This paper describes the early history, present status, and future trends of the Bureau of School Lunches of the New York City Board of Education. A review of its early history indicates that although various citizen groups and the Department of Welfare served lunches to needy children prior to 1946, it was the passage of the National School Lunch Act in 1946 that institutionalized the concept of feeding lunches to all children in school. In the 30 years since the Bureau was founded there has been a six fold increase in the average daily number of lunches served. Newly passed New York State legislation will require the New York City School System to offer breakfast in every school beginning in the fall of 1977. By 1980, a 26% increase in food service is anticipated as a result of the expansion of the breakfast and school lunch service and the addition of summer lunches. In addition, an experimental "fast food" operation is being started in two New York City High Schools. It is scheduled to start in September of 1977. Two major issues face the Bureau of School Lunches. The first deals with expenditures and the second deals with the quality of the school lunches. It is of primary importance that the meals be nutritious and that they be accepted and eaten by the children. In order to provide quality meals and maintain minimal costs, action must be taken in three major areas: management systems, operating systems, and food service systems. (Author/AM)
BUREAU OF SCHOOL LUNCHES
PAST, PRESENT, FUTURE: AN OVERVIEW.

WORKING NOTE NO. 4 IN A SERIES:
SCHOOL FOOD SERVICE IN NEW YORK CITY

FEBRUARY 8, 1977

BOARD OF EDUCATION OF THE CITY OF NEW YORK

PREPARED BY
OFFICE OF THE DEPUTY CHANCELLOR
PROJECT MANAGEMENT UNIT

BERNARD R. GIFFORD, DEPUTY CHANCELLOR
"Bureau of School Lunches, Past, Present, Future: An Overview" is the fourth Working Note in a series prepared by the Office of the Deputy Chancellor on school food service in New York City.

The three previous working notes in this series are:

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From the present vantage point, it is hard to believe that the Board of Education's Bureau of School Lunches began operations as recently as 1946. Although various citizens groups and the Department of Welfare served lunches to needy children prior to that time, it was the passage of the National School Lunch Act in 1946 that institutionalized the concept of feeding lunches to all children in school. Now, in 1977, we are facing further expansion of the government's role in feeding the children of this nation. Newly passed state legislation will require the New York City school system to offer breakfasts in every school beginning in fall 1977, who wants one, and this summer the Board of Education will be the primary New York City sponsor of the Summer Food Service Program of Children.

The Bureau of School Lunches is in a period of rapid growth and change. There has been a six fold increase in the average daily number of lunches served in the thirty years since the Bureau was founded. In the next three years, a 26% increase in food service is anticipated as a result of the expansion of the breakfast and school lunch service and the addition of summer lunches. The assumption of new responsibilities during a time of self-examination and innovations presents a great challenge to Bureau of School Lunches personnel.

It is time to re-examine the focus, intentions, resources, and capabilities of the Bureau of School Lunches. The purpose of this paper is to provide a background for understanding the current situation in the Bureau of...
School Lunches. The past history, starting with the origin of the school lunch program serving a few hungry children in two Manhattan schools at the turn of the century is reviewed. The dramatic growth of the program and its present status are outlined. Finally, the report presents the current problems and issues that face the Bureau of School Lunches together with the efforts that are being made to strengthen the Bureau to enable it to meet its new challenges.
II. PAST HISTORY

The service of meals to school children was first undertaken in 1853 by the Children's Aid Society of New York, which organized a number of industrial schools for vagrant boys and girls. The society had found that there was a high mortality rate among children of the poor and that many "seldom get a square meal." As an inducement to attend these schools the children were given free noonday meals in addition to the skills training. All 35 industrial schools were eventually incorporated into the public school system.

In succeeding years very little progress was made in the feeding of children at school. At various times charitable organizations, social agencies and groups of parents attempted to establish small programs to feed children at school. Finally in 1909 a group of teachers organized sandwich lunches for pupils at two Manhattan schools. The lunches were financed by a 5 percent deduction from the teachers' salary. They were sold at a penny each, mostly to remove the stigma of charity. This idea spread and a School Lunch Committee was formed to combat malnutrition in school children. By 1915 there were 51 schools serving lunches. Financial support came from the Welfare Department which reimbursed the Committee for lunches served to needy children, the city which purchased food equipment, and private charities. In the first half of 1915 1.2 million lunches were served.

EARLY BOARD OF EDUCATION INVOLVEMENT

The Board of Education has been involved in school lunch service since the first meal served by the School Lunch Committee. Teachers maintained the program financially and lunches were prepared under the supervision of school experts.
By 1919 continued growth of the program, increased interest in child welfare and the force of public opinion brought the Board of Education a City appropriation of $50,000 to study the possibility of developing an expanded lunch service in the public schools. This study recommended the organization of a department of school lunches, to be responsible to the Superintendent of Schools. The Board of Education agreed only to temporarily establish an emergency division which would provide lunches with financial support by the School Lunch Committee. Later this Lunch Emergency Division was reassigned to the homemaking department, still with only temporary status. By 1927, 97 elementary schools and 32 high schools provided lunches consisting of a single dish such as soup and crackers, a stew, or a sandwich with milk.

With the advent of the depression in the 1930's, the President of the Board of Education, Superintendent of Schools and chief school officials formally joined the School Lunch Committee. They helped raise funds for lunches primarily by encouraging voluntary contributions by Board of Education employees. As the depression continued, local funds were exhausted and Federal support was sought.

**GOVERNMENT ASSUMES RESPONSIBILITY**

Federal aid for school lunch programs was first approved by Congress in 1933 with the passage of the Agricultural Adjustment Relief Act. This law empowered the Reconstruction Finance Corporation to provide loans to communities to pay for the labor costs of preparing and serving lunches. In 1935 the Department of Agriculture was authorized to distribute 30 percent of their
surplus commodities to school lunch programs. This served the dual purpose of improving the diet and health of schoolchildren and providing farmers a market for their surplus food.

As the depression eased, federal aid sharply decreased. With the coming of the war, food shortages developed and the surplus commodity program was curtailed. By this time, however, parents and others interested in the welfare of children were convinced that school lunches made an appreciable difference in the children's health. Nutritional deficiencies received additional attention when General Hershey told Congress that the nation sustained 155,000 casualties as a result of malnutrition among draftees, and that the Army was rejecting more than 50 percent of its recruits for various mental and physical defects. The United States Surgeon-General, Dr. Parran, said, "We are wasting money trying to educate children with half-starved bodies."

Thus the stage was set in 1943 for cash instead of food to be provided by the Federal Government. In 1946, after three years of extended hearings, the National School Lunch Act was passed. It provided annual appropriations to school lunch programs on a permanent basis.

**National School Lunch Act**

The passage of the National School Lunch Act, which is still in effect, marked a new era in the development of school lunch programs. This Act
"a policy of Congress, as a measure of national security, to safeguard the health and well-being of the nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other food by assisting the states, through grants-in-aid and other means, in providing an adequate supply of food and other facilities for the establishment, maintenance, operation and expansion of non-profit school lunch programs."

There is thus a national policy that, in the interest of healthy future generations, all school children have the right to a nutritious lunch at cost, less than cost or without cost if they cannot afford it. This Act mandated funds for supplying agricultural commodities and federal cash subsidies which must be matched by state funds to the school lunch program. The formula for the distribution of these funds to each state depends on two factors:

- The number of school age children participating in the program in the state who are between the ages of 5 and 17 years of age.
- The need for assistance in the state as indicated by the relationship of the per capita income in the United States to the per capita income in the state.

All schools which wish to participate in the National School Lunch Program must agree to the following three conditions:

- Lunches must be served on a nonprofit basis.
- Children unable to pay the full price of the lunch, as determined by family income, must be served lunch free or at a reduced price. There must be no discrimination against or identification of children receiving free lunches.
Lunches served shall meet the minimum nutritional requirements prescribed by the Secretary of the Department of Agriculture on the basis of tested nutritional research. The pattern thus developed is known as the "A" Lunch:

1. 1/2 pt. of fluid whole milk as a beverage.
2. Two ounces (edible portion as served) of lean meat, fish, poultry, cheese or 1 egg or 1/2 cup of cooked dried beans or peas or 4 tablespoons of peanut butter or an equivalent of any combination of the above foods.
3. 3/4 cup of vegetable or fruit. Must be 2 or more items. Full strength vegetable or fruit juices can be counted to meet not more than 1/4 cup of this requirement.
4. One slice of whole grain or enriched bread or a serving of cornbread, biscuits, muffins, etc., made of whole grain or enriched meal or flour.

Under the provisions of this Act and related state legislation, children attending nonpublic schools are entitled to the same benefits as those regularly enrolled in public schools.

For New York City this Act had special significance in addition to providing funds and commodities. Between 1943 and 1946 New York City had received reimbursement directly from the federal government. The passage of the National School Lunch Act meant that New York State became the intermediary for all claims, reimbursement, and policy decisions.

The Special Milk Program was initiated in 1949. Its purpose was to encourage increased consumption of milk by children in nonprofit public and private schools.
LUNCH OPERATIONS

A school lunch program had been functioning in New York City for many years under the direction of the Department of Welfare. However, its main objective had been to provide lunches to undernourished needy children. The National School Lunch Act increased coverage to include all children, especially children of working mothers, and those who lived a long distance from school. Therefore, on January 2, 1946, a resolution was passed by the Board of Education creating a Bureau of School Lunches to take over the lunch service from the Department of Welfare. The school lunch program was separated into three divisions for more effective operation; 1) elementary school, 2) junior high school, and 3) senior high school division.

Initially the preparation of lunches for the approximately 880 public and nonpublic elementary schools was done in each individual location. This proved impractical because of two special problems:

- Most elementary schools did not have the facilities for preparation of food on the premises.
- The location of many elementary schools made it possible for children to go to their nearby homes for lunch, thus limiting the volume of lunches at a particular school.

An attempt was made to prepare the food in fifteen centrally located kitchens, but growth in number of lunches served soon outstripped this capacity. Finally, all food was prepared in a central kitchen and distributed in trucks to the schools. This centralized method of food preparation required only relatively simple equipment in each school. The basic menu for lunch consisted of eight ounces of soup or a hot dish,
a filled sandwich, a portion of fresh, dried or stewed fruit and one-third quart of milk. Hard cooked eggs and bread and butter sandwiches replaced the filled sandwiches once or twice a week. All purchasing was done centrally.

The hundred-odd cafeterias in the junior and senior high schools differed from the operations in the elementary schools in that food preparation was decentralized. Although the approximately thirty-eight junior high school cafeterias were operated as self-contained units, policies and regulations were established by the central Board of Education. Each unit was to sustain itself through federal and state subsidies and pupil lunch payments. All vendor payments were made through a central revolving imprest fund. The typical lunch consisted of a hot plate including protein and two vegetables, bread and butter, and a half pint of milk.

The approximately 70 senior high schools also operated their cafeterias as self-contained, self-sustaining units, but they were under the direction of the school principal. Until 1937 concessionaires had operated the high school cafeterias. However, as the high school population increased, cafeteria problems multiplied and vendors were found to be unreliable and expensive. The solution was to decentralize and permit each high school to do its own buying and selling, hiring and firing. Cafeteria style service was offered in an attractive and inviting way so as to induce the students to remain in school during the lunch hour.
In the case of the nonpublic schools, the Board of Education furnished the food, labor and movable equipment while the school furnished lunchroom space and fixed equipment. The responsibility for the administration and technical supervision of the program was with the Board of Education. By these means, standardization of meals, operations and administration were achieved for all the schools in the City.

GROWTH OF PROGRAM

The lunch program grew steadily.

- In the period from 1946 to 1961 enrollment grew 18 percent, from 850,000 to 1,044,000.

- The total number of type "A" lunches grew almost 200 percent, from 94,000 per day in 1946 to 267,000 per day in 1961.

Improvements were made in food quality. Lunches were fortified with enriching elements. Meat was added to the "soup and sandwich" menu, thereby improving the nutritional content of the lunch and pleasing the student consumers.

In 1955 the Board of Education approved a plan to provide facilities for on-premises preparation of school lunches in all new elementary schools and wherever possible in old buildings programmed for modernization. Previously, lunchroom facilities had to be improvised from indoor play yards and even gymnasiums.

There were serious technical problems with the continued operation of the elementary school central kitchens. The central kitchens
had been set up in the 1930's to meet the emergency conditions of the de-
pression when many children were in danger of suffering serious malnutrition.
It was intended solely for the purpose of providing a simple soup and sandwich
meal to be served without charge to needy children. No equipment for roasting,
baking or any form of cookery except boiling was provided. Therefore, the
menus were necessarily limited both as to the variety of foods and also the
methods of preparation. Many children became bored with the lunches, resulting
in needless waste. Parents complained that their children weren't getting real
"hot" lunches. The absence of temperature controls during distribution placed
further limitations on the selection of food. Only about one-fourth of the
donated commodities that were used in schools with cafeterias could be utilized
in the central kitchens because the heart of the menu was soup.

The central kitchens were also severely taxed because of the threefold
increase in number of lunches. Without considerable modernization and ex-
pansion the central kitchens could not be counted on to increase the number
of lunches much beyond 160,000. It was already challenged to prepare and
distribute 150,000 meals to 650 schools in 5 hours each day.

There was little enthusiasm to expand the central kitchens, so new methods
of food service were initiated on an experimental basis. One new method,
frozen food service, had the potential of providing variety and a "hot" meal.
This service type needs only one-third the cooking space required for cafeteria
service and equipment costs only half as much. Paper dishes and utensils could
be used saving the cost of expensive dishwashing equipment.
For three years the Board of Education and the Ford Foundation Educational Facilities Laboratory sponsored research based on the use of frozen prepared food in school lunches. During the 1962-1963 school year an initial study of the use of frozen prepared meals was undertaken in Public School No. 2 in Manhattan. Two more pilot schools were tested in 1963-1964. Finally a School Advisory Committee recommended the adoption of convenience food concepts and the abandonment of the central kitchen operation as soon as possible. It further recommended the conversion of existing and new schools to the convenience food concept.

During October of 1968, the Board of Education held public hearings to receive input from representatives of local communities and school boards. The Board decided to allocate one million dollars for the initial start-up costs of serving hot lunches prepared from pre-packaged frozen foods. The amount of equipment needed to reheat frozen foods was limited and easy to install, even in a small service area. By the 1969-1970 school year convenience kitchens had already been installed in 22 schools formerly serviced by the central kitchens. Frozen food service was introduced in those schools that had limited or make-shift cafeterias and all central kitchens were closed. In those kitchens where frozen food service was not installed, basic soup and sandwiches were prepared on site.

There are currently two types of frozen food. One type—"Bulk" frozen food—contains 40-50 pre-measured portions in each package of a prepared frozen food item. When the food is reconstituted at the school, individual portions are easily served to the children. The second type of frozen food is the meal pack, an entree similar to a T.V. dinner. The entire meal is
frozen as a single unit and handed to the child as a complete meal with milk and dessert added separately. Meal packs were first introduced in New York City in 1971, as a result of the success of the bulk frozen convenience service. In addition to the advantages of all frozen food service (lower cost and better space utilization), meal pack service practically eliminated sanitation problems.

In this manner, the four types of food service which exist today originated:

- cooking cafeteria
- bulk frozen foods
- meal pack
- soup and sandwich (basic)

DECENTRALIZATION

On April 30, 1969 the New York State legislature amended the state education law to require that the New York City Board of Education delegate many of the powers and duties relating to the operation and control of the City schools to the more than 30 Community School Boards. The decentralization law specifically grants the Community School Districts the power "to operate cafeteria or restaurant service for the pupils or teachers." They may also assume responsibility for the administrative and support functions (purchasing, storage, distribution, hiring, budgeting, accounting).

The Board of Education formulated three alternative methods of operation to meet the requirements of the decentralization law.
Option One - District operation of lunch program.

Community School Boards electing to manage their own programs are faced with many administrative responsibilities in assuming control of the food operation. Among these are:

- Formulation of long-range goals and objectives for food operations to best satisfy the needs of the local community within available funding.
- Administration of Federal, State, and City subsidies.
- Institution of cost control and financial administration techniques.
- Hiring personnel for food operations and dealing with the unions involved.
- Menu planning, sanitation and food procurement.

Option Two - District employment of private food service contractors.

Community School Boards which elect to contract with food service management companies are responsible for planning, finance and some personnel administration. Most of the food operating responsibilities, including hiring, menu planning and food preparation, are handled by the private contractor. Districts must insure that the company can provide food at a reasonable price and meet the requirements of the subsidized food program.

Option Three - Bureau of School Lunches administration of lunch program.

Districts can elect to have their food service program administered by the Bureau of School Lunches either permanently or while investigating alternative methods of operation.
Districts 1 and 9 chose to operate their own food service programs. District 9 discontinued its decentralized operation in 1974 after a half year of service. District 1 initially hired a management company to operate their program. This year, after two years of operation, District 1 is administering the program themselves. District 1 operates 11 schools with convenience (frozen) lunch service and 7 schools with cafeteria service. In 1974-1975 the program ran a deficit of approximately $66,000 while in 1975-1976 the budget was balanced.
III. PRESENT STATUS

The New York City Board of Education is the 63rd largest dollar volume food service provider in the United States, larger than White Castle or TWA. Our Bureau of School Lunches serves meals in more locations than Howard Johnsons. In addition:

- BSL will provide 102 million lunches to school children in 1976-1977—over half a million meals per day.
- 8,221 persons are currently employed in operating the school food service program in 1,229 locations in the five boroughs.
- The gross BSL lunch budget is currently $118.1 million a year.
- New York City serves half of all the school lunches in New York State and 2-1/2% of all school lunches served in the country.

The Bureau of School Lunches' growth has run far ahead of the increase in student population (See Exhibit I).

- In 1945 the enrollment was 850,000 and 94,000 lunches were served daily.
- By 1975 the enrollment had increased 29% to 1,096,000 while the number of daily lunches served was 544,000, an increase of 479%.
- In the last 10 years the total number of lunches increased 47%. The number of free lunches served to families below poverty level has increased 95% from 256,000 to 498,000 lunches per day. See Exhibit II.

A total of 8,221 people (annual, monthly, hourly) are currently employed in the Bureau of School Lunches. There are 395 employees in the central administrative headquarters responsible for coordination, finance, warehouse and distribution. Approximately 80% of the remaining personnel are hourly field employees employed at the various schools.
Exhibit I

COMPARISON OF NUMBER OF LUNCHES AND ENROLLMENT GROWTH
NEW YORK CITY 1945-1975

SHOWN AS AN INDEX BASED ON THE DAILY NUMBER OF LUNCHES AND ENROLLMENT IN 1945.
Exhibit II

GROWTH IN AVERAGE DAILY NUMBER OF LUNCHES
(1965-1975)
The total number of budgeted annual positions is the same now as it was in 1966. It increased 20% between 1966 and 1973 and declined 15% from 1973 to 1976. See Exhibit III.

TYPES OF LUNCHES

As mentioned previously, four types of lunch service are provided in New York City:

- **Cooking cafeterias** served about 278,000 students (52% of total lunches) per day at 502 elementary, junior high and high schools in 1975-1976.

- **Bulk frozen food** served about 58,000 students (11%) per day at 125 elementary, junior high and high school locations last year.

- **Meal Packs** served about 169,000 students (32%) per day at 433 elementary schools last year.

- **Basic soup and sandwiches** were served to about 27,000 students (5%) per day in 169 schools.

In recent years there has been little change in type of service except for the continuing replacement of "basic" lunches with meal pack lunches. In the last two years there has been a drop of 9.5% in basic lunches and an increase of 10% in meal pack lunches. Cafeteria lunches dropped slightly (4.5%) while bulk convenience lunches increased 4%. (See Exhibit IV.)

COST OF LUNCHES

The Bureau of School Lunches has not been able to calculate the cost of a lunch by type of service because of inadequate financial control systems. This lack should be remedied in the near future. However, the average cost of a typical lunch can be determined by dividing total expenditures by the
Exhibit III

COMPARISON OF NUMBER OF LUNCHES AND BUDGETED POSITION GROWTH

INCREASES IN DAILY NUMBER OF LUNCHES

INCREASES IN BUDGETED POSITION

SHOWN AS AN INDEX BASED ON THE DAILY NUMBER OF LUNCHES SERVED AND BUDGETED POSITIONS IN 1965.
EXHIBIT IV

Types of Lunch Service
Percent of Total

<table>
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</thead>
<tbody>
<tr>
<td>Cafeteria</td>
<td>56.5%</td>
<td>55%</td>
<td>52%</td>
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<tr>
<td>Bulk</td>
<td>7.0%</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>Meal Pack</td>
<td>22.0%</td>
<td>30%</td>
<td>32%</td>
</tr>
<tr>
<td>Basic</td>
<td>14.5%</td>
<td>4%</td>
<td>5%</td>
</tr>
</tbody>
</table>

* Based on State Comptroller Report, Touche Ross & Company, and Bureau of School Lunches data.
total number of lunches served. The average cost per lunch was $1.03 in 1975-1976.

**SUBSIDY REIMBURSEMENT**

The state and federal government provide a cash subsidy for every type "A" lunch served. Exhibit V shows the reimbursement rates for each class of lunch. Lunches are either free, reduced, or paid in full depending on family income which is in turn scaled according to family size that qualifies students to receive free or reduced price lunches.

- In the first half of 1977 free type "A" lunches are being reimbursed 76.25¢ with no contributions by the student.

- The subsidy of 16.25¢ plus the student contribution of 50¢ yield a revenue of 66.25¢ for paid lunches.

- The subsidy of 66.25¢ plus the student contribution of 20¢ yield a revenue of 86.25¢ for reduced lunches.

The school system receives the most revenue per lunch for reduced price lunch and the least for paid lunch. Student contributions have not risen since 1969 so that there is a difference of about 40¢ per lunch between the cost and the reimbursement for paid lunches. It costs the New York City school system about 30¢ for each free lunch served and 20¢ for each reduced price lunch. The difference between the cost and reimbursement is made up primarily from the tax levy contributions. In comparison with other states, New York State's portion of the subsidy is very small--3¢ per lunch as compared with a 15¢ per lunch contribution by the State of Maryland.
## EXHIBIT V

### Revenue Per Lunch 1977

<table>
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<tr>
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<th>Paid Lunches (in cents)</th>
<th>Reduced Price Lunches (in cents)</th>
<th>Free Lunches (in cents)</th>
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<td><strong>Federal Contribution</strong></td>
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<td>63.25</td>
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<td><strong>Student Contribution</strong></td>
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<tr>
<td>Elementary</td>
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<tr>
<td>High School</td>
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<tr>
<td><strong>Total Received Per Meal</strong></td>
<td>66.25 Elementary</td>
<td>86.25</td>
<td>76.25</td>
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<tr>
<td></td>
<td></td>
<td>71.25 High School</td>
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</tr>
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</table>
Exhibit VI summarizes the following lunch data for each district (as of November 1976):

- total number of elementary, junior high schools
- type of food service
- average number of lunches served per day
  - free "A" lunches
  - reduced price lunches
  - paid "A" lunches
- daily sales
  - a la carte
  - teachers' sales
- high school borough totals
  - average number of lunches
  - daily sales

Exhibit VII summarizes free food service by district in 1975. The following data is provided by district.

- percent of all children eligible to receive free lunch
- percent of eligible children who are served free lunch
- percent of eligible children who are served breakfast
<table>
<thead>
<tr>
<th>District</th>
<th>Total Number of Schools</th>
<th>Cafeteria</th>
<th>Meal Pack</th>
<th>Basic</th>
<th>Convenience/</th>
<th>Milk Only</th>
<th>Average Number Lunches Per Day</th>
<th>Daily Sales</th>
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*Data as of November, 1976.

High Schools:

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<tr>
<th>District</th>
<th>Average Number Lunches Per Day</th>
<th>Daily Sales</th>
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</thead>
<tbody>
<tr>
<td>Manhattan</td>
<td>$19,271</td>
<td>$1,421</td>
</tr>
<tr>
<td>Bronx</td>
<td>$19,271</td>
<td>$1,421</td>
</tr>
<tr>
<td>Brooklyn</td>
<td>$19,271</td>
<td>$1,421</td>
</tr>
<tr>
<td>Queens</td>
<td>$19,271</td>
<td>$1,421</td>
</tr>
<tr>
<td>Richmond</td>
<td>$19,271</td>
<td>$1,421</td>
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<tr>
<td>Grand Total</td>
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<td>$1,421</td>
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High Schools:

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<tr>
<th>District</th>
<th>Average Number Lunches Per Day</th>
<th>Daily Sales</th>
</tr>
</thead>
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<tr>
<td>Bronx</td>
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<tr>
<td>Grand Total</td>
<td>$19,271</td>
<td>$1,421</td>
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Exhibit VII

Summary of Free Food Service by District 1975

<table>
<thead>
<tr>
<th>Community School District</th>
<th>Total Register</th>
<th>% Children Eligible for Free Meals</th>
<th>% All Children Eligible for Free Meals</th>
<th>% Lunches Served Free</th>
<th>% Eligible Children who are served Free Lunch</th>
<th>% Eligible Children who are served Free Breakfast</th>
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(1 Board of Education Pupil Information Survey Summary, February 1975; 2 Board of Education, May 1975; 3 Office of Educational Statistics, June 1975)
OPERATION OF THE SCHOOL LUNCH PROGRAM

Seven basic activities are performed by the Bureau of School Lunches.

- Program and Facility Planning
- Menu Planning
- Procurement of Food and Supplies
- Warehousing and Distribution
- Food Preparation and Service
- Personnel Management
- Business and Financial Administration

Program and Facility Planning

The Bureau of School Lunches engages in ongoing evaluation and planning of food service methods.

In cooperation with the Office of School Buildings, Bureau of School Lunches plans for the modernization and improvement of kitchens. Considerable effort is required to see to it that kitchen equipment is properly maintained and repaired.

Menu Planning

In planning the menus the first criterion to be met is the satisfaction of established nutritional requirements. Each lunch must be a type "A" standard as defined by the federal government. Menu planners balance student tastes with cost to determine what food is to be served. By using 2-6 week menu cycles, the total quantity of food necessary is determined and the next step of food purchasing is initiated. "Basic" menus which exist
primarily in the nonpublic schools are standardized citywide. Meal pack menus are standardized for each vendor, although each district may make substitutions. Cafeteria and bulk convenience schools plan their menus individually. The federal government donates surplus agricultural commodities on an irregular basis as part of its support for the school lunch program. Menu planners must devise means of utilizing these donated commodities in place of planned menu items in order to lower costs.

Food and Supplies Procurement

The Bureau of School Lunches purchases food and supplies through the Bureau of Supplies. Fixed period contracts are established with suppliers as a result of a sealed bid process. The Bureau staff must establish specifications for each item contracted for, collate orders from the schools, project immediate and future needs, and handle complaints about vendors. Proper inspection and testing of the food is performed upon delivery.

Warehousing and Distribution

The Bureau of School Lunches operates a warehouse for canned goods and paper products. Commercial warehouse space is purchased to store refrigerated and frozen products. The warehouse facilities receive food and supplies from vendors. Some items such as fruit, bread and milk are drop-shipped directly to school locations.

The Bureau operates its own trucking fleet supplemented by leased trucks, especially for refrigerated transport. Regular shipments of food and supplies are made to each school.
Food Preparation and Service

Food is prepared and served at each school. Small inventories are kept on the premises. Labor is allocated according to the number of meals served daily and the type of service.

Personnel Management

This is a major activity because there are over 8,000 employees involved in the current operations, mostly on an hourly basis. Recruiting, hiring, and training of employees is all performed on an ongoing basis. Contracts are negotiated with four locals of two different unions.

Financial Administration

Financial administration is divided into two major areas: the internal requirements of budgeting, accounting, cost control, cash control, and auditing; and the external requirements for processing claims for subsidy monies from the state and federal governments.
ORGANIZATIONAL STRUCTURE

The operation of the Bureau of School Lunches is performed jointly by a central administrative headquarters and a field staff (see Exhibit VIII).

Administrative Headquarters

The administrative headquarters staff of 436 employees is headed by a Director of School Lunches.

The Equipment and Facilities Unit supervises the Non-Food Assistance Program (NFAP)—a federally funded program which provides 75% matching funds for the purchase and installation of approved food service equipment.

Food technology tests food for nutrition and quality and prepares food specifications.

The finance unit establishes procedures for the payment of bills, processes vouchers for payment, maintains an accounting system, files reimbursement claims, prepares a budget and forecasts subsidies.

Other headquarter units include warehouse and distribution, personnel and labor relations and the procurement unit.

Field Operations

The field staff is headed by an assistant director who is responsible for coordinating all field operations. The assistant director has three assistants, two of whom supervise the elementary, junior high, and non-public school food service programs (1,195 schools), and one of whom supervises the high schools (134 schools). The two elementary, junior high, non-public supervisors have thirty district supervisors reporting to them. Each district supervisor has several school lunch managers who directly supervise...
EXHIBIT VII - PRESENT ORGANIZATION

ORGANIZATION CHART

BUREAU OF SCHOOL LUNCHES

AS OF NOVEMBER 1976

ACTING DIRECTOR
OF SCHOOL LUNCHES

CONSULTANT

SPECIAL PROJECTS

FOOD TECHNOLOGY

EQUIPMENT AND
FACILITIES

FINANCE

WAREHOUSE/DISTRIBUTION

PERSONNEL

FIELD OPERATIONS

PURCHASE

HIGH SCHOOLS

ELEMENTARY
AND
JR. HIGH SCHOOLS
a number of schools in the school district. The headquarters supervisor of high schools has three supervisors of school lunch reporting to her. These three supervisors supervise a school lunch manager in each high school.

The Bureau of School Lunches maintains a field office in each community school district. The district field office generally has a staff of four, in addition to the district supervisor of school lunches. The district office perform the following functions:

- Check subsidy claim forms filed by each school.
- Check school cash receipts.
- Communicate with individual schools.
- Pass on vendor bills, complaints and all reports to headquarters.
- Check time sheets and collate for payroll.
- Place orders for bread, milk, groceries, produce, and meal packs with the vendor.
- Place orders for meat, cheese, canned goods, paper goods, and supplies with headquarters.
- Handle equipment repairs.
- Personnel absences and replacements.

The district supervisor of school lunches is responsible for all food service operations in the district's schools. The district supervisor hires hourly personnel, maintains good relationships with school principals and custodians, and handles many public relations functions.

The high school division, unlike its sister division, is run on a profit-loss basis. Each high school receives a budget for all direct food and labor
costs. Each school plans its own menus, and food is ordered directly from vendors, through contracts negotiated by headquarters. Vendors are paid from a cash imprest fund, which allows for prompt payments as well as an individual accounting of each school's purchases. During the thirty years that the Board of Education has officially administered the school lunch program, the high schools as a group have run a profit for 22 years and a deficit during 8 years. The amount varied from a surplus of $2.2 million in 1974-1975 to a $0.9 million loss in 1968-1969. In the past, surpluses were generally used to finance equipment purchases. As of July 1973, high school surpluses must be returned to the City's general funds.
STUDIES MADE OF THE BUREAU OF SCHOOL LUNCHES

During the period from 1945 to the present, at which time the Bureau of School Lunches grew almost six fold, there have been several studies and evaluations made of the lunch program and of the particular problems that have occurred in the Bureau.

Frozen Food Study

One of the earliest problems encountered by the Bureau of School Lunches was the general dissatisfaction with the central kitchen food service. The Board of Education, jointly with the Ford Foundation sponsored an evaluation by the Education Facilities Laboratory of possible frozen food problems for schools. This study, completed in June, 1964, selected two (2) schools to serve frozen reheated lunches and two (2) control schools. A cost study compared the four schools. It was found that "frozen foods may reduce the cost of meals by 7c" each (15%). Therefore it was recommended that the Board of Education implement a frozen food service program in the elementary schools. On the basis of this report central kitchens were phased out and frozen food service substituted wherever possible.

Decentralization

Another problem was the implementation of the New York State Legislature's decentralization law, which required the City Board of Education to delegate many of its power and duties to more than 30 Community School Boards. McKinsey & Company was chosen to prepare recommendations. Their recommendation regarding the lunch program was to continue central service and permit each district to choose either to run its own program or to continue with central lunch service. This would allow each district a reasonable option without too severe a cost penalty to the overall lunch program. The central lunch program was modified to establish field district offices with lunch supervisors to coordinate
headquarters and individual school operations.

Levitt Report

The Levitt audit of the financial and operating practices of the Bureau of School Lunches was filed by the Office of the State Comptroller on May 5, 1976. It consisted of an examination of the Bureau of School Lunches operations between July 1, 1973 and June 30, 1974. The State Comptroller's staff visited twenty (20) schools. They found that BSL efforts needed stronger support by way of guidelines, controls, work standards and most of all, effective supervision, to overcome shortcomings which were found in almost all of the Bureau's operations. These deficiencies resulted in excessive costs, laxity in observing subsidy requirements, missing toll tickets, budgetary weaknesses, and an almost total lack of control over warehouse inventories that exposed the Bureau to loss and pilferage. Food control required expanded testing, stronger contract penalty provisions and more written procedures. Warehousing operations needed tighter control over inventory and more efficient use of drivers and loaders. Cost data was not available by type of meal service. In general there was a lack of adequate management information. There were also numerous errors in subsidy claims.

Touche, Ross Study

In 1974, the Board of Education hired its own consultant, Touche Ross & Company to make a detailed study and prepare recommendations regarding the financial management in the Bureau of School Lunches. This study, completed in December, 1975 consisted of ten volumes of detailed analysis of the school lunch operating system and recommendations for improvement in nearly every aspect of the Bureau of School Lunch central operations. It provided a detailed program for improvement in financial management reporting and control.
claims processing, cash management, warehousing and distribution, budget preparation and general cost accounting. It also found that the Bureau of School Lunches did not have sufficient management depth to implement the major system modifications recommended.

Other Reports

In 1971 the Citizens Committee for Children of New York prepared a report for the Community School Boards on the school lunch program in New York City. It focused on the need for quality and nutritious meals, and proposed that students share in the menu planning. It also recommended that New York State allocate its fair share of federal funds to New York City; i.e. if the city serves 50% of the lunches in the state if should receive 50% of the funds. The report found deficiencies in the service, atmosphere and hygiene of the school lunch program.

The Community Council of Greater New York issued a report in March, 1975 on its monitoring of the school breakfast and lunch programs in New York City schools. Visits were made to 30 schools and a questionnaire was sent to the hourly lunchroom workers. The report found that the school food programs were not operating effectively in terms of the quality of food, lunchroom atmosphere and advance menu information.

The Education Priorities Panel issued a report on August 18, 1976, highlighting the Levitt Report findings and their own survey of lunch service in other cities. They recommended exploring the use of fast foods, implementation of the Levitt Report recommendations, establishment of a Menu Advisory Board, and provision for more technical assistance to the Districts wishing to run their own lunch program. Finally, the report suggested that five outside contractors be asked to cater lunches in representative school districts to find out if these contracts would be cost effective.
The School Food Committee in District 13 constructed a survey in June, 1976 of 14 of the 22 schools in the district. They found that many improvements could be made, particularly regarding the food (more variety of "real" meat, chocolate milk, a choice of food) and the operation of the lunchroom (making menus available in advance, longer lunch hours, more lunchroom supervision).

The General Accounting Office, the investigative arm of Congress, began an evaluation in December, 1976 of the nutritional quality of meals served in New York City. Its report will not be available for some time.
IV. FUTURE TRENDS

Two new programs have recently been added to the responsibilities of the Bureau of School Lunches. The breakfast program, which was initially run by districts on a voluntary basis, has been made mandatory by state law. During the 1976-1977 school year, breakfasts must be served in every school in which at least 1/3 of the students are eligible for free lunch. As the law is currently written, breakfast must be served in all schools by the 1977-1978 school year. It is the responsibility of the Bureau of School Lunches to provide overall supervision and coordination for the program to see to it that claims are correctly prepared, eligibility requirements followed, and type "A" meal requirements met, etc. In addition, the Board of Education, in response to the request of the State and Federal governments, will act as the principal sponsor of the 1977 Summer Food Service Program for Children in New York City.

The Bureau of School Lunches is no longer responsible only for lunches served during the school year, but for an overall nutrition program for New York City's children.

The following table is a three year projection of the expected growth of school meal service in New York City.

<table>
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<tbody>
<tr>
<td>102.0-lunches</td>
<td>107.0-lunches</td>
<td>110.0-lunches</td>
<td>110.0-lunches</td>
<td>110.0-lunches</td>
<td>26% increase in food service</td>
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<tr>
<td>11.2-Bkfst.</td>
<td>20.8-Bkfst.</td>
<td>22.0-Bkfst.</td>
<td>25.0-Bkfst.</td>
<td>7.5-Smr.Lun.</td>
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<td>0-Smr.Lun.</td>
<td>5.0-Smr.Lun.</td>
<td>5.0-Smr.Lun.</td>
<td>7.5-Smr.Lun.</td>
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<tr>
<td>113.2</td>
<td>132.8</td>
<td>137.0</td>
<td>142.5</td>
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An experimental "fast food" operation is being started in two New York City High Schools. This program is scheduled to start in September, 1977. It will provide students with a wide selection of food they would probably choose for themselves—hamburgers, pizzas, tacos, and chicken. All the entrees will be protein based, french fries will be enriched with vitamin "C" and milk shakes will contain the standard 1/2 pint of milk. This meal will provide the standard nutritious Type "A" U.S.D.A. meal. It is expected that student participation will substantially increased.
Key Issues

2 major issues face the Bureau of School Lunches. The first, is that at a time of fiscal crisis, a school system must carefully analyze all expenditures, and see to it that costs of supportive services such as school lunches are minimized so that as large a portion of the total school budget as possible can be devoted to instructional purposes.

The second is that a greater and greater percentage of the number of lunches served in New York City schools are served free to needy children. For many of these children, the school lunch represents a significant portion of their total nutrition, perhaps the only square meal they get each day. It is of primary importance, therefore, that the meals be nutritious, and that they be accepted and eaten by the children.

The Bureau must, therefore, improve its operating efficiency to eliminate waste and reduce costs wherever possible, and it must also make a concerted effort to make the meals it produces as nutritious and attractive to children as possible. In order to meet these goals, action must be taken in three major areas: management systems, operating systems, and food service systems.

Management Systems

Under the direction of the Deputy Chancellor on Operations Improvement project currently being undertaken in the Bureau of School Lunches. Initial focus has been on implementing management improvements which have been recommended by studies by the State Comptroller and Touche, Ross and Company.

Extensive management improvements in the Bureau of School Lunches are required in order to improve operating efficiency. As the organization has grown over the years, personnel whose skills, interests, and training were in food service have been assigned to cover various of the business aspects of
the running of BSL. As of the 1976-1977 school year, BSL had only five persons in executive positions paying over $20,000 per year, to run an operation with a budget of well over $100 million. As was pointed out in the management summary of State Comptroller Arthur Levitt's 1975 audit of the Bureau, BSL staff were exerting great effort in trying to run the Bureau of School Lunches, but "that effort needs stronger support by way of guidelines, controls, work standards, and most of all, effective supervision."

To meet these needs, the operations improvement project will take a several pronged approach:

- The bureau structure will be reorganized and new personnel recruited.
- Efforts will be made to hire a consultant on a short-term basis to attack specific shortcomings and implement improvements.
- The Office of the Deputy Chancellor will maintain its current involvement in planning, monitoring, and implementing changes for at least another year.

The first step to an overall improvement of the operating efficiency of the Bureau of School Lunches must be the development of sufficient staff with capabilities and skills necessary to provide a proper level of management and supervision. To this end, a proposal for a restructuring of the management organization of the Bureau of School Lunches has been submitted to the Board of Education. To acknowledge the expanding responsibility of the Bureau to provide breakfast and summer feeding programs as well as lunches, it will be renamed the Office of School Food Services. The new organization will separate the food service and business management operations of the Bureau, so that food service personnel will be able to concentrate on food service and field operations, and a staff with specific business management skills
and training will provide the necessary business management and supportive services. Additional staff with specific business management skills will be brought in, and necessary business management systems, now lacking, will be developed. These include a cost analysis system, a management information system; staff to concentrate on automated systems development, analysis of management information and systems, and an internal operational auditing group to assist in making sure that proper procedures are being followed at operating locations.

**Operating Systems**

Certain operating systems also require immediate attention. The eligibility and claims system is central to obtaining revenue from State and Federal reimbursements. At the school level, procedures currently required for the certification of eligibility for free or reduced priced meals for every child require a great deal of paperwork, and present a problem to many principals. A modification of these regulations will be sought, so that eligibility can be determined on a statistical rather than individual basis in areas where nearly every school child is needy. Verification of lunch counts and the processing of claims also present problems which need to be worked out, so that disallowances can be minimized and the City can receive timely reimbursement.

The current purchasing system eliminates many medium to small local vendors from participation because their size either does not allow them to provide goods in the vast quantities needed by the program, or because they cannot afford to absorb the costs associated with long delays in payments common in the New York City purchasing system. It has been observed that prices
of some items were lower at a local supermarket than for goods obtained through purchase contracts. High schools have had great success buying in smaller quantities through their imprest funds, which allow them to make payments quickly. Procedures will be developed to allow purchase control at the district school lunch office level, to take advantage of smaller, local vendors, and to allow for more local variation in menu planning.

In certain schools, lunch periods have been virtually eliminated by end-to-end scheduling. This is sometimes the result of a principal's desire to eliminate the congregation of students in the lunchroom which is perceived as a trouble spot. Better communication between school administrators and school lunch officials are needed to resolve this problem.

**Food Service Systems**

Many complaints have been heard about the quality of meals produced by the school lunch program, and the amount of waste resulting when children do not eat their lunches. Three areas require exploration:

- Alternative methods of food services such as fast foods, and contracting to management companies, need to be studied and tried out on a pilot basis. Close cooperation between labor and management will be required to introduce new service methods.

- Better systems for communications among school lunch producers, students and parents need to be developed so that all can cooperate in planning an acceptable food service program. Better lines of communication need to be institutionalized so that an atmosphere of responsiveness and mutual respect will prevail.

- A greater understanding of the importance of nutrition will help children to understand the importance of the lunches they eat in school. Efforts must be made to tie the school lunch program into nutrition education as a part of the regular school curriculum. This requires that teachers and principals be involved and informed about the school lunch program.