



**Shrewsbury Public Schools
Massachusetts 01545**

Beth Nichols

September 19, 2018

To: School Committee

Subject: 2017-2018 Food Service Department Executive Summary

Overview

The Food Service Department's goal is to serve nutritional and appetizing meals to our customers. The Department is committed to interacting with courtesy and respect, supporting a positive learning environment and promoting the District's strategic priority of Health and Wellness.

Offerings

The Food Service Department offers:

- Lunch Program for grades K-12
- Breakfast at the Coolidge, Middle and High Schools
- Kindergarten and Preschool Snack Programs
- Catering and Vending Services

Staff

The Department employs a Food Service Director, a 30 hour per week Administrative Assistant and 46 Union Employees, 19 of which are full time staff (over 20 hours and benefit eligible) and 27 of which are part time.

The High School Manager; Mary Ricker retired July 1, 2018. Lisa Phipps was promoted to be the High School Manager, she was the Manager at Oak Middle School. Patti Saniuk was promoted to be the Oak Middle School Manager, she was the Paton Elementary School Manager. Jen Potter was transferred to the Paton Elementary School Manager position. She had been the Beal School Manager. Lisa Birnie was promoted to be the Beal Manager, she had been the cook at Oak Middle School. We hired Bobbie Jo Berrios to be the Oak Middle School Cook. Bobbie had worked for the Worcester Food Service Department both cooking and managing cafeterias. These changes were made June 1, 2018 to ensure a smooth transition for the 2018-2019 school year.

Staffing continues to be a challenge. We are finding it difficult to fill part-time, fulltime and substitute positions. We started the 2018-2019 school year with 8 open positions. The staff turnover is increasing. It is a challenge to find the time to train new staff.

All employees participated in trainings throughout the school year to meet the USDA Professional Standards Requirement. The annual required training hours per school year are: twelve hours of Director training, ten hours of Manager training, six hours for Staff working over twenty hours per week and four hours of training for Staff working less than twenty hours per week.

All employees are required to be Serve Safe certified and certified in Allergen Training. Additionally, half of the employees are Choke Save Trained. All Managers have maintained their Level I Certification through the National Office of the School Nutrition Association, which requires 30 hours of professional development every three years.

Framingham State University Intern

Each year the Department mentors an intern from Framingham State University's Coordinated Program in Dietetics for nine weeks. This past year the Department welcomed Valerie Thibaud, who completed productivity studies, modified recipes, conducted staff trainings and wrote much of the content of the bimonthly email, What's on the Menu.

Union Contract The current union contract expires July 2019. A new union contract will be negotiated this school year between the Shrewsbury School Committee and SEIU Local 888.

Menus

Many menu choices are offered daily at the various schools. Students are able to use the salad/fruit bars with the purchase of a meal or as a meal in itself. A variety of fresh fruits and vegetables are offered daily. All meals are prepared on site. All meals served meet USDA nutritional requirements. Staff served 448,172 lunches and 15,458 breakfasts last year.

Our menus are posted online and in each school cafeteria, and digital signage will be expanded to all cafeterias this school year.

Marketing

A district wide bimonthly email: What's on the Menu? is emailed to all school families in Shrewsbury. The monthly issues feature: Nutritional Information, Menu Highlights, POS Incentives, and Department News. Many families have taken advantage of the money saving promotions. The monthly promotions have helped promote our program to families.

Sustainability

Shrewsbury petitioners recently supported an article to prohibit the dispensing of prepared foods in disposable containers made from Expanded Polystyrene. The warrant article was not passed, however it is clear that students, parents and members of the community have expressed interest in making the Town more environmentally green and sustainable. The Food Service Department has implemented a couple of changes in response to this. Straws are no longer being used in the cafeterias. Additionally, the plastic forks, spoons and knives that contained Expanded Polystyrene were eliminated and replaced with utensils containing no Expanded Polystyrene.

The plastic “to-go” containers that contained Expanded Polystyrene were also eliminated and replaced with paper containers and clear containers not made with Expanded Polystyrene. Later this fall I will be visiting a school that does composting and observe composting programs in the kitchens and cafeterias.

An assessment was also started on all cafeterias to see if it would be possible to install dishwashers. The assessment will be completed later this month. The preliminary finding was that only Floral Street School had the physical footprint to accommodate a dishwasher. The installation cost will be determined in the final assessment. The operation of a dishwasher at Floral would require the addition of 2 more part time (19 hour) employees. All other sites would need to be physically expanded and kitchens retrofitted to accommodate dishwashers.

USDA /DESE Update

The USDA changed their policy regarding the effective date of new year free and reduced-price meal benefits in the 2018-2019 school year. If a student had benefits last year and a new determination is made during the 30-day carryover period, the new determination becomes effective immediately. In the past there was a 10-day grace period before benefits changed.

The USDA extended the Interim Final Rule: Program Flexibilities for Milk, Whole Grains and Sodium Requirements through school year 2018-2019. These flexibilities include:

- Providing school food authorities the option to serve flavored 1% milk rather than skim flavored
- Allowing school food authorities to include grains that are not whole grains
- Retaining Sodium targets, not lowering them (640mg for grades K-5, 710mg for grades 6-8 and 740mg for grades 9-12 per lunch)

Currently, H.R.3738 Healthy Breakfasts Help Kids Learn Act of 2017 remains in Committee. This bill proposes an amendment to the Richard B. Russell National School Lunch Act, to include commodity assistance for school breakfast programs.

On July 1, 2015 the USDA implemented professional standards for personnel who manage the National School Lunch and Breakfast Programs. A proposed rule was introduced to add more flexibility to the hiring standards for new school nutrition directors. The open comment period closed May 17, 2018 for this rule.

The USDA Foods State Assessment Fee rate for Brown Box items will be \$0.00 for both dry and frozen products. Warehouse storage costs have gotten lower due to the Department of Defense Fresh Produce Program and Processed Product not going through warehouses but handled and delivered by commercial food distributors.

Program Review

The Food Service Program will be reviewed this year by DESE. Procurement reviews began last school year as part of the three-year program review. Food Service Program's Procurement Practices will be reviewed to make sure they are in compliance with both federal regulations in Super Circular 2 CFR 200 and state law MGL: c.30B procurement law.

Point of Sale (POS)

Meal Magic is the Point of Sale System being used at all schools in the District. Last year, \$991,601 was deposited to students' accounts through online payments. Families paid \$28,661 in transaction fees to deposit money online.

Some parents at the elementary level have expressed concern about a-la-carte purchases made by their children. In response, a two-snack purchase limit was implemented at the Elementary Schools.

The Department is currently evaluating how to best give parents the means to control snack purchases. There is a parental control option in Meal Magic which allows parents to prohibit a-la-carte purchases from money on a student's account or to specify a child must have cash to purchase a-la-carte items. The problem with prohibiting a-la-carte item account purchases is that milk, juice, water etc are items that must be designated as a-la-carte items in the POS system. So a child who was prohibited from purchasing a-la-carte would not be able to purchase a milk or water from funds on their account. If parents opt for the cash for a-la-carte items, a child would be able to purchase a-la-carte items if they had cash. Additionally, parents have access to parental controls only if we use the Meal Magic online payment plan, not the online payment plan currently used by the District. The disadvantage would be that parents would have to use two online payment vendors in the District, one for Food Service transactions and the other for other school related payments or the Food Service Department would have to manually enter these requests.

We will continue to work on a plan to rollout an option for parents to notify us that they wish to block their child from using funds on account to purchase a la carte items.

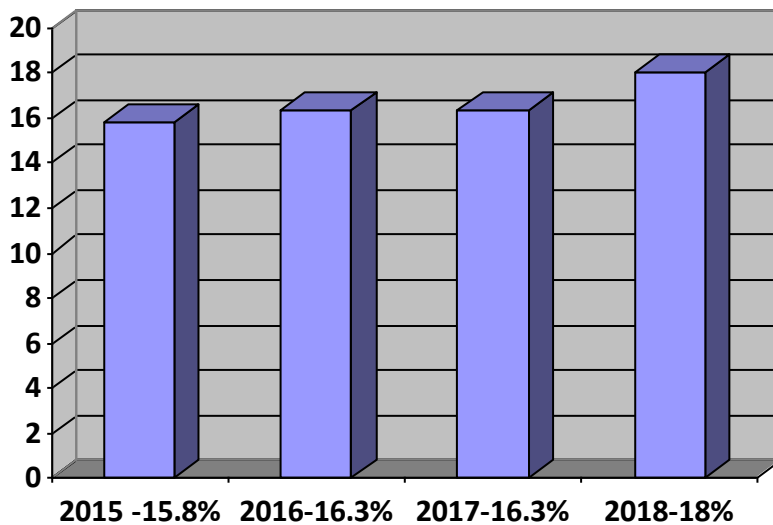
Lunch Prices

Lunch prices are \$3.25 at the Elementary School, \$3.50 at the Middle School, \$3.75 at the High School and the adult lunch price is \$4.25. Lunch prices were last raised \$.25 in the 2015-2016 school year. No price increase is recommended for Fiscal Year 2019.

District Free and Reduced

Eighteen percent of students were eligible for free or reduced meals. There were 717 students eligible for free meals and 316 students eligible for reduced meals.

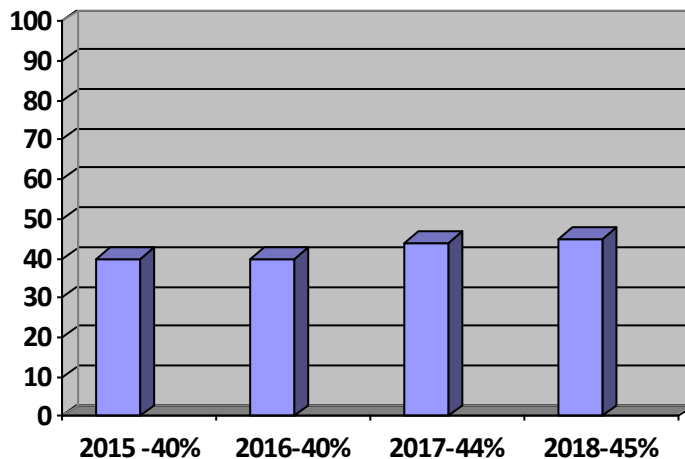
A total of 1,033 free and reduced eligible students were able to participate in the meal program in FY 2018 . Beginning May 2017, data matching through the Virtual Gateway Direct Certification uses State Medicaid Data for both free and reduced meal benefit eligibility. Prior to May 2017, data was used only to directly certify free benefits.



% of Students in the District Qualifying for Free or Reduced Meals

Participation

District Lunch Participation increased in 2018 as compared to 2017 at the Elementary, Middle and High Schools. District Lunch Participation includes the number of free, reduced and full price lunches served for the year divided by the number of serving days divided by the average daily attendance. District Lunch Participation was 45% for FY 2018 as compared to 44% for FY 2017. Paid Meal Participation was 40% for FY 2018 as compared to 38% for FY 2017. Free Meal Participation was 74% for FY 2018 as compared to 75% for FY 2017. Reduced Lunch Participation was 65% for FY 2018 as compared to 70% for FY 2017.



Overall District Participation in the Lunch Program

Reimbursable Meals

The USDA requires schools that participate in the National School Lunch Program to offer 5 meal components: Milk, Grain, Protein, Fruit and Vegetables, to students at lunch. Students must take 3 meal components, one of which has to be a fruit or vegetable for that lunch to qualify as a reimbursable meal. Additionally, students must take minimum portion sizes of these 3 components as set by the USDA to have a lunch be considered a reimbursable meal. Full price students may decline to take the required components and the meal is entered as a non-reimbursable meal. Free and Reduced students must take a reimbursable meal or they will be charged full price for the non-reimbursable meal. Currently the National School Lunch Program reimburses us \$.43 for a paid reimbursable lunch, \$3.03 for a reduced reimbursable lunch and \$3.43 for a free reimbursable lunch.

The USDA requires schools that participate in the National School Breakfast Program to offer 3 meal components: Milk, Grain, and Fruit or Vegetables, to students at breakfast. Students must take 3 meal components, one of which has to be a fruit or vegetable for a breakfast to qualify as a reimbursable meal. Additionally, students must take minimum portion sizes of these 3 components as set by the USDA to have a breakfast be considered

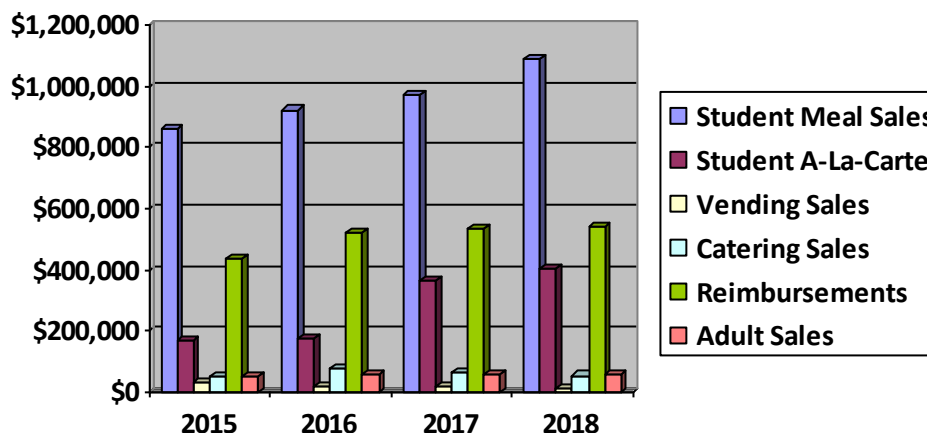
a reimbursable meal. Full price students may decline to take the required components and the meal is entered as a non-reimbursable meal. Free and Reduced students must take a reimbursable meal or they will be charged full price for the non-reimbursable meal. Currently the National School Breakfast Program reimburses us \$.31 for a paid reimbursable breakfast, \$.31 for a severe needs paid reimbursable breakfast, \$1.49 for a reduced reimbursable breakfast, \$1.84 for a severe needs reduced reimbursable breakfast, \$1.79 for a free reimbursable breakfast and \$2.14 for a severe needs free reimbursable breakfast. Coolidge Elementary School qualifies for severe needs breakfast reimbursement based on its percentage of free and reduced students and their percent participation in the breakfast program.

In FY 2018 we earned \$543,688 in meal reimbursements.

In addition to meal reimbursements, we earn commodity assistance funds based on the number of reimbursable lunches we serve. The food assistance rate earned per reimbursable lunch served in FY 2018 was \$.2350. Our estimated commodity entitlement fund for FY 2019 is \$143,135. I allocated \$93,565 to Brown Box items, \$13,787 to Beef and Chicken Diversions and \$35,783 to the DOD Fresh Produce Program.

Reimbursement funds are critical to the financial success of our program.

Revenue



The School Food Service Department had a beginning revolving account balance of \$285,268 and a year-end surplus of \$160,392. The revolving account balance as of July 1, 2018 was \$445,660. The Revolving Account Balance can be not greater than an average of 3 months operating expenses. Based on FY 2018 operating expenses our Revolving Account cannot exceed \$584,599.

Revenue increased \$152,663 for FY 18 compared to year-end 2017. Revenue did not include the June 2018 claim for \$39,710 that was posted in FY2019. Meal Sales, Reimbursements, and A-La-Carte Sales increased in 2018 as compared to 2017. Food costs decreased to 41% as a percentage of sales compared to 42% last year. Staff has managed food costs well as the price of food has increased. Changes to the Commodity Program have allowed us to use all of our entitlement dollars which has helped to maintain food costs. The cost of labor decreased to 34% as a percentage of sales in 2018 as compared to 40% in 2017 despite a 2% cost of living increase to wages. Other costs (Uniforms, Equipment Purchases, Equipment Repair, Delivery Charges, Office Supplies etc.) increased slightly to 10% as a percentage of sales in 2018 as compared to 9% in 2017. A total of \$43,705 in equipment was purchased this year to replace outdated and failed equipment.

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<u>Beginning Balance</u>	\$20,119	\$0	\$110,276	\$285,268
<u>Revenue</u>	\$1,553,314	\$1,763,547	\$1,956,393	\$2,109,056
<u>Labor</u>	\$735,278	\$736,425	\$781,418	\$860,794
<u>Food</u>	\$722,326	\$741,555	\$815,961	\$877,903
<u>Other</u>	\$136,621	\$175,290	\$184,021	\$209,997
<u>Total Expense</u>	\$1,594,225	\$1,653,270	\$1,781,401	\$1,948,664
<u>Surplus/(Deficit)</u>	(\$40,911)	\$110,276	\$174,992	\$160,392
<u>Ending Balance</u>	(\$20,792)	\$110,276	\$285,268	\$445,660

***FY15 \$97,565 in Health Insurance Benefits included in Labor**

***FY15 School Department credited Food Service Account \$20,792 to bring 2015-2016 Beginning Balance to \$0.**

***FY16 \$103,085 in Health Insurance Benefits included in Labor**

***FY17 \$113,634 in Health Insurance Benefits included in Labor**

***FY18 \$136,474 in Health Insurance Benefits included in**

***FY18 Revenue missing June 2018 claim for \$39,710 which was posted in FY19**

Goals

- Direct and oversee a high quality and financially stable program
- Increase Program Participation
- Continue positive momentum with marketing campaign
- Explore creating a Twitter account to promote Department
- Hire a District Chef

Thank you for your continued support!!