

9.0 FOOD SERVICES

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This chapter presents findings and recommendations relating to food service operations in Bath County Public Schools (BCPS). The major sections of the chapter are as follows:

- 9.1 Introduction
- 9.2 Organization and Management
- 9.3 Student Meal Participation
- 9.4 Financial Performance

CHAPTER SUMMARY

The head of the BCPS food service program is the director of school nutrition. She has been with BCPS for many years. All three schools have long participated in both the National School Food Service Program and the National School Breakfast Program.

The division has many hard working cafeteria employees and BCPS has benefited from the fact that the staff has been quite stable. They have lost very few people in recent years. There is a cafeteria manager at each of the three schools and the following is the number of employees that work at each school, including the manager:

- Bath County High School – three full-time and one part-time worker;
- Valley Elementary School – five full-time and one part-time worker;
and
- Millboro Elementary School – three full-time workers.

In recent years the food service program has not been self supporting, requiring that the division subsidize the program by approximately \$155,000 per year each of the last three years. There is a serious need to make changes in the program so that it can become a more financially sound program.

The major recommendations for improvement are:

- Recommendation 9-1: Raise the price of the meals being served.
- Recommendation 9-2: Reduce the cafeteria staffing level at Valley Elementary School.

9.1 Introduction

9.1.1 Overview of the National Program

School breakfast and lunch are an integral part of many students' education. Good nutrition is a vital component of a child's ability to learn. In response to this need, the federal government established breakfast and lunch programs in the nation's schools to ensure that children receive proper nutrition so they can succeed in school.

School meal programs began when the Child Nutrition Act of 1946 authorized the National School Lunch Program to “safeguard the health and well-being of the nation’s children.” The program, administered by the U.S. Department of Agriculture (USDA), is open to all public and nonprofit private schools and all residential childcare institutions. Lunch is available to all children in participating schools and must meet specific nutritional requirements to qualify for federal funds.

The Child Nutrition Act of 1966 authorized the National School Breakfast Program as a pilot program providing funding in low-income schools and in schools where students had to travel long distances in the morning and therefore might not have a chance to eat breakfast. Congress started the program in 1975 and made breakfast “available in all schools where it is needed to provide adequate nutrition for children in attendance.” Congress further expanded the program in 1989 by requiring the Secretary of Agriculture to provide funds to states to support the costs of starting school breakfast programs in low-income areas. USDA administers the National School Breakfast Program.

Under the basic school breakfast and lunch programs, household income determines whether a child pays for his or her meal or receives a reduced price or free meal. Household income must be below 185 percent of the federal poverty level for a child to receive a reduced price meal and below 130 percent of the federal poverty level for a child to receive a free meal.

9.1.2 Overview of the Bath County Public Schools Program

The head of the BCPS food service program is the director of school nutrition. She has been with BCPS for many years. All three schools have long participated in both the National School Food Service Program and the National School Breakfast Program.

The three schools prepare their own food and serve them with a combination of full-time and part-time staff. The schools do not provide catering services.

The survey of central office administrators, principals, and teachers that MGT conducted early in the efficiency review process yielded mixed reactions to the food service program. For example, when asked whether they agreed that the “food services department provides nutritious and appealing meals and snacks,” 63 percent of administrators and principals *agree* or *strongly agree* with the statement while only 13 percent *disagree* or *strongly disagree*. However, only 30 percent of teachers *agree* with the statement, and 49 percent either *disagree* or *strongly disagree*. When asked whether the food service function *needs some improvement*, *needs major improvement*, is *adequate*, or is *outstanding*, 50 percent of administrators and principals rated it as *adequate* or *outstanding* and 50 percent rated it as *needs some* or *needs major improvement*. Forty-six percent of teachers indicated that the food service program *needs improvement* while 40 percent of teachers ranked it as *adequate* or *outstanding*.

9.2 Organization and Management

The director of school nutrition reports to the superintendent. She retired about 10 years ago but was persuaded to return to her position in the central office soon after leaving. She returned to work on the condition that she would only work half-time.

Consequently, she works Monday, Tuesday, and Wednesday morning. She has announced that she will be retiring permanently at the end of this fiscal year.

The only additional food service assistance at the central office is a secretary who is shared with others. That person serves as the food service secretary and bookkeeper.

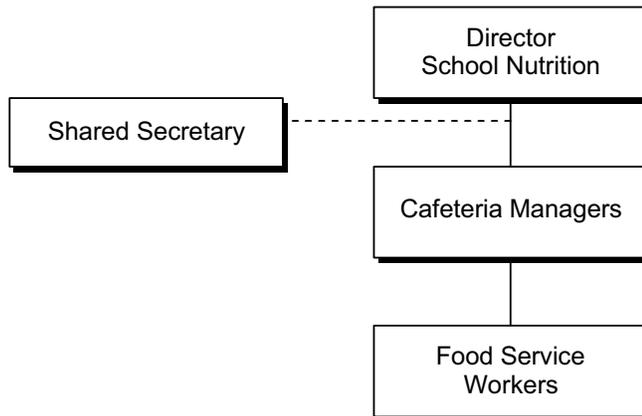
The division has many hard working cafeteria employees and BCPS has benefited from the fact that the staff has been quite stable. They have lost very few people in recent years. There is a cafeteria manager at each of the three schools and the following is the number of employees that work at each school, including the manager:

- Bath County High School – three full-time and one part-time worker;
- Valley Elementary School – five full-time and one part-time worker; and
- Millboro Elementary School – three full-time workers.

There are a number of substitutes that the division can call upon to help when an employee is sick, but there are not enough subs which is problematic on occasion.

Exhibit 9-1 depicts the organizational structure of the BCPS food service program.

**EXHIBIT 9-1
BATH COUNTY PUBLIC SCHOOLS
FOOD SERVICE STAFFING**



9.3 Student Meal Participation

Bath County Public Schools has a relatively low free/reduced price eligibility rate (28.41 percent), which is below both the state average of 33.12 percent and the peer division average of 32.01 percent. Exhibit 9-2 shows a comparison between BCPS and its peer divisions, the peer division average, and the state average. As can be seen from the chart, the BCPS eligibility rate places them fourth among the six divisions listed.

**EXHIBIT 9-2
FREE/REDUCED PRICE ELIGIBILITY COMPARISON
2005-06 SCHOOL YEAR**

	PERCENT FREE	PERCENT REDUCED	PERCENT TOTAL F/R
Bath County	18.43	9.97	28.41
Bland County	22.61	10.91	33.52
Craig County	22.60	7.67	30.27
Mathews County	18.12	4.39	22.51
Rappahannock County	10.53	5.92	16.45
Surry County	45.59	11.69	57.28
Peer Average	23.89	8.12	32.01
State Average	25.94	7.18	33.12

Source: Virginia Department of Education, 2005–2006 Statistics.

Participation in the breakfast and lunch programs by students has remained fairly constant over the last three years. Exhibit 9-3 displays the total number of students participating in the breakfast and lunch programs during April in each of the last three years. In this exhibit April is used as an example, but the other months also show similar results.

**EXHIBIT 9-3
BATH COUNTY PUBLIC SCHOOLS
STUDENT MEAL PARTICIPATION
APRIL 2004, 2005 AND 2006**

		PAID			REDUCED			FREE			TOTAL		
		2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006
BCPS TOTALS	B	102	107	113	36	31	26	73	78	67	211	216	202
	L	390	389	429	73	79	59	135	132	120	597	600	597

9.4 Financial Performance

FINDING

The BCPS food service program has not been self-supporting for seven years. At the end of each of the last three years, the food service fund balance was \$0. These zero balances were achieved because the school division drew upon general fund monies to subsidize the program. Each of the last three years it has been necessary for BCPS to subsidize the food service program between \$155,000 and \$165,000. This situation prompted both the superintendent and the director of school nutrition to characterize the financial status of the program as a very serious problem.

The BCPS food service program expends considerably more on its lunch program than do its peer divisions. Exhibit 9-4, which presents the food service disbursements for the 2003-04 year, illustrates this well. While the average of food service disbursements for

the peer divisions was \$343,301, Bath County expended \$475,219. When this cost is allocated to pupils, the BCPS per pupil cost was \$603.87, compared to the peer division average of \$357.30 per pupil.

**EXHIBIT 9-4
FOOD SERVICE DISBURSEMENTS
PEER SCHOOL DIVISIONS
2003-04 SCHOOL YEAR**

SCHOOL DIVISION	FOOD SERVICES	PER PUPIL COST
Bath County	\$475,218.57	\$603.87
Bland County	\$184,050.61	\$201.73
Craig County	\$233,401.78	\$332.54
Mathews County	\$239,721.12	\$186.31
Rappahannock County	\$413,330.85	\$402.46
Richmond County	\$182,926.66	\$150.10
Surry County	\$674,458.00	\$624.08
Division Average	\$343,301.08	\$357.30

Source: Virginia Department of Education Web site, 2006.

In divisions where there is a financially successful food service program, there typically is a balance remaining at the end of the year which may be used by the program to support non-recurring expenses such as the replacement of equipment. This enables the successful food service programs to be self-supporting. In fact, there are many food service programs in school divisions and districts across the country that reimburse the general fund for their use of indirect services such as utilities, maintenance services, and custodial services, among others. Thus, not only do those divisions avoid having to subsidize their food service program, but their general funds are increased slightly by the food service program's payment of indirect costs.

The most significant reason for the financial situation reaching the serious stage is that the price of food has increased at a rate higher than projected. The hurricanes of last summer and the rising price of oil have combined to cause food budgets to be stretched thin.

Given the financial difficulties that BCPS has experienced in recent years, it was not surprising to hear from food service personnel that the kitchen equipment being used was very much out-of-date. Since the food service program is not allowed to have positive balances at the end of the year as financially successful food service programs do, there is no in-house source of funds to draw upon to upgrade the equipment.

If BCPS is to convert its financially struggling food service program into one that is financially successful, several changes must be made. One of those changes should be to raise the price of the meals being served.

Exhibit 9-5 displays the prices being charged for breakfast and lunch programs by Bath County's peer divisions. Note that BCPS charges \$.60 for an elementary student breakfast and \$.60 for a high school student breakfast. For both breakfast and lunch, BCPS charges the lowest price of all divisions in the group. The peer average for an

elementary student breakfast is \$.84 and it is roughly the same for a high school breakfast.

With respect to lunch, BCPS charges \$1.25 for an elementary lunch which is the lowest price charged by any divisions in the peer group. The peer average for an elementary lunch is \$1.40, which is higher than the BCPS price. The high school lunch is priced at \$1.50 which is less than the peer average of \$1.56. Among the peer groups, two divisions charge less (Bland and Craig), two divisions charge more (Rappahannock and Richmond) and two divisions (Mathews and Surry) charge the same price.

Not only is BCPS charging less than some of its peers for meals but MGT's analysis of the prices being charged by the other divisions in the BCPS region (region 5) reveals that the division is charging less than most other divisions in the region. Exhibit 9-6 displays the prices being charged for breakfast and lunch by all 19 divisions in the region. The chart shows that only two (Augusta and Staunton City) charge less than BCPS for an elementary breakfast (\$.50 compared to the BCPS price of \$.60). Two other divisions charge the same as BCPS, with the remaining 14 divisions charging more. The average price for an elementary breakfast in the region is \$.77 which is over 25 percent above the BCPS price.

The results are similar for an elementary lunch. BCPS charges \$1.25 and, although there are two divisions (Campbell and Highland) that charge the same price, every other division charges more. The average price is \$1.49.

As for the high school lunch costs, BCPS charges \$1.50 and only one of the other 17 divisions that provide high school lunches charges less (Campbell charges \$1.40). One division (Highland) charges the same price and the average price for the entire region is \$1.71.

Thus it is clear that Bath County Public Schools is charging less than almost all the other divisions to which they can be compared. Moreover, meal prices in the division have not been raised since the 2000-01 school year.

RECOMMENDATION

Recommendation 9-1:

Raise the price of the meals being provided to BCPS students.

BCPS should carefully analyze the types of increases that could be made and based on that analysis, determine the most appropriate prices to charge for meals. The cost of breakfast and lunch should be examined since BCPS is currently charging considerably less for both meals than most other divisions. In addition, the cost of adult meals should also be increased as well. The optimum prices should be those that will generate the greatest increase in revenue, while not placing a hardship on parents who will be asked to pay the higher charges. While this initiative alone should not make up the entire shortfall that has been experienced in recent years—around \$150,000+—when combined with other actions the division should take, it should contribute significantly to rectifying that financial crisis, as some have called it.

FISCAL IMPACT

Implementing this recommendation will generate additional revenue for the food service program, thereby reducing the need to subsidize that program from the general fund. It is not possible to determine exactly what the impact will be because there are a lot of factors that need to be considered such as which meals are increased, what is the level of the increase, etc.

FINDING

Meals per labor hour (MPLH) measures the average number of full meals divided by the number of employee hours worked. MPLH provides a way to determine the level of efficiency in meal delivery: the higher the MPLH, the more efficient the provision of meals.

The following are the meals per labor hour factors for the month of February 2006 which is representative of the entire year:

- Bath County High School – 11.1
- Valley Elementary School – 6.8
- Millboro Elementary School – 11.4

Considering that the state recommends that meals per labor hour should be in the 14-20 range, clearly the BCPS schools are not close, especially Valley Elementary School. Given these MPLH ratings, it is evident that the food service at these schools is not very efficient.

In the spring of 2002 the Virginia Department of Education did a review of the BCPS program and one of its findings for Valley Elementary school was that “meals per labor hour are well below the recommended guidelines. A reduction in labor hours or an increase in meal participation would help bring labor hours within the guidelines.”

RECOMMENDATION

Recommendation 9-2:

Reduce the cafeteria staffing level at Valley Elementary School.

Exhibit 9-4, which shows that the BCPS per pupil food service cost in 2003-04 was \$603.87, compared to the peer division average of \$357.30 per pupil, makes it clear that the food service program needs to be more efficient. The division is not going to get those costs under control unless it takes some serious—and perhaps difficult—steps to improve efficiency. One step is to increase the price being charged for meals, as recommended above, and a second step is to become more efficient. The most effective way to do this is to reduce the level of staffing at this school.

Currently there are five and one-half positions working in the Valley Elementary School cafeteria. Consideration should be given to whether eliminating one position or one and

one-half position (or more) will be necessary to bring the cafeteria closer to the state's MPLH recommended range.

The price increases recommended above and this staffing change will both contribute to making the division's food service program more cost effective. Another action that would help considerably would be to increase the number of students that participate in the program. Strategies that might help with that include, but are not limited to:

- Expanding the number of a la carte items that are available for purchase by students, especially at the high school;
- Publicizing to parents the fact that the meals are of high quality and very nutritious;
- Being more diligent about surveying students regarding their meal preferences—and making a point to implement some of their suggestions, provided they meet nutritional and health standards.

FISCAL IMPACT

The elimination of one position will generate an estimated savings of \$22,450. If the division should decide that it is necessary to eliminate more than one position, then of course the savings would be increased by the amount generated by that staff reduction.

Recommendation	2006-07	2007-08	2008-09	2009-10	2010-11
Eliminate One Food Service Worker Position	\$22,450	\$22,450	\$22,450	\$22,450	\$22,450

**EXHIBIT 9-5
BATH COUNTY PUBLIC SCHOOLS
PEER DIVISIONS
SCHOOL MEAL PRICES
2005-06 SCHOOL YEAR**

DIVISION NAME	ELEMENTARY STUDENT BREAKFAST	MIDDLE STUDENT BREAKFAST	HIGH SCHOOL STUDENT BREAKFAST	ELEMENTARY REDUCED BREAKFAST	MIDDLE REDUCED BREAKFAST	HIGH SCHOOL REDUCED BREAKFAST	ELEMENTARY STUDENT LUNCH	MIDDLE STUDENT LUNCH	HIGH SCHOOL STUDENT LUNCH	ELEMENTARY REDUCED LUNCH	MIDDLE REDUCED LUNCH	HIGH SCHOOL REDUCED LUNCH
Bath County	\$0.60	*	\$0.60	\$0.30	*	\$0.30	\$1.25	*	\$1.50	\$0.40	*	\$0.40
Bland County	\$0.80	*	\$0.80	\$0.30	*	\$0.30	\$1.30	*	\$1.30	\$0.40	*	\$0.40
Craig County	\$0.75	*	\$0.75	\$0.30	*	\$0.30	\$1.25	*	\$1.40	\$0.40	*	\$0.40
Mathews County	\$1.00	\$1.00	\$1.00	\$0.30	\$0.30	\$0.30	\$1.40	\$1.40	\$1.50	\$0.40	\$0.40	\$0.40
Rappahannock County	\$1.00	*	*	\$0.30	*	*	\$1.50	*	\$2.00	\$0.40	*	\$0.40
Richmond County	\$1.00	\$1.00	\$1.00	\$0.30	\$0.30	\$0.30	\$1.60	\$1.75	\$1.75	\$0.40	\$0.40	\$0.40
Surry County	\$0.75	\$0.75	\$0.75	\$0.30	\$0.30	\$0.30	\$1.50	\$1.50	\$1.50	\$0.40	\$0.40	\$0.40
Division Average	\$0.84	\$0.92	\$0.82	\$0.30	\$0.30	\$0.30	\$1.40	\$1.55	\$1.56	\$0.40	\$0.40	\$0.40

Source: VDOE Web site, 2006.

* Indicates combined schools or no program participation

**EXHIBIT 9-6
BATH COUNTY PUBLIC SCHOOLS
BREAKFAST AND LUNCH PRICES FOR REGION 5 DIVISIONS
2005-06 SCHOOL YEAR**

REG No.	DIV No.	SCHOOL DIVISION NAME	SBP - School Breakfast Program						NSLP - National School Lunch Program					
			Elementary		Middle		High School		Elementary		Middle		High School	
			Paid	Red.	Paid	Red.	Paid	Red.	Paid	Red.	Paid	Red.	Paid	Red.
REGION 5														
5	005	Amherst County Public Schools	\$0.85	\$0.30	\$0.85	\$0.30	\$0.85	\$0.30	\$1.50	\$0.40	\$1.70	\$0.40	\$1.70	\$0.40
5	008	Augusta County Public Schools	\$0.50	\$0.30	\$0.75	\$0.30	\$0.75	\$0.30	\$1.50	\$0.40	\$1.75	\$0.40	\$1.75	\$0.40
5	009	Bath County Public Schools	\$0.60	\$0.30			\$0.60	\$0.30	\$1.25	\$0.40			\$1.50	\$0.40
5	010	Bedford County Public Schools	\$0.85	\$0.30	\$0.85	\$0.30	\$0.85	\$0.30	\$1.50	\$0.40	\$1.75	\$0.40	\$1.75	\$0.40
5	103	Buena Vista City Public Schools	\$0.80	\$0.30	\$0.80	\$0.30	\$0.80	\$0.30	\$1.60	\$0.40	\$1.75	\$0.40	\$1.75	\$0.40
5	016	Campbell County Public Schools	\$0.70	\$0.30	\$0.75	\$0.30	\$0.75	\$0.30	\$1.25	\$0.40	\$1.40	\$0.40	\$1.40	\$0.40
5	104	Charlottesville City Public Schools	\$1.00	\$0.30	\$1.00	\$0.30	\$1.00	\$0.30	\$1.50	\$0.40	\$1.75	\$0.40	\$1.75	\$0.40
5	032	Fluvanna County Public Schools	\$0.75	\$0.30					\$1.75	\$0.40	\$2.00	\$0.40	\$2.00	\$0.40
5	039	Greene County Public Schools	\$0.90	\$0.30	\$0.90	\$0.30	\$0.90	\$0.30	\$1.60	\$0.40	\$1.75	\$0.40	\$1.75	\$0.40
5	113	Harrisonburg City Public Schools	\$0.60	\$0.30	\$0.60	\$0.30	\$0.60	\$0.30	\$1.30	\$0.40	\$1.50	\$0.40	\$1.65	\$0.40
5	045	Highland County Public Schools	\$0.60	\$0.30			\$0.60	\$0.30	\$1.25	\$0.40			\$1.50	\$0.40
5	137	Lexington City Public Schools	\$0.80	\$0.30					\$1.60	\$0.40	\$1.75	\$0.40		
5	054	Louisa County Public Schools	\$1.00	\$0.30	\$1.00	\$0.30	\$1.00	\$0.30	\$1.75	\$0.40	\$2.00	\$0.40	\$2.00	\$0.40
5	115	Lynchburg City Public Schools	\$0.85	\$0.30	\$0.95	\$0.30	\$0.95	\$0.30	\$1.35	\$0.40	\$1.45	\$0.40	\$1.55	\$0.40
5	062	Nelson County Public Schools	\$0.85	\$0.30	\$0.85	\$0.30	\$0.85	\$0.30	\$1.60	\$0.40	\$1.75	\$0.40	\$1.75	\$0.40
5	081	Rockbridge County Public Schools	\$0.80	\$0.30	\$0.80	\$0.30	\$0.80	\$0.30	\$1.45	\$0.40	\$1.55	\$0.40	\$1.65	\$0.40
5	082	Rockingham County Public Schools	\$0.75	\$0.30	\$0.75	\$0.30	\$0.75	\$0.30	\$1.50	\$0.40	\$1.50	\$0.40	\$1.75	\$0.40
5	126	Staunton City Public Schools	\$0.50	\$0.30	\$0.80	\$0.30	\$0.80	\$0.30	\$1.50	\$0.40	\$1.65	\$0.40	\$1.75	\$0.40
5	130	Waynesboro City Public Schools	\$1.00	\$0.30	\$1.00	\$0.30	\$1.00	\$0.30	\$1.50	\$0.40	\$1.75	\$0.40	\$1.75	\$0.40
	19	NO. of SCHOOL DIV's	19	19	15	15	17	17	19	19	17	17	18	18
REGION AVERAGE MEAL PRICE - \$			\$0.77	\$0.30	\$0.84	\$0.30	\$0.81	\$0.30	\$1.49	\$0.40	\$1.69	\$0.40	\$1.71	\$0.40
MINIMUM PRICE - \$			\$0.50	\$0.30	\$0.60	\$0.30	\$0.60	\$0.30	\$1.25	\$0.40	\$1.40	\$0.40	\$1.40	\$0.40
MAXIMUM PRICE - \$			\$1.00	\$0.30	\$1.00	\$0.30	\$1.00	\$0.30	\$1.75	\$0.40	\$2.00	\$0.40	\$2.00	\$0.40

Source: VDOE Web site, 2006.

FINDING

During the cafeteria workers focus group, members of the high school staff reported that they do not know how many students are going to be coming to lunch and as a result, they sometimes run out of food. This is not a problem in the elementary schools because by 9:15 each morning the cafeteria managers have been informed of the number of students they should expect for lunch. Teachers collect that information and make it available to the office who forwards it to the cafeteria manager.

RECOMMENDATION

Recommendation 9-3:

Develop a process for informing the cafeteria manager of the number of students that will be coming to lunch.

Implementing this recommendation will help to improve efficiency in the high school cafeteria and it will avoid a situation where more food is prepared than is needed.

FISCAL IMPACT

This recommendation can be implemented with existing resources.