

A photograph of three children walking in a school courtyard. In the foreground, a boy with brown hair, wearing a light blue and white striped polo shirt and dark shorts, has his arms raised in a joyful gesture. He is wearing a black backpack with yellow accents. Behind him, a girl with blonde braids, wearing a light blue shirt and a purple backpack, is also smiling. To the left, another boy in a dark blue shirt and a dark backpack is walking. The background shows a modern school building with large windows and a brick-paved courtyard.

HOW TO CREATE A SELF-SUSTAINING K-12 DINING PROGRAM

School Districts Transform Student Dining
without General Funds



General funds from state and federal governments give school districts opportunities to improve educational programs in a variety of ways, including funding more teachers, increasing educators' salaries and improving school safety initiatives. However, too often general funds are redirected to other areas, such as student nutrition programs. This is usually because the programs are not operating efficiently or generating enough revenue to be self-sustainable.

“Encroachment” of general funds away from educational initiatives to other areas is a wide-ranging practice in today’s K-12 sector. But it creates major problems. It starts when school districts find state and federal funds are insufficient to cover their expenses in specific areas. To make up the difference, they transfer money from educational and safety programs to secondary services, such as providing meals. The result is typically tension between general and special programs — pitting, for example, teachers against dining services.

Adding to the challenge for dining services is the fact that meal reimbursement rates for student breakfasts and lunches are increasingly insufficient to cover the true costs. For example, **according to the annual Revenues and Expenditures for Public Elementary and Secondary Education report, between 34.3 percent and 37.4 percent of districts say reimbursements for student lunches and breakfasts are not sufficient to cover the cost to produce the meals.**

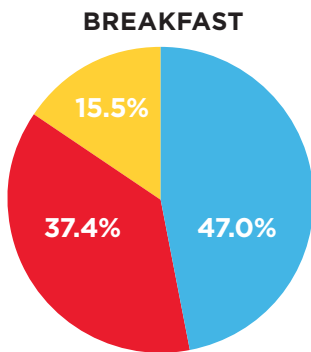
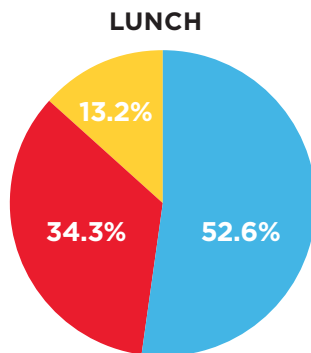
To overcome this problem, many K-12 districts have discovered a solution: turning to a dining partner with deep expertise and vast experience in transforming school dining programs from running a deficit to generating surplus funds. School districts that do are able to recover general funds to improve educational programs.



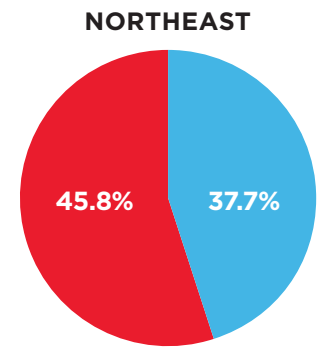
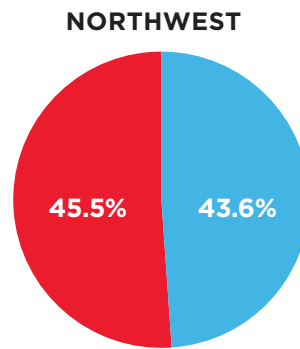
SCHOOL NUTRITION ASSOCIATION: "2018 OPERATIONS REPORT"

Q: "Was the per-meal reimbursement rate for breakfast and lunch sufficient to cover the costs of producing a meal in the 2017/2018 school year?"

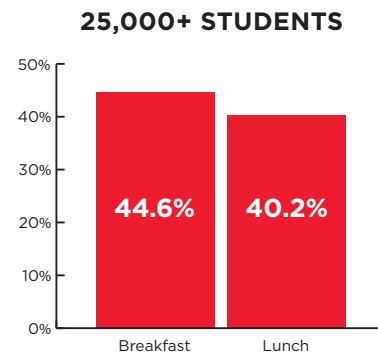
OVERALL



REGIONAL HIGHLIGHTS (LUNCH)



DISTRICT SIZE HIGHLIGHT



■ RATE WAS SUFFICIENT ■ NOT SUFFICIENT ■ NOT SURE/NOT APPLICABLE

ARAMARK BRINGS SURPLUS GENERATION TO THE TABLE

As a long-standing dining partner for K-12 districts across the country, we have a history of managing student nutrition programs efficiently and cost-effectively — eliminating the need for general funds to subsidize the program. As a result, school districts regain full access to their general funds, so they can be spent in ways that fulfill districts' educational missions.

[Here's how we've achieved surplus-generating results in two school districts.](#)

BENTONVILLE DINING PROGRAM GENERATES NEARLY \$800K ANNUALLY

In 2009, the student dining program in the Bentonville School District in Arkansas was facing multiple challenges including a student growth rate of about 500 new students per year, the addition of new school buildings, changing leadership, and too many staff members. The menu had also become too expensive due to inefficient production and extensive waste. Over a 10-year span, the district student population grew from 10,000 to 17,000, and school buildings expanded from 10 schools to 17. It all added up to an \$800,000 dining services deficit. This meant the school district had to rely on money from the general fund to continue to provide students with meals.

To get the organization under control — from pricing to production — the district partnered with Aramark. We provided a solution through innovation and operational efficiency. The program moved from operating in the red to generating income every year, including outperforming financial projections in 2018/2019 by \$200,000 to create a \$783,000 revenue stream.

This eliminated the dining program's long dependence on general funds, freeing up those dollars to self-fund the construction of new schools without having to ask the local community for an increase in taxes. At the same time the district also level-set the budget.





OUR DINING SOLUTION

The Child Nutrition Fund was supported by the operating fund by approximately \$800,000 per year before Aramark.

Once we started managing the nutrition program, it began generating positive cash flow. As a result, the dining program could self-fund its facilities and operations in the existing schools, and the district was then able to self-fund the seven new school buildings under construction. We made sure the new dining facilities were designed for efficiency, from the servicing lines to the equipment to the staffing. We also added additional self-service stations and created menus the students would enjoy.

In keeping with Bentonville's "point of equality" mission, we also redesigned the dining programs in each of the 10 older schools. This ensures that every student in the district enjoys the same dining experience, no matter which school they attend.

DINING PROGRAM UPGRADES

Revenue generated through the now self-sustaining school dining program paid for:

- ▶ Overhauling five kitchens, improving the serving lines in the older schools to make them as efficient as the new schools.
- ▶ Expanding food choices at the older schools to bring them up to the level of the new schools.
- ▶ New serving lines at Lincoln Junior High School featuring a new pizza oven for fresh-made pizzas and hot deli sandwiches, plus new cashier stands.
- ▶ A new warming cabinet and new pizza oven to allow for speed of service recovery if more fresh pizzas are needed due to high demand at Fulbright Junior High School.
- ▶ A smoker at both high schools for house-smoked pork, chicken and beef. The smoker also allows the district to use commodity protein products, cooking low and slow for quality and then distributing to the rest of the district when featured on the menu.
- ▶ A TurboChef and deli station for hot toasted sandwiches at high school.
- ▶ Hiring a dedicated service technician to maintain cafeteria equipment at all 17 schools.



FINANCIAL RESULTS

\$200K to \$400K per year in *new* dining revenue

“Aramark has surpassed all goals that were established by the district. It provides Bentonville students with nutritional and innovative meals while promoting a financially responsible operation. Aramark’s expertise and experience have created a self-sustaining program, which has improved the quality of our food served, increased meal participation, reduced labor and food cost, maximized efficiencies and improved service.”

— Bentonville School District Spokesperson

LOOGOOTEE DINING PROGRAM GENERATES \$35K ANNUALLY

With only 1,000 students, the \$30,000 to \$40,000 annual dining program deficit Loogootee Community Schools in Loogootee, IN, was running was significant. The result was a serious financial drain on the district's general fund account. To solve the problem, the district partnered with Aramark in 2016. Today, the dining program generates \$35,000 in income every year. The school district's general funds are now being used toward several maintenance issues that had been previously put on hold.





OUR DINING SOLUTION

In the three years since Loogootee Community Schools partnered with us, the district has gained value in a number of ways, including rebates, vendor national volume discounts (NVDs), offering students more nutritious and delicious dining options and increasing the student dining participation rate.

Together, we, along with the school district, maintain high standards on student nutritional guidelines and innovative dining options that appeal to today's K-12 students. Our front-line manager also oversees day-to-day operations, focusing on growing participation and efficiencies to improve the client's financial returns.

Updates to the dining program have received positive reviews from the principal to the students. The principal appreciates, in particular, receiving fewer complaints about the dining program. The students reported on the recent annual ViewPOINT survey that they like the new menu options and the variety of choices. This explains why student dining participation has increased every year for the past three years, and how dining services has become a significant revenue stream for the small district.

DINING PROGRAM UPGRADES

Our financial returns to the district exceeded guarantees even in the first year, providing more revenue to Loogootee than initially promised. The money was reinvested in new equipment and merchandising initiatives including:

- ▶ Redesigning the serving lines to offer more options and increases efficiency
- ▶ Expanding dining options to include a salad bar, sub sandwiches and grab-and-go options
- ▶ Adding an air screen cooler for beverages and grab-and-go items
- ▶ Adding a walk-in freezer to improve storage and organization
- ▶ Offering breakfast in the classroom
- ▶ Adding systems that reduce food waste



FINANCIAL RESULTS

- ▶ \$35K annual revenue generation
- ▶ \$110,973 total foodservice fund (by 2019)
- ▶ 8% food cost decrease
- ▶ 7% dining labor decrease

“Our school district lacked the expertise to prevent our program from operating in the black. Aramark transformed our entire operation, bringing in multiple efficiencies, dining innovations, increasing student participation and significantly reducing complaints. We’re proud to say we are now 100 percent self-sustaining without the need for general funds.”

— Loogootee School District Spokesperson

IS YOUR DINING PROGRAM READY TO BECOME SELF-SUSTAINING?

As illustrated in these K-12 success stories, we turn dining programs into surplus-generating operations that no longer need general funds to stay afloat. We have transformed the dining programs at hundreds of K-12 school districts across the country. Is your district ready to become self-sustaining while delivering delicious and nutritious programs that your students actually love?



CONTACT US TODAY!