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TO: Kathleen Smith, Interim Superintendent  
Newton School Committee

FROM: Amy Mistrot, Director of Business Operations

DATE: January 9, 2023

RE: Food Services Update

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The Food Services program, contracted through Whitsons School Nutrition, provides both breakfast and lunch to the 22 schools in Newton as well as provides meals to the students whose programs are hosted at the Ed Center. The following information is provided to describe the operations specific to the program this year.

#### Universally Free

For the 2022-2023 school year, universally-free meals are again being offered to all students in Massachusetts; however, the program this year is being funded through a state-budget initiative versus through the USDA. It is unknown at this time if Massachusetts will continue to fund universally-free meals after this school year.

Newton is otherwise operating under the program requirements of the National School Breakfast and National School Lunch Program (NSLP). Although meals are universally-free to students, Newton is required to count all meals by individual student to determine meal eligibility under both programs, from which both the federal and state reimbursement revenue is calculated.

Under the pandemic grab-and-go program and as a result of limited staffing capacity, the meal counts for the 2021-22 school year included additional volume from second student meals and staff meals, which added to Newton's overall program participation and viability. However, with the required point-of-sale registers in place again this school year, second student meals and faculty meals have to be captured as fee-based, which we anticipated would lower Newton's participation.

#### Participation

In reviewing the year-to-date meal participation for FY23 versus FY22, participation has actually increased. The average number of meals served per day for the 22-23 school year is 4,687 versus 4,517 for the 21-22 school year. Participation is the most important

determinant of program viability, so increasing participation is significant, especially given the tighter program requirements this year.

### Program Viability

Food Services is intended to be a self-funding program. Any program losses are required to be funded from a district's operating budget, so financial viability is critical so that the program does not become a drain on the educational budget.

The higher reimbursement rates provided during the FY21 and FY22 Seamless Summer Option program and USDA Supply Chain Assistance Funds contributed significantly to the financial viability of the program. For FY23, the USDA has provided temporary additional reimbursements for breakfast (\$.15) and lunch (\$.40) through the Keep Kids Fed Act of 2022. This funding infusion has extended Newton's ability to increase per-meal food cost and invest in program staffing and infrastructure, intended to improve meal quality and the overall student experience.

The major expense of the Food Services program is staffing, which is required in each building to support operations regardless of participation levels. Additional staffing is required at the middle and high school level to be able to provide broader food offerings. Staffing is the most significant cost to run the program, and represented 52% (\$2M) of the program costs for FY22.

Newton has struggled to be financially viable prior the pandemic, which came at a cost of infrastructure investment. Newton currently has 201 pieces of equipment across all schools, of which only 57 pieces (28%) are not fully depreciated using a 10-year fixed depreciation schedule. Old equipment does not function well, which impacts food quality and can directly lower participation and commensurately program viability.

### Staffing Challenges

Whitsons has struggled to hire staff this year with open positions currently at each level: elementary (2), middle (2), and high school (2). To ensure that each school is able to provide meals each day, Whitsons has had to repurpose both administrative and kitchen staff to triage openings, which limits other work that needs to be done to support the program or requires the high schools to limit production when they are short staffed from sharing staff where needed.

The challenges of these chronically unfilled positions is exacerbated when staff need to be out due to personal or family illness and overall limit Whitsons' ability to plan strategically, implement more involved menu items, and to plan promotional activity that can help drive interest and participation from the students.

### Food Service Worker Negotiations

Given the pressure on the financial viability of the program, combined with the significant expense of staff, there is immense pressure to limit staffing expense. However, that pressure has left Whitsons at a hiring disadvantage based upon a very competitive marketplace that has greater flexibility to increase entry-level compensation to attract workers.

Whitsons and the food service workers union began negotiations in December and have two additional meetings scheduled in January. Although not a party to this contract, Newton has collaborated with Whitsons to provide direction that is intended to address both hiring and retention of this critical staff, who are necessary to enhance the student meal experience.

### Equipment Replacement

Using the kitchen equipment inventory that David Stickney, Director of Facilities, personally cataloged and Emily Higgins, Facilities Finance Manager, created last year, in collaboration with Whitsons, and in conjunction with Kerry Mastroianni, Purchasing Manager, Newton is poised to post an RFP for 33 pieces of new kitchen equipment. The RFP is estimated to be in excess of \$100K and will be funded from the Food Services revolving account after securing DESE approval.

Subject to availability, we hope to have this new equipment in schools across the district by early spring. Newton South will receive 11 new pieces of equipment, which will be very helpful when we have a new Chef Manager in place next year. Maria Meade, Newton South's current Chef Manager, is retiring at the end of this year and is able to provide an amazing food program with the current equipment that it would be a challenge for anyone else to replicate.

### Grant Opportunities

Newton has applied for another School Nutrition Equipment Grant this year for three pieces of equipment, also for Newton South, requesting approximately \$20K. Should Newton not receive grant funding, we will need to also request bids for these three items.

DESE has signaled that there will be another School Nutrition Equipment Grant opportunity this year, which Newton will apply for if/when posted.

### DESE Food Services Bid RFP and Contract Template

DESE was audited by the USDA and required to increase their oversight of the Food Services bid and contract approval process to ensure that all federal requirements were included in the necessary documents used by each municipality. To ensure consistency across all districts, DESE created a bid RFP and contract template, which they have been working on for almost five years. Newton was asked to be part of a small team of districts to review and provide feedback prior to adoption for the FY23 RFP cycle.

The timing works well for Newton as we will go out of bid for the successor Food Services contract next spring during year five of the current contract with Whitsons. This FY23 adoption will highlight any needed revisions prior to Newton's use of these templates during FY24.

I look forward to answering any questions you may have about Newton's Food Services program.