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**PROJECT QUESTION: ARE THERE COST
EFFECTIVENESS TO CONTRACTING OUT OUR
FOOD SERVICES PROGRAM**

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Introduction

John de la Howe School is a group child care agency for children and young people who need placement as a result of individual, family or community problems. The school was established in 1797 according to the will of Dr. John de la Howe, a Frenchman, who settled near New Bordeaux. The school was originally named Lethe Agricultural Seminary and was to care for 12 poor girls and 12 poor boys from Abbeville County. John de la Howe School is the oldest state institution and the second oldest in the Carolinas.

Dr. de la Howe had planned for the Agricultural Society of South Carolina to carry out the provisions of his will. After encountering several problems the Society relinquished control of Lethe School to the State of South Carolina in 1918. Upon becoming a state agency, John de la Howe School began accepting students for placement from all parts of South Carolina.

Dr. Robert Becker of Clemson University said, *'The quality of a society is measured by the concern and caring given to the less fortunate of its citizens. This sense of caring was exhibited two hundred years ago by Dr. John de la Howe when he formed a refuge for the orphaned and needy children in western South Carolina. To perpetuate this caring, Dr. de la Howe willed his land and wealth to assure the work he began would build the future he envisioned. For the past two centuries, children at risk*

– children in need of special attention – have found shelter and caring in Dr. de la Howe’s school.”¹

The Purpose of this Project

The purpose of this project is to determine if there is a more cost effective method of providing nutritious and appealing meals to the children and staff of John de la Howe School. The term appealing is used because for the time that the students and live-in staff are in our care or are on duty, this is home. Studies have also shown that well-fed, well nourished children are better equipped to learn and it is our desire to make our students feel as close to home as possible. This is in hope that when they have completed and/or for whatever reason leave our program they can make as smooth a return home as possible. We also recognize the locality could present some problems for our staff. This thought prompted us to consider doing a survey to see how many of our staff used the dining facilities and to also get a feel for their thoughts on contracting out our food services. John de la Howe School also realized that due to stringent budget cuts changes had to made. We agree with the experts that say “people don’t resist change. They resist being changed.”² The agency understood the resistance that we faced as we attempted this process. Elaine Biech, a consultant based in Portage, Wisconsin, says, “Probably the greatest force driving change right now is the economy. Another force is the realization that organizations have to be more innovative in the

future, not only to grow but also to survive. Organizations are learning that they have to count on human resources – the people who work for them. They have to change not only the way they manage the business but also the way people think and interact.”³

After much consideration we decided against doing the staff and student survey. The agency was facing uncertain times, as we waited the fate of the agency continuing to exist. For the agency to announce that we were considering changes in our dietary program would add further chaos to an already precarious situation. We then turned our attention to “focusing on achieving results rather than dwelling on resistance.”⁴

What We Learned

In our research we found a Company that could take complete charge of our food service operation. This company is designed to help schools take a detailed look at their program, and then help them to discover their strong points and find the areas that need improvement. We as an agency would be responsible for providing the kitchen and equipment to prepare and house the food supplies. With so much emphasis being place on making schools healthier places to learn, caused us to take an even closer look at outsourcing our food service program. This company employs registered dieticians who have knowledge and expertise in the areas of nutrition and food service management. They can provide leadership for all food service employees’ safe preparation and delivery of meals that are attractive to students, and all guidelines set forth by USDA. This company has developed many innovative policies and procedures

that have been used throughout the United States to improve school food. Listed are some of the innovative measures used by the company:

- *Food items served and sold in the cafeteria shall reflect the cultural diversity of the student body and consideration of special dietary needs, and food preferences and practices.*
- *Provide technical support to the agency as we implement stronger nutrition standards.*
- *Will help the agency to develop policies to link nutrition, health education, and physical education efforts.*
- *Agency school food service personnel shall receive adequate training to contribute to the agency's nutrition and health mission.*
- *Create a system whereby students and staff will have an input in menu planning, including surveys and taste tests.*
- *Provide assistance in the financial management of the agency's food service program.*

The Company would allow the agency to retain our current dietary staff or the new company would hire some or all of the staff. We would decide based on many options: employees' years before retirement, the most cost effective method for the agency and/or the request of the employee. Current employees may prefer to stay with John de la Howe School if they are approaching retirement. They may prefer the new Company if they want the higher salary and annual leave is not an important consideration. The benefits with the Company are good, but different than what the State offers. The hourly rate is higher, but the annual leave and retirement program is different. Whether we retain the employees on our payroll or they switch to the new company they are

required to adhere to the trainings and regulations of the new company. Listed are some of the training and regulation requirements:

- *Breakfast and lunch meals shall be prepared according to the National School Breakfast Program (NSBP) and the National School Lunch Program (NSLP), as administered by the United States Department of Agriculture (USDA).*
- *All revenues and expenditures will be accounted for by the cafeteria director and reported daily to the Director of Food Services and the Business Office.*
- *All food service personnel are responsible to the Director of Food Service for the requisition, preparation and serving of food. They will follow menu schedules, purchasing procedures, food preparation guidelines, and other directions as given by the Director of Food Service. Policies and procedures of food services safety and sanitation published by the USDA and the County Department of Health must be observed.*
- *All cafeteria staff is required to attend mandatory training as provided by the Company.*

The company would be very flexible in working with the agency as to how they wanted to accomplish the process of entering a partnership. This company has been in the business of providing food services to k-12 groups for over 50 years. They are considered different in that they treat each school as a unique community with its very own heritage and personality. Their employees are trained to pay close attention to the details that make up the culture of each school and then apply that knowledge when planning menus, procuring food and supplies.

In reaching out to the community John de la Howe School has always played an active role in community involvement. There are groups and organizations that solicit the use of our dining facilities on an annual basis. This Company is prepared to prepare

special meals for outside groups that we have served in the past. Again, they are willing to work by the guidelines that the agency has established.

Conclusion

The Company can enhance some areas of our food service program. Due to our rural location we have begun having hiring problems due to low salaries. Our present staff is fast approaching retirement age and/or years of service. (**See Figure 1**). With outsourcing we would not have to be concerned with staffing issues. We would be assured of meeting the National School Lunch Program (NSLP) for dietary requirements, since the Company has a registered dietician in place. We would also be freed from having to deal with the bidding process. Due to the large size of the Company, we most certainly would receive a better price from food vendors. All governmental reporting requirements would be fulfilled through the Company. We now receive a small amount of governmental commodities; the new Company would take better advantage of these services. On the downside, the homelike atmosphere would no longer exist. The dining area would take on a more business like atmosphere. The food does not have the "home cooked taste" that our staff and students now enjoy, according to reports from school districts that currently use this type of Company. The cost of this Company's service, which will have a major impact on the decision, has not been taken into account yet (**Figures 2A-2C**). Due to the timing of finding a company that provides the services needed, we have not had the time to do all of the needed study. We are in the study mode at this time.

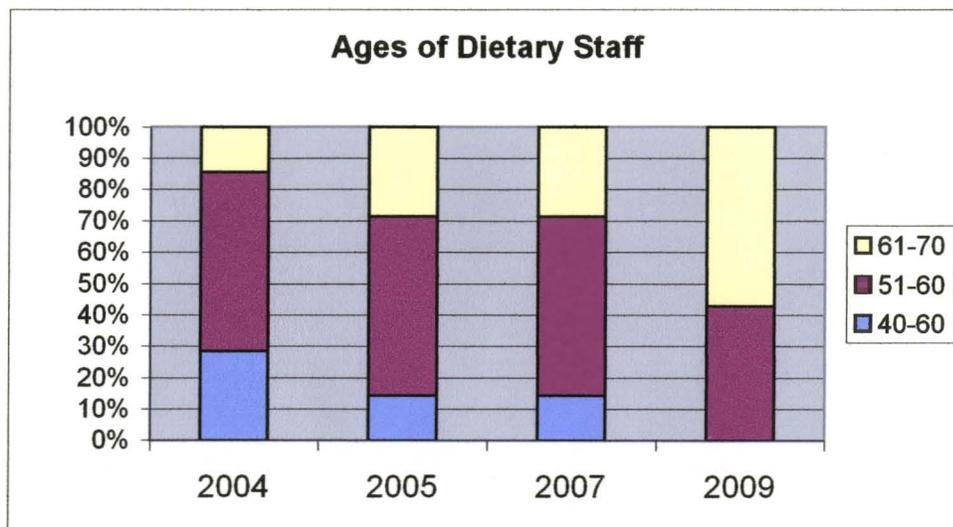


Figure 1

By the year 2009, 58% our current dietary staff will be at retirement age. 67% will also be able to retire due to service.

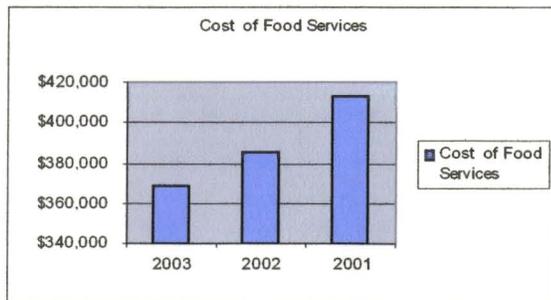


Figure 2A

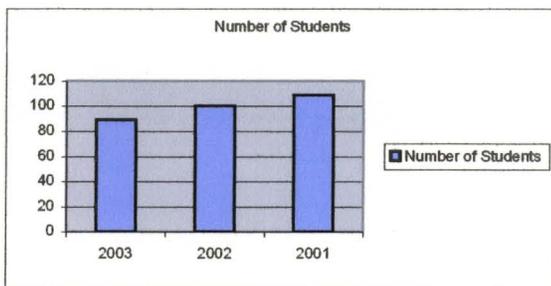


Figure 2B

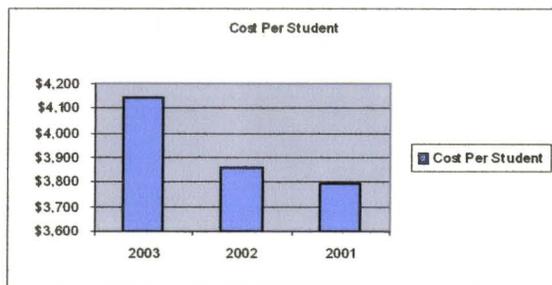


Figure 2C

These charts show that our cost per child has increased as our number of students have declined.

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1. The Enterprise Market Program, Clemson University, page 1.
2. Training and Development, March 1992 v46 n3 p 26(7) Taking Charge of Change" (managing organizational change) by Craig Steinburg
3. ibid
4. ibid