



# How to Stop Subsidizing Your School Food Service

A SYSTEMS APPROACH

Christopher Ashley

## Overview

Systems are key in any high quality, low cost food service operation. There are four critical systems to have in place if you want to maintain a positive school food service fund balance. The four systems are:

1. Menu System
2. Purchasing System
3. Production System
4. Labor Control System

### MENU SYSTEM

The first system that needs to be in place to stop the subsidy of the School Food Service is to set up an efficient menu system. A good menu system drives all of the other systems efficiency. The menu defines what products will be purchased, the cost of those products, how the products need to be produced and how much labor it will take to produce those menu items. Components of a good menu system include:

1. Cycle Menu – is the menu preplanned and cyclical? A preplanned cyclical menu gives the operation the benefit of being able to cost each menu item and predict the total annual cost. The forecasted annual cost can be compared to the annual budget and if needed, adjustments can be made to lower the annual cost.
2. Regulatory Compliance – a cycle menu is more efficient, once it is constructed and meets the regulatory requirements, it is finished.
3. Daily work load balance – the menu must be constructed taking into consideration the difficulty or ease of producing the items on the menu. The more balance there is day to day and week to week, the more efficient the work schedule can be.
4. Efficient Forecast – because the items appear in the same line up each time they are on the menu, the students will select items in similar percentages time after time. In this way you can use the history to accurately forecast the future and then produce efficiently.

### PURCHASING SYSTEM

The second system that needs to be in place to stop the subsidy of the School Food Service is to set up an efficient purchasing system. In order to control the cost of goods brought into the Food Service Department and be able to forecast the annual cost, there must be a systematic approach. Components of an efficient purchasing system include the following:

1. Group Purchasing Organization – becoming a member and utilizing the master bid contract effectively. Utilizing all of the associated contracts to the Food

- Services advantage to control the cost of goods purchased. Requires data driven decisions in reviewing all of the planned purchases for that year to control purchasing dollars.
2. Commodity Utilization – Commodities are allocated to each district annually. Planning the utilization of those commodities will reduce the annual out of pocket purchases. What is the districts commodity utilization annually? Many districts carry over commodity balances from year to year.
  3. Purchasing System Control – Purchasing only the goods that are needed for the defined order period. Is data being used to make the weekly purchasing decisions? An ordering system needs to be in place to effectively control the amount of goods being purchased on a weekly basis.

## PRODUCTION SYSTEM

The third system that needs to be in place to stop the subsidy of the School Food Service is to set up an efficient production system. After the cycle menu is constructed to meet the regulatory requirements, the menu products purchased that offer the best cost value, these products must be produced by staff to attain the highest quality. Good quality products can be made mediocre, when produced or handled improperly by staff.

Components of an efficient production system include the following:

1. Production techniques – products are produced fresh systematically through the meal periods.
2. Limited Holding Time – the enemy of food is time and temperature. The longer the product is cooked and held, the more deterioration there is in the product.
3. Standardized Recipes – Products are produced systematically to generate identical results. The same ingredients in the same proportions are produced in the same way and cooked for the same amount of time at the same temperature to produce a uniform product.
4. Cycle Menu Advantage – utilizing the cycle menu and the predictability that it offers, you can produce only what is needed for that day and prep what is needed efficiently for the next day.

## LABOR CONTROL SYSTEM

The fourth system that needs to be in place to stop the subsidy of the School Food Service is to set up an efficient labor control system. To properly staff the food service for each location, you must convert all of the work performed in each school into a uniform work unit. There are State Auditor Office standards for work productivity for school food service operation, which is defined as meals per labor hour. Calculating the efficiency of each school is critical in obtaining the data necessary to properly staff the operation. Schools can be either overstaffed or understaffed and the work productivity measure will

indicate which is the case. Components of an efficient labor control system include the following:

1. Work Productivity Measures – All work is converted into a uniform work unit for each school.
2. Standard Efficiency Targets – Efficiency targets are set for each school based on the State Auditor’s Office standards, then staffing is adjusted to, at a minimum, meet those targets.
3. Assess Mitigating Factors – There can be some mitigating factors that can impact the efficiency of the labor in the operation such as bus schedules at breakfast, inefficient class lunch schedules that stretch out the service time, school enrollment or participation rates that can’t generate enough work units to cover the minimum hours required, staff starting and ending times that don’t correlate to services provided.

Many school districts do not have all of these systems in place and are subsidizing their food service. Many of these same districts do not have the expertise to do the intense, time consuming analysis of the food service operation necessary to reverse the trend.

## SOLUTION

Bring the expertise to the district to develop cost effective solutions to stop the annual Food Service subsidy. When instituted properly, the food service fund will be self-sustaining. When left unchecked the subsidy grows year after year. Isn’t that money better spent educating your students!