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Food Service Operations

The Miami-Dade County Public Schools food service program is financially viable and meals served by the District are nutritious. The District does not effectively review food cost or labor standards. Policies that are set by the District are frequently not followed at the school level.

Conclusion

The Miami-Dade County Public School District (the District) has a Department of Food and Nutrition (the department), which operates on a non-profit, non-loss basis and meets the state and national guidelines for reimbursable meals. Although the department is well managed, it has not implemented effective controls for food cost, labor cost, food safety, or purchasing. Addressing these issues will become increasingly important, as the District will not allow students off campus during the lunch period in the last 12 of the 37 high schools. Significant attention should be given to the outdated physical facilities in food service. In order to maintain financial viability specific efforts must be made to address the costs of maintaining and upgrading the physical facilities used for food services. The Department's financial performance must improve if it is to effectively address these changes.

During the course of this review, Berkshire Advisors, Inc. identified a number of District accomplishments related to food service operations, some of which are included in Exhibit 13-1 below.

Exhibit 13-1

The District Has Had a Number of Notable Accomplishments in Food Service Operations Management Structures in the Last Three Years

- The department has established an extensive and well-managed training program.
 - Department staff have excellent educational backgrounds that are pertinent to their job duties.
 - The department has implemented a breakfast program.
 - The department has established a state approved revenue sharing program with high schools.
 - The department has begun to implement a non-pricing meal program at selected schools and has planned to expand the program after reviewing the results in the test schools.
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Source: Berkshire Advisors, Inc.

Overview of Chapter Findings

Berkshire Advisors, Inc., has reviewed the District's food service programs using the Best Financial Management Practices adopted by the Commissioner of Education and associated indicators. The consultants employed several methodologies to develop chapter conclusions and action plans. For instance, the consultants conducted on-site interviews with department and unit-level managers and also visited facilities to directly view operations. The consultants also analyzed data supplied by the department and reviewed state and peer District data. The results of an employee survey were also used to assess the overall quality of the food service program

An overview of chapter findings is presented below.

Effectiveness

1. The Department of Food and Nutrition has a clearly defined mission statement and well-defined operating policies and performance expectations. However, a lack of consistency in how operating policies and procedures are implemented hinders effective operations. (Page 13-6)
2. Organizational roles and responsibilities have not been defined to ensure adequate technical oversight of food service operations at the school level and, in many cases, staffing levels exceed what is needed to provide high quality food services. (Page 13-7)
3. The District has established a comprehensive food service training program. (Page 13-11)
4. The District has taken effective steps to eliminate a number of barriers to participation in the school meals program, yet a number of barriers to increase student participation remain. (Page 13-11)
5. The District has not established cost-efficiency benchmarks that can be used to improve the management of food operations. (Page 13-14)
6. The District does not regularly evaluate the management and operations of the food service program. (Page 13-17)
7. The District has not systematically assessed the benefits of service delivery alternatives nor does it systematically evaluate the types of program services it offers. (Page 13-18)

Financial Accountability

8. Although the District has an effective annual budgeting process, a five-year budget is currently not prepared. (Page 13-19)
9. Shortcomings in the District's financial controls and management processes increase the risk of revenue loss. (Page 13-21)
10. The District's approach to accounting for and reporting meals served, while generally sound, can be improved by using available technology to supplement existing point of sale systems. (Page 13-23)
11. Although the District employs a number of effective purchasing practices, numerous opportunities to improve purchasing practices exist. (Page 13-24)
12. Although the District has a generally effective inventory control system, improved communication with commodity suppliers would reduce inventory requirements. (Page 13-28)
13. The District has a generally effective system for receiving, storing, and disposing of food, supplies, and equipment. (Page 13-29)
14. The District has not developed and implemented effective plans for repairing and replacing equipment. (Page 13-30)

Meal Planning And Preparation

15. Although the District's central office designs menus that meet the nutritional needs of students, these menus are frequently changed at the school site. (Page 13-31)
16. The District has not established effective practices to ensure the service of high quality food with minimal waste. (Page 13-32)

Safe And Sanitary Environments

17. Procedures to ensure food safety are in-place; however, opportunities to improve food safety practices exist. (Page 13-33)

Fiscal Impact of Recommendations ---

Two recommendations – the recommendation to improve the use of commodities and the recommendation to establish a new meals per labor hour formula – will have a significant fiscal impact. Exhibit 13-2 shows these recommendations. Making better use of commodity processing would allow the District to utilize \$600,000 (\$3,000,000 over 5 years) worth of United States Department of Agriculture (USDA) supplied commodities per year that it currently does not accept. In addition, using a more accurate meals per labor hour formula – one that is based on actual District need and that is established using benchmark comparisons – should result in labor savings of

\$22,500,000. Three additional recommendations total another \$4,380,000 in savings. One recommendation (hiring of an Administrative Director for Food Services) results in an increase in expenses of \$300,000 over five years.

Exhibit 13-2

Six Food Service Operations Action Plans Have a Positive Net Fiscal Impact of Nearly \$30 Million Over Five Years

Recommendation	Five Year Fiscal Impact
<ul style="list-style-type: none"> Action Plan 13-2: Establish a new meals per labor hour standard for food production in the schools reflecting changes in the program over the past 15 years. The department has a budget for salaries of \$31,243,861 for the 2001-02 school year. If 80% of that budget is in school cafeteria salaries and an 18% increase in productivity is found, a savings of about \$4,500,000 per year would result. 	<ul style="list-style-type: none"> Five-year savings of \$22,500,000
<ul style="list-style-type: none"> Action Plan 13-3: Hire an Administrative Director for Food Services. Cost to the District of an additional \$60,000 per year. Some of the actual cost is off set by the reassignment of the Assistant Superintendent who supervised food services in addition to other duties. 	<ul style="list-style-type: none"> Cost to District of \$300,000 over five years.
<ul style="list-style-type: none"> Action Plan 13-11: Prepare claim for reimbursement of the monthly National School Lunch Program on a timely basis. The claim for reimbursement averages approximately \$7.5 million per month. If the claim were submitted two months sooner (possible considering the District point of sale system) the District could receive interest on the 7.5 million over the two-month period the District had the money instead of the state. At 4% annual interest on an average balance of \$15 million (two months) the savings would be \$600,000 per year. 	<ul style="list-style-type: none"> Five-year savings of \$3,000,000
<ul style="list-style-type: none"> Action Plan 13-13: Divert additional USDA commodities directly to manufacturers who will return processed commodities reflecting the fair market value of the commodities to the District. Commodities having a fair market value of \$1,058,410 were not accepted during the 2000/2001 school year. At least \$600,000 of this amount could be diverted to a processor. 	<ul style="list-style-type: none"> Five-year savings of \$3,000,000
<ul style="list-style-type: none"> Action Plan 13-16: Change from low fat ½ pints of chocolate milk to nonfat ½ pints of chocolate milk. The District currently pays \$0.1635 for low fat white milk and \$0.1595 for skim milk. If the same price difference was available for chocolate milk the District would save \$176,000 per year based on 44 million ½ pints of chocolate milk served per year. 	<ul style="list-style-type: none"> Five year savings of \$880,000

Recommendation	Five Year Fiscal Impact
<ul style="list-style-type: none"> Action Plan 13-17: Purchase additional items through the commodity food distributor. Moving commodity chicken nuggets alone to this distributor would save \$100,000 per year. 	<ul style="list-style-type: none"> Five year savings of \$500,000

Source: Berkshire Advisors, Inc., Inc.

Background

The department is managed by an Assistant Superintendent and is divided into Finance, Facilities, Operations, Technological Services, Planning and Production, and Training and Nutrition Education. The department still uses scratch cooking to provide many items to the customer. Many elementary schools are provided food service as satellite locations rather than preparation on site. The department provides the District with the specifications used for purchasing of food service items. The department uses information supplied by the Office of Information Technology to prepare reports used by operations.

The department provides the District with food service policies that comply with the USDA requirements for the National School Lunch Program. Schools are provided with menus and pricing from the department. The department provides assistance in the determination of students eligible for the free or reduced priced meals. This determination is used by the District to establish eligibility for other programs.

Exhibit 13-3

USDA Meal Reimbursement Rates

Meal	Student type	Reimbursements	Total Supplement
Breakfast	All	\$0.21	\$0.21
	Reduced price	0.64 + 0.21	0.85
	Free	0.94 + 0.21	1.15
	Severe Need Schools	0.94 + 0.21 + 0.22	1.37
Lunch	All	\$0.22	\$0.22
	Reduced price	1.49 + 0.22	1.71
	Free	1.89 + 0.22	2.11

Source: USDA.

Exhibit 13-4

2001-2002 District Full Meal Prices

Meal	Elementary School	Middle School	High School	Adult Price
Breakfast	\$0.60	\$0.70	\$0.70	\$1.00
Lunch	\$1.25	\$1.50	\$1.50	\$2.00

Source: Miami-Dade County Public School District.

The department provides food services for all the District schools. The District had revenues of \$124,865,070 for the 2001/2002 Fiscal Year. The District has 3,795 food service workers. The department uses the USDA approved food based menu pattern and has implemented offer Vs served in the schools as required. Offer Vs served is a USDA required service method in secondary schools and an optional service method in elementary schools that allows the students to choose between individual food items being offered. This allows students to take what they

want instead of forcing students to receive food that will be thrown away. The department provides food service for teachers, administrators and guests at school sites. The secondary schools have an a la carte program. The a la carte program is in addition to the National School Lunch Program and allows students (mainly in secondary schools) to buy individual items in addition to or instead of, the food being offered on the lunch menu.

Exhibit 13-5

The Food Service Program Fund Balance Is Positive, But Could Be Increased to Prepare For Future Needs

	Fiscal Year 1998-99	Fiscal Year 1999-00	Fiscal Year 2000-01
<i>REVENUE</i>			
National School Lunch	\$ 74,404,470	\$ 75,390,228	\$ 79,073,419
USDA Donated Foods	4,251,013	3,657,300	4,052,012
State Supplement	2,972,394	2,829,116	2,762,669
Food Sales	25,042,713	27,862,044	30,382,688
Interest and other	210,116	236,329	296,190
Miscellaneous	75,541	207,518	56,829
Transfer from General Fund	2,367,425	1,234,609	198,532
Total Revenue	\$109,323,672	\$111,417,144	\$116,822,339
<i>EXPENDITURES</i>			
Salaries	\$ 34,096,919	\$ 35,579,668	\$ 38,717,245
Benefits	10,068,674	8,500,484	8,895,653
Purchased Services	3,826,024	4,505,006	4,837,530
Energy Services	4,588,014	4,083,111	3,936,999
Food and Supplies	47,376,493	50,138,760	54,188,852
Capital Outlay	2,607,903	3,071,006	3,460,307
Indirect Cost and Other	4,301,101	4,939,419	2,090,570
Total Expenditures	\$106,865,128	\$110,817,454	\$116,127,156
Net Operating Income	2,458,544	599,690	695,183
FUND BALANCE	\$ 7,444,040	\$ 8,043,730	\$ 8,738,913

Source: Miami-Dade County Public School District Financial Reports.

The District is implementing changes that will call for additional availability of food program funds to finance an expanded need for service. The District's decision to no longer allow high school students off campus at lunchtime is a result of off campus incidents that involved students being injured, when parents thought the student was safe on campus. The department is opening new points of sale, offering new items and bringing brand name fast food entrees on to campus to help serve these additional students during lunch.

The District breakfast program has been implemented at all schools. The students are able to choose between a large variety of items. Students who eat breakfast have a better chance to learn.

Twenty-eight of the thirty-six senior high schools participate in the state approved a la carte profit sharing program. This program has proven to be very successful in the schools that have chosen to participate. The school agrees to allow two lunch periods, which allows the department to maximize service and reduce waiting. This increases sales, which allows vending revenue to be shared with the school-approved student body-funding program.

The department has begun to implement a non-pricing program discussed in Section 4, which when successful will reduce administrative costs.

Effectiveness

1 The Department of Food and Nutrition has a clearly defined mission statement and well-defined operating policies and performance expectations. However, a lack of consistency in how operating policies and procedures are implemented hinders effective operations.

The food service program has a clearly defined vision and mission statement and well defined operating policies and performance measures

For the most part, the foundation necessary to ensure a well-managed food services program is in place. The department's vision and mission statements, which follow, provide an overall direction for the program.

Vision. The vision of the Miami-Dade County Public Schools' Department of Food and Nutrition is to promote excellence in food and nutrition services as an integral part of education, by having nutritious school meals and nutrition education programs available for all children regardless of economic status, cultural diversity or special needs.

Mission. To safeguard the nutrition integrity and well being of children in Miami-Dade County Public Schools, through the management of school food service and nutrition education programs consistent with their nutritional needs, by serving nutritionally adequate meals.

To promote nutrition and health education for the formation of good eating habits and good health, recognizing the demonstrated relationship between good nutrition with the capacity of children to learn and develop, and the prevention of chronic disease.

To encourage and promote a unified effort between school personnel and the Miami-Dade County community to assure an opportunity for adequate nutrition and educational programs for every student.

To establish a positive perception of school food service and nutrition education programs, by serving as the primary source of state-of-the-art information, for the school food service marketplace.

Policies and procedures. In addition, the department has an operational manual that details operating policies and procedures on issues ranging from Federal Requirements to Food Safety. A number of performance measures have also been established for the program. These measures include:

- Program Authority
- Meal Services
- Management of Non-Food Items
- Free and Reduced Price Meals and Verification
- Record Keeping and Cash Control
- Equipment and Facilities
- Personnel
- Sanitation and Safety
- School Allied Programs

Policies and procedures are not consistently followed at the school level

The Food Services Department has not taken adequate steps to ensure the policies and procedures that have been established are consistently followed at the school level. For example, cafeteria managers do not consistently complete daily production reports in a timely manner. When a menu item is changed at the school level this information is not forwarded to the supervisor. While the procedures call for food to be served at a safe temperature no procedure was in place to accomplish this practice. However, the District has implemented the recommendations of the consultant to ensure proper food safe temperatures. The lack of consistent implementation of department policies and procedures negatively affect the administration of the food service program.

Recommendations

- *We recommend that the District implement an annual performance evaluation of site managers. This evaluation should include a technical evaluation by staff from the Department of Food and Nutrition as well and the site administrator.*

Action Plan 13-1 provides the steps needed to implement this recommendation.

Action Plan 13-1

Evaluate Performance Of Site Managers Annually	
Strategy	To have an annual performance evaluation of site managers.
Action Needed	<p>Step 1: Develop a performance evaluation form with input from principals, bargaining unit, managers and food service coordinators.</p> <p>Step 2: Develop a written procedure for having the managers evaluated jointly on an annual basis in a meeting with the principal and food service coordinator using the performance evaluation developed in step 1.</p>
Who Is Responsible	Administrative Director
Time Frame	June 30, 2003
Fiscal Impact	This recommendation can be completed with existing resources.

2 Organizational roles and responsibilities have not been defined to ensure adequate technical oversight of food service operations at the school level and, in many cases, staffing levels exceed what is needed to provide high quality food services.

The overall organization of the Food Services Department is sound

At the time of publication of this report, the District has a stated intent to revise the overall organization of the Food Services Department. The current stated intent of the District is to replace the shared leadership position with a full-time professional food service person. Below this new position, the current organization is lead by 9 subordinates, each of whom is responsible for key aspects of the food service program:

- Unit A Financial Services – Two financial analysts who coordinate the District financial reporting and the food services operational reporting. They supply the Assistant Superintendent and staff with financial information.
- Unit B Food Service Facilities – Updates specifications for equipment and provides equipment plans for new schools and renovations.

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- Unit C Operations – Three directors supervise the operational aspects of the program. One supervises the high schools and the other two have divided the District into north and south regions and supervise the middle and elementary schools in those areas.
- Unit D Technology – Coordinates the point of sale terminal operations in the schools. Supervises the help desk operation and the District technological support personnel.
- Unit E Planning and Production – Supervises the purchase of all food items used in the District. Coordinates with the purchasing branch to award bids for food and services.
- Unit F – Training and Nutrition Education – Develops and supervises the department training programs. Develops and maintains the menu cycles to ensure the food-based menu pattern is in compliance with USDA requirements.

Overall, roles and responsibilities of each unit and administrator within the Food Services Department are well defined and appropriate. Organizational charts clearly define organizational relationships and staff at all levels understand their responsibilities. The department does not have a Chief Operating Officer (director dedicated solely to the department with overall responsibility for the department). The Assistant Superintendent is providing direction and has made many excellent changes over the past 18 months but is not a food service director. The department would benefit from a director with an extensive food service background. No other large District in the nation is operating without a dedicated food service director.

Roles and responsibilities for principals versus centralized food service managers have not been appropriately defined

The roles and responsibilities of the school level versus centralized staff have not been structured to ensure central office staff can effectively fulfill their responsibilities. Both centralized food service managers and school-level administrators (e.g., principals) play an important role in ensuring high quality and cost-effective food service operations. Central office administrators – led by the Assistant Superintendent – are responsible for ensuring the food service program is cost-effective, that food services are of consistently high quality throughout the District, and that District, state, and federal requirements relating to the food services program are adhered to. School-level administrators, on the other hand, are responsible for ensuring the effective delivery of food services as the school level.

At present, school-level cafeteria managers report directly to the principals at the schools in which they work and have no formal relationship to centralized food service staff. As discussed in recommendation 13-1 no evaluation of any type is currently provided for the site food services supervisor. Despite the lack of a formal organizational role for centralized food service staff in the delivery of food services at the school level, at many schools effective working relationships have been established. At other schools, however, school board policies and procedures, which state that principals and central office food service supervisors should work together cooperatively, are not effectively implemented. As noted in the previous Section, school-based administrators do not consistently ensure that District policies and procedures (such as those relating to the timely completion of reports, food production quantities, and the requirement that daily sanitation checks be completed) are followed. In addition, at some schools, steps that could be taken to encourage greater use of food services (for example, by serving breakfast in the classroom, opening additional points of sale at the secondary schools, or scheduling meal periods so that the number of students released for lunch during each meal period is the same.) At the elementary schools the number of lunch periods is most frequently a function of the space available for the students to eat. At the secondary schools the principal determines the number of lunch periods. High schools of similar size and facilities will have either one or two lunch periods. A single lunch period for three thousand students at once causes problems, which should be balanced with the benefits.

Certainly, an appropriate balance should be reached between the needs of the food service program and the needs of a school in determining how best to meet the food service needs of students and faculty. In some cases, modifying meal schedules to accommodate school needs or implementing practices that may not maximize food service revenues may be appropriate. However, because the Food Service Department currently plays a minimal role in determining how food services are provided at the school level, the level of cooperation between principals and food services varies greatly from school to school. In addition, because centralized food service managers currently play

no role in the evaluation of school-based cafeteria managers there is currently no way to assess the technical skills and capabilities of these managers from a food services perspective.

Staffing levels for school-based food service operations are excessive

Food service staff are currently allocated to individual schools based on a meals per hour labor formula. No member of the staff can remember the formula ever being reviewed for accuracy. This formula overstates staffing needs because it does not consider changes that have been made in the food service program that have had a marked effect on staffing needs. The current staffing formula overstates staffing needs in a number of ways.

- **More hours are allocated for breakfast than are warranted.** The current meals per labor hour standard used by the District (18 meals per hour for elementary schools, 16 meals per hour for middle schools, and 14 meals per hour for high schools) provides more labor than is needed for breakfast. At present, the formula assumes the same labor hours are required to prepare a breakfast as a lunch despite the fact that breakfast contains approximately 50% less food than lunch. No study was done by the District to determine the amount of labor needed for breakfast; The *School Food Service Manual (Revision 4)* recommends, “For a simple menu, a formula of 50 breakfasts per labor hour is workable.” (This higher standard is confirmed by the Florida Department of Education which typically finds that each breakfast counts as only half a lunch when computing meals per labor hour.) The fact that the District uses a higher than appropriate standards for breakfast means that significantly more food service staff are currently employed by the District than are needed. Indeed, given that the District currently prepares an average of 44,000 breakfasts a day to elementary school students, 9,400 breakfasts per day to middle school students, and 9,400 breakfasts per day to high school students, increasing the labor hour standards for these meals to 36, 32 and 28 meals per hour respectively means that schools are currently staffed with a total of 1850 more worker hours than are needed per day.¹
- **The District purchases a much larger percentage of its entrees and a la carte items than it did 15 years ago.** The department now purchases as much as 85% of the entrees served in high schools from fast food vendors such as Pizza Hut or McDonald’s. This food is provided to the department ready to eat and requires no labor to produce or cook. Indeed, the only labor required is the labor needed to sell these entrees. Likewise, many of the District’s a la carte sales consist of canned beverages or chips that require no labor to produce. Nonetheless, the department’s meals per labor hour formula has not been adjusted to reflect the prevalence of ready-to-eat a la carte items and entrees provided by fast food vendors. When the formula was developed, few, if any, ready-to-eat entrees were purchased by the Miami-Dade County Public Schools (or any school District for that matter).
- **School-based food service workers no longer perform some activities that required significant labor in the past.** When the meals per labor hour formula was first developed cafeteria staff were required to wash meal trays. This work no longer needs to be performed because students use disposable trays at virtually all schools (Note: The District no longer has dish machines in many schools and the cost of purchasing trays and machines and labor far exceeds the 2.4 cents of disposable.)

The labor hour formulas for the Houston Public Schools and the Los Angeles Unified School District (LAUSD) both have higher standards than Miami-Dade. A comparison of the standards in an elementary or middle school serving 1000 lunches, 500 breakfasts and \$500 in a la carte sales or a high school serving 2000 lunches, 1000 breakfasts and \$1,000 in a la carte sales shows the following hours earned.

- Elementary: Houston 83.3 LAUSD 47.3 Miami-Dade 97.1
- Middle Schools: Houston 100 LAUSD 59.5 Miami-Dade 117.6
- High Schools: Houston 176 LAUSD 137 Miami-Dade 250

Therefore, because the meals per labor formula is outdated and does not reflect actual need, the level of food service staffing at schools is excessive.

¹ This analysis assumes that other than for breakfasts, the meals per labor hour formula currently used by the District is accurate. This assumption is, of course, incorrect as discussed in the remainder of this Section.

If the District were to use the highest meals per labor formula for lunch menus from a comparison District (Houston ISD TX), the savings would result in a 14% increase in productivity in elementary schools, a 15% increase in productivity in middle schools and a 29% increase in productivity in high schools. An average savings of 18% for lunch would result in an additional savings of about \$4,500,000 per year (assuming that half the assigned labor of the department works preparing lunch).

Recommendations

- *We recommend that the District revise the staffing formula to reflect actual need based on products available and District changes.*

Action Plan 13-2 provides the steps needed to implement this recommendation.

- *We recommend that the District open the position of Food Service Administrator.*

Action Plan 13-3 provides the steps needed to implement this recommendation

Action Plan 13-2

Develop Accurate Staffing Formula	
Strategy	Determine the number of hours needed to efficiently operate the cafeterias. The review should include a review of products available commercially as well as those items made from scratch.
Action Needed	<p>Step 1: District to review current menus and make any changes that are anticipated.</p> <p>Step 2: Review current scratch cooked items and provide amounts made by site by menu frequency.</p> <p>Step 3: Determine if any menu item could be replaced with a more cost effective alternative that maintains quality and specifications.</p> <p>Step 4: Perform a time and motion study to determine actual hours needed to accomplish the food service mission.</p>
Who is Responsible	Administrative Director
Time Frame	June 2002
Fiscal Impact	Can be accomplished with current District resources. Initiation of this recommendation should at least reduce labor costs by \$4.5 million per year, or \$22.5 million over 5 years.

Action Plan 13- 3

Hire an Administrative Director	
Strategy	Recruit and hire an administrative director to operate the department under the oversight of the chief business officer.
Action Needed	<p>Step 1: Review the current job description and salary level for the vacant food service director position.</p> <p>Step 2: Open position and conduct nation wide search for an administrative director.</p> <p>Step 3: Advertise the position on the American School Food Service Association (ASFSA) web site and announce the opening on meal talk as well as the normal postings. ²</p> <p>Step 4: Hire a new director using District hiring procedures.</p>

² Meal talk is a popular chat room of the Food and Nutrition Information Center (FNIC) of the USDA.

Who is Responsible	Supervisor or the Food Service Administrative Director
Time Frame	June 2002
Fiscal Impact	\$60,000 additional net cost to the program per year, or \$300,000 over five years. At the time of our review, the supervisor of the food service program had split responsibilities.

3 The District has established a comprehensive food service training program.

The District has established an excellent food service training program

The District has established an extensive training program for food service workers. A formal and comprehensive training plan has been established that covers the full range of training needs – from training in basic food service skills to management training for newly promoted supervisors. The objectives for each training component are well articulated and cover each of the following components: food, work place, and service. In addition, the training program is evaluated on a regular basis to ensure the District’s investment in the training of food service workers achieves desired objectives.

The training program incorporates a number of excellent features including the following.

- The training program includes a number of tests and other evaluation components that ensure that program participants actually are learning the material that is being taught;
- Training is provided in various locations throughout the District (it varies by the type of training and the needs of the employees) to make it easier for food service employees to attend classes; and
- The use of training aids and hands-on participation not only increases the effectiveness of the training program but also makes the training program more enjoyable for participants.

4 The District has taken effective steps to eliminate a number of barriers to participation in the school meals program, yet a number of barriers to increase student participation remain.

The District has taken a number of steps to eliminate barriers to student participation in the schools meals program

Food service managers should be commended for the initiatives they have undertaken to eliminate barriers to student participation in the schools meals program. These initiatives generally fall into three broad categories: increasing the awareness of the benefits of the schools meal program; minimizing competition; and modifying pricing strategies.

- **Increasing awareness.** The District has implemented a number of strategies to increase awareness of the benefits of the school meals program. For example, the District distributes to students and parents materials that explain and promote the school food service and nutrition program. In addition, the Department of Food and Nutrition administrators have worked with representatives of the Instructional Services Department to ensure that the benefits of healthy eating habits are incorporated in the District’s academic program.
- **Minimizing competition.** Another strategy the District has employed to improve participation in the schools meals program is to limit the alternatives available to students (i.e., to minimize competition). Most notably, the District has implemented a pilot program in 20 high schools that involves a state-approved plan to share

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revenue from a la carte sales and vending machines. Under this plan schools agree to discontinue the use of outside vendors and to provide two lunch periods; in return, they receive a share of the revenue derived from the vending machines on campus. Two lunch periods allow the department to provide full service menus to students without their waiting in long lines. The release of as many as 4,000 students at one time on a closed campus imposes a logistical nightmare on timely service. The Food Services Department gains the revenue previously lost to outside vendors and the District avoids the potential liability from the use of outside vendors. In an effort to serve students more efficiently the department has already provided carts for service to students where they are on campus. The department will send a cart to the quad or other location in order to reduce crowding in the cafeteria and increase sales.

- **Modifying pricing strategies.** Another strategy the District has employed is to eliminate charging for meals at selected schools where a high percentage of students are eligible for free or reduced price meals by use of the USDA approved Provision 2 non-pricing program. This program allows a District to survey the number of free, reduced and paying students who participate in the program on a regular basis at a school. This information is then used to determine a percentage of meals served on an average day that would have been free, reduced or paid and is called the base year data. This percentage is then used, in place of individual student eligibility to claim meals. The number of meals served each day is claimed in each category by the percentage of students found to be participating in the base year. Each student may go through the line for a meal without needing to pay or use the keypad. The information is good for a total of three years (unless an extension is requested) so meal applications do not have to be distributed in those schools using Provision 2. In a school with few paying students the cost of identifying them in the lunch line exceeds the cost of feeding them. Not charging for a meal tends to increase the participation in the schools meals programs because of the stigma associated with receiving subsidized meals is eliminated. Moreover, revenues lost by not charging the small number of students who are not eligible for free or reduced price meals at these schools are more than offset with revenue increases associated with the subsidy the District receives for serving eligible students. This program has been implemented at 26 school sites. The program is currently being evaluated by Food Service Department staff for implementation at other schools where it has the potential to be financially effective.

A number of barriers to increase participation in the school meals program have not been adequately addressed

Despite the considerable effort the District has focused on reducing barriers to participation in the school meals program, a number of barriers remaining particularly outside the 20 schools participating in the pilot program to minimize competition with reimbursable meals, insufficient effort has been focused on reducing competition. Indeed, in some high schools, principals have actually invited outside vendors onto the campus to provide services in competition with reimbursable meals. Not only does this practice create increased competition for the school meals programs (when the focus should be on reducing competition) but also creates a liability for the District if a student who purchases meals from one of these vendors becomes ill. (This is by no means merely a hypothetical concern. Vendors have been observed serving food at unsafe temperatures.) Moreover, while vendors typically pay schools to be allowed to sell food on high school campuses agreements and payments are not consistent across schools, are not approved by the Board, and are not consistently enforced. (Vendors do not always provide the agreed upon products for sale that have been included in the application to serve food.) In addition, accounting for vendor sales (and the associated payments that should be made to the school) is not consistently rigorous and may not include appropriate financial controls. These problems and potential liabilities for the Miami-Dade County Public Schools by the use of outside vendors are further addressed in a letter from Rochelle Birnbaum of Katz, Kutter, Haigler, Alderman, Bryant & Yon. The Food Services Department would need to increase the number of serving points on each campus to offset the removal of the vendors. If the District does not discontinue the use of outside vendors, then the entire method of approval and payment at least needs to conform to District policy and various laws as outlined in the letter.

The District also has not made sufficient efforts to ensure the food service program is as attractive as possible to District students and to understand barriers that limit participation. Students at the middle and elementary school level are not surveyed to provide input into menu preferences, to solicit ideas on how to improve the food service program and, perhaps most importantly, to understand what factors are most important to a student's (or his/her parents') decision to participate in the school meals program. Moreover, while high school students are surveyed (most recently in 2000), the survey focused primarily on what was currently being served and provided little

information on the core question of what factors influence decisions to participate in the school meals program. In addition, this survey was not broadly based. Only 300 survey responses were received from high school students (or ¼ of 1% of the total high school population.)³

Recommendations

- We recommend the District discontinue the use of outside vendors on campus.

Action Plan 13-4 provides the steps needed to implement this recommendation.

- We recommend the District survey students at all levels to determine current satisfaction levels as well as suggestions for improvements in service and menu item availability.

Action Plan 13-5 contains the steps necessary to implement this recommendation.

Action Plan 13- 4

Eliminate the Use of Outside Food Vendors	
Strategy	Eliminate the use of outside food vendors.
Action Needed	<p>Step 1: Notify all food service vendors that the contracts will not be renewed for the next school year.</p> <p>Step 2: Food Service develop a list by school of additional food service locations and products needed to replace vendors.</p> <p>Step 3: Food Service develop a school by school plan, reviewed with the principal, for implementing additional sales locations at each school at the start of the 2002/2003 school year.</p> <p>Step 4: Purchase equipment and train staff to open the new locations.</p>
Who is Responsible	Chief Business Officer
Time Frame	September 2002
Fiscal Impact	Can be accomplished with current District resources. The cost of equipment and staffing will not exceed the additional net of revenue beyond expenses.

Source: Berkshire Advisors, Inc., Inc.

³ While a sample of size of 300 is sufficient to draw conclusions if the survey participants are appropriately selected, the survey of high school students was not structured so that statistically reliable conclusions can be drawn from a relatively small sample of survey respondents.

Action Plan 13- 5

Survey Student Food Preferences	
Strategy	Survey students to determine current preferences and recommendations for possible future improvements.
Action Needed	Step 1: Contact ASFSA and University of Mississippi State School Food Service Department to obtain survey instruments. Step 2: Make changes and develop the survey instrument for each type of school in the District. Step 3: Review the proposed survey with staff and students and make changes as necessary. Step 4: Send the survey out to a representative sample. Step 5: Review completed surveys and makes changes in the program as necessary.
Who is Responsible	Administrative Director
Time Frame	June 2002
Fiscal Impact	Can be accomplished with current District resources.

Source: Berkshire Advisors, Inc., Inc.

5 The District has not established cost-efficiency benchmarks that can be used to improve the management of food service operations.

The benchmark measures needed to effectively manage food service operations either do not exist or have not been appropriately determined

Four primary factors affect the cost-effectiveness and financial viability of food service operations: food costs and labor costs (together representing 80% of the expenses), fees charged, and participation rates (representing over 90% of the sales). *The School Food Service Manual (Revision 4)* addresses each of these specific areas in separate chapters. A food service program that is working to optimize its performance should focus considerable attention on each of these factors and establish benchmarks against which it can gauge its performance. In the Miami-Dade County Public Schools, however, benchmark measures for each of these key factors either do not exist or have not been sufficiently established.

- Labor costs.** Labor costs represent over 40% of the District expenses. The actual hours of labor “earned” is set by the labor hour standard that is currently used by the District. It is not appropriate for a variety of reasons including the following: more hours are allocated for breakfast than are warranted; the District purchases a much larger percentage of its entrees and a la carte items than it did 15 years ago when labor standards were established; and some activities that previously required significant labor are no longer performed by school-based food service workers. (Each of these reasons is discussed in greater detail in Section two of this chapter.)
- Food costs.** The District’s approach to calculating the cost per meal served lacks the detail needed to serve as an effective benchmark for evaluating performance. At present, the cost of entrees served by the District is calculated by averaging the cost of all entrees offered rather than by calculating the cost of individual entrees. Averages, however, often conceal more than they reveal.⁴ This is especially true in school food service operations because students select entrees with vastly different frequencies. For example, pizza is selected more than ten times as frequently a prepared chef salad. Rolling the cost of all entrees into a single average cost

⁴ When thinking about how averages can conceal useful information it is helpful to remember the old story about the person who drowned while crossing a river that was “on average” two feet deep.

per entrée may conceal the cost of wasted food for low demand items because these costs are spread over all items. Likewise, the benefits of purchasing high demand items (such as pizza) for which purchasing economies might be significant are difficult to isolate without information on cost for each type of item served. Because the menus are frequently changed at the school level and no record of these changes is provided to the department a distorted theoretical food cost is obtained. The actual food being served is frequently not the food being costed.

In addition, the food costs calculated by the District are distorted because the District does not adequately account for the cost of commodities (which the District receives from the federal government for free). For example, the District currently discounts the actual cost of each lunch served by 15 cents despite the fact that it does not accept commodities worth 15 cents per lunch. (While entitled to receive 15 cents of USDA commodities for each lunch served, the actual value of the commodities the District accepts per lunch is approximately 10.9 cents.) These commodities are used in all the District foodservice operations (lunch, breakfast, a la carte and adult feeding) not just on student lunches. The District discounts the cost of breakfast by 15 cents despite the fact that USDA does not provide a commodity entitlement for the breakfast meal. The distortions created by these inaccurate adjustments for commodities make it difficult for food service managers to accurately evaluate food costs and to take appropriate steps to control them. The District's current calculation of food costs are inaccurate because students often take more food per meal than is provided in food cost calculations. This combined with the frequency with which food substitutions are made makes the calculated food cost as used by the District inaccurate. Indeed, in over half the observations made of school food service operations at the school sites menu substitutions were observed. Again, unless the cost of food consumed is accurately calculated food service managers cannot take informed steps to control food costs.

- **Participation rates.** The District does not calculate participation rates in a way that is helpful to informed decision making. While overall participation rates, which can be determined based on the total number of meals served, are calculated more detailed information on program participation is not calculated. For example, the District does not track participation by program categories such as free, reduced and paid for lunch, and breakfast, as compared to the number of students in each category who are actually eligible to participate. Likewise, the District does not track the information needed to compare participation between schools of similar size and student populations. Without this information it is extremely difficult to ask questions about why participation rates vary from one site to another (or from one meal to another within a school). Consequently, in trying to develop strategies to increase program participation the District is essentially "flying blind." The food services coordinator who is responsible for the financial viability of the unit operations cannot compare actual participation rates between schools. While current data does provide the number of meals served by category it does not provide the number of students in each category who do not participate. As an example at a school serving 1000 lunches of which 800 are free, 100 are reduced price, and 100 are full price, the participation rate would show 80% free, 10% reduced and 10% paid; however, if there were 1600 eligible free students on campus you would be missing 50% of the eligible participation and not know it.

The benchmark information that is available is not used to improve the management of food service operations

Key performance benchmarks for labor costs, food costs, and program participation are not used to improve the management of food service operation. The food service program operates on a non-profit, non-loss basis and has not made an effort to evaluate potential savings in food or labor costs. At present, the District does not compare its performance with that of other comparable Districts or use these results for comparisons to identify opportunities for improvement. In addition, the District does not effectively communicate performance information to program participants. Widely sharing information on program performance gives stakeholders the opportunity to use the data to address opportunities for improvement in the areas for which they are responsible. In addition, the very act of making performance information public can create positive internal and external pressure to improve.

The timeliness and reliability of performance information poses a significant barrier to make more effective use of food service benchmark information

The department does not receive timely information from the Office of Information Technology (OIT). Financial reports are two months old before the department receives them. The information provided by OIT is not compatible with food service programs. Consequently, Food Service Department staff must manually enter data provided by information technology into food service management programs. This is not only a costly waste of resources but also increases the potential for errors.

Recommendations

- We recommend the District develop accurate food cost data.

Action Plan 13-6 provides the steps needed to implement this recommendation.

- We recommend the District receive information from Office of Information Technology in a format that may be electronically input into the food service software.

Action Plan 13-7 provides the steps needed to implement this recommendation.

Action Plan 13-6

Develop Accurate Theoretical Food Cost Data	
Strategy	Develop accurate theoretical food cost data.
Action Needed	Step 1: Eliminate use of commodity discount price for breakfast. Step 2: Cost lunch menus with and without commodities. Step 3: Cost menu changes made at the District level. Step 4: Provide menu cost data to area coordinators.
Who is Responsible	Administrative Director
Time Frame	January 1, 2003
Fiscal Impact	Can be accomplished with current District resources.

Source: Berkshire Advisors, Inc., Inc.

Action Plan 13-7

Develop Information Compatibility Between OIT and Food Services	
Strategy	Receive information from Office of Information Technology in a format that may be electronically input into the food services software.
Action Needed	Step 1: Prepare a sample of all the reports currently produced by food services. Step 2: Prepare a sample of all reports currently received by Food Services from OIT and highlight requested format changes. Step 3: Develop a priority list for implementation of various requested changes. Step 4: Develop a timeline for the implementation of changes.
Who is Responsible	Director of OIT and Administrative Director
Time Frame	June 30, 2003
Fiscal Impact	Can be accomplished with current District resources.

Source: Berkshire Advisors, Inc., Inc.

6 The District does not regularly evaluate the management and operations of the food service program.

Operational reviews currently performed by the department should focus on both compliance issues and management issues

Although the District performs reviews of food service operations at both the site and the District, these evaluations focus primarily on ensuring the District is compliance with United States Department of Agriculture regulatory requirements rather than on improving operations and management. The Compliance Visitation Criteria (FM 3974 evaluation form) used during site visits currently focuses 70% of the checks on regulator requirements (for example, Menu Pattern, Milk and Offer Vs Served) while only 30% of the checks focus on management issues (for example, leftovers, food storage and schedules). Because the information obtained from these reports does not contain the data needed to evaluate actual management of the cafeteria the report is unable to be used effectively. As an example a school may not prepare enough of a menu item repeatedly yet the current checklist does not ask for this information. Analysis of performance data, benchmark comparisons with other school Districts, and even comparisons between school sites are not included as part of these reviews. As previously noted in Section 5 of this chapter, current department management does not have a priority of using information as a management tool. Currently, the District cannot use information effectively because it is neither timely nor reliable.

Although the District’s review of District and site operations focuses primarily on compliance issues rather than issues of management and cost-effective operations, it should be noted that when problems are identified at school sites action plans are prepared to address these deficiencies. Observations at school sites, discussions with Food Service Department managers, and reviews of available information also suggest that not only are action plans developed but also they are implemented on a timely basis. The current practice of developing and implementing action plans to address perceived shortcomings bodes well for the department’s ability to implement management and operational improvements if department management begins to focus more attention in these areas.

Recommendations

- We recommend the District revise the supervisor’s compliance visitation criteria form to include operational information.

Action Plan 13-8 provides the steps needed to implement this recommendation.

Action Plan 13-8

Include operational information of visitation form	
Strategy	Revise the supervisor’s compliance visitation criteria form.
Action Needed	Step 1: Revise the current visitation form to include frequency of menu substitutions, timely completion of daily production reports, amount of overproduction and amount of underproduction. Step 2: Review revised form with cafeteria managers and school principals. Step 3: Implement use of new form.
Who is Responsible	Administrative Director
Time Frame	July 1, 2002
Fiscal Impact	Can be accomplished with existing District resources.

Source: Berkshire Advisors, Inc., Inc.

7 The District has not systematically assessed the benefits of service delivery alternatives nor does it systematically evaluate the types of program services it offers.

The District does not evaluate on a regular basis the potential benefits of service delivery alternatives, such as contracting or privatization

The Food Service Department has not established a process whereby it systematically evaluates the potential benefits of alternative service delivery approaches, such as contracting or privatization. Other Districts, by contrast, have made the decision to contract out all of their food service operations or to privatize the management of food service operations. Given the scale of the Miami-Dade County Public Schools and its scope of operations the advantages to privatization that other school Districts have experienced may not accrue to the District. However, the fact that the District does not systematically evaluate these issues leaves open the question as to whether privatization would be beneficial.

It should be stressed that the District's evaluation of alternative service delivery approaches should not focus exclusively on issues of significant magnitude (such as whether it would be beneficial to privatize all food service operations or to outsource overall food service management). The District's evaluation of alternative service delivery options should address smaller issues as well. For example, the District currently stores small wares at a District warehouse where they must be unpacked upon receipt and repacked when it is time to distribute them to schools. (Small wares currently received at the warehouse includes such items as scoops, knives, and serving spoons.) As part of its examination of service delivery alternatives, the District should assess whether receiving the items at the District warehouse and then transporting them to individual schools is cost-effective as compared to an alternative service delivery approach where small wares would be distributed to schools on a "just-in-time" basis. Other school Districts have found that adopting this practice can reduce net costs associated with distributing small wares by eliminating storage costs, delivery costs, inventory shrinkage, and obsolete inventory items. Small wares are the only item delivered in less than case quantity by the warehouse. The District currently contracts for the delivery of sanitation supplies, food and paper goods but has not assessed if other items such as small wares or food trays could be distributed by contract with an outside vendor.

The District does not evaluate the costs of program services it offers

The Miami-Dade County Public Schools provides a full range of food service programs to meet the needs of its students including breakfast programs, summer food programs, and after-school nutrition programs. These services are provided at any site requesting the program regardless of the financial impact as part of the District vision to provide "for all children regardless of economic status...". District management makes all services available at all sites.

Recommendations

- *We recommend the District evaluate some additional services as prudent.*

Action Plan 13-9 provides the steps needed to implement this recommendation.

Action Plan 13-9

Study For Contracting Of Services	
Strategy	Determine if contracting for delivery of services such as small wares, preventive maintenance or meal trays can be better obtained from private contractors. The action plan below uses small wares as the illustration.
Action Needed	<p>Step 1: Develop comparison of small wares delivered by the District and amount of small wares delivered to the District.</p> <p>Step 2: Develop actual cost of storage and delivery of small wares by the District warehouse</p> <p>Step 3: Prepare estimate of small wares to be used by the District in the 2002-03 school year.</p> <p>Step 4: Prepare a Request For Proposal for delivery of small wares by current vendor.</p> <p>Step 5: Compare actual cost of District delivery with cost from vendor.</p> <p>Step 6: Use most cost effective method of small wares delivery.</p>
Who is Responsible	Administrative Director
Time Frame	July 1, 2002
Fiscal Impact	Can be accomplished with existing District resources.

Source: Berkshire Advisors, Inc., Inc.

Financial Accountability

8 **Although the District has an effective annual budgeting process, a five-year budget is currently not prepared.**

The Food Service Department has established an effective process for establishing and managing an annual budget

The Food Services Department currently prepares an annual budget that reflects reasonable expectations for the coming year. The department must evaluate both revenue and expenditures. The revenue forecast for food services is unique in a school District because it may increase revenue by offering a product that students want to purchase. This annual budget is based on an analysis of revenue and expenditure trends, as well as forecasts of expected student participation. A number of steps are involved in making these budget forecasts. The District looks at historical student attendance trends then considers the impact of changes in the National School Lunch Program from USDA. The impact of the cost of living increase provided for in the National School Lunch Program is considered along with the changes in the level of commodity food reimbursement. The District is also assessing the impact of closing high school campuses and the renovation of cafeteria facilities. Despite the fact that information on food service operations is not consistently timely and may not be 100% reliable (this issue is discussed in Section 5 of this chapter) the District has done an effective job of forecasting revenue and expenditures. As Exhibit 13-6 shows, budgeted versus actual revenue and expenditures during the 2000-01 fiscal year were quite accurate with actual revenues varying from budget revenue by only 1.7% and actual expenditures varying from budgeted expenditures by only 1.1%.

Exhibit 13-6

The District Creates Accurate Budgets

Category	Budgeted	Actual	Difference	Percent Difference
Expenditures	\$114,919,685	\$116,127,156	\$1,207,471	1.1%
Revenues	\$122,777,151	\$124,866,156	\$2,089,005	1.7%

Source: Miami-Dade County Public School District Financial Records.

The Department also does an effective job of managing the budget throughout the budget year although its ability to make timely adjustments is limited by the fact that the information on ongoing financial performance is not always timely or accurate. (Shortcomings related to the quality and timeliness of management and financial information the Department receives is discussed in Section 5 of this chapter.) Budgeted sales versus actual sales are evaluated on a monthly basis however the data is received from the Office of Information Technology so late that it is difficult to quickly address a potential problem. If actual results are significantly different than projections the department could take corrective actions by, for example, sending a region food service coordinator to the site to review the problem. The former Assistant Superintendent met with the central office staff monthly to review the financial data that had been received.

The Department does not use budget forecasts to plan for the future

The Food Services Department currently does not prepare a five-year cash plan that includes anticipated expenditures and forecasts revenue to anticipate future food service needs. The use of a five-year plan would allow the District to prioritize the efforts currently underway to improve the elementary and middle school kitchens in addition to the expansion and “makeovers” of the high schools. This plan should include the expected closure of high school campuses, the upgrading of the cafeteria facilities and the possible expansion of Provision 2. The department has made efforts to forecast the cost of some of the renovations that are planned but has not developed a complete five-year projection with anticipated revenues and expenses instead relying on one-year budgets. The department has begun to implement this suggestion.

Recommendations

- We recommend the District develop a five-year plan with detailed revenue and cost projections.

Action Plan 13-10 provides the steps necessary to implement this recommendation.

Action Plan 13-10

Develop Five-Year Plan With Detailed Revenue And Cost Projections	
Strategy	Develop a five-year plan that includes both anticipated revenues and expenditures.
Action Needed	Step 1: Develop a five-year revenue forecast based on District projections, food service growth, campus closures, and anticipated changes. Step 2: Develop a five-year plan for District expenditures, including a priority list of kitchen modifications and the cost for each. Step 3: Modify the projections each year for change and the addition of a new 5th year.
Who is Responsible	Administrative Director
Time Frame	July 1, 2002
Fiscal Impact	Can be accomplished with existing District resources.

Source: Berkshire Advisors, Inc., Inc.

9 Shortcomings in the District's financial controls and management processes increase the risks of revenue loss.

The District has established effective financial control procedures; however, these procedures are not consistently followed

For the most part, the District has established effective policies and procedures relating to financial controls. For example, procedures for collecting, depositing, and disbursing money are in place. In addition, procedures to account for reimbursable meals and other sales have been established.

The primary problem the District faces with regard to financial controls is simply that the policies and procedures that have been established are not consistently followed. Two examples are especially noteworthy.

- **State filings are not timely.** The District's claim form to the state for payment of subsidies owed to the District for serving students receiving meals provided under the National School Lunch Program is typically not sent until two months after the close of the month claimed. Given that the monthly payment averages \$7.5 million during the year, the interest earnings that are foregone by taking two months to submit the claims (rather than one month) total approximately \$600,000 per year.
- **The manager does not consistently complete daily production reports at the school level because other end of shift duties sometimes take priority.** During the on-site reviews when the daily production reports were requested they were not available. When the daily production report is not completed in a timely manner the possibility of error increases making the filing of the claim for reimbursement inaccurate. The daily production report contains much of the information used to confirm the daily sales report and if the daily production report is not done the daily sales record is not checked for accuracy. At one site (Edison High School) the reports had not been completed for the previous week. The action plan in Section 6 has addressed this problem by adding a check of the daily production records to the supervisor's checklist.

In other cases, appropriate financial procedures have not been established or existing money management practices are not in the District's best interest. One example of such problems is as follows.

- **The District is excessively deferential to its banks.** To ensure the accuracy of its bank deposits the District counts receipts twice before depositing them. The bank then recounts this money. When a discrepancy between the District total and the bank total exist the principal fills out a form that accepts the banks total without question. Rather than being so deferential to the bank a review of discrepancy reports suggests that at times it may be prudent to request a videotape of the counting room at the bank before accepting the bank's count as being accurate. Whenever a discrepancy occurs of over \$50 (about once a month) a review of the actual bank records should be requested by food services. If the review shows that the discrepancy is in large bills (bills over \$5) then a review of the videotape should be requested. Because the District has counted the bills twice and large bills (not change or one dollar bills) are the most likely to be taken by a bank counter then a review should be requested. The District should investigate the significance of this potential problem.

It should be stressed that the issues relating to the implementation of financial controls are simply further examples of two issues that have already been discussed in this chapter. First, as discussed in Section 1, the District has not taken steps to ensure that food service procedures are consistently followed at all District locations. In addition, the fact that central food service managers have no direct control over school-based food service personnel (as discussed in Section 2) also contributes to this problem.

The District is unable to fully evaluate income and expenditures against its budget because the information is not timely and cannot be input into the food service financial software

Two issues that have already been discussed at length in this chapter also complicate efforts to ensure the effective financial management of food service operations. First, as discussed in Section 5, financial information that is provided to the Food Services Department from the Office of Information Technology is not always timely and may be inaccurate given that it must be manually keyed into Food Service Department systems. While it is positive that the District uses automated data processing for financial reporting, in this instance the use of these system does not necessarily ensure the accuracy and timeliness of the information reported. Second, as also discussed in Section 5, the District’s approach to determining food costs is flawed in a number of ways. Consequently, persons planning menus do not have access to accurate information costs per meal for different menu alternatives and therefore are unable to adequately consider costs when planning menus.

Recommendations

- *We recommend the District develop procedures to ensure the daily production reports are completed daily and that claim forms be submitted to the state in a timely fashion.*

Action Plan 13-11 provides the steps needed to implement this recommendation

Action Plan 13- 11

Ensure Daily Production Reports Are Completed And Claim Forms Are Submitted To The State In A Timely Fashion	
Strategy	Develop procedures to ensure daily production reports are completed and that claim forms are submitted to the state in a timely fashion
Action Needed	Step 1: Develop department procedure that specifies daily production reports must be completed at each site. Step 2: Develop department procedure that specifies timelines for submitting claim forms to the state. Step 3: Ensure that sites are monitored to ensure daily production reports are completed and claims forms are submitted to the state in accordance with District procedures.
Who is Responsible	Administrative Director
Time Frame	July 1, 2002
Fiscal Impact	Can be implemented using current District resources. Can generate about \$600,000 of additional interest per year for the District program, or \$3,000,000 over 5 years.

Source: Berkshire Advisors, Inc., Inc.

10 **The District's approach to accounting for and reporting meals served, while generally sound, can be improved by using available technology to supplement existing point of sale systems.**

The District has a generally effective system to account for and report meals served

Accurately accounting for all meals served is extremely important to any school food service operation. As with any "business" enterprise, accurately accounting for "product" sold is essential to developing strategies for increasing sales. In school systems, however, accurately accounting for meals served is especially important because so much of the food service revenues are generated from reimbursements for students who are eligible for free and reduced price meals. (In the Miami-Dade County Public Schools, for example, more than 62% of the total student population are eligible for free or reduced price meals.) If the District cannot accurately count and report the number of meals served it cannot submit a claim to the state for federal reimbursement that is accurate.

Miami-Dade County Public Schools recognize the need to accurately account for and report meals served and has invested in the technology needed to do so. In particular, the District has implemented a point of sale system to account for meals on a real time basis. Information from the point of sale registers is then electronically transmitted from schools to the central office computers that are used to submit meal counts to the Florida Department of Education. In addition, the District has established procedures to monitor claims and to verify that meals are claimed in the proper category. For example the department goes to the school sites and reviews the actual applications to ensure that they have been accurately completed. The information from the student application is then made a part of the student record and downloaded into the point of sale terminal. The sales reports are then electronically compared on a daily basis with the number of eligible students by category to ensure that over claims are not made.

The District is exploring plans to use available technology to supplement existing point of sale systems

While the point of sale systems that are currently used are generally effective in tracking the number of meals served there are some gaps at the high school level. Due to space and scheduling constraints, meals at a great many high schools throughout the District are served from carts that are strategically placed throughout the campus. Serving students where they are, rather than requiring them to come to the cafeteria to be served, increases participation in the food service program. However, because current point of sale systems requires a hard wired phone connection and electrical hook-up the possible locations are limited or the cart must be used without the point of sale system (a cash box is used). While the District requires cart operators to record sales of a la carte and meals, these reports may not be consistently accurate and must then be transposed by hand into the daily sales report. The District should explore the use of battery-powered terminals for use on these carts. Information from these terminals would be recorded after each sale and then downloaded at the end of each meal. The cost of these terminals would be about \$750 and would allow the cart to be placed on campus wherever the students are located. As the District closes more high school campuses the need for carts and terminals will increase. Reimbursable meals are served only from locations that have the point of sale system and this would allow increase sales.

Recommendations

- *We recommend the point of sale system be expanded to include a remote battery powered terminal that does not require a phone line or electrical hook-up.*

Action Plan 13-12 provides the steps needed to implement this recommendation.

Action Plan 13- 12

Expand The Point Of Sale System	
Strategy	Work with point of sale manufacturer to develop a point of sale terminal for use at remote locations on high school campuses.
Action Needed	Step 1: Survey campuses to determine the number of potential remote point of sale locations in the District. Step 2: Contact current point of sale provider to determine if a remote terminal is available or can be provided. Step 3: Contact other point of sale providers if current system is not adaptable to determine if another manufacturer can provide a system. Step 4: Install remote system at two schools to determine if the product meets District requirements.
Who is Responsible	Administrative Director
Time Frame	July 1, 2003
Fiscal Impact	The cost of any equipment will be more than offset by increased revenue and net income.

Source: Berkshire Advisors, Inc., Inc.

11 Although the District employs a number of effective purchasing practices, numerous opportunities to improve purchasing practices exist.

The District employs a number of effective purchasing practices

A review of school board rules, Food Services Department policies and procedures, and interviews with District staff indicate that the District currently employs a number of effective food service purchasing practices complying with state and federal purchasing regulations. In particular, the District has developed specifications for the purchase of major food, supply and equipment items. These procedures help to ensure that the District receives the best products and the lowest prices. In addition, the District’s competitive bid process provides vendors with an equal opportunity to provide service. Under this process, for all items over \$10,000 the District is required to put an item out for formal bid. When a formal bid process is used, the bid must be advertised and the sealed bids are received by purchasing. The bids are then reviewed by food services and compared with the approved products list that the District had established. The award is then made to the low bidder of a product on the approved products list.

A number of opportunities to strengthen purchasing practices have been identified

The District does not undertake a regular evaluation of purchasing practices to identify opportunities to use resources more effectively. The fact that purchasing practices have not been subject to ongoing scrutiny may explain why the significant opportunities to strengthen purchasing practices presented below have been identified.

- **Use of commodities.** The District does not use commodities effectively in the purchase of processed products. Instead of receiving commodities (for example, cheese) directly from the USDA, the commodities can be shipped instead to a food processor that uses the commodities in the manufacturer of processed food (for

example, pizza) that is then sold to the District. The value of the commodities used in manufacturing the product is then deducted from the price the manufacturer charges the District. In this and in previous school years, the District failed to take advantage of at least \$600,000 worth of commodity entitlements that could have been used in this manner. The District has processed commodities that are not cost effective and failed to consider processing that would save significant dollars (19 cents per slice on pizza and 7 cents per serving on chicken nuggets). In addition, the District will not incur commodity storage costs because the commodities are shipped directly to the food processor. (In prior years, the department has over ordered commodities for use by the District and been charged by the USDA for loss of product. The risk of incurring such fines is eliminated if a high percentage of commodities are shipped directly to food processors.) The current mark-up charged by the commodity distributor averages about \$1 per case (based on price per hundredweight) less than the mark-up charged by the Districts frozen food distributor (based on percentage mark-up). If the District were to increase the use of commodities delivered by the commodity distributor by 100,000 cases a year (a figure easily obtained using just chicken nuggets) the savings would be directly made to the bottom line of the profit and loss statement.

- **Bid practices.** Unlike other large Districts with significant purchasing power the District does not bid most major food items directly from the manufacturer. (The only food item currently bid on by manufacturers is pizza.) Instead, food distributors bid on supplying major food items. However, the distribution of these food items is not included as part of the food supply bid. Because distribution services are bid separately from the items themselves the item may be marked up twice before the District gets the products, once by the bidder for the items and then again by the distributor. These bidding practices increase purchasing costs in at least two ways. First, because major food items are not bid on directly by manufacturers, the food distributors who bid to supply these items must “mark up” these items to provide a profit for themselves. In addition, the distributor who has won the most bids to provide major food items has a significant cost advantage over competitors when the time comes to bid to distribute these items. Indeed, this advantage is so significant that in each of the past two years there has only been one bidder for the distribution of non-commodity items. Obviously, if there is little competition to provide a service, service providers have little incentive to “sharpen their pencils” when developing their bids. Another reason why this method increases costs to the District is all manufacturer volume discounts and stocking rebates are provided directly to the distributor and not the District. As an example if the District were to bid chicken products directly from the manufacturers the companies would have to give their best prices directly to the District. Not surprisingly, these bid practices increase the cost of the food purchased by the Miami-Dade County Public Schools.
- **Cost and quality tradeoffs.** At present, the District does not adequately consider the quality of food items when making purchasing decisions. Qualified product lists are currently used to identify the types of products the District can purchase. These qualified products lists essentially indicate that the products listed meet minimum District standards. Alternatively, the District could prepare a bid that makes the award to qualified products meeting the bid specifications on a percentage basis of both price and quality. The use of such a list would enable the District to make cost versus quality tradeoffs when making purchasing decisions. In addition, updating product specifications and reviewing quality annually will ensure that all manufacturers have the opportunity to develop products for the District. At present, product specifications are typically reviewed and updated every year.
- **Product decisions.** Making more appropriate product purchasing decisions can also significantly reduce District purchasing costs. For example, skim milk costs the District 4 mills less per unit to purchase than 1% milk from the price comparison report submitted by the department. While the difference between skim and 1% would likely be noticeable to students for regular milk they are unlikely to notice difference when purchasing chocolate milk. Given that the District currently buys about 44 million pint units of chocolate milk per year, changing the product purchasing decision from 1% chocolate milk to skim chocolate milk will save the District \$176,000 annually and \$880,000 over five years.

Recommendations

- *We recommend the District effectively utilize commodity processing.*

Food Service Operations

Action Plan 13-13 provides the steps needed to implement this recommendation.

- *We recommend the District use manufacturer direct pricing on major items.*

Action Plan 13- 14 provides the steps needed to implement this recommendation.

- *We recommend the District evaluate Quality with Cost in purchasing decisions.*

Action Plan 13- 15 provides the steps needed to implement this recommendation.

- *We recommend the District evaluate the use of non-fat chocolate milk.*

Action Plan 13-16 provides the steps needed to implement this recommendation.

- *We recommend the evaluate purchase of items from commodity distributor.*

Action Plan 13-17 provides the steps needed to implement this recommendation.

Action Plan 13-13

Effectively Utilize Commodity Processing	
Strategy	Determine which commodities can be processed with significant savings to the District.
Action Needed	Step 1: Review commodity entitlement with the state department of agriculture to determine what commodities will be available. Step 2: Meet with manufactures to determine which menu items can be processed. Step 3: When bidding potential items using commodity ingredients have a price for the product with and without commodities. Step 4: Award contracts with both commodity and non-commodity pricing. Step 5: Purchase commodity or non-commodity from the manufacturer depending on the commodity supply and cost effectiveness.
Who is Responsible	Administrative Director
Time Frame	July 1, 2002
Fiscal Impact	Can be accomplished using current District resources. Improved practice should be able to reduce food costs by \$600,000 per year, or \$3,000,000 over five years.

Source: Berkshire Advisors, Inc., Inc.

Action Plan 13-14

Use Manufacturer Direct Pricing On Major Items	
Strategy	Obtain manufacturer direct pricing on major items before distribution bid.
Action Needed	Step 1: Determine which items the manufacturer can directly bid. Step 2: Bid items by manufacturer and make awards. Step 3: Bid the distribution as a percentage mark-up over District pricing.
Who is Responsible	Administrative Director
Time Frame	July 1, 2002
Fiscal Impact	Can be accomplished with current District resources

Source: Berkshire Advisors, Inc., Inc.

Action Plan 13-15

Evaluate Quality With Cost In Purchasing Decisions	
Strategy	Purchase the best quality products and the best price.
Action Needed	Step 1: Change purchasing award criteria to include taste test, recall history, packaging, and other non-price factors affecting the product. Step 2: Determine which products and manufacturers meet District specifications. Step 3: Base award on overall value of the product using District criteria from Step 1.
Who is Responsible	Administrative Director
Time Frame	July 1, 2003
Fiscal Impact	Can be accomplished using existing District resources

Source: Berkshire Advisors, Inc., Inc.

Action Plan 13-16

Evaluate The Use of Non-Fat Chocolate Milk	
Strategy	Use non-fat chocolate milk in place of 1% chocolate milk.
Action Needed	Step 1: Have the dairy provide pricing for non-fat chocolate milk based on mark-up over fixed prices for raw milk from Bid award 099-ZZ03. Step 2: Substitute non-fat chocolate milk for 1% chocolate milk and determine student reaction. Step 3: Change bid specifications to non-fat chocolate milk if the price is less and the students accept the product.
Who is Responsible	Administrative Director
Time Frame	July 1, 2003
Fiscal Impact	Can be accomplished with existing District resources. For this product alone, the District should be able to reduce food costs by about \$176,000 per year, or \$880,000 over five years.

Source: Berkshire Advisors, Inc., Inc.

Action Plan 13-17

Evaluate Purchase Of Items From Commodity Distributor	
Strategy	Evaluate purchase of chicken nuggets through the commodity distributor.
Action Needed	Step 1: Obtain direct manufacturer price for commodity and non-commodity chicken nuggets. Step 2: Order chicken nuggets into the commodity distributor to a par stock level based on the menu cycle. Step 3: Order will be commodity if available, non-commodity if commodity is not available. Step 4: Distributor will price and deliver as awarded under the current District contract.
Who is Responsible	Administrative Director
Time Frame	July 1, 2003
Fiscal Impact	Can be accomplished within existing District resources. For this product alone, the District should be able to reduce food costs by about \$100,000 per year, or \$500,000 over five years.

Source: Berkshire Advisors, Inc., Inc.

12 Although the District has a generally effective inventory control system, improved communication with commodity suppliers would reduce inventory requirements.

The District has a generally effective inventory control system

The District has developed a generally effective food service control system that is appropriate to the size of the food service program. Inventory levels are important for two major reasons: the cost of goods in inventory and the possibility of spoilage if too much product is on hand. The District ordering system used at the school level requires that some items be ordered two weeks in advance and some three weeks in advance. While it is possible to change an order, it is sometimes difficult to know all of the items included in the delivery of some menus. The inventory of commodity products is sometimes “force fed” to a school even if not on the menu in order to keep inventory levels down. The state system requires that the commodities be ordered before the menu patterns are made.

The District takes appropriate steps to manage and control its inventory. This is important because every dollar that is tied up in inventory is not available to the department for other uses. The District conducts a physical inventory of food and supplies on a monthly basis, regularly compares inventory records with physical inventories, and has established written guidelines for inventory controls.

Ineffective communications with vendors increases inventory levels somewhat

The ordering process involves both commodity and non-commodity items at the same time, depending on which item is on hand. At present, the District places an order with the commodity distributor and when the distributor goes to the warehouse to pick up the order an item may not be in stock. The distributor then calls the District and the District changes the order. Delivery times are uncertain in large part because vendors may not have requested items in stock at the time the District orders them. Because it does not know when items will be delivered (and certainly does not want to run out of needed items) the District maintains somewhat larger inventories of items than would be necessary if delivery times were more certain. The goal is to use the commodity items when available and have purchased items ready to replace them when the commodity item is gone.

Recommendations

- *We recommend the commodity and non-commodity order systems be streamlined so managers can place orders for products that are on hand at the supplier.*

Action Plan 13-18 provides the steps needed to implement this recommendation.

Action Plan 13- 18

Change The District Commodity Order Procedure For The Distributor

Strategy

The commodity and non-commodity order systems need to be streamlined so managers can place orders for products that are on hand at the supplier.

Action Needed	Step 1: Have current OIT computer generated order sent to food services instead of the distributor. Step 2: Food services compares the order to the inventory and makes adjustments. Step 3: Food services sends modified order to distributor. Step 4: The distributor then delivers the order.
Who is Responsible	Administrative Director
Time Frame	July 1, 2002
Fiscal Impact	Can be accomplished using current District resources.

Source: Berkshire Advisors, Inc., Inc.

13 The District has a generally effective system for receiving, storing, and disposing of food, supplies, and equipment.

The District has established generally effective policies and procedures for receiving, storing, and disposing of food, supplies, and equipment and the policies are consistently implemented throughout the District

Discussions with food services staff at both the District and school levels as well as a review of school board rules and policies and procedures indicates that the District has established a generally effective system for receiving, storing, and disposing of food, supplies, and equipment. The storage of food and supplies represent a significant investment of District resources. The items must be secured from theft and available as needed for delivery. Written guidelines for receiving, storing, and disposing of food, supplies, and equipment have been established and observations suggest are consistently implemented throughout the District. Other effective practices that are currently employed by the District include the following.

- Delivery documents are signed and dated by an authorized receiver;
- The District refuses and obtains appropriate credit for unacceptable products;
- Products issued from a central warehouse require an approved requisition slip;
- First in, first out (FIFO) inventory practices are employed for perishable items;
- The age of items is tracked by the inventory systems;
- Available storage space is used effectively;
- Storage space in observed locations is ample and sufficient to ensure that items can be easily counted during inventory and easily rotated;⁵ and
- Storage space in observed locations are properly ventilated.

⁵ Three storage locations were observed as part of this engagement.

14 **The District has not developed and implemented effective plans for repairing and replacing equipment.**

Although the District has done some planning with regard to equipment needs, overall too little attention has been focused on addressing equipment needs

Appropriate and reliable equipment is essential to the effective operations of a school food service program. At present, however, the District has just written a draft for a bid to be submitted in June 2002 to purchase, repair, track and maintain equipment. Previously the District has focused too little attention on addressing these important needs. While the District has developed plans for equipping new schools it has not developed effective plans for replacing existing equipment. Indeed, because repair records for existing equipment are not maintained the District has little basis for determining the useful life of its equipment (which is necessary for the development of equipment replacement schedules) or for determining whether it is more economical to repair or replace equipment when it fails. In addition, the District focuses far too little attention on preventive maintenance. Without repair records it is difficult to estimate the corrective maintenance expenses that could have been avoided if a cost-effective preventive maintenance program was in place; however, effective preventive maintenance typically not only reduces corrective maintenance but also lengthens the life of equipment. The use of the five-year plan recommendation in the budgeting Section would address the replacement funding.

To its credit, the District has established – through contractors and its own staff – an effective system for repairing equipment. Conversations with food service managers and a review of a sample of work orders suggests that these services are provided in a timely manner.

The District has developed effective procedures for ensuring meals are served when important equipment is out of service. This is typically done by transporting meals from other production sites. Also, some food production facilities have “back-up” equipment they can use when their first line equipment is out of service. Because the Food Services Department has trucks that deliver to satellite schools the District is often able to get the replace foods to the distressed cafeteria without calling for outside assistance.

See recommendations and action plan 13-9.

Meal Planning And Preparation

15 Although the District's central office designs menus that meet the nutritional needs of students, these menus are frequently changed at the school site.

The District has well planned menus designed to meet the nutritional needs of students. However these well-planned menus are often not what are served to students

The District employs six licensed dieticians to develop and plan menus that meet all United States Department of Agriculture nutritional guidelines – indeed, many of the meals served at breakfast even exceed minimum nutritional requirements. In addition, special menus have been developed to meet the nutritional needs of students with special dietary needs (e.g., those with physical handicaps, food allergies, and/or special medical needs or limitation on what they can eat.).

However, the efforts of centralized dietary experts are quite frequently frustrated by school level food service managers who make menu changes without first having them approved by centralized dietary staff. (When menus are changed without prior approval, the resulting meals may or may not comply with USDA nutritional guidelines.⁶ Indeed, at each of the 24 schools where food service operations were observed during this study, menu changes had been made without first notifying and receiving approval from either food service coordinators and/or District nutrition specialists. There are a variety of reasons that menus are currently changed. Recommendations made in Sections 1,2,5,6,11,12 and 13 deal with these reasons and provide solutions.

The District does not effectively evaluate convenience and/or pre-packaged foods

The use of convenience and/or prepackaged food can be a cost-effective, nutritious alternative to foods made from scratch if they are appropriately evaluated and selected. At present, however, the District does not systematically evaluate these foods to assess whether they meet nutritional requirements and student taste tests. Because the District does not do student preference surveys and has not evaluated labor standards the effectiveness of convenience foods has not been evaluated. District staff has a strong bias against prepared foods yet the introduction of prepared pizzas and hamburgers has increased sales, improved student participation and proven to be very successful. Although some new items are able to filter through the District process the system itself makes it very difficult. The recommendation to take value into consideration in the purchasing Section will make the approval process much easier.

The District does not currently make a systematic assessment of when it is more cost-effective to serve convenience and/or pre-packaged food rather than to make menu items from scratch. In many cases the District currently prepares items from scratch where, based on the experience of other school Districts the consultants have studied or worked in, purchasing convenience and/or pre-packaged food items is clearly the more cost-effective alternative. For example, the District currently prepares rolls from scratch, even hand rolling them, rather than purchasing ready-

⁶ It should be noted that the implications of serving meals that do not meet USDA nutritional guidelines are by no means trivial. On the contrary, the District can lose the ability to claim reimbursement for the entire meal if one component is missing or fails to meet the weekly menu nutritional requirements. Indeed the claim for the entire day for the entire school can be denied if the production records do not show the proper amount of food available for service.

bake dough (which could be made from commodities). In addition, at some sites cookies are made from scratch when after all the costs in time and labor required to purchase and clean equipment are considered purchasing cookie dough, already portioned and ready to bake is clearly the more cost-effective alternative and still allows the cafeteria to have the “fresh baked” cookie smell.

Recommendations

- We recommend the District evaluate the use of convenience foods.

Action Plan 13-19 provides the steps needed to implement this recommendation.

Action Plan 13- 19

Evaluate The Use Of Convenience Foods	
Strategy	Analyze the possible replacement of scratch prepared items with commercial convenience food products.
Action Needed	<p>Step 1: Determine actual cost of scratch preparation and cooking items such as rolls, cookies, and salad dressings.</p> <p>Step 2: Interview vendors to determine what products are available for replacement of scratch prepared items.</p> <p>Step 3: Compare cost of purchase with actual cost of scratch preparation.</p> <p>Step 4: Taste test those items that may be cost effective and meet District nutritional standards with students in a blind taste test to determine acceptability.</p> <p>Step 5: Develop purchasing specifications and award a bid for items that are cost effective and nutritionally sound.</p>
Who is Responsible	Administrative Director
Time Frame	July 1, 2003
Fiscal Impact	Can be accomplished with existing District resources.

Source: Berkshire Advisors, Inc., Inc.

16 The District has not established effective practices to ensure the service of high quality food with minimal waste.

Although the District employs some effective food production practices, too little attention has been focused on ensuring the volume of food produced meets the needs of individual schools

The District has established several effective food production practices. Most notably, the District uses standardized recipes which provide clear directions, a chronological listing of ingredients, cooking procedures, serving containers and utensils, yield, and portion size. In addition, the District notes serving sizes on portioning utensils on the menu or production records and uses appropriate portioning utensils. It is worth noting that in a District the size and scale of the Miami-Dade County Public Schools taking these steps to ensure standardization across the large number of schools served is especially important and the District should be commended for its efforts in this regard.

While the District has been effective in ensuring needed standardization of food production across sites, it has been less effective in ensuring that food production is tailored to meet the needs of individual schools. In particular, school level food service staff do not observe what food is taken by students but not eaten (i.e., plate waste) and therefore do not provide this information to menu planners who can use it to adjust menus, as appropriate, at individual schools and for the District as a whole. Likewise, the District has not established effective practices for minimizing the overproduction or underproduction of food. Indeed, at each of the 24 schools where first-hand observations of food service operations were made either overproduction or underproduction of food was observed. This is a problem because when desired food items are not produced in sufficient quantities participation rates will suffer, while it is wasteful and expense to produce more food than is needed. Overproduction results in wasted food production. Records demonstrate that overproduction occurs on the same item day after day at some schools. Underproduction of food results in students who do not get the items listed as being available on the menu, much like a restaurant that does not have items that are on the menu. Because over and underproduction are not reported to the management staff it continues to occur with great frequency. This area has been dealt with in previous recommendations.

Procedures for ensuring the safety of food that is produced in one location and served in another location were inadequate

In a District as large as Miami-Dade County Public Schools it is often not cost-effective or practical to produce food at each school site. In recognition, the District has established a number of production locations at which food is prepared and then transported to individual schools in bulk. The District had not taken adequate steps, however, to ensure the safety and quality of food that is transported. Most notably, the temperature of food is not checked both before transportation and after it has been received at a school site to ensure that safe temperatures have been maintained during transport. With OPPAGA permission the District was informed of this problem and has changed procedures to implement temperature controls.

See recommendations and action plans 13-13 and 13-14.

Safe And Sanitary Environment

17 Procedures to ensure food safety are in place; however, some opportunities to strengthen current practices exist.

The District has established a number of useful practices to ensure food safety

District managers are aware of the importance of food safety and have implemented a number of practices to ensure food safety. For example, copies of rules and regulations governing food safety are on file at each District school. In addition, the District maintains logs recording the temperatures of school-site refrigerators and freezers. Likewise, the kitchens are generally clean and the employees take pride in their individual workstations. In addition, the District has distributed written emergency procedures and plans to each cafeteria site for reporting, investigating, and correcting the cause of accidents and has made these documents available to all employees.

Moreover, the District has established a goal to improve safety and environmental practices. In particular, the District has established as a goal the implementation of a Hazard Analysis Critical Control Points (HACCP) program. Such a program will improve the quality and the safety of food served to the students. The program keeps records that are essential to “due diligence” in a lawsuit concerning food safety. HACCP is the preferred method of insuring food safety by the federal government and all suppliers of government commodities have been required to implement HAACP. The program consists of step-by-step controls over the time and temperature of food items

from the time they are received until they are placed back in the storage area. The recipes are modified to reflect food safety even before the final product is made.

The District should continue to initiate a number of steps to enhance food safety

The District's commitment to strengthening food safety is reflected by its stated goal to implement a HACCP program. While the District is in the process of implementing this program a number of steps should be taken immediately to enhance food safety. In particular, the District should more closely monitor food temperatures and cooking schedules (to ensure that food is not prepared too far in advance). When observing food service operations at school sites, the consultants observed some items being prepared too far in advance to ensure food safety. For example, the consultants observed corn on the cob being placed in the steamer before 8:00 a.m. – a full three hours prior to the time it was to be served. Because food temperatures are not closely monitored at school sites, preparing food well before it is served is especially risky. The issue of food safety from vendors allowed on campus must be addressed if the vendors are still allowed on campus.

Recommendations

- We recommend the District implements the HACCP program at all sites.

Action Plan 13- 20 provides the steps needed to implement this recommendation.

Action Plan 13-20

Implement The HACCP Program At All Sites	
Strategy	Implement the HACCP program at all sites.
Action Needed	Step 1: Have several staff members take HAACP training. Step 2: Have the test kitchen rewrite all recipes and menus to include HAACP standards. Step 3: Have the training department rewrite all training procedures to include HAACP procedures. Step 4: Implement a HAACP program on a test basis at each type of school. Step 5: Rewrite procedures based on test site experience. Step 6: Implement HAACP District wide
Who is Responsible	Administrative Director
Time Frame	June 30, 2003
Fiscal Impact	Can be accomplished with existing District resources.

Source: Berkshire Advisors, Inc., Inc.