



Date: January 17, 2012

To: Nancy Waymack

From: Ed Wilkins

CC: Myong Leigh, Zetta Reicker, Paula Jones, Paul Ash, Teri Olle

Re: Update on the San Francisco Food Bank funded Prismatic Study of the School Meal program

As you know, many parents, advocates and community members are interested in the SFUSD school meal program, and finding a way to improve the program. My intent has been to develop a long term strategic plan to guide the future of the program with the goals of increasing participation, improving quality, and achieving financial stability in the program.

As a response to this interest and with the intent of researching options for the long term plan for the program, in 2009 I began a dialogue with community partners about funding a study that would answer the question: what are the options for achieving the goals of increasing participation, improving quality, and achieving financial stability in the program.

Because of their interest in alleviating childhood hunger, the San Francisco Food Bank indicated an interest in partnering with the district to fund a study that would provide us with options for improving the program and an analysis of their feasibility.

The consulting firm, Prismatic Services Inc. was chosen to conduct the study. The study was initiated in early 2011. The following is an update on the final draft of the report which I received in mid-December 2011.

Overall, the study did provide a review of the program, including recommendations for school sites, the SFUSD Administration and SNS departmental level action to improve program operations. However, it does not provide comprehensive analysis of the options for moving the program forward.

Some recommendations reveal opportunities to improve the program. However, other recommendations are based on inaccurate analyses of specific details of program operations. We are working on creating a summary report for public distribution. Please let me know if you would like to receive the entire draft report.

The following is a summary and assessment of information that is in the final draft. I have also included Prismatic's suggested 5 year plan in an Appendix starting on page 21.

#	Prismatic Findings	Prismatic Recommendation	Prismatic estimate of fiscal impact	SFUSD SNS Comments
District Level Action Area				
3-1	Unpaid school meal charges continue to be a significant source of financial loss. SNS needs district assistance in achieving success in this area	Continue to focus on collaborative efforts to reduce the negative impact of the meal charge practice and its related issues.	This recommendation can be implemented with existing resources.	AGREE with recommendation. FISCAL IMPACT: requires staff time.
3-2	Improving the response rate for Free and Reduced (F&R) Meal Applications continues to be an ongoing challenge for SNS management. SFUSD could provide technical expertise and communication support in this area.	Assist SNS in communicating to the public regarding the F&R process and in improving effectiveness of the process.	This recommendation can be implemented with existing resources.	AGREE with recommendation; SFUSD has made significant improvements in the past 4-5 years. FISCAL IMPACT: requires staff time.
3-3	Not all SFUSD elementary schools provide their students with recess before lunch. This is contrary to best practices.	Provide recess before lunch as all SFUSD elementary schools.	This recommendation can be implemented with existing resources.	AGREE with recommendation. ADDITIONAL CONSIDERATION: District Policy needs to ensure that students have adequate time to eat. FISCAL IMPACT: AGREE

#	Prismatic Findings	Prismatic Recommendation	Prismatic estimate of fiscal impact	SFUSD SNS Comments
District Level Action Area				
3-5	<p>SNS faces a myriad of organizational challenges, including multiple changes to its central office structure over the past decade, a need for more direct supervisors, and a need for greater on-the-ground staffing in the elementary schools. The district can provide support in all these areas.</p>	<p>Assist SNS in adopting a new central office structure and in staffing for effective operations.</p> <p>Area supervisors are critical to the overall success of any school food program. To be effective, an area supervisor must be assigned to an appropriate number of sites based on tested industry standards. Exhibit 3-5 provides industry standards for food services supervisors. As shown, given the district's 128 cafeteria operations, there should be at least seven area supervisors, with one assistant director. (page 3-17)</p> <p>There are currently 73 lunchroom programs at SFUSD elementary schools, but 70 of them have only one person assigned to work during the lunch period. In a focus group of elementary lunchroom workers, workers noted a need for assistance during the serving and counting period of meal times. Simply extending the length of daily work time at schools with only one lunchroom worker will not adequately address the root of the problem; two workers are needed during lunch periods. (3-18)</p> <p>The level of pay provided for the current positions and requirements of the jobs are not in sync. Individuals are being compensated for higher-level duties than are currently being performed in many areas of the department. When the school district switched to 'convenience style' food preparation, it overvalued the current positions for work being performed. (P. 3-19)</p>	<p>The recommended reorganization of the SNS central office structure can be accomplished with existing resources.</p> <p>Each area supervisor position - \$69,366 in salary, plus \$42,633 in benefits, total of \$111,999 per position. For the seven positions Prismatic recommends, this would require \$783,933.</p> <p>Elementary lunchrooms would require an additional person in 70. Minimum hourly wage for a school lunchroom helper is \$14.10 per hour as per the negotiated union contract that began July 2011 and the work assignment time is one hour, then the cost to SNS of adding an additional helper will be \$2,482 per budget year. (Hourly rate x 176 work days = annual salary). The total annual cost of personnel will be increased by \$173,740 (70 x \$2,482).</p>	<p>AGREE WITH FINDING: SNS added two Area Supervisor positions in the fall of 2011. Agree with the recommendation of additional Area Supervisor positions.</p> <p>FISCAL IMPACT: SNS has hired 2 Area Supervisors, so the fiscal impact would be less.</p> <p>Regarding an additional cafeteria workers for elementary schools, extra workers would likely need to work more than an hour due to elementary school lunch schedules. Additionally, it would be difficult to attract staff to a position of only one hour. Finally, additional mandatory benefits would need to be added to the cost of these positions.</p>

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District Level Action Area				
3-6	The district is not consistently following its meal payment collection process. Inconsistent enforcement of procedures reinforces the belief that changes in practice do not apply to everyone.	Enforce the established meal cash collection process and require all schools to collect meal funds in the cafeteria.	This recommendation can be implemented with existing resources.	DISAGREE WITH RECOMMENDATION: SFUSD needs to move to a cashless meal payment system utilizing Meal Pay Plus (online or phone) or by check. FISCAL IMPACT: Requires staff time for outreach and training.
3-7	The meal charge process for SNS continues to provide challenges in communicating the status of student negative balances.	Implement a telephone messaging process through AutoDialer to communicate key items to parents.	This recommendation can be implemented with existing resources.	AGREE: This is already in place. FISCAL IMPACT: AGREE
3-8	The SFUSD Finance Department provides a financial report showing that SNS has been operating at a loss for a number of years, and the district's general fund has had to cover the losses.	Analyze revenue and expenditures trends and provide formal explanations why expenses are increasing at a significantly higher rate than revenues.	This recommendation can be implemented with existing resources. SFUSD will need to assist SNS by providing interim accounting and finance expertise.	AGREE: Student Nutrition Services Department would benefit greatly by having a dedicated Financial Manager. FISCAL IMPACT: Recommendation will involve staff time.
3-9	The district is not using a cost allocation methodology to identify the cost of utilities and other services provided to school cafeterias that are funded by the district's general fund. Not identifying the cost of utilities and other services in financial reports does not accurately show the total cost of the SNS program.	Develop a methodology and process to allocate utility and other operating costs to the Food Service Fund each year.	This recommendation can be implemented with existing resources.	DISAGREE WITH RECOMMENDATION. FISCAL IMPACT: DISAGREE Adding additional costs to the Cafeteria Fund will increase the deficit.

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District Level Action Area				
3-10	The SNS fund does not get a specific financial audit every year. Considering the lack of internal controls, coupled with the complex receiving report and invoicing system, this is cause for concern.	Complete a comprehensive audit of the SNS accounts.	This recommendation can be implemented with existing resources. The SFUSD Finance Department previously completed a review of SNS meal sales. This comprehensive audit would require a similar level of effort.	AGREE: Student Nutrition Services Department would benefit greatly by having a dedicated Financial Manager. FISCAL IMPACT: Staff time will be needed.
3-11	The SNS Department's contract with its food services contractor contains 101 special provisions that the contractor is required to perform. Not all of the provisions are necessarily being completed as stated in the contract.	Review all contract provisions and ensure all services provided by SNS food services contractor are in compliance with contract provisions.	This recommendation can be implemented with existing resources.	AGREE: This is being done. FISCAL IMPACT: AGREE
3-12	Total meals provided by SNS's food services contractor and billed to the district via invoices are not formally reconciled to meals available to be served at cafeterias. Without a process of formal reconciliation, there are no assurances that the district is paying for the accurate number of meals provided.	Develop a monthly process to reconcile meals available at the cafeteria with meals invoiced by the food services contractor and require the food services contractor to assist with automated reports that would facilitate the reconciliation.	This recommendation can be implemented with existing resources.	DISAGREE WITH FINDING AND RECOMMENDATION: Invoices are being matched to signed delivery tickets and every entry is audited. FISCAL IMPACT: AGREE

#	Prismatic Findings	Prismatic Recommendation	Prismatic estimate of fiscal impact	SFUSD SNS Comments
District Level Action Area				
3-13	<p>SNS pays its food services contractor for the contracted costs of meals for elementary, middle, and high schools. However, the transport of meals to elementary schools is completed by a delivery firm with a separate contract. The costs of meals provided by the food services contractor are basically the same for elementary schools as they are for middle and high schools, so the SNS Department is incurring additional costs for deliveries to elementary schools. Exhibit 3-13 shows the estimated servings and the food cost for grades K-8 and grades 9-12.</p>	<p>Analyze the impact on elementary school meals for delivery service costs.</p>	<p>This recommendation can be implemented with existing resources.</p>	<p>CAUTION: REVISE RECOMMENDATION SNS would benefit by requiring more detailed cost breakdown in new contract.</p> <p>The current contract includes pre-plated meals, fresh produce, breads, non-food supplies, transportation to secondary schools, and the distribution center, etc. The vendor allocates all costs across the system to produce a per meal cost.</p> <p>FISCAL IMPACT: Unknown until full analysis complete.</p>
3-14	<p>SFUSD cafeteria dining spaces are largely drab and uninviting. As a result, many cafeterias are unattractive, serving as a deterrent to student meal participation. In general, most cafeteria spaces are in need of major renovations. However, the district could take steps in the short-term to address cafeteria appearances with low-cost solutions.</p>	<p>Improve the appearance of SFUSD cafeterias with low-cost options.</p>	<p>This recommendation can be implemented with existing resources.</p>	<p>AGREE with recommendation</p> <p>FISCAL IMPACT: DISAGREE. Changes to the cafeteria would most likely involve staff time, and possibly a cost either to SNS or to the school site.</p>

#	Prismatic Findings	Prismatic Recommendation	Prismatic estimate of fiscal impact	SFUSD SNS Comments
District Level Action Area				
3-15	SFUSD lacks a coherent capital improvement plan for its kitchens and cafeterias. SFUSD kitchens, serving lines, and dining areas are insufficiently uniform from one school to another, creating an unequal dining experience across elementary, middle, and high schools. Furthermore, most sites demonstrate a lack of concern for the student dining experience.	Formulate and include in the next update of the SFUSD Capital Plan a dedicated capital improvements program for student nutrition facilities at all SFUSD schools.	Until a detailed Facilities Condition Assessment is conducted, Prismatic estimates the approximate cost to renovate student nutrition facilities as follows: 13 High School Sites @ \$3 million = \$39,000,000 13 Middle School Sites @ \$2 million = \$26,500,000 67 Elementary School Sites @ \$1.5 million = \$100,500,000	AGREE: District Level Decision FISCAL IMPACT: Unknown. General estimate provided by Consultants, but an actual assessment must be done to verify cost estimates.
3-16	The district lacks a comprehensive picture of the state of SNS facilities.	Conduct a Facilities Condition Assessment of all student nutrition facilities in the district.	Prismatic estimates the architectural and engineering fees for this service to average approximately \$4,000 per school site, or \$400,000. It is recommended that a Request for Qualifications be issued by SFUSD to solicit submissions from qualified firms.	AGREE: District Level Decision FISCAL IMPACT: Consultants provide estimates.
3-17	SFUSD does not currently have an up-to-date, comprehensive, and uniform facilities programming document for student nutrition facilities. While the district no doubt furnishes its design professionals with design guidelines for new facilities or other major renovations and additions, a definitive document of educational specifications and design guidelines is needed for any contemplated overhaul of the SNS program	Prepare educational specifications and design guidelines for SNS facilities.	Prismatic estimates the cost of developing educational specifications and design guidelines for student nutrition facilities to be \$200,000.	AGREE: District Level Decision FISCAL IMPACT: Consultants provide estimates.

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District Level Action Area				
3-18	SNS does not have an accurate equipment inventory.	Develop a comprehensive list of all installed and portable kitchen equipment at each location.	This recommendation can be implemented with existing resources.	AGREE with recommendation. Inventory should include age of equipment, estimated useful life, and current condition. FISCAL IMPACT: AGREE
3-19	SNS does not have a preventive maintenance program for food service equipment. The district has a maintenance work request system for equipment malfunction which consists of phoning in a trouble call to the central office. Beyond verbal requests, there is no on-line maintenance request system.	Implement a simple straightforward preventive maintenance plan.	Based on the district's enrollment, the initial cost would be \$20,086 and annual renewals would cost \$13,094.	DISAGREE WITH RECOMMENDATION: Need overall equipment assessment and replacement plan. FISCAL IMPACT: DISAGREE. An actual bid request is required. It is highly unlikely that all SNS equipment would qualify for a cost effective maintenance agreement.

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SNS Level Action Area				
4-1	As indicated by on-site observations and survey results, SFUSD principals do not have a very high regard for SNS. As of the on-site work, SNS had not responded successfully to recommendations made in the CRE Summation reports to restore or to build a spirit of teamwork and respect for SNS functions and procedures.	Foster a collegial relationship between SNS and school principals.	This recommendation can be implemented with existing resources.	DISAGREE WITH FINDING: Surveys indicate the majority of principals are satisfied with cafeteria staff, with the cleanliness of the cafeteria and kitchen. Survey results indicate that principals are not satisfied with the food. However, this does not equate with the statement in the finding that “SFUSD principals do not have a very high regard for SNS”. FISCAL IMPACT: AGREE
4-2	Comprehensive standard management reports are not routinely prepared in SNS. Although a number of reports are prepared periodically from the POS system, there is not a refined list of reports that are produced on a regular basis and distributed to appropriate staff. Management staff indicated that data available in the POS system (which could be accessed electronically) was sufficient to provide information for managing the program.	Refine management reports and establish a list of standard comprehensive reports for distribution to management staff including employees in charge at cafeterias to use in managing each cafeteria and the program as a whole.	This recommendation can be implemented with existing resources.	AGREE: Many of the recommended reports are already being prepared. FISCAL IMPACT: DISAGREE Additional staff time required.
4-3	SNS has developed a meal charge collection procedure that relies too heavily on school principals who have many other competing priorities in the day-to-day management of their schools.	Revise the meal charge collection procedure to reduce the burden on school principals.	This recommendation can be implemented with existing resources.	DISAGREE WITH RECOMMENDATION: A charge policy has been developed, approved by senior district administration and in place. FISCAL IMPACT: AGREE

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SNS Level Action Area				
4-4	In the past, SFUSD operated a two tiered lunch system in secondary schools which prevented all students from having the same lunch options. Concerns with this procedure were raised internally in the district as early as 2007 and steps have been taken to address the problem. However, significant issues remain.	Eliminate the two tier lunch system totally by merging a la carte sales with the main line to ensure that all students are presented with equal food options when they enter the cafeteria, no matter what their meal status.	The fiscal impact will come primarily from any necessary upgrade to each facility so that the two serving lines can serve identical products. This will vary from school to school. The overall result should be increased revenue that will positively impact the food and nutrition program.	<p>DISAGREE WITH FINDING AND RECOMMENDATION: The two tiered lunch system in which students qualified for free and reduced meals could not obtain a reimbursable lunch from beaneries was eliminated across the system at the start of the 2010-2011 school year. Fine tuning of this system continues this school year.</p> <p>FISCAL IMPACT: AGREE. Staff training as well as facilities changes may be necessary.</p>
4-5	The SFUSD does not use menu production records effectively and/or as intended.	Review the purpose of edit checks and menu production records.	This recommendation can be implemented with existing resources. There will be no negative fiscal impact from using the edit check and menu production records correctly. It will result in ending the practice of lowering POS meal counts and using nutrient standards information incorrectly.	<p>DISAGREE WITH FINDING: Both edit checks and menu production records are being used as intended.</p> <p>FISCAL IMPACT: AGREE</p>

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SNS Level Action Area				
4-6	SNS does not operate with a documented written training plan available and distributed to all SNS staff. Moreover, training and professional development are not highly emphasized in the department, nor do SNS managers avail themselves of readily available training resources.	Establish a formal documented comprehensive training plan that incorporates new employee orientation as well as ongoing professional development for school and district staff.	This recommendation can be implemented with existing resources. If SNS pursues expanding the Q-book training system, there may be some additional costs to the district. Qube Learning estimated a cost of approximately \$25 per user per year. With approximately 260 SNS employees, Q-book training would cost \$6,500 per year (260 x \$25).	DISAGREE: Extensive training documentation exists; more is under development. FISCAL ACTION: Additional staff time is required.
4-7	Planning and review meetings held with staff are not as comprehensive in scope as preferred due to limited staff and time. SNS staff meetings appear to have a format but it is inconsistent.	Develop a standard meeting format with an enhanced scope for all weekly planning and review sessions and conducted with various areas of SNS staff.	This recommendation can be implemented with existing resources.	DISAGREE WITH FINDING: Planning and review meetings are conducted regularly. FISCAL IMPACT: AGREE
4-8	Inconsistent use of the POS software for selected school levels creates inefficiencies.	Eliminate the use of manual production sheets at the elementary level and standardize the process for use of POS functionality.	This recommendation can be implemented with existing resources.	DISAGREE with recommendation. FISCAL IMPACT: DISAGREE Software and significant and ongoing training costs would be required.

#	Prismatic Findings	Prismatic Recommendation	Prismatic estimate of fiscal impact	SFUSD SNS Comments
SNS Level Action Area				
4-9	Time and attendance records and daily work times (clock-in/clock-out) of all SNS employees are maintained as handwritten forms. These forms from each school site are transported to SNS central office by courier, and then they are manually entered into SFUSD's payroll system by one of SNS clerks. This is time-consuming and lacks accuracy. The same system, absent the courier, is used in the SNS central office. This non-automated time and attendance system presumes that each employee is honor-bound to record accurate times. SNS central office employees who enter the work time into the payroll system are neither prepared nor authorized to question an employee's claim that he or she has worked some overtime hours.	Purchase the time clock module for use on the POS electronic system and require all lunchroom employees use it to clock in and out.	The time clock module would cost about \$43,000 for software, installation, and licensing for the first year for 105 lunchroom sites. Annual maintenance cost is estimated to be \$7,800.	<p>DISAGREE WITH FINDING: SNS operates with an overtime policy in which staff must request approval for overtime from the Director or Assistant Director. These requests are handled immediately.</p> <p>Executive Director of Labor Relations is quoted as saying "use of such a system would be permissible". Need confirmation that this is correct.</p> <p>FISCAL ACTION: Actual costs to be determined.</p>
4-10	SNS Department employees are not held accountable for their performance. Since there is no standard or consistent system for the evaluation of the performance or quality of the work of SNS employees, employees receive virtually no feedback on their work. As a result, the department is not motivating them to perform at the highest possible level.	Design and implement a system of evaluation and accountability to increase productivity, boost morale, and garner employee commitment to SNS goals and mission.	This recommendation can be implemented with existing resources.	<p>AGREE: Improvements have been made; more management staffing will enhance the process.</p> <p>FISCAL IMPACT: DISAGREE</p> <p>More staff, training and meeting time required.</p>

#	Prismatic Findings	Prismatic Recommendation	Prismatic estimate of fiscal impact	SFUSD SNS Comments
SNS Level Action Area				
4-11	Improving the response rate for Free and Reduced (F&R) Meal Applications continues to be an ongoing challenge for SNS management.	Continue to focus on reducing or eliminating barriers and unproductive processes related to the F&R Meal Application process.	This recommendation can be implemented with existing resources.	AGREE: Improvement is always beneficial. Much progress has been made over recent years. During the year of the Prismatic Study, SFUSD had a 92% return rate. FISCAL IMPACT: AGREE
4-12	Invoices from the food services contractor for meals delivered to schools are not reviewed sufficiently by district staff before payments are made to the contractor. The SNS director provides oversight to the process, but the initial work is completed by an employee of the food services contractor.	Develop a process to match invoices to signed delivery tickets by an SNS employee prior to making payments to the food services contractor.	This recommendation can be implemented with existing resources.	DISAGREE WITH FINDING: A full audit of every invoice was in place at the time of the Prismatic review and continues to be in place. FISCAL IMPACT: AGREE
4-13	The commodities provided to the district by the United States Department of Agriculture (USDA) are delivered directly to the food services contractor and used in meal production for SNS. Credits for the commodities used in school meals are provided on invoices from the food services contractor but not formally reconciled to the value of commodities received or used.	Develop procedures to formally reconcile commodities provided to the food services contractor to credits issued on invoices and ensure reconciliations are timely prepared and approval by management.	This recommendation can be implemented with existing resources.	DISAGREE: Monthly/Annual commodity utilization reports are available from contractor and CDE/FDP. FISCAL IMPACT: AGREE
4-14	Delivery tickets signed by cafeteria employees in charge are not attached to paid invoices from the food services contractor. Signed delivery tickets should be attached to invoices to provide support for payments.	Require signed delivery tickets to be attached to paid invoices for the food services contractor.	This recommendation can be implemented with existing resources.	DISAGREE WITH FINDING: A signed delivery ticket is attached to every invoice. FISCAL IMPACT: AGREE

#	Prismatic Findings	Prismatic Recommendation	Prismatic estimate of fiscal impact	SFUSD SNS Comments
SNS Level Action Area				
4-15	Copies of contracts, amendments, and annual renewal letters are not all immediately available in SNS purchasing files. SNS does not maintain a centralized file of all contracts and related documentation either in hard copy or electronically.	Ensure that a comprehensive file of all documents pertaining to purchasing contracts (either hard copy or electronically) are maintained in SNS files and made accessible for staff to use when needed.	This recommendation can be implemented with existing resources.	<p>DISAGREE WITH FINDING: Copies of all contracts were available in the Director’s office. District policy requires all requests for contracts be submitted to the SFUSD Purchasing Department.</p> <p>FISCAL IMPACT: AGREE</p>
4-16	Delivery tickets produced by the food services contractor are difficult and time-consuming for cafeteria employees in charge to review and approve. Many deliveries to cafeterias are for menu items that provide food for an entire week, and other deliveries cover menu items that are needed for multiple days. Items shown on delivery tickets are listed by serve date. When the same items are needed repeatedly for multiple serve dates, the items show up multiple times on the delivery ticket. In order for a cafeteria employee in charge to approve a delivery she must look through multiple pages of delivery tickets and add the multiple listing for the same items together before she can verify the items delivered.	Work with the food services contractor to reformat delivery tickets to make them easier for cafeteria employees in charge to review and approve.	This recommendation can be implemented with existing resources.	<p>AGREE: Contractor is implementing a new “order to cash” system that will substantially improve site validation of order receipt and the central office audit procedure.</p> <p>FISCAL IMPACT: AGREE</p>

#	Prismatic Findings	Prismatic Recommendation	Prismatic estimate of fiscal impact	SFUSD SNS Comments
SNS Level Action Area				
4-17	The SNS Department lacks procedures to ensure internally that its meals are in compliance with USDA requirements.	Implement a routine procedure to evaluate menus planned by the food service meal provider in the areas of meal pattern compliance, student acceptance, and total costs.	This recommendation can be implemented with existing resources.	<p>DISAGREE WITH FINDING: Contractor maintains complete formal nutrient analysis. SNS owns and utilizes internal software for nutrient analysis.</p> <p>FISCAL IMPACT: AGREE</p>
4-18	The SNS Department receives donated commodity foods to be utilized in the school lunch program but does not appear to be sufficiently tracking them.	Request written verification from the USDA that the use of entitlement commodities is being tracked appropriately.	<p>This recommendation can be implemented with existing resources. There will be no negative fiscal impact as administrative staff is available to carry out this responsibility. Audit exceptions and misuse of commodity foods could result in a negative financial impact on the SFUSD.</p> <p>Encouraging or requiring the food service meal provider to make use of the full value of commodities to which SFUSD is entitled should result in lowered food costs. According to the food service meal provider, the district was only ordering (and receiving) 90 percent of its entitlement. This means that the district is not ordering approximately 10 percent of the commodities to which it is entitled. Any reduction in the percentage of commodities not ordered (and then used) will result in lowered food costs.</p>	<p>DISAGREE WITH FINDING Monthly/annual reconciliation reports are available from contractor. Monthly updates are received from CDE/FDP.</p> <p>FISCAL IMPACT: AGREE</p>

#	Prismatic Findings	Prismatic Recommendation	Prismatic estimate of fiscal impact	SFUSD SNS Comments
Future Direction				
5-1	<p>Participation in the SFUSD breakfast program is low. At 17 percent in the elementary schools and 10 percent in the secondary schools, breakfast participation is below several benchmarks.</p> <p>In December 2010, SNS received a report entitled, “A Plan to Increase School Breakfast Participation.” Prismatic staff reviewed the report and found it to be comprehensive in scope regarding breakfast analysis. The report made seven recommendations:</p> <ul style="list-style-type: none"> * <i>Target classroom breakfast with Provision 2 to elementary schools with high FRP population;</i> * <i>Target second chance breakfast to elementary schools with low overall breakfast participation;</i> * <i>Target Grab n Go to middle and high schools;</i> * <i>Add Student Nutrition Services staff;</i> * <i>Establish benchmarks to evaluate program success;</i> * <i>Implement an outreach program; and</i> * <i>Identify champions at each school to advocate for breakfast programs.</i> <p>At the time of the on-site review, SNS managers indicated they were analyzing the results of that report and there had not yet been time to begin implementing any of the recommendations.</p>	<p>Implement Breakfast in the Classrooms in the elementary schools.</p>	<p>The initial fiscal impact of this breakfast expansion will be small. Prismatic anticipates a negligible increase in cafeteria worker time. Meals provided will be reimbursed at Federal rates, with the general fund covering the cost of non-free meals. There will be a small expense for containers to be used to transport meals to and from the classrooms and some expenses for copying classroom rosters to be used to mark which students took a meal.</p>	<p>DISAGREE: REVISE FINDING. The report referenced in the finding suggests to initially pilot a breakfast in the classroom project along with Provision 2 for breakfast only at one elementary school to evaluate fiscal impact.</p> <p>SNS has received grant funding for Grab and Go breakfast stations at 8 high schools and 8 middle schools and is implementing these programs including outreach and promotion, utilizing SFUSD champions such as nurses. Additional grant funded staff was added to coordinate the project.</p> <p>FISCAL IMPACT: Costs are estimated with no actual figures.</p>

#	Prismatic Findings	Prismatic Recommendation	Prismatic estimate of fiscal impact	SFUSD SNS Comments
Future Direction				
5-2	SNS does not currently offer more than one entrée choice at the elementary level, other than a secondary vegetarian offering that is complicated to obtain. Entrée acceptance rates at the elementary level are quite low	Offer a true second entrée choice at the elementary level every day.	This recommendation can be implemented with existing resources, as the increase of elementary staffing is contained in another recommendation of this report.	AGREE with finding and recommendation. FISCAL IMPACT: DISAGREE Unknown until full implementation can be assessed.
5-3	SFUSD has field-tested a vending machine with POS integration that has been well received and offers the potential to reduce line waits in high school cafeterias while also increasing participation.	Expand use of reimbursable vending machines to all high schools.	According to SNS IT staff, the cost of the POS vending machine and associated software is approximately \$13,000, with a payback period calculated at approximately six months. If this is indeed the case, then the fiscal impact would be negligible as the cost of each installation would be recouped almost immediately.	AGREE with finding and recommendation. FISCAL IMPACT: DISAGREE Outside resources would be needed for the initial investment; SNS has no available funding for this recommendation. Further, payback in 8.5 months (not 6) was based upon several assumptions to include selling out of breakfast, lunch and a la carte items every day.
5-4	SNS is serving menus that are planned using the current food based menu planning system (Exhibit 5-15) rather than the food based menu planning system that will likely be required soon.	Include as many as possible of the proposed meal pattern changes during the 2011-12 contract extension with the contracted food service meal provider.	There will be fiscal impact due to the increased fruit and vegetable requirements, but once the legislation is finalized, these costs will be unavoidable. These costs will be partially offset by the increased meal reimbursement of \$0.06 per meal. The budgetary shortfall can best be met by planning and serving meals that students enjoy and that result in an increase in participation.	AGREE: Note, SFUSD school meal program met and continues to meet Gold Standard under the HealthierUS School Challenge. Minimal changes will be required. FISCAL IMPACT: AGREE

#	Prismatic Findings	Prismatic Recommendation	Prismatic estimate of fiscal impact	SFUSD SNS Comments
Future Direction				
5-5	Although the district has implemented a salad bar concept in a number of schools, the offerings are typically limited. Moreover, the offerings are provided as an additional component, rather than a separate reimbursable meal, which increases the district's food costs without increasing revenues.	Develop a salad bar program for all schools to offer reimbursable salad bar meals and make an individual small salad component available to students who select the full serve menu.	Experiences in other districts clearly demonstrate that a salad bar reimbursable meal can be provided at a per plate cost that is acceptable.... The specific fiscal impact of this recommendation will depend on the explicit path chosen by SNS, but Prismatic believes most of the paths will have to first go through the facilities issues of space sanitation and equipment.	AGREE with finding. FISCAL IMPACT: Costs are estimated with no actual figures.
5-6	According to documents available to Prismatic, SFUSD lacks a culinary arts education program. Several facts create a synergy that argues persuasively for the establishment of a culinary arts program at SFUSD:	Develop a culinary arts program.	The extent and depth of private sector funding support for a culinary arts program at SFUSD remains to be tested. Unless a strong private sector funding commitment can be obtained, it is questionable whether or not SFUSD could proceed with a culinary arts program revival, given the likely continuing poor economic climate. Prismatic estimates that private sector support should be a minimum of \$5 million by 2015-16, toward an eventual endowment of \$15 million by 2020-21.	AGREE: District Level Decision FISCAL IMPACT: Consultants provide cost estimates

#	Prismatic Findings	Prismatic Recommendation	Prismatic estimate of fiscal impact	SFUSD SNS Comments
Future Direction				
5-7	<p>During the on-site period, Prismatic found that space exists in many existing middle and high schools to cook from scratch, as indeed this was done in decades past. Over time, the district has abandoned this model in favor of prepackaged meal delivery. The reasons behind this are myriad, but there is existing usable space and in some cases still usable equipment to provide a much higher level of food prepared fresh on-site than is currently done.</p>	<p>Establish regional cooking kitchens within suitable existing high schools. Based on site observations, Prismatic identified Marshall and Mission High Schools as likely good candidates to become the first cooking kitchens and recommends that these be the “early adopter” sites. At these sites, the district will need to:</p> <ol style="list-style-type: none"> 1. Complete an engineering assessment. 2. Complete an equipment assessment. 3. Sell outdated equipment. 4. Purchase any needed equipment. This will require approximately eight to 10 week’s lead-time. 5. Provide training to future cooking cafeteria staff: 6. Roll out on-site cooking for Marshall and Mission High School students. 7. After a short period to work through any challenges with on-site cooking, Marshall would begin cooking meals to be provided to Drew Elementary School, while Mission would begin cooking for Harvey Milk Elementary Schools 	<p>The exact fiscal impact of this recommendation will depend on the condition of the equipment and facilities selected to become regional kitchens.</p> <p>\$121,307.15 for equipment</p> <p>Renovations for a 1,200 square foot kitchen could cost up to \$252,840.</p>	<p>DISAGREE WITH FINDING AND RECOMMENDATION: Recommendation includes the concept of utilizing existing kitchens to cook for on-site service as well as for shipment to other sites. Disagree with this concept for the future direction of SNS operations. Future direction should include a central commissary kitchen for large scale production of pre-plated meals for satellite schools with inadequate infrastructure for assembling or serving open food due to food safety concerns. Additionally, SNS is exploring production at a school site for service at that site and has submitted funding requests to support this.</p> <p>FISCAL IMPACT: Consultants provide estimates for the model proposed. Engineering assessment will be additional.</p>

#	Prismatic Findings	Prismatic Recommendation	Prismatic estimate of fiscal impact	SFUSD SNS Comments
Future Direction				
5-8	<p>Having a central kitchen serve SFUSD schools could provide several benefits to the district, including greater menu control and operational responsiveness.</p>	<p>Pursue development of a joint OUSD-SFUSD central kitchen</p> <p>Prismatic recommends that SFUSD pursue development of a joint central kitchen with Oakland. This would not preclude SFUSD from also developing regional kitchens, as recommended earlier in this chapter. Creating several regional kitchens combined with a joint venture to create an OUSD-SFUSD central kitchen may provide the best possible combination of flexibility, cultural sensitivity, coverage, and efficiency. The implementation path for a joint central kitchen with Oakland will depend in large measure on the agreement the two districts reach. One of the first considerations will be how the facility will be shared or co-managed and still allow each program to maintain compliance with USDA requirements. The districts may decide to jointly purchase the equipment and pay for the necessary renovations and then maintain separate food inventories to meet the individual menus. In that scenario, it is conceivable that a facility manager from each district would be located at the central kitchen and oversee different crews of employees to produce meals. Alternatively, SFUSD could negotiate to become a customer of an operation managed primarily by Oakland.</p>	<p>Pursuit of a joint development will initially have no cost to the district. Both districts will need to determine operational and financial details that are mutually beneficial before a final fiscal impact to SFUSD can be determined.</p>	<p>DISAGREE WITH RECOMMENDATION: Insufficient analysis provided to make recommendation – including review of best practices nationally, analysis of logistics, and political feasibility.</p> <p>FISCAL IMPACT: Unknown.</p>

Appendix – Prismatic Suggested 5 Year Plan for SFUSD SNS

Recommended Five-Year Plan for SNS

District Action Areas		Year 1	Year 2	Year 3	Year 4	Year 5	Estimated (Costs) or Savings
#	Recommendation						
3-1	Continue to focus on collaborative efforts to reduce the negative impact of the meal charge practice and its related issues.	✓	✓	✓	✓	✓	Some district and SNS staff time. Should result in less lost revenue.
3-2	Assist SNS in communicating to the public regarding the F&R process and in improving effectiveness of the process.	✓	✓	✓	✓	✓	Some district and SNS staff time. Should result in less lost revenue.
3-3	Provide recess before lunch as all SFUSD elementary schools.	Planning period		✓	✓	✓	Negligible, although will require adjusting of school staff schedules. Should result in improved student meal consumption.
3-4	Improve meal period scheduling.	Planning period		✓	✓	✓	Negligible, although will require adjusting school schedules. Should result in significant increases in student meal participation.
3-5	Assist SNS in adopting a new central office structure and in staffing for effective operations.	✓	✓	✓	✓	✓	Approximately (\$957,675) in additional salaries and benefits per year.
3-6	Enforce the established meal cash collection process and require all schools to collect meal funds in the cafeteria.	✓	✓	✓	✓	✓	Some district and SNS staff time. Should result in less lost revenue.
3-7	Implement a telephone messaging process through AutoDialer to communicate key items to parents.	✓	✓	✓	✓	✓	Some district and SNS staff time. Should result in less lost revenue.

**Exhibit 5-33 (continued)
Recommended Five-Year Plan for SNS**

District Action Areas		Year 1	Year 2	Year 3	Year 4	Year 5	Estimated (Costs) or Savings
#	Recommendation						
3-8	Analyze revenue and expenditures trends and provide formal explanations why expenses are increasing at a significantly higher rate than revenues.	✓	Reanalyze if necessary				Some district and SNS staff time. Should provide indications of where better efficiencies can be achieved.
3-9	Develop a methodology and process to allocate utility and other operating costs to the Food Service Fund each year.		✓				Some district and SNS staff time (mostly district staff). Should establish a benchmark for eventually achieving a more cost-neutral food service operation.
3-10	Complete a comprehensive audit of the SNS accounts.	✓					Some district and SNS staff time (mostly district staff). Should provide assurances of effective management of food service funds.
3-11	Review all contract provisions and ensure all services provided by SNS food services contractor are in compliance with contract provisions.	✓	✓	✓	✓	✓	Some district and SNS staff time (mostly district staff). Should provide assurances of effective management of food service contract.
3-12	Develop a monthly process to reconcile meals available at the cafeteria with meals invoiced by the food services contractor and require the food services contractor to assist with automated reports that would facilitate the reconciliation.	✓	✓	✓	✓	✓	Initially district staff time for process development, then SNS staff time for process maintenance. Should provide assurances of accurate contractor billing.

Exhibit 5-33 (continued)
Recommended Five-Year Plan for SNS

District Action Areas		Year 1	Year 2	Year 3	Year 4	Year 5	Estimated (Costs) or Savings
#	Recommendation						
3-13	Analyze the impact on elementary school meals for delivery service costs.	✓					Some district staff time. Should result in either lower delivery/elementary meal charges or assurances that current price combination is lowest possible.
3-14	Improve the appearance of SFUSD cafeterias with low-cost options.	✓	✓	✓	✓	✓	Some SNS staff time to determine desired signage. Funding should be sought from outside sources.
3-15	Formulate and include in the next update of the SFUSD Capital Plan a dedicated capital improvements program for student nutrition facilities at all SFUSD schools.	Planning period		✓	✓	✓	Some district and SNS staff time. Prismatic estimates that bond funding for approximately (\$165.5 million) over 10 years will be needed.
3-16	Conduct a Facilities Condition Assessment of all student nutrition facilities in the district.	✓	✓				Approximately (\$400,000) over two years.
3-17	Prepare educational specifications and design guidelines for SNS facilities.	✓	✓				Approximately (\$200,000) over two years.
3-18	Develop a comprehensive list of all installed and portable kitchen equipment at each location.	✓	✓				Mainly district staff time.
3-19	Implement a simple straightforward preventive maintenance plan.	Planning period	✓	✓	✓	✓	Preventive maintenance software would cost approximately (\$20,000) the first year and (\$13,000) in annual fees each year.

Exhibit 5-33 (continued)
Recommended Five-Year Plan for SNS

SNS Action Areas		Year 1	Year 2	Year 3	Year 4	Year 5	Estimated (Costs) or Savings
#	Recommendation						
4-1	Foster a collegial relationship between SNS and school principals.	✓	✓	✓	✓	✓	Some SNS manager time. Should result in increased school support for the SNS efforts.
4-2	Refine management reports and establish a list of standard comprehensive reports for distribution to management staff including employees in charge at cafeterias to use in managing each cafeteria and the program as a whole.	✓	✓	✓	✓	✓	Some SNS staff time. Should result in better management data.
4-3	Revise the meal charge collection procedure to reduce the burden on school principals.	✓	✓	✓	✓	✓	Some SNS staff time. Should result in better management of meal charge collections.
4-4	Eliminate the two tier lunch system totally by merging a la carte sales with the main line to ensure that all students are presented with equal food options when they enter the cafeteria, no matter what their meal status.	✓	✓	✓	✓	✓	Depends on the upgrades necessary at each facility so that the two serving lines can serve identical products. This will vary from school to school.
4-5	Review the purpose of edit checks and menu production records.	✓	✓	✓	✓	✓	Some SNS staff time. Should result in accurate recordkeeping.

Exhibit 5-33 (continued)
Recommended Five-Year Plan for SNS

SNS Action Areas		Year 1	Year 2	Year 3	Year 4	Year 5	Estimated (Costs) or Savings
#	Recommendation						
4-6	Establish a formal documented comprehensive training plan that incorporates new employee orientation as well as ongoing professional development for school and district staff.	Planning period	✓	✓	✓	✓	Some SNS staff time. If external trainers are used, there will be some cost. Expanding Qube would cost approximately (\$6,500) per year.
4-7	Develop a standard meeting format with an enhanced scope for all weekly planning and review sessions and conducted with various areas of SNS staff.	✓	✓	✓	✓	✓	Some SNS staff time. Should result in better management.
4-8	Eliminate the use of manual production sheets at the elementary level and standardize the process for use of POS functionality.	Planning period	✓	✓	✓	✓	Some SNS staff time and possibly some additional cost for software expansion. Should result in better management.
4-9	Purchase the time clock module for use on the POS electronic system and require all lunchroom employees use it to clock in and out.	✓	✓	✓	✓	✓	Some SNS staff time, plus (\$50,800) for initial software and (\$7,800) in annual costs. Should result in better management. May result in overtime payments.
4-10	Design and implement a system of evaluation and accountability to increase productivity, boost morale, and garner employee commitment to SNS goals and mission.	✓	✓	✓	✓	✓	Some SNS staff time. Should result in better management.

**Exhibit 5-33 (continued)
Recommended Five-Year Plan for SNS**

SNS Action Areas		Year 1	Year 2	Year 3	Year 4	Year 5	Estimated (Costs) or Savings
#	Recommendation						
4-11	Continue to focus on reducing or eliminating barriers and unproductive processes related to the F&R Meal Application process.	✓	✓	✓	✓	✓	Some SNS staff time. Should result increased reimbursement revenues.
4-12	Develop a process to match invoices to signed delivery tickets by an SNS employee prior to making payments to the food services contractor.	✓	✓	✓	✓	✓	Some SNS staff time. Should result in better contractor oversight.
4-13	Develop procedures to formally reconcile commodities provided to the food services contractor to credits issued on invoices and ensure reconciliations are timely prepared and approval by management.	✓	✓	✓	✓	✓	Some SNS staff time. Should result in better contractor oversight.
4-14	Require signed delivery tickets to be attached to paid invoices for the food services contractor.	✓	✓	✓	✓	✓	Some SNS staff time. Should result in better contractor oversight.

Exhibit 5-33 (continued)
Recommended Five-Year Plan for SNS

SNS Action Areas		Year 1	Year 2	Year 3	Year 4	Year 5	Estimated (Costs) or Savings
#	Recommendation						
4-15	Ensure that a comprehensive file of all documents pertaining to purchasing contracts (either hard copy or electronically) are maintained in SNS files and made accessible for staff to use when needed.	✓	✓	✓	✓	✓	Some SNS staff time. Should result in better contractor oversight.
4-16	Work with the food services contractor to reformat delivery tickets to make them easier for cafeteria employees in charge to review and approve.	✓	✓	✓	✓	✓	Some SNS staff time. Should result in better contractor oversight.
4-17	Implement a routine procedure to evaluate menus planned by the food service meal provider in the areas of meal pattern compliance, student acceptance, and total costs.	✓	✓	✓	✓	✓	Some SNS staff time. Should result in better contractor oversight and provide assurance that SNS is in compliance with USDA requirements.
4-18	Request written verification from the USDA that the use of entitlement commodities is being tracked appropriately.	✓					Some SNS staff time. Should result in better contractor oversight and provide assurance that SNS is in compliance with USDA requirements.

**Exhibit 5-33 (continued)
Recommended Five-Year Plan for SNS**

SNS Action Areas		Year 1	Year 2	Year 3	Year 4	Year 5	Estimated (Costs) or Savings
#	Recommendation						
5-1	Implement Breakfast in the Classrooms in the elementary schools.	Implemented in K classes	Implemented in K-1 classes	Implemented in K-2 classes	✓	✓	Some school and SNS staff time to design, implement, and maintain. General Funds would be needed to cover startup costs for containers and some full-pay meals that would be provided free.
5-2	Offer a true second entrée choice at the elementary level every day.	✓	✓	✓	✓	✓	Additional staff time required is accounted for in another recommendation.
5-3	Expand use of reimbursable vending machines to all high schools.	✓	✓	✓	✓	✓	SNS staff estimates a payback period of six months per machine.
5-4	Include as many as possible of the proposed meal pattern changes during the 2011-12 contract extension with the contracted food service meal provider.	✓	✓	✓	✓	✓	Some SNS staff time. Should result in greater compliance with upcoming Federal changes.
5-5	Develop a salad bar program for all schools to offer reimbursable salad bar meals and make an individual small salad component available to students who select the full serve menu.	Planning period	✓	✓	✓	✓	Fiscal impact depends on specific program implemented, but could require some additional staff time, which could be offset by obtaining lower prices on more bulk foods (rather than preprocessed).
5-6	Develop a culinary arts program.	Planning period				✓	Some district staff time to develop. Prismatic recommends funding the program with an endowment.

Exhibit 5-33 (continued)
Recommended Five-Year Plan for SNS

SNS Action Areas		Year 1	Year 2	Year 3	Year 4	Year 5	Estimated (Costs) or Savings
#	Recommendation						
5-7	Establish regional cooking kitchens within suitable existing high schools.	Planning period	1st Regional Kitchen In Use	✓	✓	✓	Fiscal impact depends on specific program implemented. Prismatic estimates an upper end cost of \$115,000 in equipment per regional kitchen. Additional cafeteria staffing would be required per regional kitchen.
5-8	Pursue development of a joint OUSD-SFUSD central kitchen.	Planning period				✓	Fiscal impact depends on a number of factors that cannot currently be quantified, including the specific relationship to which the districts agree.