

How to know if your school can do what another school does

By Dana Woldow

No one wants to waste time and energy reinventing the wheel when it comes to fixing school food, so before getting started, it is a good idea to look at what changes have been made in other schools and other districts. Every now and then, an article will appear somewhere touting a "school food miracle worker" who is able to serve what appears to be healthier, higher quality food than what is typically found in school lunch programs, and sometimes the claim is made that the meals cost no more than what a typical school district spends on a less healthy meal. The reader is then left wondering why all schools don't just do what the "miracle worker" does.

The trick, however, is to be able to tell whether a successful change is replicable – that is, can it be reproduced elsewhere? – and sustainable – that is, can it continue to support itself? – because if it is not both replicable and sustainable, it may be a change which can only be made in that one school or that one school district. Everything doesn't work everywhere.

How do you know if a change is replicable and sustainable? There are numerous factors you need to consider:

Outside resources

Does the school or district you want to emulate receive extra funding which is not available to your school? This funding can come in the form of a <u>state reimbursement</u> for free and reduced price meals paid on top of the Federal reimbursement; for example, the state of California is supposed to give schools an extra .219 for every meal served to a qualifying low income child (in fact, due to the ongoing budget crisis in California, that reimbursement has not always been paid for every qualifying meal in recent years.)

Another type of outside resource may be a state revenue stream which is only paid to some schools; for example, in California there is a revenue stream called Meals for Needy Pupils (MNP) which, despite its name, does not apply to all meals served to needy pupils, but only to those served in certain school districts which had a particular type of property tax override on the books in a certain year in the 1970's. About 1/3 of California school districts qualify for MNP; the rest do not, and schools which do not qualify cannot get this money, ever. The amount of MNP money that a school district receives varies from one community to another; in 2009-10, Oakland got about 16 cents, while next door in Berkeley, the amount was more like \$1.40. If the program you are trying to emulate has an additional funding stream like this, then your school will have to find a way to generate that extra money on your own if you want to be able to afford to do what that school is doing.

One school or district may have a partnership with a large corporation, like Whole Foods, allowing them to source some healthier food items for a favorable price; if your school district can't get the same deal, then this will affect whether you can offer the same kind of meal for the same price as a district which does have a low cost source for better food. That's not to say that your school or district can't seek out their own community partners to try to get a better price; just be aware that you may have to do that to be able to do what another district is doing.

One more outside resource to look for is private fund raising – does the school or district you wish to emulate have a foundation or other organized fund raising operation benefiting the school meal program? If so, how much money is generated annually, and how many students does the meal program serve? If the fund raising is bringing in (for example) \$150 per student based on the number using the school cafeteria, are you going to be able to raise that amount in your community? Some <u>schools</u> are candid about their reliance on outside funds to support better quality food, but with others you may need to dig up that info yourself.

Free and reduced lunch

Another important factor to consider when comparing your school or district with another one is how many students are qualified for free and reduced price lunch in each, and what percentage of the cafeteria volume is represented by paying students; note that the percentage of students in any category eating in the cafeteria is not the same thing as the number of students who are classified as being in that particular category. For example, in San Francisco, about 60% of students are classified as being qualified for free or reduced price lunch in 2010-11, but about 85% of students eating in the cafeteria are qualified for free or reduced lunch.

It's important to know these numbers, because a school or district with a substantial number of students on "paid" status may be generating a significant portion of their revenue from the paid price for meals, especially if they are charging a paid price around \$4 or even higher. Compared to a district which charges just \$1.50 for a paid lunch, the district with the higher paid price, and significant participation by those students, can generate far more revenue than the district with the lower paid price. A relatively well-to-do community, with perhaps only 35% low income students, may be better able to support a paid meal price of \$4 or more, to help cover the cost of scratch cooking and better quality food, than a district with 60%-70% low income students.

This area gets even trickier because not every student on "paid" status actually does pay – some school districts allow student with no free or reduced eligibility and no money to pay for their lunch, to "charge" the cost of the meal, and then try later to collect these unpaid charges from the family, often with mixed success. So another factor to find out about is what the school or district you wish to emulate does in the event a student shows up with no money:

- ► Do they allow charges?
- ► If so, how often before the student is cut off from being allowed to accrue further charges?
- ▶ What efforts does the successful school use to collect money owed for charged meals?

► If only a "meal of shame", such as crackers and juice, or cold cereal, or cheese sandwich, is served to these students, is your school district prepared to do the same?

► If students are only allowed to charge 3 times and then are turned away with nothing to eat, is your school district prepared to do that?

► If school officials at the successful school send a bill to parents owing money for charged meals, and follow up with phone calls, or promises to <u>withhold report cards</u> or prohibit student attendance at extra-curricular events, until charges are paid, is your school prepared to do that?

A la carte sales

Does the school you want to emulate also sell food a la carte, or is everything sold as a complete meal? What about your school? At some schools with less than about 80% of students qualified for free lunch, significant revenue is generated by sales of a la carte food to students with money to pay for such items. Some schools offer healthy items a la carte, but some sell junk food a la carte; if your school does this, it may be a hard battle to get the nutrition department to step away from the junk food because they rely on that money to help fund the free meals. Be sure to check whether the program you want to emulate allows a la carte sales, and if so, what are they selling.

Open campus/closed campus

For a program at the high school level, you need to be aware of what your school district's policy is on open campus at lunch. Some schools allow students to leave campus at lunchtime; many schools have cafeterias which are not large enough to serve the entire student population. Schools with closed campus generally see higher numbers of students eating in the cafeteria (as opposed to bringing lunch from home.) Does the school you want to emulate have a closed campus? If so, does your school have a closed campus, or can you get the administration to close it?

Lunch periods and enrollment

How long is the lunch period at the school you want to emulate, and how long is the lunch period at your school? How many students are enrolled at their school, and how many at yours? Understand that it may not be possible to do what a 300-student school is doing if your school has 2,000 students and only one lunch period. If their school is on the larger size, do they have more than one lunch period? Do you?

Facilities

Does the school you want to copy have a full working kitchen, well equipped with ovens and refrigerators and cooktops and sinks, as well as all the smaller cooking equipment such as pots and pans, and proper knives, necessary to do scratch cooking? How about your school?

What about the cafeteria – in addition to comparing the size of their caf (in relation to how many kids in the school), how does their caf look? Is it a pleasant, modern and welcoming space? How

about your caf – does it look like somewhere you would like to spend your lunch break 5 days a week, or does it need some help?

Labor and meals per labor hour

Labor costs often amount to as much as half of the budget for a school nutrition department, but salary for cafeteria workers varies greatly, with some districts paying close to minimum wage for entry level workers, while others may pay closer to \$15-20 per hour even for those workers still at first step. This is important to consider when trying to figure out if your school or district can do what another place is doing. What are their labor costs as compared to yours, and how much labor does their money buy? In other words, if both your district and their district spend 45% of the budget on labor, how many person/hours does that 45% buy? A district which pays its workers \$10 per hour is, clearly, going to get 50% more work hours than a district which pays \$15 per hour. This is key in moving to scratch cooking, which is much more labor intensive than reheating frozen food.

Related to, but not identical to, labor costs is the productivity standard, or number of meals per labor hour (MPLH) your cafeteria workers average. This is a little more complicated than just adding up the number of lunches served and dividing by the number of hours worked; breakfasts and afterschool snacks must be included, but with breakfast and snacks given less weight than lunches. <u>Here's</u> more on how to do this.

Your student nutrition director should know what the district's MPLH figure is, or at least how to derive it; you may need to contact the district you wish to emulate to find out what their MPLH figure is. If their figure is significantly higher than your district, this indicates that even given the same number of hours worked, your workers are not going to be turning out as many meals as the district you are copying. If your district pays significantly lower per hour salaries, this may even out, but if the other district is paying salaries which are comparable to, or lower than, your district, your labor costs will be higher, possibly a lot higher, than theirs, to produce the kind of meals they are producing.

Provision 2

Schools which have extremely high numbers of free/reduced lunch students, about 85%-90% or more, often choose to operate under Provision 2, which is a way of operating the meal program that significantly reduces the amount of paperwork the district must complete in order to get their government reimbursement, and which also offers meals at no charge to all students regardless of family income. The basic rules of P2 are that a district collects meal applications from families once (in what is called the "base year") and then is able to collect reimbursement for all meals served for 4 years using the percentages of meals served in the base year. In other words, if in March of the base year, 75% of the meals were served to students who qualified that year as free, and another 20% were served to student who that year qualified as reduced, then in March of the 4 years of P2, the total of all meals served to all students are claimed as 75% free and 20% reduced; this is true even if participation by "paid" students climbs during the 4 years. The savings to the school district using P2 come from only having to distribute, collect and process meal applications once every 4 years (and in some situations P2 can be renewed beyond the

initial 4 years); not having to produce or distribute updated meal cards annually; and a large reduction in the amount of paperwork required to justify the "claiming."

Some districts operating under P2 are able to reduce their office labor due to the reduction in paperwork, and this can spell some real savings for the department, which can help underwrite the cost of scratch cooking with higher quality ingredients. My school district, for example, spends well into five figures every year on additional temporary labor just to get all of the meal applications processed in a timely manner (and there have been years when this figure went up into 6 figures.)

Does the school you want to emulate operate under Provision 2? Does yours – or would it make financial sense for your school to do so? Keep in mind that under Provision 2, the school provides meals at no cost to all students, so it is key to financial success to have the number of students on paid status not exceed about 10% during the base year. Also, P2 is much more complex than described here; make sure you fully understand how it works before deciding whether it could work at your school. Finally, the big savings from P2 are really only realized if your entire district is very low income; implementing it in just a few very low income schools within a district which is less than 85% low income may not save much. This is why it is a great option for a stand-alone school, such as a direct-funded California charter school, or a private school, but not necessarily for an individual public school.

Low poverty/private schools, and volunteers

At the other end of the economic spectrum, there are <u>some schools</u> which, because they have very low numbers of low income students, choose to forego participation in the Federal school meals programs altogether and just run their own meal program under their own rules. Although still required to provide a free lunch to their low income students, public school districts like the <u>one</u> in the article (which in 2009-10 had only 1.1% low income children) can easily afford to feed such tiny numbers of students for free even without the government reimbursement. <u>Orinda Intermediate School</u>, profiled in this article, had just 7 low income students in 2009-10, out of a population of over 800. By charging \$5.25 per meal and requiring payment in advance, these schools generate enough money to pay for their high end offerings, and the use of "school-mom volunteers" to run the cafeteria saves on labor costs.

Similarly, some private schools require parents to volunteer a certain number of hours per year, and deploy this free labor in their cafeteria. Sometimes these parents are serving a meal from a higher priced, healthy food vendor such as Revolution Foods, which charges the full amount of a government reimbursement to cover the cost of its food (meal costs from Revolution Foods start at about \$3 and go upward, while in 2010-11 the reimbursement for a free lunch is \$2.72.) Because there is nothing left from the reimbursement to cover labor and overhead, a school with Revolution Foods as their meal supplier may use volunteers in the cafeteria, or a non-union charter school may require teachers to help out at lunchtime, to keep labor costs to a minimum. If this is what the school you want to emulate is doing, will you school be able to recruit volunteer labor, or deploy teachers in the cafeteria at lunch?

Direct/indirect costs

Federal law allows school districts to charge their student nutrition department both for direct costs, which are those that are directly and exclusively attributable to operation of the federal nutrition programs (for example, costs related to nutrition department food contracts), and also for a portion of indirect costs, or the costs of operating the district (for example, utilities, or a portion of the costs of the payroll or personnel departments, both of which serve all district departments, including but not limited to nutrition services.) The amount a district can charge to their nutrition department is a percentage of the department budget; it is capped, usually somewhere in the 3-6% area, although the cap varies year to year, state to state, and even school to school. <u>California charter schools</u> each have their own cap, which can range from 0 to over 15% of their budget.

Some people believe that school districts should not charge cash-strapped nutrition departments for direct and indirect costs, as this is just another financial burden for a department which is supposed to be focused on feeding hungry children; however, school districts are also strapped for cash these days, and when droves of teachers are being laid off, it can be hard to make the case to school administrators that they should just pick up these nutrition-related expenses out of their general fund. Regardless of whether or not it is appropriate or fair for districts to charge direct and indirect costs to their nutrition department, the relevant point here is that these expenses do exist, they are legal, and that they vary school to school. How much does the nutrition program of the school or district you want to emulate pay in direct and indirect costs, and how much does the nutrition department of your school or district pay? That extra 5% or so of a nutrition department's budget can make a big difference in what the department is able to provide in terms of better food.

None of this is to say that a meal program which manages to serve better quality, scratch cooked food to students could never be replicated elsewhere, or scaled up to a larger school district. These are just factors to keep in mind when trying to evaluate whether your school meal program could do what some other school meal program does. Unfortunately, the miracle-loving media rarely bother to ask about these factors when they highlight the success of a program which does offer a better quality meal than most, leaving the public with the mistaken idea that all it takes is the will to do better. It does take the will – a lot of very strong will – but it also takes money, and a whole lot of other factors need to be considered too.

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