

Food Service

First of all, we should all be proud of the quality of food we serve our students every day. Scratch cooking is labor intensive and can be costly; however, feeding our students with great nutritional food is what Food Service (FS) prides itself on. This department has been recognized both nationally and internationally due to the healthy changes to the menu. We have no intention of lowering our standards during this re-set of FS.

Background

A large amount of time has been committed to reviewing FS. We found many areas that are not only financially unsound, but lack procedures and processes which have created a loose work environment.

The projected deficit for FS for First Interim 2019-20 is approximately \$779,000. The goal was to not have FS draw on the general fund this year but while investigating the reasons it went negative became clear this department has many layers that need to be fixed. If we make the proposed changes the deficit will decrease, by how much depends on many factors.

Below I describe the issues and follow with a proposed “fix.”

Current

FS currently has approximately 12 kitchens, 126 employees and are serving programs from Carpinteria to Santa Maria. The department is run by one director who evaluates all of the employees, even though at most kitchens there are “managers,” but they are not true managers in the sense they cannot evaluate other classified employees.

Issue #1 – Provision 2

General Information: Provision 2 sites: The district currently has eight elementary, two junior highs and one high school that qualify for Provision 2 for both lunch and breakfast. This means all of the students at these sites eat for free. The qualifications to be a Provision 2 school is 51 percent of the students at that site must meet the federal low-income guidelines. In addition to those Provision 2 schools, FS is providing breakfast for free to the non-Provision 2 sites which is not financially prudent. The reason for this is the cost of preparing and serving breakfast is \$2.66 and the State and Federal reimbursement is only .31.

This chart shows the cost to produce a meal and the Federal and State reimbursement for that meal.

Meal	Total Costs to Produce Meal	Reimbursement Free	Reimbursement Reduced	Reimbursement Paid
Breakfast	\$ 2.66	\$ 1.72	\$ 1.42	\$ 0.31
Lunch	3.99	3.74	3.34	0.41

Fix #1 – Provision 2

Proposal: Provide breakfast for free to only the sites that qualify for Provision 2 for both breakfast and lunch starting January 1, 2020. The estimated savings is hard to actually quantify, due to students now having to enter their student ID numbers at the Point of Sale. We are estimating that a lesser number of paid students will participate, and therefore the lines will be shorter for the free and reduced students. Students will be notified of the change starting December 17th, if the Board approves the proposal on December 16th.

The chart below illustrates the cost of one month for the school sites that received a free breakfast and the cost to FS.

Provision 2 Breakfast - Students that do not qualify

Site	Cost	Reimbursement	Loss per Meal	October Count	Monthly Loss
Washington	\$ 2.66	\$ 0.31	\$ 2.35	2,086	\$ 4,902.10
Goleta Valley	2.66	0.31	\$ 2.35	3,925	9,223.75
La Colina	2.66	0.31	\$ 2.35	1,225	2,878.75
Dos Pueblos	2.66	0.31	\$ 2.35	16,879	39,665.65
San Marcos	2.66	0.31	\$ 2.35	6,038	14,189.30
SBHS	2.66	0.31	\$ 2.35	13,606	31,974.10
October Loss					\$ 102,833.65

Issue #2 – Programs

General Information: FS is currently running over 12 programs outside of SBUSD. These programs include public and private schools, homeless, and seniors. Only one of these programs show slight profit. This is due to the fact that the meals were not priced accurately. The labor and food cost are more than the revenue collected.

Fix #2 – Programs

Proposal: Notify all programs of the increase per meal by December 17, if the Board approves on December 16. The addendum to the contracts will state the new prices. If the program agrees to the revised price, they will sign and return and we will continue to serve them the remaining 2019-20 fiscal year. If they are not willing to pay, then this letter serves as the 30-day termination and FS will cease to provide meals for that entity as of January 31, 2020. The price increase across all programs is the cost of the meal plus a 5.12 percent indirect. This also applies to the programs that use a Mobile Café; the monthly cost to lease vehicle and a 5.12 percent indirect. The programs that generate a reimbursement from the Federal and State will pay the difference of the cost of the meal and the reimbursement plus a 5.12 percent indirect.

The savings is difficult to determine because it is unknown which programs will agree to the new prices and depending on which programs cancel, there could be layoffs of FS employees.

Issue #3 – Mobile Cafés

General Information: Currently, FS has eight Mobile Cafés (MC), two SBUSD owns and six are leased at a cost of \$160,800 annually. These vehicles are not utilized to their full potential and they are parked unused 50 percent of the day. The rental charges that FS imposes on clients are inconsistent and do not cover the cost of the vehicle or the people necessary to run them. Two of the MC's are at the high schools during lunch, SMHS/SBHS, to expedite the serving of students in a shorter period of time. One is used to provide food services to Montecito Union School District, and the other is to provide food services to Notre Dame (a private school). In many instances, the MC's are used to keep items warmed and not actually to prepare meals.

Fix #3 – Mobile Cafés

Proposal: Reduce the MC from eight to four as soon as February 2019. The lease agreement has a 30-day termination clause in it.

Potential Savings

Summary of Estimated Savings

Items	Partial Year 2019-20	Full Year 2020-21
Provision 2	\$344,500	\$689,000
Programs	\$371,000	
Mobile Café	\$46,667	\$111,999

Food Services Update

Estimated Total	\$762,167	\$800,999
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If the Board approves the proposed reductions, addendums to the contracts will be sent out to each program and once we know what programs agree to the revised prices, we can look at reducing staffing due to the lack of work.

2020-21

The next big step I would like to consider for FS is actually placing managers in the kitchens. These managers would evaluate and supervise the employees at each kitchen. Having a “boss” in the kitchens would increase the level of supervision and determine if employees are working to their fullest potential. They would be responsible for ensuring that food wastes are five percent or less, that the kitchens are well organized and that the food prep is efficient. Some kitchens are over staffed and this may be due to the extra programs or not, but if these kitchens could be run like the private sector we may be able to turn a profit and use those funds to go green.

Once a new Food Service Director is on board we will work towards a complete re-organization of the department. We will work towards re-organizing the Food Service Department to be expense neutral.