 225, Appendix B) state that the documentation must:

- Reflect an after-the-fact distribution of the actual activity of each employee
- Account for the total activity for which each employee is compensated
- Be prepared at least monthly and must coincide with one or more pay periods
- Be signed by the employee
- Not be budget estimates or distribution percentages determined before the services were performed

The United States Department of Education (USDE) has approved two substitute systems for time accounting that may take the place of monthly PARs for eligible employees. These substitute systems are designed to simplify recordkeeping. The Substitute System Based on Sampling Method was approved for California school districts in 1998. This method still requires PARs; however, they are required less frequently. If a district chooses to use the sampling method, all multi-funded employees who would be required to complete PARs must participate in the system.

The newer method, Substitute System Based on Employee's Predetermined Schedule, was approved by the USDE in September 2012. This method requires approval from the CDE and allows districts to use alternative documentation, such as a course schedule, instead of PARs to document an employee's time if they work on a predetermined or fixed schedule. This method permits an employee to complete a semiannual certification.

More details about these alternate methods may be found in the California School Accounting Manual (CSAM), 2013 edition. A letter describing the predetermined schedule method was also provided by CDE in April 2013 and may be found at <http://www.cde.ca.gov/fg/ac/co/index.asp>.

As stated previously, the district has begun repaying the cafeteria fund for all undocumented salaries. Interviews indicated that PARs are now being completed for all multi-funded activity supervisors.

The cafeteria fund pays for central kitchen custodians, an equipment mechanic, data technician, and warehouse staff. Staff indicated that these employees' activities are 100% food service. CSAM Procedure 905, Documenting Salaries and Wages, states that employees who work solely on a

single federal award or cost objective only need to complete a periodic certification at least semi-annually, pursuant to OMB Circular A-87, Attachment B, Section 8 (h)(3).

Staff indicated that the salaries and benefits for site custodians, mechanics, groundskeepers, and security are no longer charged to the cafeteria fund. Staff further indicated that an account technician and a senior buyer have been split funded between the cafeteria and general funds. However, PARs were not provided to the study team for these positions. Staff also indicated that beginning May 2014 the senior buyer position will be fully funded by the general fund and then charged back to the cafeteria fund for time spent on food service activities. As indicated above and in the CSAM, employees who work on multiple activities or cost objectives of which at least one is federal must complete a PAR.

CSAM Procedure 915, Indirect Cost Rate, states, "Where a program authorizes charges for administrative costs on a basis other than the indirect cost rate, the costs should not be transferred as indirect cost. They should either be charged directly to the program or transferred to the program as direct costs." The cafeteria fund budget for 2013-14 and unaudited actuals for 2012-13 and 2011-12 include the transfer of indirect costs from the cafeteria fund to the general fund. Therefore, general administrative costs and indirect costs charged to the cafeteria fund should be closely monitored to ensure they meet state and federal requirements.

Recommendations

The district should:

1. Ensure that all salaries and benefits charged to the cafeteria fund are allowable.
2. Ensure that all multi-funded positions are documented by PARs as required by the CDE and federal regulations.
3. If a substitute time accounting method is selected for use, ensure that the method is approved by the CDE as necessary and that federal regulations and procedures described in the CSAM are followed.
4. Closely monitor general administrative costs and indirect costs charged to the cafeteria fund to ensure they meet state and federal requirements.

Budget

The 2012-13 unaudited actuals report includes a cafeteria fund balance of \$20.3 million, indicating that the department is financially sound. The Nutrition Services Department's income statement dated April 1, 2014, which compares the current and prior four fiscal years' revenues and expenditures, shows that each of the prior four years has an excess of revenues over expenditures. This represents an annual increase to the cafeteria fund balance. However, it is important to be vigilant and closely monitor finances because they can change quickly.

Based on the team's experience, food and labor costs should each be approximately 40-45% of revenue. An analysis of the district's 2012-13 unaudited actuals report indicates that labor was 45% of revenue, and food and supply costs were 44%. These are both within expected standards, and this leaves approximately 11% for other expenditures such as services, utilities, indirect costs, and capital outlay. The 2012-13 excess of revenues over expenditures, prior to the interfund transfer from the general fund based on the settlement agreement with the CDE, was \$878,451.

The 2013-14 adoption budget included a \$6 million increase to revenue compared to 2012-13. Labor was budgeted at 42% and food and supply costs were budgeted at 24%. The stated excess of revenues over expenditures was \$9,281,668. Much of the projected revenue increase appears to be due to the department's anticipation of increased participation based on the districtwide implementation of Provision 2, whereby meals are offered at no cost to all students. However, participation has not increased. As of March 2014 reimbursable meal counts have declined compared to 2012-13 and a la carte sales are also below projections. At the time of FCMAT's fieldwork, the department had reduced its 2013-14 projected revenue budget and increased its expense budget. The following table provides a summary of the 2012-13 actuals, the 2013-14 adoption budget and the current budget as of April 2014.

Cafeteria Fund Budget Comparison

Description	Unaudited Actuals 2012-13	% of Revenue	Adoption Budget 2013-14	% of Revenue	Current Budget April 1, 2014	% of Revenue
Total Revenues	\$30,350,077		\$36,039,771		\$28,543,480	
Salaries and Benefits	\$13,761,799	45%	\$15,096,919	42%	\$15,910,325	56%
Food and Supplies	\$13,353,908	44%	\$8,660,000	24%	\$15,291,422	54%
Services and Other Operating Expenses	\$1,137,569		\$977,000		\$1,222,000	
Capital Outlay	\$279,975		\$1,040,000		\$690,000	
Other Outgo and Indirect Costs	\$938,375		\$984,184		\$1,287,223	
Total Expenditures	\$29,471,626		\$26,758,103		\$34,400,970	
Excess (Deficiency) of Revenues	\$878,451		\$9,281,668		(\$5,857,490)	
Other Financing Sources/Uses	\$499,668		\$499,668		\$499,668	
Net Increase (Decrease) in Fund Balance	\$1,378,119		\$9,781,336		(\$5,357,822)	
Beginning Fund Balance	\$18,993,033		\$20,371,152		\$20,371,152	
Projected Ending Fund Balance	\$20,371,152		\$30,152,488		\$15,013,330	

A review of the income statement, which includes current year-to-date activity as of February 2014, also revealed some concerns. The report indicates that as of February, current year revenue collections are considerably less, \$4.3 to \$5.5 million, than in each of the four prior fiscal years.

Food and supply costs for 2013-14 were originally budgeted at 24% of revenue; this is approximately 16-21% less than expected standards. Although information was not provided indicating why the department originally projected such a low budget for food and supplies, at the time of FCMAT's fieldwork, the budget had been increased. However, the income statement indicates that current year-to-date expenditures exceed prior year by approximately \$1.3 million, even though student participation has decreased. Due to the new federal food regulations, many districts are experiencing an increase in food costs. In addition, manufacturers and vendors may have mid-year price increases that could also increase costs. These increases to food costs could make the items too expensive to use in the school meal program or may require mid-year price increases to a la carte items.

The income statement also shows that year-to-date labor costs exceed prior year by approximately \$900,000. However, several vacant positions have been filled and new management positions have been added that account for much of the increase in labor costs.

The current 2013-14 budget projects an operating deficit of approximately \$5.3 million. Although some of the deficit may be attributed to partial implementation of the five-year spending plan discussed earlier in this report, the budget needs to be analyzed and closely monitored throughout the year to ensure that an unplanned deficit does not occur.

The 2012-13 unaudited actuals report for the cafeteria fund includes an ending balance of \$20,371,152. This is an increase of approximately \$4.4 million from the time of the 2012 CRE, which found that the district had net cash resources that exceeded federal regulations. Application of the three-month expenditure standard to the 2012-13 unaudited actuals indicates that the district's net cash resources should not exceed \$7,367,906. Net cash resources should be closely monitored throughout the year to ensure they do not exceed federal regulations.

Several interviews with staff indicated that the Nutrition Services Department has many needs that have not been addressed, many of which are discussed in the Facilities section of this report, and that they have been told this is because of a lack of funds.

Recommendations

The district should:

1. Ensure that the adoption budget for future years includes realistic revenue and expenditure projections.
2. Review all current year revenues and expenses to determine the reason for the large variations over prior years, and make revisions as necessary.
3. Review current invoices to determine if vendors have made large mid-year price increases. If pricing is too high, look for alternative, less expensive items if possible and/or consider increasing prices for a la carte items.
4. Analyze and closely monitor the budget throughout the year to ensure that an unplanned deficit does not occur.
5. Closely monitor net cash resources throughout the year to ensure they do not exceed federal regulations.
6. Immediately review the five-year spending plan with all food service staff and inform them of the timeline for implementation.

Purchasing and Inventory

Purchasing

Government Code, Education Code, Public Contract Code and the California Code of Regulations provide parameters within which the district must conduct its purchasing practices. In addition, district policies, regulations, procedures and guidelines should serve as additional controls designed to protect assets while meeting the various procurement needs of the Nutrition Services Department.

Purchasing is an extremely important function in a food service operation. Goals of purchasing should be to acquire the best price for needed items and to utilize vendors that provide quality service. The best way to accomplish these goals is through implementation of best practices and procedures for bids and quotes. Some districts have found it advantageous to form food service purchasing cooperatives with other districts to increase purchasing power and decrease the administrative burden of duplicated paperwork. However, in some cases the use of a cooperative may not be advisable because of the large geographical distances between participating districts. If the distances are too great, it could increase the cost of transportation for the vendor and thus increase the bid price. Large districts such as Santa Ana may obtain better prices and service by going out to bid on their own.

Education Code Section 38083 allows districts to purchase perishable foodstuffs and seasonal commodities needed to operate cafeterias in accordance with the rules and regulations adopted by the governing board, notwithstanding any provisions of the Education Code in conflict with such rules and regulations. The district's Administrative Regulation 3311, Bids, states, "Perishable commodities such as foodstuffs may be purchased through bid or on the open market, depending on District preference." Although the Education Code and district regulations allow for these items to be purchased without a bid, to obtain the best possible price and service, districts often find it advantageous to let a bid or obtain quotes.

In 2010 Vavrinek, Trine, Day & Co., LLP (VTD) completed a review of the Nutrition Services Department. VTD reported that the department needed to improve its procurement procedures and that necessary bid documentation was not available.

Interviews with staff indicated that the department participated in purchasing cooperatives and started piggybacking on the bids of other districts in 2011-12, and continued that practice in 2012-13, except for commodity purchases, which were done directly through the district. Piggybacking is authorized in Public Contract Code Section 20118 and allows school districts to make purchases using the bid awarded by another public agency or corporation if the board determines it is in the district's best interest. In 2013-14 the district completed its own bid, in conjunction with the Fontana Unified School District, for bread and dairy purchases, and continued to partner with the Santa Clarita Valley School Food Services Agency for purchases of frozen items. The purchasing department has a standard bid package and plans to go out to bid for 2014-15 food service items once the specifications are provided by the Nutrition Services Department.

The department uses the electronic requisition process in the Oracle software system to route purchasing requests from the central kitchen to the district's purchasing department, where a purchase order is processed. The department has implemented the iProcurement module in Oracle in an effort to further automate the ordering process with some of its vendors. The high schools' and intermediate schools' food service staff order directly online from some vendors

and receive direct deliveries. The elementary schools' food service staff place their orders through the central kitchen. All orders for fluid milk are placed daily with the dairy driver when the site delivery is made.

Interviews indicated that Oracle training has been provided to staff. However, more training is reportedly needed, particularly for those employees who may lack necessary computer skills.

Inventory

The function of inventory is to help a food service department identify the items in stock and their costs, and determine how best to manage and control them. Some districts complete a periodic physical inventory monthly, which helps to control monthly food and supply costs, compare these costs to revenue, and produce a profit and loss statement to determine if financial goals have been met. Other districts operate a perpetual or continuous inventory system that helps to more readily monitor financial goals, determine replenishment needs, and identify losses due to product failure or theft. This type of inventory system typically involves the use of a computerized inventory program to increase accuracy and efficiency.

Prior to 2012 the department did not have an inventory system that allowed staff to reconcile monthly expenses, determine whether financial goals were met, and help deter and detect theft of inventory. The central kitchen warehouse now uses a perpetual inventory system and completes a monthly physical inventory. In 2012 the Nutrition Services Department hired an analyst and a consultant to help implement the Oracle inventory software system, which is integrated with the purchasing system. The software satisfies the department's inventory needs but may be more complex than is necessary. Some staff members indicated that the program requires information that is not easy to obtain and that reports are not easy to understand. Although progress has been slow with system implementation, staff indicated that improvement has been made, and 2013-14 inventory analysis reports show that monthly variances for the central kitchen warehouse have diminished since September 2013.

Most of the staff working with the inventory system are new to the district and need more training to gain a better understanding of the program and how to read the reports it generates. The inventory reports provided to the study team seemed tedious and confusing. It would be helpful to staff if inventory analysis reports were presented in a more user-friendly format.

Staff members have discussed the addition of a bar code reader to the inventory system at the central kitchen warehouse. This would allow staff to point the bar code reader at an item to be entered into inventory and have it instantly downloaded into the software program. When items are to be shipped from the warehouse to school sites, the bar code reader can be used to indicate where they are going and remove them from the warehouse inventory. This could help save staff time and increase accuracy.

Placing surveillance cameras at all warehouse exit doors could also help reduce the potential for inventory loss. These types of systems can record whether an individual is removing items from the warehouse that have not been inventoried and scheduled for delivery. These systems can be inexpensive to purchase and are effective.

Good, timely communication is needed between the food service and district office staff for the purchasing, accounts payable, and inventory systems to be successful. Interviews indicated that improvement is needed in this area and that a greater understanding is necessary between the parties regarding the Nutrition Services Department's goals, challenges, and responsibilities.

Recommendations

The district should:

1. Continue with its plans to let bids or issue requests for quotes for food service items, as appropriate.
2. Review and update bid documents and develop bid specifications as needed.
3. Continue to provide Oracle training to site staff so they can perform assigned ordering functions.
4. Meet with the staff involved with the Oracle inventory system to ascertain training needs and provide additional training as soon as possible.
5. Determine whether inventory analysis reports can be provided in a more user-friendly format.
6. Review the advantages and disadvantages of implementing a bar code reader system for inventory purposes.
7. Consider installing surveillance cameras at all central kitchen warehouse exit doors.
8. Implement processes, such as periodic meetings, to help ensure proper and timely communication between food service and district office staff involved in purchasing, accounts payable and inventory processes so that issues may be quickly resolved.

Facilities

During its fieldwork, the study team visited several food service facilities and observed the condition and functionality of the kitchens and serving areas. Several of the kitchens visited are small for the quantity of meals served, and some do not appear to have been properly planned when the school site was designed. Some of the kitchen equipment is old and has exceeded its expected lifecycle, and several of the structures have visible maintenance and repair needs.

Lincoln and Jackson elementary schools have walls that are damaged due to racks and carts striking them. This is causing gouges in the sheetrock and leaving the inner sheetrock exposed and unpainted. Other wall areas are dented and scratched, causing the paint to chip and peel. Some of these damaged, unpainted areas are around the serving windows. This could cause contamination to the students' food and is against California Health and Safety Code Section 114271, which states that all walls must be smooth and covered with paint or other washable material such as fiber-reinforced panel (FRP). Given the condition of some of the walls, washing them would exacerbate the problem.

The flooring in some elementary school kitchens the study team visited is old vinyl composition tile (VCT) that is no longer allowed in commercial kitchens and will need to be replaced during the next modernization or remodel project.

Some of the school kitchens have minimal storage space. Jackson Elementary had a storage area on the back side of the kitchen for food service items. However, that storage area is now used for textbooks, leaving only three small shelves for food service on one end of the storeroom. Even though a prepackaged food system is used at the elementary schools, this storage space is too small for a site that serves more than 100 breakfasts and 800-900 lunches per day.

The walls at the middle and high schools the study team visited are in better condition. Some walls are covered with FRP material that does not allow them to scrape or peel if struck by carts. Some of the schools, such as Segerstrom High, have newer epoxy style floors but also have damaged areas that need repair. For example, it appears that some repairs were made to the electrical system in the floor that required part of the epoxy flooring to be removed; however, it was not subsequently repaired. Staff members indicated that some of the kitchen equipment is old and does not work correctly. When equipment is repaired, the staff are not notified, so it sits unused.

Staff at the middle and high schools are hand-wrapping salads and sandwiches on site. This is a labor-intensive task that requires repetitive motion that can lead to injuries such as carpal tunnel syndrome. Manual and automated wrapping machines can alleviate this problem and speed up production, providing more time for kitchen maintenance, food production and service to students. Manual wrapping machines usually occupy less space but require someone to push meals through the sealing portion of the machine and cut/separate the packages manually. Automated machines occupy more space but allow meals to be placed on one end of a moving belt and retrieved on the other end completely wrapped for delivery. These machines are similar to those in the central kitchen but are much smaller. Students often prefer the more professional appearance of machine-packaged sandwiches and salads, which may also increase sales.

The study team also observed areas of concern in the central kitchen. Staff indicated that at one time the entire working floor area had an epoxy finish; however, it has been removed. This has left an exposed concrete floor with exposed expansion seams and cracks. As stated in California Health and Safety Code Section 114268, all flooring must be smooth and made of a nonab-

sorbent material that is easily cleanable. It is not possible to easily clean cracks, open seams and unevenly sealed concrete.

The central kitchen area used to wash floor mats is too small and is meant for dumping mop buckets. The large volume of water used for mat cleaning gets behind the walls in this area and is rotting the structure behind the FRP wall. The machine used to clean the floor is antiquated and has hoses that are taped together. Staff stated that the machine functions but takes extra time to use because of its poor condition. Following FCMAT's fieldwork, nutrition services staff indicated that a new machine was received and is in use.

The racks used for prepackaged food are stored outside on the loading docks. This area does not have a roof and is not enclosed. The study team observed birds landing on the empty racks, and some racks had what appeared to be avian fecal matter on them. Staff indicated that the racks are not washed before being reused. This is a violation of California Health and Safety Code Section 113980 and could create serious health problems, particularly the possibility of salmonella contamination. Following FCMAT's fieldwork, nutrition services staff indicated that the racks were cleaned and sanitized and are now kept indoors.

The study team observed icicles hanging from the freezer ceiling. The team was not able to determine if this was caused by a roof leak or a seam leak that allows the entry of warm air and condensation buildup. This is a violation of California Health and Safety Code Section 113980 because contaminated residue could fall onto boxes and contaminate the food items inside when the product is thawed.

A semi-truck trailer used to store old unwanted items is parked in the back lot of the central kitchen. This trailer obstructs the turning radius and decreases the ability of large trucks to make deliveries to the central kitchen. Staff indicated that one vendor stopped using its long trailers because of this, and now needs to make more deliveries with smaller trucks. There is an area in the far corner of the back parking lot in which the landscaping could be removed and a concrete pad poured to allow for storage of surplus items until proper disposal.

The central kitchen has several packaging machines. One of them is antiquated, and staff stated that it requires a lot of maintenance to keep it operational. Staff also manually place sauces and gravies into individual containers. This requires extensive repetitive motion that could lead to injuries and increase workers' compensation claims. Staff stated that they move to a different position each hour; however, because a manual system is used, it would be more beneficial for them to rotate positions every 15-20 minutes. Automated food depositors can alleviate this problem and speed up production. One depositor can perform the function of three staff members assigned to this duty, thereby providing more time for kitchen maintenance and food production.

Some of the above issues are addressed in the five-year spending plan. However, as discussed earlier in this report, the spending plan has only been partially implemented and has not been reviewed with all food service staff.

Recommendations

The district should:

1. Immediately inspect all kitchens and make a list of needed repairs, including walls, paint, floors and equipment. Prioritize the list and complete all top priority items in summer 2014, as funds allow.

2. Ensure that school site staff are notified when equipment is repaired.
3. Add FRPs to all walls that come in contact with moving carts and racks.
4. Replace VCT flooring during the next modernization or remodel project.
5. Restrict kitchen storage areas to food service items only so that staff may properly perform their duties.
6. Consider purchasing more automated dispensing and packaging equipment to reduce the possibility of employee injuries and increase productivity.
7. Immediately prioritize the central kitchen's structural needs, including repair of the floor and the mat wash area.
8. Immediately cover and enclose the central kitchen food rack storage area or move food racks to an indoor storage area.
9. Immediately identify the point of origin of the central kitchen freezer leak and make the necessary repairs.
10. Consider alternatives for storage of surplus items so that the semi-truck trailer located in the back lot of the central kitchen can be removed.
11. Review the five-year spending plan with all food service staff immediately and inform them of the timeline for implementation.

Menus, Standardized Recipes, and Nutrient Analysis

Section 9(a)(4) of the Richard B. Russell National School Lunch Act (NSLA) requires that school meals reflect the latest Dietary Guidelines for Americans (Title 42 United States Code Section 1758(a)(4)). In addition, Section 201 of the Healthy, Hunger-Free Kids Act of 2010 amended Section 4(b) of the NSLA to require the United States Department of Agriculture (USDA) to issue regulations to update the meal patterns and nutrition standards for school lunches and breakfasts based on the recommendations issued by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences (Title 42 United States Code Section 1753(b)). The following websites contain additional information regarding these issues:

<http://www.fns.usda.gov/sites/default/files/NSLA.pdf>

<http://www.fns.usda.gov/sites/default/files/HealthyHungerFreeKidsActof2010.pdf>

The new regulations seek to increase the availability of fruits, vegetables, whole grains, and fat-free and low-fat fluid milk on school menus; reduce the levels of sodium, saturated fat and trans fat in school meals; and meet the nutritional needs of school children within specified calorie requirements. The intent is to provide meals that are high in nutrients and low in calories, which better meets students' dietary needs and protects their health. Additional detailed information is included in Appendix B.

These changes have been extremely challenging for school districts across the United States to implement, and several components have already been repealed and/or amended. There is currently proposed legislation to amend additional aspects of the Healthy, Hunger-Free Kids Act.

Menus

The USDA required that all school districts submit complex certification worksheets by grade level groupings (K-5, K-8, 6-8, and 9-12) for each menu. These worksheets were to demonstrate that the written menu would comply with all the new requirements. For example, the menu had to show that each vegetable subgroup (dark green, orange, and legumes) was being offered in proper amounts. The menu had to demonstrate that calorie levels were not too high or too low, but that the minimum amounts of meat, grains and milk were offered. Originally, the regulations required that grains and meats be limited to a set amount per day and per week, which made it difficult to meet the minimum calorie requirements. These limitations were waived for the first year and then eventually permanently dropped. School districts had to rewrite menus until they were in compliance and often had to choose untested products and recipes to gain certification. Manufacturers did not have products available that met the new regulations and are still working to reformulate their products. The USDA offered a six-cent per meal incentive to comply and required all districts to be certified. Many districts thought that the new mandates would cost more than six cents per meal to implement and have had to review all food service operations and procedures to remain fiscally solvent.

Based on the information provided to the study team, the Nutrition Services Department has done a good job of incorporating these changes into the menus, but has had to make some unpopular changes to comply and pass the certification process. For example, whole grain burritos and whole grain pizza, products that are not often seen outside of school food service, were placed on the menus. As districts and food service vendors continue to work with the new

menu requirements, they will be able to find products and recipes that both meet the guidelines and appeal to students.

Prior to the regulations required by the Healthy, Hunger-Free Kids Act, the district's intermediate and secondary schools were able to write their own menus. To ensure menu certification, standardized purchasing, inventory, and nutritional analysis, similar menus were adopted for all sites of the same grade levels. Discussions with site staff indicated that some may not understand or accept the limitations associated with the new regulations, and that some products can no longer be offered. For example, plain white flour tortillas were replaced with whole grain tortillas in burritos, and white rice was replaced with brown rice in pollo bowls.

The school sites are limited to ordering from an approved product list. The list appears to be extensive, both for the menu as written and for substitutions. However, school site staff indicated they would like more choices in an effort to increase student participation. This issue should be discussed at the monthly meetings with field and site supervisors so that a consensus can be reached regarding which products can be chosen while maintaining inventory controls and compliance with regulations.

To increase student participation in the food service program, the Nutrition Services Department planned to reinstitute two entrée choices at elementary schools following spring break 2014.

Hot entrées at the intermediate and high school sites are wrapped manually with plastic film. Using packaging equipment would provide a more professional look and a tighter seal.

Installing salad bars, particularly at high schools, may also increase participation. Salad bars were in place at some schools in the past, and site staff indicated that this did not slow down serving lines and improved the students' perception of choice. Although the prepackaged salads look fresh, are well presented, and can meet the vegetable subgroup requirements, giving students and staff more ability to craft their own salads is an ongoing request.

Interviews with school principals indicated that they have a good perception of the Nutrition Services Department and feel that the management team is responsive. However, they also indicated that staff would like to have the salad bars back in the teachers' lounges and that they did not understand why salad bars were removed. Discussions with nutrition services staff indicated that salad bars were removed from lounges due to cost and the findings in CDE's January 2012 fiscal review regarding underpriced adult meals.

The department's Voice Your Choice food fairs provide students with free samples of foods so that they can taste test the products and give them a sense of empowerment and involvement in new offerings. These food fairs are good for getting initial student reaction to products and give the menu planners some direction. The ultimate goal of conducting the shows is to increase daily student participation.

To help encourage student participation, changes made to the food service menus need to be promoted throughout the district, including written communication to parents and staff members and posting to the district's website. Articles in school newsletters or a Nutrition Services Department newsletter for parents to explain the regulations and the need for changes would also be helpful. Giving parents food samples at special events, such as back-to-school nights, may also help promote the food service program.

Standardized Recipes

Standardized recipes typically follow the same format, which includes specific information such as title, cooking instructions, cooking time, cooking temperature, ingredients, portion size, and yield. Hazard Analysis and Critical Control Point (HACCP) safety precautions are also written directly into the recipe. It is advantageous to use this format because it is consistent, easy to read, and controls the end product. A sample standardized recipe form is in Appendix C and can also be found on the CDE website at <http://www.cde.ca.gov/ls/nu/he/documents/recipe.doc>.

Although most products used by the Nutrition Services Department are prepackaged and only require heating, the USDA requires districts to have a recipe for each menu item, and to have it available at each site. However, the department has few actual recipes, and uses product specifications in lieu of recipes. The recipes the department has are not in a standard institutional format and are difficult to read. Excellent pictorial training tools that show how to assemble meals were provided to the study team, but these are not standardized recipes.

The department needs to use menu planning software that integrates efficiently with a standardized recipe program and generates usable production sheets linked to the menu. Most ingredient and recipe data could easily be imported from other school districts using the program, then adapted to Santa Ana Unified School District's needs, thereby eliminating much tedious data entry. In interviews, staff indicated that the department uses Meals Plus software as its point of sale system, which also has menu planning and production components. Although the study team is not familiar with the program's efficiency and ease of use, the department should explore its capabilities.

Nutrient Analysis

Food service menus are required to be analyzed on a state-sanctioned nutritional analysis software program to ensure that they meet calorie, fat, protein, vitamin, and mineral standards. The department met this nutritional analysis requirement during its menu certification phase by using the Health-e Meal Planner Pro software program.

The nutritional analysis reports generated from this program are tedious and hard to follow, and staff indicated that the program is not easy to use. A software program that is better integrated with all phases of menu planning, recipes, and production records could save time.

Recommendations

The district should:

1. Continue to explain the new menu regulations to school site food service staff.
2. Discuss food options at the monthly field and site supervisors' meetings.
3. Continue with its plans to increase entrée choices at elementary schools.
4. Consider purchasing automated packaging equipment for use at the intermediate and high schools.
5. Explain to school staff the reasons the salad bars were eliminated, and consider reintroducing them at the high schools.

6. Promote the food service menu changes throughout the district, including to families and school staff, to encourage participation.
7. Develop a standard recipe for each menu item, and ensure that the recipes are at each school site.
8. Use a software program that integrates all phases of menu planning, recipes, production records, and nutrient analysis. The program should be efficient, easy to use, and provide reports that are easy to understand.

Offer versus Serve and Menu Production Records

Offer versus Serve

The district uses the offer versus serve meal plan option. The purpose of offer versus serve is to provide students with choices and an option to refuse items they do not intend to eat. This means that although at least five items must be offered at lunch, only three must be taken. The Healthy, Hunger-Free Kids Act mandated that one of the items that must be taken is fruit and/or vegetables (one-half cup for grades K-8 and one cup for high school students). There are specific guidelines regarding what constitutes the proper serving size for each variety of fruit and vegetable offered.

The fruit and vegetable choices offered by the Nutrition Services Department are varied and geared toward student preferences. Many of the items are cut in pieces and displayed attractively. The department offers a variety of fruits and vegetables daily at the intermediate and high schools, but the elementary schools only receive one or two fruit and two vegetable choices daily. The fruits offered are popular with students.

Elementary students are also offered fruit as part of the Fresh Fruit and Vegetable Program (FFVP), which is a federally assisted program that provides free fresh fruits and vegetables to students in participating elementary schools. Schools participating in the program receive \$50-\$75 per student for the school year, depending on state availability of funds. With these funds, schools purchase additional fresh fruits and vegetables to serve free to students during the school day. They must be served outside of the normal times for the National School Lunch and School Breakfast programs. The district determines the best method to obtain and serve the additional fresh produce.

As discussed previously, entrée choices at the elementary schools are limited to one per day. However, the department planned to expand choices after spring break 2014. This should increase student participation and decrease food waste.

The USDA requires that students be informed about how to make correct choices for reimbursable meals at the serving line. The department has devised an excellent method of signage that is used at all school sites.

Menu Production Records

A menu production record is a report that shows all the menu items offered each day, the amounts available, and the portion size planned. These documents are required by the USDA to demonstrate that sufficient food was produced for the number of meals claimed for reimbursement, and the information they contain is essential to establish a history of amounts needed for future menus. Production records are to be completed daily by school staff before and after meal service to record information about the amount of food served and leftovers.

The Nutrition Services Department's site supervisors are required to complete the forms and indicate the amount of food that was actually taken and what was done with leftovers. This method is used to prove that every child had the adequate amount of food offered to them and provides a history of the acceptance of each item.

The department's menu production records are completed accurately. However, supervisors at the elementary schools are completing counts for each individual ingredient in the recipe or prepackaged meal, which is not necessary. Menu production records are required to list the menu

items, and it is only necessary to complete meal count columns and leftover servings for each menu item.

Recommendations

The district should:

1. Increase daily entrée and fruit choices at elementary sites.
2. Consider using cafeteria funds to upgrade breakfast and lunch meals that are popular with students.
3. Train elementary food service site supervisors to simplify the completion of menu production records.

Competitive Food Sales

The Healthy, Hunger-Free Kids Act specifies that nutrition standards apply to all foods sold outside the school meal programs, on the school campus, and at any time during the school day. These changes are intended to improve the health and well-being of the nation's children, increase consumption of healthful foods during the school day, and create an environment that reinforces the development of healthy eating habits. The standards for food and beverages are minimum standards that local educational agencies, school food authorities and schools are required to meet.

California has had strict competitive food regulations for many years, which were further restricted in 2007. California Assembly Bill 626 took effect on January 1, 2014 and modified some of these regulations. These changes are described in a CDE management bulletin at <http://www.cde.ca.gov/ls/nu/sn/mbsnp032014.asp>. A quick reference guide created by the CDE regarding the current California requirements is included in Appendix D. These will be modified slightly with the new federal regulations that take effect in July 2014. Federal changes include: 1) all grain products must be 51% whole grain; 2) electrolyte replacement beverages will no longer be allowed at middle schools and will be limited to 12-ounce portions at high schools; 3) foods of minimal value restriction will be repealed in federal regulations, but in California all foods must meet nutrition restrictions, so this will not impact California's standards. The CDE plans to develop updated reference guides when the new federal regulations take effect.

Competitive foods and beverages are those that are sold at school sites outside of and in competition with the federally reimbursable meal programs. Examples of competitive foods and beverages include those sold during the school day in vending machines (not including reimbursable meals) and in student stores, à la carte items sold by the food service department, and items sold at fundraisers.

Competitive foods and beverages are governed by numerous laws, regulations and policies at the federal, state, and local school district levels. Each school district participating in a federally reimbursable meal program is required to adopt a local school wellness policy, which may further limit what products can be sold. The district's governing board adopted Board Policy 5030, Student Wellness, in August 2006 and Administrative Regulation 5030, Student Wellness, in September 2007.

The 2012 CRE indicated that competitive food regulations were not being enforced. In addition, during its visits to schools, the FCMAT study team observed that the parent-teacher organization at one elementary school was selling food to parents and students during lunchtime.

It is necessary for groups selling foods and beverages on school campuses to understand and follow all of the laws, regulations, and policies regarding competitive food sales, even though they may seem complicated and confusing. Site and district administrators, Nutrition Services Department staff and the Wellness Committee need to work together to ensure compliance. The CDE Nutrition Services Division created a list of tools and resources to assist with compliance and understanding, which may be found at <http://www.cde.ca.gov/ls/nu/he/compfoods.asp>.

Recommendations

The district should:

1. Ensure that all groups that sell foods and beverages on a school campus follow laws, regulations and policies regarding competitive food sales.
2. Provide training to school administrators and school site food service staff regarding competitive food sale regulations.
3. Direct administrators, nutrition services staff and the Wellness Committee to work together to ensure compliance of competitive food sales.

Food Waste

A common comment in staff interviews was that some individuals perceive a large amount of waste in the food service program. The Healthy, Hunger-Free Kids Act regulations require that students take a specified portion of fruits and vegetables at each meal, whether or not they plan to eat them. This has been an ongoing concern and a subject of debate among school food service professionals nationwide since its implementation.

The Nutrition Services Department is taking steps to encourage students to eat the foods they are required to take by offering a variety of fresh fruits, juices, and vegetables daily, particularly at intermediate schools and high schools. Cut fruit is offered at the elementary schools to entice students to eat it. Presentation at the elementary schools is limited because of the outdoor serving lines and the need to package all foods.

The implementation of Provision 2 districtwide and the introduction of new menu items require new food production histories to be created. As the menus are planned and records adequately kept, the site supervisors can better assess their food needs for each day. The cycle menus will also provide more standardization of use. The reinstatement of two entree choices at the elementary schools will also require additional recordkeeping to ensure that both items are available to most students.

The lack of adequate storage at many schools for dry and refrigerated items adds to the waste. The department's procedure is not to serve any heated food item a second time. However, where storage space is available, it would be beneficial to investigate using leftovers that have been held at proper temperatures and that maintain their quality when served a second time.

Recommendations

The district should:

1. Continue with its plans to increase daily entrée choices, and consider offering additional fruit choices at elementary schools.
2. Keep accurate records of menu items consumed to ensure that food orders are not excessive.
3. Investigate the feasibility of using leftovers that are held at proper temperatures and that maintain their quality when served a second time.

Staff Training

Training needs for food service staff go beyond teaching them how to identify a reimbursable meal. In recognition of this, the district has placed a high priority on training by designating a field supervisor whose chief responsibilities include developing and implementing training programs.

Training manuals with extensive checklists have been developed for all Nutrition Services Department employees. The manuals include all aspects of food service and safety requirements that are to be presented in a five-day training program for new employees and a three-day training program for substitutes and current employees. In interviews, staff indicated that the training had been provided to one or two employees at the time of FCMAT's fieldwork, and that the training would be provided to a larger group of employees in April 2014.

As mentioned throughout this report, food service staff could benefit from some additional training in several areas. Examples include Oracle software for ordering and inventory functions; completion of menu production records; competitive food sale regulations; and, for site supervisors, Healthy, Hunger-Free Kids Act regulations. Interviews also revealed that more training may be needed regarding analysis of data provided by the Meals Plus point of sale system to ensure that meals are included accurately on daily site reports.

Some of the managers, both upper- and mid-level, have not yet taken any food service management courses specifically geared to school food service. Such courses could help the managers with administrative responsibilities, such as the necessary delegation of duties to staff. Cal-Pro-NET is a joint project of the CDE and selected colleges that provides professional development opportunities to child nutrition personnel. It offers the Child Nutrition Program Administration overview course each year, which includes key child nutrition administration topics and program responsibilities. The course is designed for relatively new managers but is also open to those who have been in their positions for an extended time. The next available courses are scheduled for June 23-27, 2014 in Ontario and July 21-25, 2014 in Sacramento. It would be beneficial for the managers to attend one of these training sessions. Additional details are available at <http://www.nufs.sjsu.edu/calpronet/index.htm> and http://www.nufs.sjsu.edu/calpronet/pdf/2014_CNPA_Info.pdf.

There are also numerous courses and/or workshops available through the CDE, the California Association of School Business Officials (CASBO) and the California School Nutrition Association. The CDE website has lists of the school nutrition trainings available each year. The CDE also offers many webinars throughout the year on topics of current interest. It would be beneficial to schedule all food service staff members to watch some of these.

Recommendations

The district should:

1. Continue with its plans to provide a training program for all employees.
2. Provide additional opportunities for training as indicated above and throughout this report.

Appendices

Appendix A

MPLH Analysis

Site #	Site Name	Budgeted FTE	Budgeted Hours	CK Hours*	Average Daily Snacks Needed 1/28/14-2/5/14	Dec 2013 Average Daily Ala Carte Sales	Average Daily Breakfast Nov-Dec	Average Daily Lunch Nov-Dec	Total Meal Equivalents	Meal Equivalents/ Budgeted Hours MPLH	Change in Hours	New MPLH
66	Muir Fundamental	1.15	9.2	7.44	158		206	639	827	90	16.64	50
42	Thorpe	1.06	8.48	7.44	97		99	665	762	90	15.92	48
60	Lowell	1.32	10.56	7.44	158		149	798	949	90	18	53
68	Santiago	1.32	10.56	7.44	106		172	789	938	89	18	52
61	Madison	1.75	14	7.44	188		377	918	1229	88	21.44	57
45	Davis	1.18	9.44	7.44	120		137	691	821	87	16.88	49
92	Kennedy	1.35	10.8	7.44	141		202	741	921	85	18.24	50
70	Greenville Fundamental	1.25	10	7.44	95		160	703	841	84	17.44	48
67	Roosevelt	1.28	10.24	7.44	107		153	715	851	83	17.68	48
44	Esqueda	1.79	14.32	7.44	98		230	957	1141	80	21.76	52
98	King	1.32	10.56	7.44	222		97	691	829	78	18	46
57	Jackson	1.88	15.04	7.44	160		218	963	1159	77	22.48	52
72	Wilson	1.25	10	7.44	120		120	644	763	76	17.44	44
93	Heninger	1.63	13.04	7.44	195		93	859	985	76	20.48	48
96	Heroes	1.22	9.76	7.44	95		157	575	710	73	17.2	41
63	Martin	1.29	10.32	7.44	110		110	630	738	72	17.76	42
95	Carver	1.25	10	7.44	135		151	567	711	71	17.44	41
58	Jefferson	1.35	10.8	7.44	130		124	622	747	69	18.24	41
54	Fremont	1.32	10.56	7.44	190		104	585	716	68	18	40
43	Pio Pico	1.32	10.56	7.44	165		99	584	704	67	18	39
59	Lincoln	1.79	14.32	7.44	189		117	812	951	66	21.76	44
71	Washington	1.76	14.08	7.44	160		103	806	927	66	21.52	43
52	Edison	1.29	10.32	7.44	147		144	535	678	66	17.76	38
94	Garfield	1.41	11.28	7.44	146		114	615	738	65	18.72	39
73	Taft	1.22	9.76	7.44	115		128	510	632	65	17.2	37
65	Monte Vista	1.32	10.56	7.44	128		68	580	667	63	18	37
62	Franklin	1.12	8.96	7.44	90		127	447	561	63	16.4	34
51	Diamond	1.26	10.08	7.44	235		94	486	626	62	17.52	36
97	Walker	1.25	10	7.44	195		91	466	591	59	17.44	34
55	Harvey	1.15	9.2	7.44	90		94	435	526	57	16.64	32
50	Adams	1.26	10.08	7.44	100		95	472	568	56	17.52	32
56	Hoover	1.26	10.08	7.44	180		136	377	526	52	17.52	30
69	Sepulveda	1.19	9.52	7.44	99		63	391	465	49	16.96	27
64	Monroe	1.22	9.76	7.44	162		100	351	470	48	17.2	27
75	Remington	1.06	8.48	7.44	96		74	279	360	42	15.92	23
102	Romero-Cruz	1.07	8.56	7.44	87		52	228	291	34	16	18
77	Mitchell Elementary	1.07	8.56	7.44			86	84	141	17	16	9
Average Elementary Excluding Mitchell											70	41
101	Mendez Fundamental	5.69	45.52		180	\$ 437	724	943	1617	36		
85	McFadden Intermediate	6.95	55.6		236	\$ 453	694	909	1586	29		
88	Villa Fundamental	6.95	55.6		277	\$ 395	570	866	1456	26		
78	Sierra Intermediate	4.75	38		101	\$ 218	582	487	972	26		
84	Carr Intermediate	8.32	66.56		314	\$ 417	472	1158	1703	26		
83	Willard Intermediate	5.69	45.52		174	\$ 262	351	723	1094	24		
79	MacArthur Intermediate	5.98	47.84		327	\$ 270	455	648	1140	24		
87	Spurgeon	5.59	44.72		124	\$ 272	252	736	1028	23		
80	Lathrop Intermediate	6.88	55.04		164	\$ 234	242	837	1124	20		
Average Middle Schools											26	
91	Chavez	0.88	7.04			\$ 56	154	148	267	38		
76	Lorin Grisct	1.32	10.56			\$ 29	195	161	299	28		
100	Godinez	10.32	82.56			\$ 360	440	1690	2092	25		
116	Segerstrom HS	11.12	88.96			\$ 578	355	1715	2129	24		
103	Middle College High	1.50	12			\$ 2	85	207	263	22		
81	Santa Ana High School	14.77	118.16			\$ 144	609	1885	2331	20		
82	Valley High School	12.35	98.8			\$ 505	475	1565	2036	21		
90	Century	11.84	94.72			\$ 428	403	1181	1580	17		
86	Saddleback HS	12.89	103.12			\$ 677	373	1264	1721	17		
117	Community Day High	0.88	7.04			\$ 4	25	66	84	12		
Average High School Excluding Chavez, Grisct, Middle College, Community day											20	
0												
Other Sales meal equivalent formula:												
Ala Carte or extra food sales												
Meal Equivalent	Lunch	Breakfast		Snack	Other Sales	Free Lunch Reimbursement(3.01)+ Commodity Value Per Meal(.2025)						
	1	0.66		0.33	3.2129							

*CK hours include 35 central kitchen positions for food service workers, cooks, bakers, and delivery drivers preparing and delivering meals to elementary sites.

Appendix B

New Food-Based Menu Planning for Breakfast and Lunch

New FBMP for Breakfast - Healthy Eating & Nutrition Education (CA ...

<http://www.cde.ca.gov/ls/nu/he/nfbmpbreakfast.asp?print=yes>

California Department of Education (<http://www.cde.ca.gov/ls/nu/he/nfbmpbreakfast.asp>)

Page Generated: 6/10/2014 1:30:18 PM

New FBMP for Breakfast

Amount of Food^a Per Week (Minimum Per Day)

Meal Pattern	Grades K-12	Grades K-5	Grades K-8	Grades 6-8	Grades 6-12	Grades 9-12
Fruits (cups) ^{b, 2013-14}	2 1/2 (1/2)	2 1/2 (1/2)	2 1/2 (1/2)	2 1/2 (1/2)	2 1/2 (1/2)	2 1/2 (1/2)
Fruits (cups) ^{b, c 2014-15}	5 (1)	5 (1)	5 (1)	5 (1)	5 (1)	5 (1)
Vegetables (cups) ^{b, c}	0	0	0	0	0	0
Grain Minimums (oz eq) ^d	9 (1)*	7 (1)*	8 (1)*	8 (1)*	9 (1)*	9 (1)*
Meat/Meat Alternate Minimums (oz eq) ^e	0	0	0	0	0	0
Fluid Milk (Cups) ^f	5 (1)	5 (1)	5 (1)	5 (1)	5 (1)	5 (1)

Other Specifications: Daily Amount Based on the Average for a 5-Day Week

Min-max calories (kcal) ^{g, h}	450–500	350–500	400–500	400–550	450–550	450–600
Saturated fat (% of calories) ^h	<10% of calories	<10% of calories	<10% of calories	<10% of calories	<10% of calories	<10% of calories
Sodium Target 1 (mg) ^{h, i 2014-15 SY}	≤ 540 mg	≤ 540 mg	≤ 540 mg	≤ 600 mg	≤ 600 mg	≤ 640 mg
Reference Only Sodium Target 2 (mg) ^{h, i 2017-18 SY}	≤ 485 mg	≤ 485 mg	≤ 485 mg	≤ 535 mg	≤ 535 mg	≤ 570 mg

Trans fat^h-Nutrition label or manufacturer specifications must indicate zero grams of trans fat (< 0.5 grams) per serving

*U.S. Department of Agriculture has lifted the **weekly maximums** for grains. The **daily and weekly minimums** for grains and the **weekly calorie ranges** still apply.

New Food-Based Menu Planning for Breakfast 2013–14 and 2014–15 School Year

New FBMP for Breakfast - Healthy Eating & Nutrition Education (CA ...

<http://www.cde.ca.gov/ls/nu/he/nfbmpbreakfast.asp?print=yes>

^a Food items included in each group and subgroup and amount equivalents. Minimum creditable serving is $\frac{1}{8}$ cup.

^b One quarter-cup of dried fruit counts as $\frac{1}{2}$ cup of fruit; 1 cup of leafy greens counts as $\frac{1}{2}$ cup of vegetables. All juice must be 100% full-strength. Frozen 100% juice without added sugar can be used.

^c Beginning July 1, 2014 (SY 2014–15) schools must offer 1 cup of fruit daily and 5 cups of fruit weekly. Vegetables may be substituted for fruits, but the first two cups per week of any such substitution must be from the dark green, red/orange, beans and peas (legumes) or "Other vegetables" subgroups, as defined in 210.10(c)(2)(iii).

^d Beginning July 1, 2013 (SY 2013–14), at least half of grains offered must be whole grain-rich. By July 1, 2014 (SY 2014–15) all grains must be whole grain-rich. Schools may substitute 1 oz. eq. of meat/meat alternate for 1 oz. eq. of grains after the minimum daily grains requirement is met. Meat/meat alternates may be offered as extra food items that do not count toward the grain component or as food items for OVS. These extra food items need to be included in the weekly calories, sodium, and saturated fat.

^e There is no meat/meat alternate requirement.

^f Beginning July 1, 2012 (SY 2012–13) all fluid milk must be low-fat (1 percent milk fat or less, unflavored) or fat-free (unflavored or flavored).

^g Beginning July 1, 2013 (SY 2013–14), the average daily calories for a 5-day school week must be within the range (at least the minimum and no more than the maximum values).

^h Discretionary sources of calories (solid fats and added sugars) may be added to the meal pattern if within the specifications for calories, saturated fat, trans fat, and sodium. Foods of minimal nutritional value and fluid milk with fat content greater than 1 percent milk fat are not allowed.

ⁱ Final sodium targets must be met no later than July 1, 2022 (SY 2022–23). The first intermediate target must be met no later than SY 2014–2015 and the second intermediate target must be met no later than SY 2017–18. See required intermediate specifications in § 220.8(f)(3).

Note: For OVS, every student must take either $\frac{1}{2}$ cup fruit (or substituted vegetable) or a combination of both effective SY 2014–15.

Questions: Nutrition Services Division | 800-952-5609

Last Reviewed: Thursday, May 08, 2014

California Department of Education
Nutrition Services Division

Education and Nutrition Policy Unit
Jan 2014

New Food-Based Menu Planning for Lunch

Amount of Food^a Per Week (Minimum Per Day)

Meal Pattern	Grades K–5	Grades K–8	Grades 6–8	Grades 9–12
Fruits (cups) ^b	2½ (½)	2½ (½)	2½ (½)	5 (1)
Vegetables (cups) ^b	3¾ (¾)	3¾ (¾)	3¾ (¾)	5 (1)
Dark Green ^c	½	½	½	½
Red/Orange ^c	¾	¾	¾	1¼
Beans and Peas (legumes) ^c	½	½	½	½
Starchy ^c	½	½	½	½
Other ^{c,d}	½	½	½	¾
Additional Veg to Reach Total ^e	1 ^e	1 ^e	1 ^e	1½ ^e
Grain Minimums (oz eq) ^f	8 (1)*	8 (1)*	8 (1)*	10 (2)*
Meats/Meat Alternate Minimums (oz eq)	8 (1)*	9 (1)*	9 (1)*	10 (2)*
Fluid Milk (Cups) ^g	5 (1)	5 (1)	5 (1)	5 (1)

Other Specifications: Daily Amount Based on the Average for a 5-Day Week

Meal Pattern	Grades K–5	Grades K–8	Grades 6–8	Grades 9–12
Min-max calories (kcal) ^h	550–650	600–650	600–700	750–850
Saturated fat (% of calories) ^h	< 10	< 10	< 10	< 10
Sodium Target 1 (mg) ^{h,i 2014–15 SY}	≤ 1,230	≤ 1,230	≤ 1,360	≤ 1,420
Reference Only Sodium Target 2 (mg) ^{h,i 2017–18 SY}	≤ 935	≤ 935	≤ 1,035	≤ 1,080

Trans fat^h Nutrition label or manufacturer specifications must indicate zero grams of trans fat per serving.

*U.S. Department of Agriculture has lifted the **weekly maximums** for grain and meat/meat alternates. The **daily and weekly minimums** for grains and meat/meat alternates still apply.

California Department of Education
Nutrition Services Division

Education and Nutrition Policy Unit
Jan 2014

2012 Lunch Meal Pattern

- a. Food items included in each group and subgroup and amount equivalents. Minimum creditable serving is $\frac{1}{8}$ cup.
- b. One quarter-cup of dried fruit counts as $\frac{1}{2}$ cup of fruit; 1 cup of leafy greens counts as $\frac{1}{2}$ cup of vegetables. No more than half of the fruit or vegetable offerings may be in the form of juice. All juice must be 100% full-strength.
- c. Larger amounts of these vegetables may be served.
- d. This category consists of "Other vegetables" as defined in §210.10(c)(2)(iii)(E) . For the purposes of the National School Lunch Program, the "Other vegetables" requirement may be met with any additional amounts from the dark green, red/orange, and beans/peas (legumes) vegetable subgroups as defined in §210.10(c)(2)(iii).
- e. Any vegetable subgroup may be offered to meet the total weekly vegetable requirement.
- f. Beginning July 1, 2012 (2012–13 SY), at least half of grains offered must be whole grain-rich. Beginning July 1, 2014 (2014–15 SY), all grains must be whole grain-rich.
- g. Beginning July 1, 2012 (2012–13 SY), all fluid milk must be low-fat (1 percent or less, unflavored) or fat-free (unflavored or flavored).
- h. Discretionary sources of calories (solid fats and added sugars) may be added to the meal pattern if within the specifications for calories, saturated fat, trans fat, and sodium. Foods of minimal nutritional value and fluid milk with fat content greater than 1 percent are not allowed.
- i. Final sodium targets must be met no later than July 1, 2022 (2022–23 SY). The first intermediate target must be met no later than SY 2014–15 and the second intermediate target must be met no later than 2017–18 SY. See required intermediate specifications in § 210.10(f)(3).

Appendix D

Competitive Food Sales

QUICK REFERENCE CARDS, PAGE 1

START HERE, and then continue clockwise.

EFFECTIVE 1/1/2014 – 6/30/2014

ELEMENTARY SCHOOL – FOOD RESTRICTIONS

References: *Education Code* sections 49430, 49431, 49431.7, *California Code of Regulations* sections 15575, 15577, 15578

An **elementary school** contains no grade higher than grade 6. **Effective** from one-half hour before to one-half hour after school.

Applies to ALL foods sold to students by any entity.

Sold means the exchange of food for money, coupons, vouchers, or order forms, when any part of the exchange occurs on a school campus.

Compliant foods are:

1. A full meal that meets the USDA school meal pattern.
2. Exempt foods: dairy foods; whole grain foods; or individually sold portions of nuts, nut butters, seeds, eggs, cheese packaged for individual sale, fruit*, non-fried vegetables, and legumes that meet the following:
 1. \leq 35% calories from fat (except nuts, nut butters, seeds, eggs, cheese packaged for individual sale, legumes), **and**
 2. \leq 10% calories from saturated fat (except eggs, cheese), **and**
 3. \leq 35% sugar by weight (except fruit*, non-fried veggies), **and**
 4. $<$ 0.5 grams trans fat per serving (no exceptions), **and**
 5. \leq 175 calories per item/container (no exceptions)

If exempt food(s) combine with nonexempt food(s) or added fat/sugar they must meet ALL nutrient standards above.

*Dried blueberries cranberries, cherries, tropical fruit, chopped dates or figs that contain added sugar are exempt from fat and sugar standards.

3. Whole grain:
 - a. The statement "Diets rich in whole grain foods... and low in total fat... may help reduce the risk of heart disease...", **or**
 - b. The first listed grain ingredient is whole grain, **or**
 - c. A combination of whole grain ingredients is at least 51% of the total grain weight (manufacturer must verify), **or**
 - d. The weight of the whole grain must be at least 51% of the total grain weight of the product.

Non-compliant foods may be sold from one-half hour after school.

ELEMENTARY SCHOOL – STUDENT ORGANIZATIONS

Reference: *California Code of Regulations* Section 15500

Effective during school hours.

Applies to food and beverage sales by student organizations.

Student organization sales must meet **all** of the following:

1. Only **one food or beverage item** per sale.
2. The food or beverage item must be **pre-approved** by the **governing board** of the school district.
3. The sale must occur **after the lunch period** has ended.
4. The food or beverage item **cannot be prepared on campus**.
5. Each school is allowed **four sales** per year.
6. The food or beverage item cannot be the same item **sold in the food service program** at that school during the same school day.

ELEMENTARY SCHOOL – BEVERAGE RESTRICTIONS

References: *Education Code* Section 49431.5, *California Code of Regulations* Section 15576

An **elementary school** contains no grade higher than grade 6.

Effective regardless of the time of day.

Applies to ALL beverages sold to students by any entity.

Sold means the exchange of beverages for money, coupons, vouchers, or order forms, when any part of the exchange occurs on a school campus.

Compliant beverages are:

1. Fruit or Vegetable juice:
 - a. \geq 50% juice **and**
 - b. No added sweeteners
2. Milk:
 - a. Cow's or goat's milk, **and**
 - b. 1%, nonfat, **and**
 - c. Contains Vitamins A & D, **and**
 - d. \geq 25% of the calcium Daily Value per 8 fl. oz., **and**
 - e. \leq 28 grams of total sugar per 8 fl. oz.
3. Non-dairy milk:
 - a. Contains Vitamins A & D, **and**
 - b. \geq 25% of the calcium Daily Value per 8 fl. oz., **and**
 - c. \leq 28 grams of total sugar per 8 fl. oz., **and**
 - d. \leq 5 grams fat per 8 fl. oz.
4. Water:
 - a. No added sweeteners

Non-compliant beverages may be sold from one-half hour after school.

ELEMENTARY SCHOOL – FOODS OF MINIMAL NUTRITIONAL VALUE

Reference: *Code of Federal Regulations*, Title 7, Section 210.11, Appendix B (**Being repealed after 7/2014**)

Prohibited foods and beverages sold to students.

Effective during the meal period on the entire school campus where the federally reimbursable meal(s) may be served and/or eaten.

Applies to the following foods sold to students by any entity:

1. Carbonated and aerated beverages
2. Water ices – except if contains any fruit or fruit juice
3. Chewing gum
4. Hard candies
5. Jelly and gum candies
6. Marshmallow candies
7. Fondant
8. Licorice
9. Spun candy
10. Candy coated popcorn

QUICK REFERENCE CARDS, PAGE 2

EFFECTIVE 1/1/2014 – 6/30/2014

START HERE, and then continue clockwise.**MIDDLE/HIGH SCHOOL – FOOD RESTRICTIONS**

References: *Education Code* sections 49430, 49431.2, 49431.7, *California Code of Regulations* sections 15575, 15577, 15578

A **middle/junior high** contains grades 7 or 8, 7 to 9, 7 to 10.

A **high school** contains any of grades 10 to 12.

Effective from one-half hour before to one-half hour after school.

Applies to ALL foods sold to students by any entity.

Sold means the exchange of food for money, coupons, vouchers, or order forms, when any part of the exchange occurs on a school campus.

Compliant foods must meet the following criteria:

1. “**Snack**” food items must be:
 - a. \leq 35% calories from fat (except nuts, nut butters, seeds, eggs, cheese packaged for individual sale, legumes), **and**
 - b. \leq 10% calories from saturated fat (except eggs, cheese), **and**
 - c. \leq 35% sugar by weight (except fruit*, non-fried veggies), **and**
 - d. $<$ 0.5 grams trans fat per serving (no exceptions), **and**
 - e. \leq 250 calories per item/container (no exceptions)
 - f. **Must be 50% whole grain after 7/2014**

If exempt food(s) combine with nonexempt foods or added fat/sugar they must meet ALL nutrient standards above.

*Dried blueberries cranberries, cherries, tropical fruit, chopped dates or figs that contain added sugar are exempt from fat and sugar standards.

2. “**Entrée**” food items must be:
 - a. Two or more groups ((meat/meat alternate, fruit/vegetable, grain/bread), or a meat/meat alternate alone, **and**
 - b. \leq 400 calories, **and**
 - c. \leq 4 grams fat per 100 calories

Non-compliant foods may be sold from one-half hour after school.

MIDDLE/HIGH SCHOOL – BEVERAGE RESTRICTIONS

References: *Education Code* Section 49431.5, *California Code of Regulations* Section 15576

A **middle/junior high** contains grades 7 or 8, 7 to 9, 7 to 10.

A **high school** contains any of grades 10 to 12.

Effective from one-half hour before to one-half hour after school.

Applies to ALL beverages sold to students by any entity.

Sold means the exchange of beverages for money, coupons, vouchers, or order forms, when any part of the exchange occurs on a school campus

Compliant beverages are:

1. Fruit or Vegetable juice:
 - a. \geq 50% juice **and**
 - b. No added sweeteners
2. Milk:
 - a. Cow's or goat's milk, **and**
 - b. 1%, nonfat, **and**
 - c. Contains Vitamins A & D, **and**
 - d. \geq 25% of the calcium Daily Value per 8 fl. oz., **and**
 - e. \leq 28 grams of total sugar per 8 fl. oz.
3. Non-dairy milk:
 - a. Contains Vitamins A & D, **and**
 - b. \geq 25% of the calcium Daily Value per 8 fl. oz., **and**
 - c. \leq 28 grams of total sugar per 8 fl. oz., **and**
 - d. \leq 5 grams fat per 8 fl. oz.
4. Water:
 - a. No added sweeteners
5. Electrolyte replacement beverage (**only HS after 7/2014**)
 - a. Water as first ingredient, **and**
 - b. \leq 16.8 grams added sweetener per 8 fl. oz., **and**
 - c. 10 – 150 milligrams of sodium per 8 fl. oz., **and**
 - d. 10 – 90 milligrams of potassium per 8 fl. oz., **and**
 - e. No added caffeine
 - f. **Limited to 12 oz portion after 7/2014**

Non-compliant beverages may be sold from one-half hour after school.

MIDDLE/HIGH SCHOOLS – STUDENT ORGANIZATIONS

Reference: *California Code of Regulations* Section 15501

Effective during or after school hours.

Applies ONLY to food and beverage sales by student organizations.

1. Up to **three categories** of foods or beverages *may* be sold each day (e.g., chips, sandwiches, juices, etc.).
2. Food or beverage item(s) must be **pre-approved** by governing board of school district.
3. Only **one student organization** *may* be allowed to sell each day.
4. Food(s) or beverage(s) **cannot** be **prepared on the campus**.
5. The food or beverage categories sold **cannot** be the same as the categories **sold in the food service program** at that school during the same school day.
6. In addition to one student organization sale each day, any and **all student organizations** may sell on the **same four designated days** per year – dates determined by school administration.

California Department of Education

MIDDLE/HIGH SCHOOL – FOODS OF MINIMAL NUTRITIONAL VALUE

Reference: *Code of Federal Regulations*, Title 7, Section 210.11, Appendix B (**Being repealed after 7/2014**)

Prohibited foods and beverages sold to students.

Effective during the meal period on the entire school campus where the federally reimbursable meal(s) may be served and/or eaten.

Applies to the following foods sold to students by any entity:

1. Carbonated and aerated beverages
2. Water ices – except if contains any fruit or fruit juice
3. Chewing gum
4. Hard candies
5. Jelly and gum candies
6. Marshmallow candies
7. Fondant
8. Licorice
9. Spun candy
10. Candy coated popcorn

REVISED Jan 2014

Appendix E

Study Agreement



PURCHASE ORDER

SANTA ANA UNIFIED SCHOOL DISTRICT

1601 E. Chestnut Avenue, Santa Ana, CA 92701-6322

Phone (714) 558-5614

Fax (714) 558-5880

PURCHASE ORDER NO.

297026

Page 1 Of 1

SHIP TO: SEE DELIVERY DETAILS BELOW
Santa Ana, CA 92701

SUPPLIER: FISCAL & CRISIS MANAGEMENT ASSISTANCE TEAM
OFFICE OF LARRY E REIDER KERN COUNTY SUPT OF
SCHOOLS
BAKERSFIELD, CA 93301 4533

NO DELIVERIES ACCEPTED AFTER 2:30 PM OR
ON SATURDAYS, SUNDAYS OR HOLIDAYS

BILL TO: 1601 E CHESTNUT AVE
Santa Ana, CA 92701

1300 17TH STREET

Date Issued	Delivery Date	F.O.B	Terms	Req Num	Buyer
12-FEB-14	30-JUN-14	Destination	30 Net	153740	V Guillen

Line No.	Quantity	Unit	Description	Unit Price	Amount
1		DOLLAR	<p>CONSULTANT SERVICES:</p> <p>Will conduct a review of the Food Services department procedures and practices for managing all operations, and will provide recommendations for improved efficiency, if any.</p> <p>**** BOARD DATE: JANUARY 28, 2014</p> <p>SHIP TO: SANTA ANA UNIFIED SCHOOL DISTRICT 1601 E CHESTNUT SANTA ANA, CA 92701-6322</p>	1.00	\$18,000.00

SCHOOL/DEPARTMENT: Pantoja, Guadalupe -Sausd District Office

Account Number	Encumbrance	Sub-Total	
010030-0-0011-7300-5865-005	\$18,000.00		\$18,000.00
		Tax	\$0.00
		Total	\$18,000.00

Negotiation of either quantity or trade discounts with suppliers for all purchases shall be by the Associate Superintendent of Business or designee only. District prohibits the use of gifts, incentives, inducements, favors, monetary returns, either promised or given, and/or rebates of any kind (hereinafter referred to as "incentives") that do not accrue directly to the District. Any existing and future order to that supplier and District will take any and all appropriate actions deemed necessary by the District, including but not limited to referral to local law enforcement authorities. By accepting this purchase order supplier certifies that they are not suspended or debarred from acceptance of purchases using Federal Funding as stated in Executive Orders 12549 and 12686.

Authorized Signature

FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

CSIS California School Information Services

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM STUDY AGREEMENT January 30, 2014

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Santa Ana 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 assign professionals to study specific aspects of the district's 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 Assembly Bill 1200, 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 also be published on the FCMAT website.

The district is requesting that the team conduct a staffing and efficiency review of the district's food service department for all certificated, classified and administrative positions. The district serves students in grades K-12 at 61 schools and has an enrollment of approximately 56,000 students. The review will consist of the following:

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

1. Examine the food service department's procedures and practices for managing all operations with regard to efficiency. The department is responsible for establishing the framework for overall operations, allocating resources, providing functional guidance, and assessing districtwide opportunities to provide improved service. The team will evaluate the current work flow and distribution of management and leadership functions in the department and provide recommendations for improved efficiency, if any. The review will include, but not be limited to, the following areas: food preparation, ordering, inventory, cash and

resource management, staffing, policies and procedures, federal and state compliance, menu planning, warehousing and food storage, purchasing and facilities. The review will include any constraints to productive management by evaluating systems, structures and employee responsibilities in relationship to the district's goals.

This component will include reviewing documentation, including board policies and administrative regulations and job descriptions, and gathering data regarding current practices, procedures and separation of duties to ensure the proper internal controls are in place. In addition, the team may interview other department or site staff to determine the efficiency and effectiveness of services delivered.

2. Review training and professional development programs for employees and managers and make recommendations.

B. Services and Products to be Provided

1. Orientation Meeting - The team will conduct an orientation session at the district to brief district management and supervisory personnel on the team's procedures and the purpose and schedule of the study.
2. On-site Review - The team will conduct an on-site review at the district office and at school sites if necessary.
3. Exit Report - The team will hold an exit meeting at the conclusion of the on-site review to inform the district of significant findings and recommendations to that point.
4. Exit Letter – Approximately 10 days after the exit meeting, the team will issue an exit letter briefly summarizing significant findings and recommendations to date and memorializing the topics discussed in the exit meeting.
5. Draft Reports - Electronic copies of a preliminary draft report will be delivered to the district's administration for review and comment.
6. Final Report - Electronic copies of the final report will be delivered to the district's administration and to the county superintendent following completion of the review. Printed copies are available from FCMAT upon request.
7. Follow-Up Support – If requested, FCMAT will return to the district at no cost six months after completion of the study to assess the district's progress in implementing the recommendations included in the report. Progress in implementing 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, CICA, CFE, Deputy Executive Officer, Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The study team may also include:

- | | | |
|----|------------------|--|
| A. | Diane Branham | FCMAT Chief Management Analyst, Project Lead |
| B. | Judith Stephens | FCMAT Consultant |
| C. | To be determined | FCMAT Consultant |
| D. | To be determined | FCMAT Consultant |

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

4. PROJECT COSTS

The cost for studies requested pursuant to Education Code (EC) 42127.8(d)(1) shall be as follows:

- A. \$500 per day for each staff member while on site, conducting fieldwork at other locations, preparing and presenting reports, or participating in meetings. The cost of independent FCMAT consultants will be billed at their actual daily rate.
- B. All out-of-pocket expenses, including travel, meals and lodging.
- C. 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 the district's acceptance of the final report.

Based on the elements noted in section 2 A, the total estimated cost of the study will be \$18,000.

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

Payments for FCMAT's 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 during on-site reviews.
- B. The district will provide the following if requested:

1. Existing policies, regulations and prior reports that address the study scope.
 2. Current or proposed organizational charts.
 3. Current and two (2) prior years' audit reports.
 4. Any documents requested on a supplemental list. Documents requested on the supplemental list should be provided to FCMAT only in electronic format; if only hard copies are available, they should be scanned by the district and sent to FCMAT in electronic format.
 5. Documents should be provided in advance of field work; any delay in the receipt of the requested documents may affect the start date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's online SharePoint document repository, where the district will upload all requested documents.
- C. The district's administration will review a preliminary draft copy of the report resulting from 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).

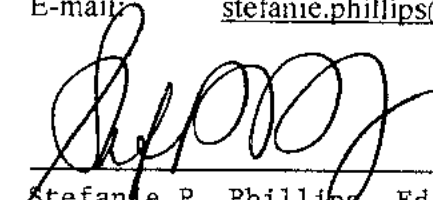
6. **PROJECT SCHEDULE**

The following schedule outlines the planned completion dates for different phases of the study:

Orientation:	to be determined
Staff Interviews:	to be determined
Exit Meeting:	to be determined
Preliminary Report Submitted:	to be determined
Final Report Submitted:	to be determined
Board Presentation:	to be determined, if requested
Follow-Up Support:	if requested

7. **CONTACT PERSON**

Name: Stefanie Phillips
Telephone: (714) 558-5826
Fax: (714) 558-5601
E-mail: stefanie.phillips@sausd.us



Stefanie P. Phillips, Ed.D. Deputy Supt. Date
Santa Ana Unified School District

02-07-14



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

January 30, 2014

Date