

**Port Arthur
Independent School District**

FOOD SERVICES REVIEW

**Conducted by MGT of America for the
Legislative Budget Board**

AUGUST 2008



LEGISLATIVE BUDGET BOARD

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August 26, 2008

Dr. Johnny E. Brown
Superintendent
Port Arthur Independent School District

Dear Dr. Brown:

The attached report reviews the management and performance of the Port Arthur Independent School District's (PAISD's) Food Services Operation.

The report's recommendations will help Port Arthur ISD improve its overall performance as it provides services to students, staff, and community members. The report also highlights model practices and programs being provided by PAISD's food services operation.

The Legislative Budget Board engaged MGT of America, Inc., to conduct and produce this review, with LBB staff working in a contract oversight role.

The report is available on the LBB website at <http://www.lbb.state.tx.us>.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John O'Brien", written over a light blue rectangular background.

John O'Brien
Director
Legislative Budget Board

cc: Ms. Lloyd Marie Johnson
Mr. Kenneth Marks
Mr. Theodore Victor
Mr. Gregory Flores
Ms. Mary Jean George
Mr. Kenneth Lofton
Ms. Willie Mae Elmore

FOOD SERVICES MANAGEMENT

Port Arthur is located 90 miles east of Houston on the gulf coast of Texas, and is the namesake of Arthur E. Stilwell who envisioned the city as a resort, port, and last stop on the railroad he would eventually build linking Port Arthur to Kansas City. Today, Port Arthur is home to three major refineries and is still the important last stop of the Kansas City Southern railroad. The town of a mere one thousand in the early 1900's has grown to almost 60,000 today with a diverse economy sustaining its growth into the twenty-first century.

The Port Arthur Independent School District (ISD) comprises 13 campuses, each with a full-service kitchen. In addition to the 13 schools, there is a full-service kitchen at the Port Arthur Alternative Center. Prior to spring of 2007, the Memorial High School transported food to that site. During October 2007, the Port Arthur ISD Child Nutrition Department served lunch to an average of 7,415 students and breakfast to an average of 3,449 students daily.

The Child Nutrition coordinator, who reports to the assistant superintendent for Business and Finance, directs the Child Nutrition Department. The responsibilities of this position include managing all components of the Child Nutrition Program (CNP) while ensuring compliance with federal, state, and local regulations. The Child Nutrition coordinator is supported by five full-time office staff members including one secretary for purchasing and personnel, one receptionist/accounts payable clerk, one meal applications clerk, two area supervisors, a part-time budget coordinator (paid 0.8 hours per day from CNP funds), and a half-time custodian.

The department management team makes conscious, fact-based decisions and encourages training and teamwork as vehicles for implementing change. Their ultimate goal is to deliver high quality food and service to every student and district staff member every day.

The philosophy of the child nutrition department is to provide total support for the managers and kitchen employees so they can focus on the important job of food production and service. Consequently, the department has written procedures and other tools to support the kitchen staff in completing all daily duties and tasks. The district area supervisors assembled three sections of district-developed management tools used in Port Arthur ISD kitchens in an effort to share best practices. These materials are as follows:

Section One: Port Arthur ISD Child Nutrition Department Personnel Forms

For many kitchen managers one of the most difficult responsibilities is personnel management. The skills and knowledge required to perform personnel-related duties are vast and sometimes intimidating. The purpose of this section of management tools is to assist managers with:

- Developing written work schedules for organizing and coordinating the activities of all kitchen employees.
- Evaluating the performance of staff members.
- Following required documentation procedures to support disciplinary action.

Other materials included in Section One are:

- Manager responsibility chart which helps organize their work and serves as a basis for evaluating performance.
- Manager work schedule.
- Samples of employee work schedules which are essential to making the best use of kitchen labor hours. Menu-specific directions and recipes supplement the work schedules.
- Written duties and tasks required of each employee reduce the verbal communication necessary at the beginning of the day, when work begins.
- Visitation and observation reports used by the supervisor to monitor compliance. This form summarizes supervisory observations of kitchen visits, and also provides an opportunity for a guided evaluation of the kitchen by the manager.
- Supervisory techniques procedures.
- Sample dress code by campus.
- Example of equipment cleaning schedule. Food service staff members achieve this level of cleanliness by strictly following written weekly cleaning schedules.
- Forms dealing with special diets, approved campus-wide events, discrimination complaint form, in-service and training participation roster, office supply request list (used to monitor usage and inventory).
- Absentee calendar and other payroll back-up documentation.
- Disciplinary forms (a “how to,” “fill-in-the-blanks” guide to documenting disciplinary actions).

Section Two: Port Arthur ISD Kitchen Records/Forms, Ordering and Usage

Materials included in Section Two are:

- Cooks Cards are used to report the amounts of food prepared and left over each day. Cafeteria cooks record production data on the cards. Once completed, the cards are submitted to the campus manager. At day’s end, the manager enters all of the information (from the cook’s cards) into the daily food production record. This record becomes the kitchen documentation that the meals served and claimed for reimbursement met program requirements.
- Bid Master is a tool that limits the bid awards to the items that the managers routinely order. The form provides additional information such as conversion rates, contributions to the components of the meal patterns for use in planning the amount of food to purchase and prepare, and for completing food production records.
- Grocery Order Forms and Edit Sheets.
- Inventory forms.
- Borrowed Food Report. When a school borrows food from another school, this form allows the cost of that food to be appropriately credited.
- Product/Recipe Evaluation is used to report the quality of a new purchased-prepared product or kitchen-prepared menu item using a recipe.
- Hot Sheet is used to report issues or concerns regarding products that do not meet specifications and need immediate attention.

- Snack Bar Items List.
- Grocery Order Due Date Calendar.
- Other Reference Tools. The district has provided pictures of products to show employees how a high quality product should look. One of the conditions necessary for food production employees to deliver high quality food is for them to know what high quality food looks like. Setting written standards for products and using recipes standardized by the kitchen is important, but accompanying those standards with a picture improves the chance of meeting those standards.
- Sample Recipe. The district has a recipe file that contains a quantity recipe standardized to the district kitchens for every preparation. For example, one recipe includes a drawing of the placement of garnish on a salad.

Section Three: Port Arthur ISD Kitchen Management Tools

Materials included in Section Three are:

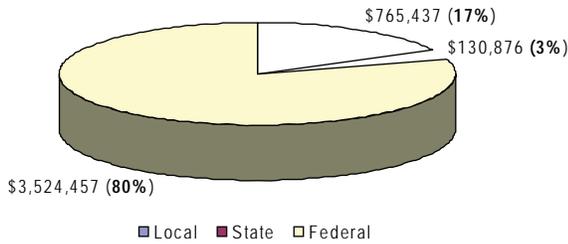
- Campus-specific informational posters are displayed in cafeteria kitchens and dining rooms.
- Hazard Analysis Critical Control Points (HACCP) Food Safety Monitoring Tools. These tools differ from those used in other districts in that they are menu-specific, thus saving employees the time needed to write in the menu items; this also helps ensure accuracy. A second function of this tool is to communicate the amount of products to pull from the freezer, ensuring that when a product is needed, it is properly thawed. Additional information included is temperatures for

cooking, holding, reheating, and storage of leftovers.

- Temperature logs for freezers, coolers, and dishwashing machines.
- Temperature logs for receiving food items and milk.
- Food production records, a United States Department of Agriculture (USDA) requirement, are troublesome to many districts. The USDA and administering state agencies provide sample forms that districts may adapt. The purpose of the forms is to document the meal served and claimed for reimbursement. Port Arthur ISD Child Nutrition Department has adapted the form to make it less cumbersome to managers responsible for maintaining them. The first important point to note is that the records are menu-specific. Area supervisors make important production decisions such as portion sizes and amount of food to prepare. This information is recorded on the food production record at the central office level to save managers time and to eliminate the potential for errors. Special production records are provided for holiday meals, sack lunches and after school snacks.

Port Arthur ISD receives funding for its Child Nutrition Program from local, state, and federal sources (**Exhibit 1**). In 2006–07, the majority of funding (80 percent) was provided through federal reimbursements through the National School Lunch Program (NSLP) and the School Breakfast Program (SBP). Local sources, which include cash payments for cafeteria sales, accounted for 17 percent of funding, while state program revenues accounted for just three percent.

**EXHIBIT 1
SOURCES OF CNP FUNDING
PORT ARTHUR ISD
2006–07**

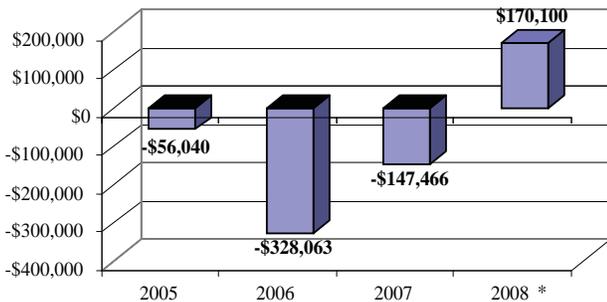


SOURCE: Port Arthur ISD audited financial statements for 2006–07.

The district typically operates a profitable CNP, while establishing adequate reserves on an annual basis. However, since 2004–05, due to circumstances beyond the district’s control, the CNP has operated at a loss for the past three years. For the fiscal year ending 2007–08, the district anticipates seeing a profit in its CNP operation.

Even though the district has experienced these losses in the past few years (Exhibit 2), no general fund transfers were required due to the adequate reserves on hand in the CNP fund (Exhibit 3).

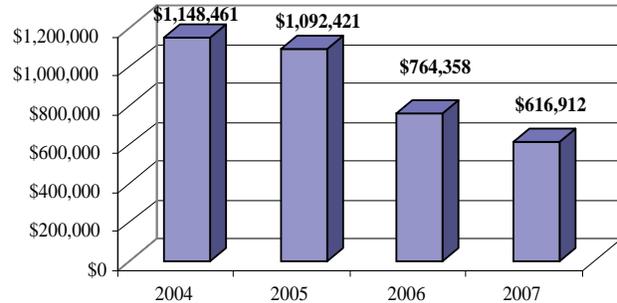
**EXHIBIT 2
ANNUAL AMOUNTS IN THE
CHILD NUTRITION PROGRAM
PORT ARTHUR ISD
2005 THROUGH 2008**



* Year-to-date profit reported through February 2008.
SOURCE: Port Arthur ISD Financial Reports, 2005 through 2008.

On September 24, 2005, Hurricane Rita hit the Southeast Texas coast, resulting in significant property damage to many homes and businesses.

**EXHIBIT 3
ENDING CHILD NUTRITION FUND BALANCES
PORT ARTHUR ISD
2004 THROUGH 2007**



SOURCE: Port Arthur ISD Financial Reports, 2004 through 2007.

Port Arthur ISD’s Child Nutrition Program lost products and supplies due to the hurricane. More significantly, however, the district was not able to receive federal funding because it did not serve students from September 22, 2005 to October 12, 2005. In addition, because of the significant damage to homes in the area, many families were not able to return for some time. Prior to the hurricane, Port Arthur ISD served meals to approximately 7,000 students. After the district reopened, it was serving only 4,089 students. Many homes have now been rebuilt and the district’s student enrollment has recovered.

Other factors that have resulted in losses to the CNP include a smaller hurricane on September 13, 2007, and several kitchen equipment upgrades (Exhibit 4).

The district accounts for the activities of its CNP through an established fund that is separate from its general fund. All revenues are deposited into a bank account established for the CNP, with all expenditures for vendor payments and employee payroll costs issued against this fund.

Exhibit 5 presents an overview of the flow of funds for the program. All cash receipts for breakfast, lunch, and catering revenues are deposited directly into the CNP bank account. All federal

**EXHIBIT 4
EQUIPMENT PURCHASES
PORT ARTHUR ISD
2006–07**

EQUIPMENT/SOFTWARE UPGRADE	COST
Upgrade for CNP operating system	\$27,093
Upgrade to fire suppression systems in each kitchen	\$59,500
Purchase of new computers and printers for each kitchen	\$43,675
TOTAL	\$130,268

SOURCE: Port Arthur ISD note to financial statement for 2006–07.

reimbursements and state matching contributions are transferred electronically into the district’s general operating account. Once these funds have been identified, they are transferred to the CNP bank account.

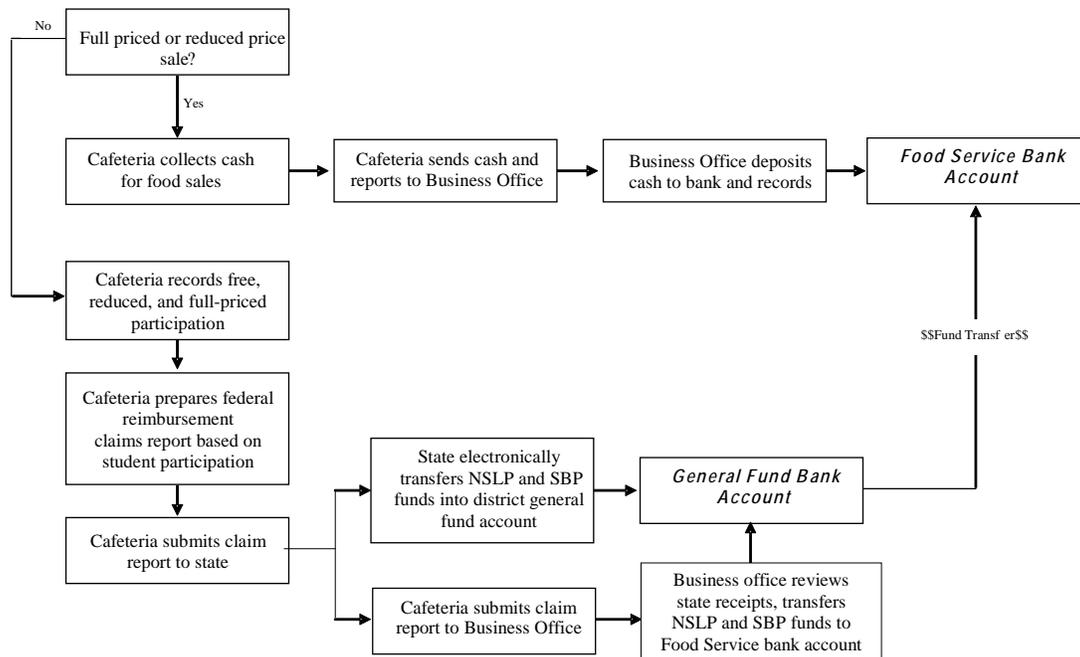
Port Arthur ISD reports the financial activity of all its operations to the Texas Education Agency

(TEA) through the Public Education Information Management System (PEIMS). Included in this submission of data are details related to the CNP including revenues, expenditures, operating transfers, and fund balances.

TEA requires all Texas school districts to use a uniform account coding structure as described in its Financial Accountability System Resource Guide (FASRG) in the submission of financial data. The FASRG describes the account coding structure, including a fund group code, a function code, and an object code. A model for a single transaction account code is shown in **Exhibit 6**.

The fund group code is a three-digit code that denotes the basic fund to which an item belongs. For instance, general funds are denoted as 199, 240 represents food service funds, 599 is for debt service, and 699 is for capital projects.

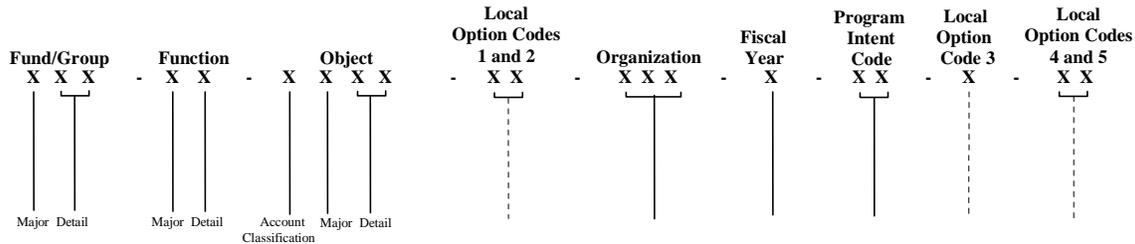
**EXHIBIT 5
FLOW OF CHILD NUTRITION PROGRAM FUNDS
PORT ARTHUR ISD
2007–08**



SOURCE: Based on review of documents and interviews with Port Arthur ISD business office staff.

EXHIBIT 6
ACCOUNT TRANSACTION CODE
FINANCIAL ACCOUNTABILITY SYSTEM RESOURCE GUIDE
PORT ARTHUR ISD
2007

The Code Structure



Object Codes:
Clearing Accounts (4XXX)

————— Indicates a mandatory code for State reporting purposes
 - - - - - Indicates a code that may be used at local option

SOURCE: Financial Accountability System Resource Guide, Texas Education Agency, 2007.

Function codes are two-digit numbers that denote a general operational area in a school district and groups related activities. For instance, there are separate function codes to indicate instruction, transportation, health services, and food services.

Object codes are four-digit codes that define the specific types of assets, liabilities, transfers, revenues, and expenditures. For instance, codes in the 5700 range define local revenues, while codes in the 5800 range are for state revenues. Federal revenues are defined by use of object codes in the 5900 range.

Similarly, object codes used for expenditures follow specific patterns. For instance, object codes in the 6100 range indicate payroll and benefit expenditures such as salaries and wages, insurance, workers' compensation, and retirement contributions.

CNP revenues, expenditures, and transfers are coded just like regular district operations, but are

noted as a CNP activity by function code 35 and fund code 240.

Districts are required to submit their financial data to the PEIMS system electronically or via compact disc with the data. Once received by TEA, the data can be sorted and viewed in different ways to examine a particular district or to compare all or a set of specific districts.

ACCOMPLISHMENTS

- The Port Arthur ISD Child Nutrition Department recently developed and implemented the Manager Training Program, which has proven to be very successful. Proactively training managers helps to assure uninterrupted quality food production and service when the need to fill a manager vacancy arises.
- The Port Arthur ISD Child Nutrition Department hosts two dietetic interns from Lamar University each year. The interns gain valuable experience and the district benefits

from new ideas and suggestions for program improvement.

- The Port Arthur ISD Child Nutrition Department utilizes the Education Service Center’s (ESC) Region V purchasing cooperative in order to reduce the burden and cost of bidding goods and services, and to take advantage of high volume purchasing power.
- Staff development is a top priority in the Child Nutrition Department and is provided throughout the year via in-service meetings.

FINDINGS

- The student participation in the Child Nutrition Department’s complimentary breakfast service is lower than in other school districts providing a similar service.
- The individual school end-of-the-month report provides cumulative information on revenue and expenditures for the current

school year; however, managers no longer receive this report.

RECOMMENDATIONS

- **Recommendation 1: Research the barriers to School Breakfast Program student participation in Port Arthur ISD.** Investigate potential solutions including changing serving times to after the beginning of the school day.
- **Recommendation 2: Reformulate individual school end-of-the-month reports to provide managers and their staff members with a clear, user-friendly summary of their performance as it relates to revenue and expenditures.** Provide this accurate and current information to managers to empower them to make better fact-based management decisions.

The following chart summarizes the fiscal impact of the two recommendations in the performance review.

FIVE-YEAR FISCAL IMPACT CHART

	2009–10	2010–11	2011–12	2012–13	2013–14	TOTAL 5-YEAR (COSTS) SAVINGS	ONE-TIME (COSTS) SAVINGS
Gross Savings	\$519,446	\$519,446	\$519,446	\$519,446	\$519,446	\$2,597,230	\$0
Gross Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$519,446	\$519,446	\$519,446	\$519,446	\$519,446	\$2,597,230	\$0

DETAILED ACCOMPLISHMENTS

MANAGER TRAINING PROGRAM

The Port Arthur ISD Child Nutrition Department recently developed and implemented the Manager Training Program, which has proven to be very successful. Proactively training managers helps to assure uninterrupted quality food production and service when the need to fill a manager vacancy arises.

The Manager Training Program provides the trainees an opportunity to become familiar with all district forms and procedures, and to practice completing the duties and tasks of a CNP kitchen manager before taking on the entire responsibility of the management of a kitchen. The kitchen manager and members of the supervisory staff mentor the trainee.

DIETETIC INTERNS

The Port Arthur ISD Child Nutrition Department hosts two dietetic interns from Lamar University each year. The interns gain valuable experience and the district benefits from new ideas and suggestions for program improvement. These interns work in the district for three weeks as one of several rotations and provide services such as presenting nutrition lessons to children, planning and analyzing menus, and preparing a variety of managerial reports.

USE OF EDUCATION SERVICE CENTER REGION V

The Port Arthur ISD Child Nutrition Department utilizes the Education Service Center's (ESC) Region V purchasing cooperative in order to reduce the burden and cost of bidding goods and services, and to take advantage of high-volume purchasing power. In addition to purchasing groceries and supplies using the ESC bid awards, the Child Nutrition Department combines volumes of

USDA-donated foods with other districts for the purpose of diverting product to manufacturers to be processed into fully cooked, purchased-prepared menu items.

The department makes good use of all services available through the Region V ESC Child Nutrition Program specialist's office. The specialist provides the district with training activities and consulting services.

STAFF DEVELOPMENT

Staff development is a top priority in the Child Nutrition Department and is provided throughout the year via in-service meetings. Examples of the topics covered include civil rights protection, safety, sanitation, nutrition, leadership, and customer service. The department holds monthly manager meetings to distribute and review production plans, update program and department policies, and provide a forum for discussions on current issues.

DETAILED FINDINGS

COMPLIMENTARY BREAKFAST SERVICE (REC. 1)

The student participation in the Child Nutrition Department's complimentary breakfast service is lower than in other school districts providing a similar service. The Port Arthur ISD Child Nutrition department actively seeks some innovative ways to increase participation for SBP as well as the NSLP. For example, the district participated in National School Breakfast Week encouraging students to eat a healthy school breakfast. Participating students during the first week of March 2008 were entered to win a gift card to a book store. During school breakfast week, student participation rose in four schools: Wheatley, Dowling, Memorial Ninth Grade Center, and Memorial High School.

Other school districts, like Rio Grande City CISD in south Texas, serve complimentary breakfast to all its students. Twelve of the 13 schools participate in a breakfast-in-the-classroom program that has been highly successful. **Exhibit 7** shows the contrast between breakfast participation percentages of Port Arthur ISD and Rio Grande City CISD Schools. The major difference between the two districts is that Port Arthur ISD serves breakfast in the cafeteria before the school day begins, and Rio Grande City CISD serves breakfast in the classroom after the school day begins.

Although many school districts across the nation are serving breakfast in the classroom, this practice has some significant drawbacks, which the Port Arthur Child Nutrition Department has identified. Problems include:

- The food service staff must individually wrap and bag the menu items prior to the students transporting the food to the classrooms. The paper bags and foil wrappers increase the cost of the meal.
- Labor hours otherwise used for food preparation are diverted to wrapping food items for transport.
- The menu is limited to food items that transport well.
- Transported food loses quality.
- Unselected leftover hot foods and milk must be disposed when returned unused (unless students are picking the breakfast up in the cafeteria and taking it to their classrooms).

**EXHIBIT 7
BREAKFAST PARTICIPATION RATES
PORT ARTHUR INDEPENDENT SCHOOL DISTRICT AND
RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
2006–07**

PORT ARTHUR ISD		RIO GRANDE CITY CISD	
SCHOOL NAME	PERCENT OF AVERAGE BREAKFAST PARTICIPATION	SCHOOL NAME	PERCENT OF AVERAGE BREAKFAST PARTICIPATION
Memorial High School	16%	High School	91%
Memorial Ninth Grade Center	27%	Grulla Middle	100%
Edison	43%	Ringgold Middle	92%
Wilson	36%	Veterans Middle	77%
Austin	39%	Grulla Elementary	99%
DeQueen	61%	La Union	94%
Houston	36%	North Grammar	97%
Lee	36%	Hinojosa	97%
Travis	63%	Ringgold Elementary	100%
Tyrrell	60%	Roque Guerra	98%
Washington	79%	Alto Bonito	94%
Wheatley	58%	General Sanchez	93%
Dowling	51%	Dr. Ramirez	97%

SOURCE: Port Arthur ISD Average Breakfast Participation Report, February 2008, and Rio Grande City CISD Record of Meals Claimed, 2006–07.

- The teachers must take the point-of-service (POS) count manually unless the individual students pick the food up in the cafeteria.
- “Offer versus Serve” is difficult to implement.
- Teachers must wait until after breakfast to set up their classrooms, and they must deal with spills in their work area.

The first difference between Port Arthur ISD and Rio Grande City CISD is the place where the students are served breakfast, the cafeteria versus the classroom. The second factor that differs between the two districts is the serving time. Port Arthur ISD serves breakfast before the school day begins, and Rio Grande City CISD serves breakfast after the school day begins.

A study of breakfast in the classroom was conducted by the Cooperative Extension of the University of Wisconsin (2005), which sought to answer the question, “Why serve breakfast in the classroom?” According to the study, the answer involved time. “Most importantly, when breakfast is served in the classroom, more students eat breakfast. Breakfast in the classroom is a great way to reach students who do not have time to eat before school, or who are not able to get to school in time for breakfast.”

In another study conducted by the Children’s Hunger Alliance of Ohio (2004) on increasing SBP participation, researchers stated the following: “Some changes include adjusting when breakfast is served to maximize participation. Some buildings have delayed breakfast until all children have arrived to give all children a chance to participate. Moving the district to a No Cost Breakfast program allows the district to maximize its USDA reimbursement. Serving breakfast after first period or having Breakfast in the Classroom is being

discussed to encourage further increases in breakfast participation.”

Industry best practices require that districts use all methods available to promote the highest possible participation levels in the operation of the NSLP and SBP. Rio Grande City CISD feeds breakfast to a substantially higher percentage of their students. It may be that there are factors other than timing that contribute to their success; however, the issue is worthy of investigation.

While Port Arthur ISD’s Child Nutrition Department has used incentives to motivate students to participate in breakfast during National School Breakfast week, the district has not fully investigated the possibility of optional serving times, as well as other barriers to students participating in the School Breakfast Program and is therefore overlooking a potentially significant source of federal funding.

The district should research the barriers to SBP student participation and investigate potential solutions including changing serving times to start after the beginning of the school day.

The breakfast ADP for Rio Grande City CISD exceeds 90 percent in all but one school. Using the Rio Grande City CISD model, **Exhibits 8 and 9** show the increased revenue if the Port Arthur ISD were able to increase the breakfast ADP to 90 percent. The estimated increased revenue per day is \$7,214.53 or \$1,298,615.40 annually. (Projected) \$12,013.21 – (Current) \$4,798.68 = (Daily Increase) \$7,214.53.

Food and other costs would increase proportionately to the increase in ADP; however, labor might need only to increase in certain schools like the high school where participation is currently very low, or by a few hours in other schools. Using 45 percent

**EXHIBIT 8
CONTRAST OF CURRENT PORT ARTHUR ISD PARTICIPATION AND
PROJECTED PARTICIPATION USING 90 PERCENT ADP
2007–08**

PORT ARTHUR ISD BREAKFAST	ENROLLED	APPROVED			MEALS CLAIMED FEBRUARY 2008			PROJECTED 90% ADP		
		FREE	REDUCED- PRICE	FULL- PRICE	FREE	REDUCED- PRICE	FULL- PRICE	FREE	REDUCED- PRICE	FULL- PRICE
Memorial High School	1,647	1,144	117	386	245	16	50	1,030	105	347
Memorial Ninth Grade	680	543	63	74	144	18	22	489	57	67
Edison	801	671	53	77	225	21	30	604	48	69
Wilson	523	459	37	27	110	8	15	413	33	24
Austin	610	434	52	124	123	15	36	391	47	112
DeQueen	453	391	45	17	207	26	12	352	41	15
Houston	940	775	93	72	252	34	23	698	84	65
Lee	808	712	63	33	225	15	19	641	57	30
Travis	877	778	54	45	458	26	38	700	49	41
Tyrrell	777	628	78	71	183	17	32	565	70	64
Washington	420	404	12	4	195	5	15	364	11	4
Wheatley	441	409	5	27	279	4	22	368	5	24
Dowling	289	222	26	41	107	12	28	200	23	37
TOTALS	9,266	7,570	698	998	2,753	217	342	6,815	630	899

SOURCE: Port Arthur ISD, Child Nutrition Department, 2007.

**EXHIBIT 9
CONTRAST OF PORT ARTHUR ISD CURRENT REVENUE AND PROJECTED REVENUE USING 90 PERCENT ADP
2007–08**

BREAKFAST	FEBRUARY, 2008				PROJECTED 90% ADP			
	FREE	REDUCED- PRICE	FULL- PRICE	REVENUE	FREE	REDUCED- PRICE	FULL- PRICE	REVENUE
Memorial High School	245	16	50	\$427.41	1,030	105	347	\$1,879.13
Memorial Ninth Grade Center	144	18	22	\$260.70	489	57	67	\$878.04
Edison	225	21	30	\$396.96	604	48	69	\$1,051.88
Wilson	110	8	15	\$191.18	413	33	24	\$713.92
Austin	123	15	36	\$226.32	391	47	112	\$717.96
DeQueen	207	26	12	\$370.21	352	41	15	\$624.03
Houston	252	34	23	\$455.78	698	84	65	\$1,249.42
Lee	225	15	19	\$386.46	641	57	30	\$1,113.88
Travis	458	26	38	\$780.56	700	49	41	\$1,201.03
Tyrrell	183	17	32	\$324.58	565	70	64	\$1,016.71
Washington	195	5	15	\$324.10	364	11	4	\$601.41
Wheatley	279	4	22	\$459.71	368	5	24	\$604.79
Dowling	107	12	28	\$194.71	200	23	37	\$361.01
TOTALS	2,753	217	342	\$4,798.68	6,815	630	899	\$12,013.21

SOURCE: Port Arthur Independent School District, Child Nutrition Department, 2007.

for food; 5 percent for other; and 10 percent for additional labor districtwide, the net gain would be \$2,885.81 per day, or \$519,446 annually.

END-OF-MONTH REPORTS (REC. 2)

The individual school end-of-the-month report provides cumulative information on revenue and expenditures for the current school year; however, managers no longer receive this report. The child nutrition department collects and enters all useful production information into the Bon Appetite software program to conduct the management analysis of the operations. The budget coordinator for the child nutrition department can produce a report including any department information needed in any format requested. The end-of-the-month report of revenue, and food, labor, and other expenses, is easier for kitchen managers to use when they are month-specific, rather than cumulative. When target goals for costs as a percentage of revenue are set for each production unit and reported monthly to decision-makers (the kitchen manager and the food service staff members), it is easy for all to see which goals have been met, and which ones need additional focus.

Traditionally, the managers received the end-of-the-month reports, but recently this practice discontinued. Without providing each kitchen with a current and accurate summary of the kitchen’s monthly financial activity, the department is excluding important members of the problem solving team.

Industry best practices are to track individual food services operations to promote financial efficiency and overall operational effectiveness. Effective profit and loss reporting systems often assist departments in further enhancing cafeteria-level cost controls and increasing department profitability. For example, South San Antonio ISD routinely provides profit and loss statements to each campus on a monthly basis.

Reformulate individual school end-of-the-month reports to provide managers and their staff with a clear, user-friendly summary of their performance with regard to revenue and expenditures. Provide this accurate and current information to managers to empower them to make better fact-based management decisions.

FISCAL IMPACT

RECOMMENDATIONS	2009–10	2010–11	2011–12	2012–13	2013–14	TOTAL FIVE-YEAR (COSTS) SAVINGS
1. Research the barriers to SBP student participation in the Port Arthur ISD.	\$519,446	\$519,446	\$519,446	\$519,446	\$519,446	\$2,597,230
2. Reformulate individual school end-of-the-month reports to provide managers and their staff members with a clear, user-friendly summary of performance.	\$0	\$0	\$0	\$0	\$0	\$0
TOTALS	\$519,446	\$519,446	\$519,446	\$519,446	\$519,446	\$2,597,230