



Amherst Public Schools
Pelham Elementary School
Amherst Pelham Regional Schools

1/10/17

Agenda

- Background
- Program
- Finance & Data
- Visioning Group
- Next Steps



Meeting Goal

- To garner school committee approval on revitalizing current Food Service program and moving operations to an “in-house” model.
 - Contractual agreement and transitional demands, require school to begin process by January 20, 2017
 - If approval not provided by deadline, recommend transition target for fy19 school year



Background

2004 – Decision was made to contract out food Service program

2004 to 2008 – District contracted with Chartwells

2009 to 2013 – District contracted with Whitsons

2014 – 2017- District contracted with Whitsons for a second time



Background

2015 – Hired two field experts who conducted a program review

2016 – UMass Officials conducted a walkthrough, offered guidance

2016 – District hosted visioning workshops



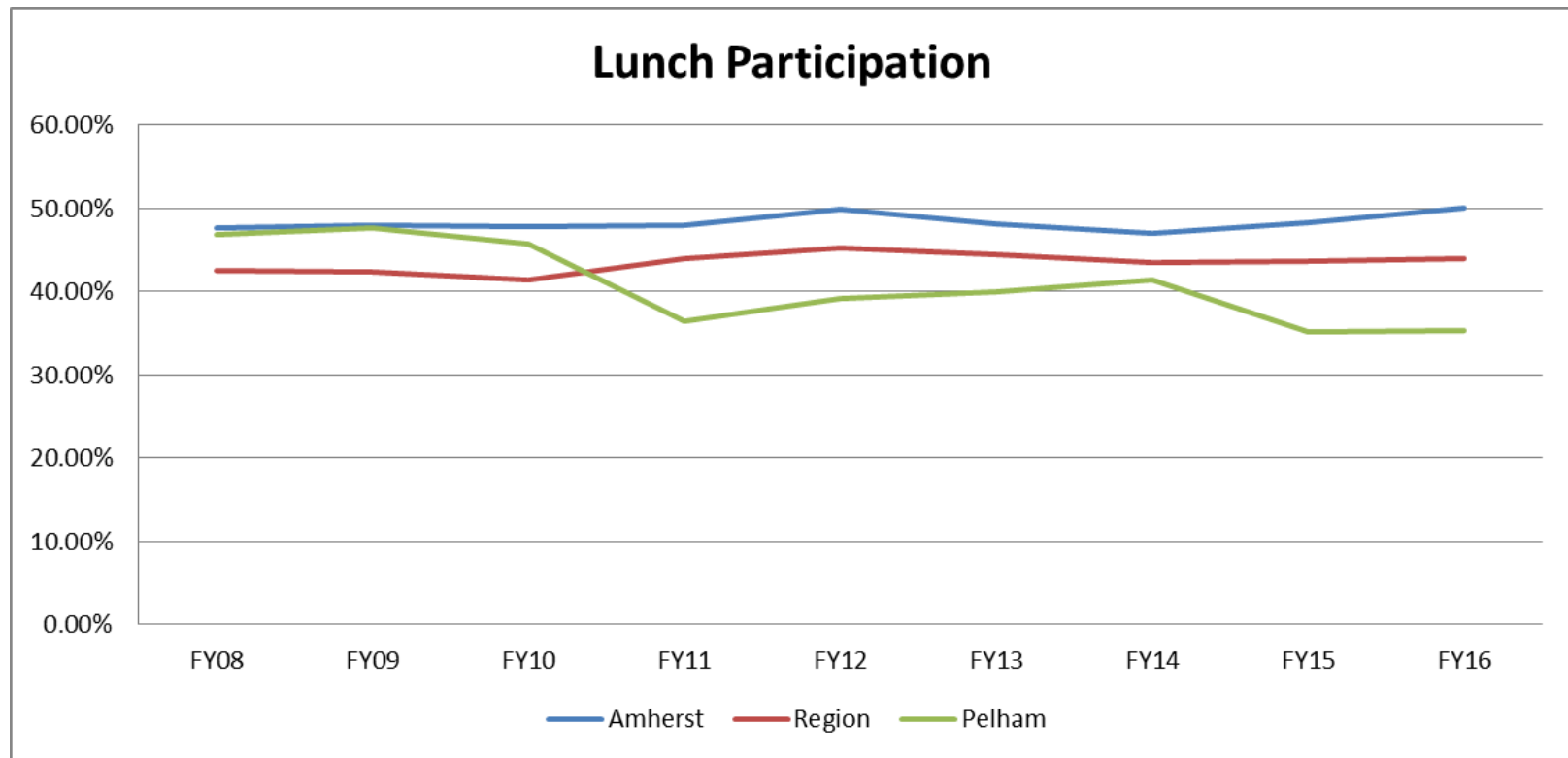
Program

- All employees work for food service management company (FSMC)
- Food service director employed by FSMC
- Kitchen equipment owned by district
- Every 3-5 years, district can change FSMC
- DESE audits conducted every three years, so far so good



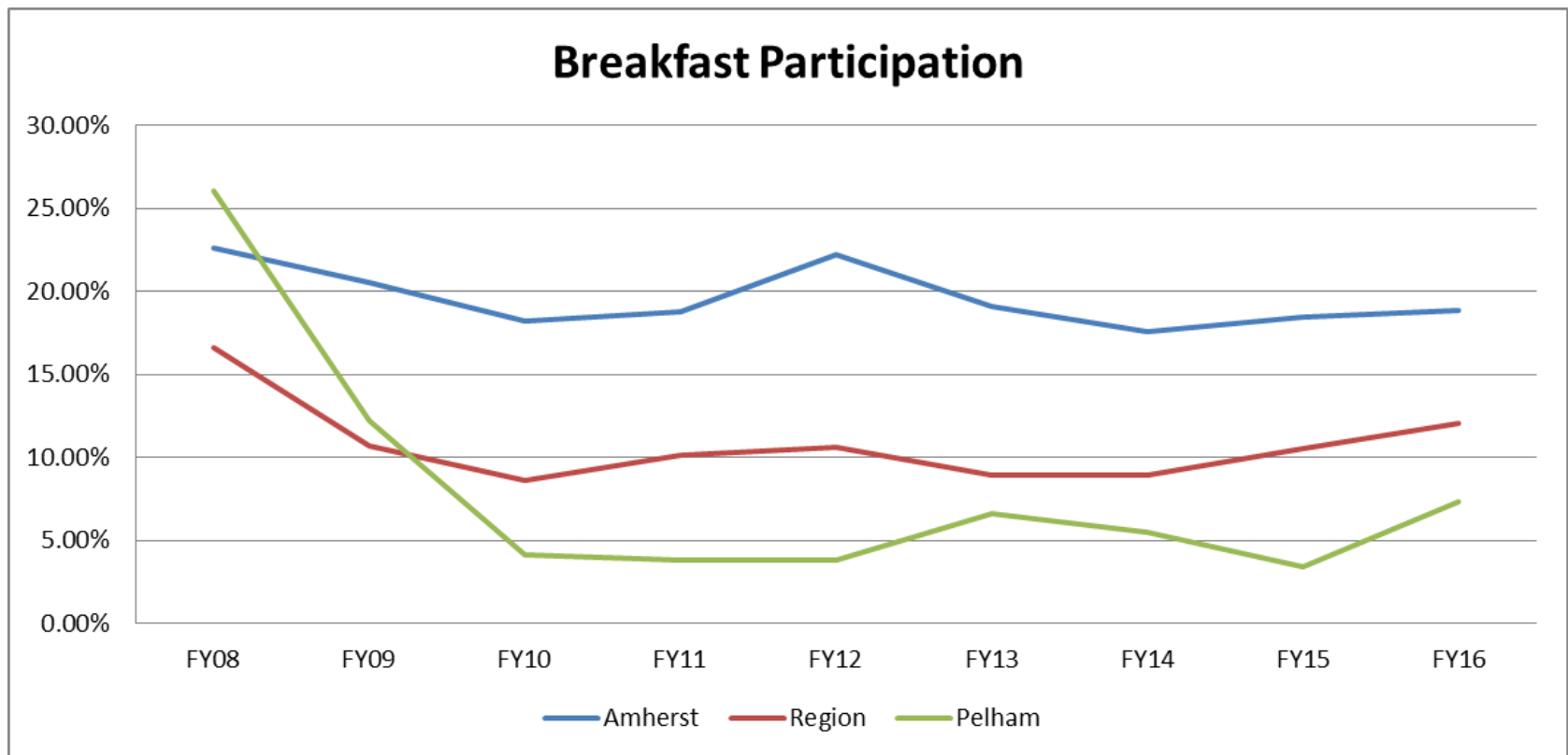
Lunch Participation Rates Relatively Flat Over Time

- Fort River continues to serve Pelham. Pelham participation rate variance largely driven by student enrollment needs/preferences



Breakfast Participation Rates

- Internal survey results suggest many students eat breakfast at home before school.
- Early start times, pre-existing student perceptions, varying morning bus drop off times and staff workday contracts all impact on Breakfast participation



Program Guidelines for State Re-imbursement

- Federal and State re-imbursements offset costs for students benefiting from free and reduced lunch prices.
- However, District is mandated to follow Federal/State guidelines.
- Even with gov't re-imbursement, food service program runs a deficit

Category	MA Standards	USDA Standards
Juice	100% fruit juice, no sugar added	100% fruit juice, no sugar added
Milk	Plain low-fat (1% or less) and fat-free milk, 8 ounces or less	Plain low-fat milk, elementary school - 8 ounces or less, secondary school - 12 ounces or less
Calories	350 calorie limit for entrees and 200 calorie limit for side items	350 calorie limit for entrees and 200 calorie limit for side items
Fat	35% or less of total calories from fat, 10% or less from saturated fat	35% or less of total calories from fat, 10% or less from saturated fat
Sodium	200 mg or less per item, no more	200 mg or less per item, no more



Program Guidelines for State Re-imbusement

Category	MA Standards	USDA Standards
Grains	All breads or grain based products should be whole grain	All breads or grain based products should be whole grain
Artificial Sweeteners	Not Permitted	Permitted

Weekly variety requirement (5 subgroups):

Red/orange (carrots, tomatoes, sweet potatoes)

Dark green (romaine, spinach, broccoli)

Legumes/beans/peas (kidney beans, chickpeas)

Starchy (white potatoes, corn, green peas)

Other (cucumbers, celery, mushrooms)



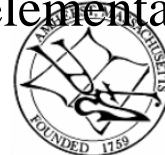
Finances

System Revenues	FY13	FY14	FY15	FY16
Meal Sales	\$407,900	\$371,300	\$350,600	\$335,600
Federal Reimbursements	\$480,800	\$496,900	\$527,600	\$528,700
State Reimbursements	\$25,000	\$25,700	\$27,100	\$26,600
Total	<u>\$913,700</u>	<u>\$893,900</u>	<u>\$905,300</u>	<u>\$890,900</u>
System Expenses	FY13	FY14	FY15	FY16
Labor	\$606,400	\$582,900	\$591,800	\$641,300
Food	\$329,000	\$313,400	\$307,900	\$289,400
Management/ Adm Fee	\$45,000	\$-0-	\$62,300	\$63,500
Other	\$114,600	\$99,600	\$99,200	\$131,500
Total	<u>\$1,095,000</u>	<u>\$995,900</u>	<u>\$1,061,200</u>	<u>\$1,125,700</u>
Surplus (Deficit)	(\$181,300)	(\$102,000)	(\$155,900)	(\$234,800)



Program Successes (last two years)

- For two years now, the District has run a successful free SUMMER food program serving hundreds of children
- Food service program partnered with High School Culinary Program to design a dish and perform further analysis
- Employee brought back idea for school gardens from Mass Farm to School Conference, new gardens built at each elementary school and established a system for integration with curriculum
- Acquired Wholefoods grant for a new Middle School salad bar
- Implemented a free sample program at the elementary schools



Time for Change?

- Existing FSMC has been a reliable partner for over 6 years
 - Serves X,XXX meals a year
 - Provides economy of scale/cost savings on cost-of-goods with bulk buying power.
 - Offers turnkey software & POS systems to track revenue, submit claims, cost-of-goods consumption, invoicing etc.
 - Manages and pays all employees salaries, benefits and retirement
- However, growing community & student demand for better tasting, less processed/organic and locally sourced foods coupled with flat participation rates, have given significant reason for a complete re-evaluation of our existing food service program



A Visioning Group Formed

Spear-headed by central administration, the newly formed visioning group:

- Is comprised of parents/guardians, staff, and school committee members, expert food service individuals
- Has benchmarked best practices from highly successful food service programs (Chicopee, UMASS)
- Has reviewed student input, program data, finances, expert reports, etc..
- Worked collaboratively over two days to identify goals for the new food service program and develop an actionable plan for implementation



Visioning Group Survey Input

- HS Survey Report Open
- Elementary Survey Report link
- <https://www.surveymonkey.com/results/SM-HQK5C7CR/>

- Survey results informed goals



Visioning Group Goals/Scorecard

Food Service Program

Key Indicators Scorecard

Timeframe: FY18-FY22

Indicators	FY17 Baseline	Fiscal Year 2018		Fiscal Year 2019		Fiscal Year 2020		Fiscal Year 2021		Fiscal Year 2022	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
1. Taste	22% don't eat - taste	20%		17%		14%		11%		8%	
2. Scratch cooking	5-20% varies by school	15%		20%		25%		30%		35%	
3. Quality	20% students - better food	18%		16%		14%		12%		10%	
4. Menu Options/Variety	TBD										
5. Innovation	TBD										
6. Plants/Animal Ratio	TBD										
7. Participation	45% average all districts	47%		49%		51%		53%		55%	
8. Wait Times	16% don't eat - long lines	14%		12%		10%		8%		6%	
9. Community Engagement	TBD										
10. Purchasing	0-2% of food purchases	1%		2%		3%		5%		7%	
11. Purchasing	10-20% of food purchases	15%		18%		21%		24%		27%	
12. Nutrition Education	TBD										



In-House vs. FSMC Cost Comparison

- Est. In-house program will cost 60-70K more per year (shared among three districts)
 - ↑ Increase in food costs, purchasing more local and organic. Potential loss of savings with bulk buying
 - ↑ Increase in health insurance costs, district plan is more robust and expensive for employer than FSMC plan
 - ↑ Increase in pension costs, employees would become municipal employees requiring a employer pension contribution (compared to social security for private)
 - ↓ Decrease in operating expenses, no more admin fee, which has been increasing year over year



In-House vs. FSMC Cost Comparison

- Major unknowns include:
 - participation rate increases over time
 - union contract changes
 - possible benefits from increased partnerships.



Next Steps

For FY 2018

- Grant approval to switch to a in house model, **January 20, 2017...OR**
- Renew FSMC contract for one year with Whitsons

For FY 2019

- Switch to an in-house program...OR
- Conduct Request for proposals for FSMC



If we switch to an in-house program...

- Hire a food service director or consultant to manage transition process
 - Finding a permanent food service director
 - Transitioning admin duties from Whitsons to District
 - Assist in development of a budget
- Work with counsel to navigate legal issues
 - Does union contract carryover
 - Employees going from private to public



Questions

