

# Industry Standards for Select KPIs

Updated 4/4/22



# Average Daily Participation Industry Standards\*

ADP for elementary school breakfast = 35%

ADP for elementary school lunch = 75%

ADP for middle school breakfast = 35%

ADP for middle school lunch = 75%

ADP for high school breakfast = 25%

ADP for high school lunch = 65%

\*Based on HealthierUS School Challenge Gold Standards.



# Revenues Industry Standards

- ▶ Revenues should meet or exceed total expenditures,
- ▶ Thus making a program self-supporting
- ▶ Not requiring budget transfers from the school district

In other words positive balance



# Expenditures Industry Standards

- ▶ Total school nutrition program revenues should meet or exceed total expenditure, thus making a program self-supporting

## School Nutrition and Meal Cost Study, Final Report (2019)

- ▶ Food costs = 45% of total cost
- ▶ Labor costs = 45% of total cost
- ▶ Other costs = 10% of total cost

Related KPI - Cost as a percentage of revenue



Logan, C., Tran, V., Boyle, M., Enver, A., Zeidenberg, M., & Mendelson, M. (2019). *School Nutrition and Meal Cost Study, Final Report Volume 3: School Meal Costs and Revenues*. U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support. Project Officer: John Endahl. Alexandria, VA.

# Revenue Per Meal Equivalent Industry Standards

- Ideally, revenue per MEQ should meet or exceed the federal reimbursement rate for a meal



Institute of Child Nutrition. (2015). Financial management: A course for school nutrition directors (2nd ed.). University, MS: Author.

# Cost Per Meal Equivalent Industry Standards

- ▶ Cost per MEQ should be less than revenue per MEQ



Institute of Child Nutrition. (2015). Financial management: A course for school nutrition directors (2nd ed.). University, MS: Author.

# Cost as a Percentage of Revenue

## Industry Standards

- ▶ According to Pannell-Martin and Boettger (2014):
- ▶ A goal should be to keep labor costs (including benefits) to no more than 40% of the revenue
- ▶ Food and labor should be within 80-85% of revenue    ▶ Food 40-45%
- ▶ This leaves 15-20% of revenue for “other costs”
  - ▶ 3-5% for supplies
  - ▶ 15% for other costs



Pannell-Martin, D. & Boettger, J. (2014). School food & nutrition service management for the 21st century (6th ed.). Aiken, South Carolina: Author.

# Break-Even Point Industry Standards

- ▶ At a minimum, most SN programs are expected to be self-sustaining. Therefore, most SN programs are expected to, at a minimum, break-even (Institute of Child Nutrition, 2015a).



Institute of Child Nutrition. (2015). Financial management: A course for school nutrition directors (2nd ed.). University, MS: Author.



# Inventory Turnover Rate Industry Standards

- ▶ A school that receives a weekly delivery for most products should have a turnover rate of once every 7-10 days or 2-3 times a month (National Food Service Management Institute, 2012).



National Food Service Management Institute. (2012). *Inventory management and tracking reference guide*. University, MS: Author.

# Meals Per Labor Hour (MPLH) Industry Standards

- ▶ An on-site production system can produce between 14 to 18 MPLH, while a central kitchen can produce between 50 to 75 MPLH (Pannell-Martin and Boettger, 2014).
- ▶ Table in following Slides



“Staffing Guidelines for On-Site Production” is reprinted with permission, and may be found in the following resource: Pannell-Martin, D. & Boettger, J. (2014). School food & nutrition service management for the 21st century (6th ed.). Aiken, South Carolina: Author.

# Meals Per Labor Hour (MPLH) Industry Standards Continued

## Staffing Guidelines for On-Site Production

NUMBER OF MEAL EQUIVALENTS	MEALS PER LABOR HOUR FOR LOW AND HIGH PRODUCTIVITY			
	CONVENTIONAL SYSTEM <sup>1</sup> MPLH		CONVENIENCE SYSTEM <sup>2</sup> MPLH	
	LOW	HIGH	LOW	HIGH
UP TO 100	8	10	10	12
101-150	9	11	11	13
151-200	10-11	12	12	14
201-250	12	14	14	15
251-300	13	15	15	16
301-400	14	16	16	18
401-500	14	17	18	19
501-600	15	17	18	19
601-700	16	18	19	20
701-800	17	19	20	22
801 AND UP	18	20	21	23



# Staff Turnover Rate Industry Standards

- ▶ It is difficult for management to keep trained employees when the staff turnover rate exceeds 10%.
- ▶ The turnover rates for two industry sectors from 2017 to 2021 are listed in the table below from the Bureau of Labor Statistics.
  - ▶ “Accommodation and Food Services” sector: school foodservice employees are employed by a contract management company
  - ▶ “State and Local” sector: school foodservice employees are employed by a district
  - ▶ Please note that within both industry sectors are many types of employees other than food services. Therefore, these numbers are presented just to demonstrate the difference in turnover rates between industries that contain school foodservice employees.

## ANNUAL TOTAL SEPARATIONS RATES BY INDUSTRY AND REGION, NOT SEASONALLY ADJUSTED\*

Industry	2017	2018	2019	2020	2021
Accommodation and Food Services	72.4	75.1	79.1	130.2	86.3
State and Local	18.8	19.1	19.1	22.6	18.0

\*U.S. Department of Labor, Bureau of Labor Statistics. (2022). Job openings and labor turnover survey and news release. Retrieved from: <https://www.bls.gov/news.release/jolts.t16.htm>.



# Absenteeism Rate Industry Standards

$\leq 3.2\%$

This is not an industry standard, but rather the United States absenteeism rate for full-time wage and salary workers for 2021 (Bureau of Labor Statistics, 2022).



Bureau of Labor Statistics. (2022). *Absences from work of employed full-time wage and salary workers by age, sex, race, and Hispanic or Latino ethnicity*. Retrieved from: <https://www.bls.gov/cps/cpsaat46.htm>