



Agenda Item Details

Category	REPORTS
Subject	Copy of De Anza College - History of Financial Concerns with De Anza College Dining Services Operations
Access	Public
Type	Information

Public Content

Background and Analysis:

De Anza College Dining Services is a self-sustaining program: All salaries, supplies and related expenses are funded by the operation, in this case direct food sales and catering.

Since 2009, Administrative Services leadership have raised concerns about the long-term viability of Dining Services in view of escalating costs in all areas. This concern is well documented in program reviews and governance meetings. (See attached chronological account.)

A significant, documented downturn in Dining Services was recorded in fiscal year 2018-19. The most dramatic losses to Dining Services then occurred, of course, during the pandemic in 2020. With Dining Services already operating at a deficit, there was no cushion for ongoing salaries.

On [July 13, 2020](#), the board approved the layoffs of Dining Services staff.

The layoffs were rescinded by the board at its meeting of [September 14, 2020](#), when there was greater clarity about the applicability of California Senate Bill 98, which prohibited certain layoffs during the pandemic. Dining Services employees were subsequently placed in temporary positions until the resumption of on-campus operations, and Higher Education Emergency Relief Funding (HEERF) provided one-time backfill for the financial losses, enabling Dining Services to operate when on-campus classes resumed.

The insolvency of Dining Services has become increasingly apparent over the past six years, including **losses of \$203,240** in 2018-19; **\$292,032** in 2019-20; **\$233,943** in 2020-21; **\$905,426** in 2021-22; **\$869,990** in 2022-23; and **\$369,691** for the partial fiscal year (through December) of 2023-24. Profit and loss documentation is attached.

The provisions of SB 98 expired in June 2021.

The Campus Center director reports that he discussed the declining fiscal situation with Dining Services staff over the past several years.

Meanwhile, discussions were also underway in governance groups, including the Administrative Planning and Budgeting Team, the Budget Advisory Committee, the Resource and Program Planning Committee, the Campus Center Advisory Board, and College Council, which in June 2023 approved moving forward with a Request for Proposal (RFP).

RFP #1926 was issued by the Purchasing Department in January 2024. Human Resources administrators began meeting with bargaining groups and Dining Services staff. An RFP evaluation team of administrators, classified professionals, faculty members and students has been assembled, and the negotiated contract is slated to be brought to the board for approval later this academic year. The college will receive agreed-upon proceeds from the successful entity.

A resolution for the classified reductions at De Anza College Dining Services will be brought before the Board for action at a later meeting.

Submitted by:	Lloyd A. Holmes, President, De Anza College x8705
Additional contact names:	Pam Grey, Vice President, Administrative Services, De Anza College x8976
Is backup provided?	Yes

[DeAnzaDiningServices_Profit_Loss_AnnualRevenueTrending_Dec2023.pdf \(81 KB\)](#)

[DeAnzaDiningServices_ChronologicalAccount_Feb2024.pdf \(99 KB\)](#)

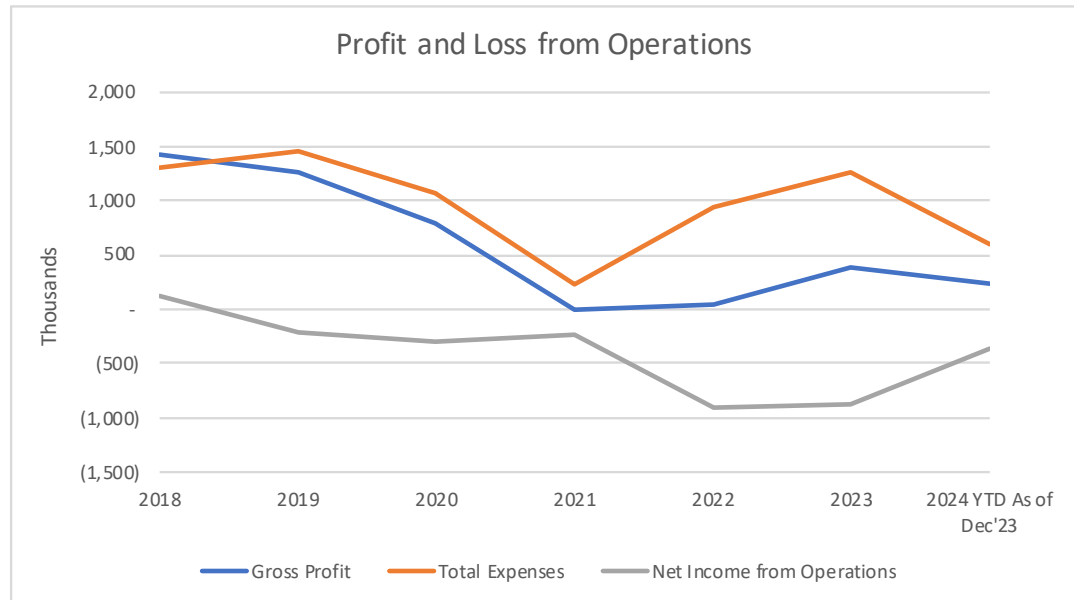
Administrative Content

Executive Content

De Anza Dining Services

Financial Summary - Trending - Year Over Year

	2018	2019	2020	2021	2022	2023	2024 YTD As of Dec'23
Revenue							
Net Sales	1,845,806	1,712,470	1,107,702	-	124,649	702,966	375,518
Other Income	280,794	236,137	128,360	1,957	13,769	58,272	20,868
Less Cost of Food Sold	(699,547)	(693,744)	(446,958)	(4,876)	(98,302)	(371,812)	(159,178)
Gross Profit	1,427,052	1,254,863	789,104	(2,918)	40,116	389,426	237,207
Expenses							
Salaries and Benefits	1,039,933	1,128,826	852,887	145,484	728,951	1,095,812	569,565
Operating Expenses	263,462	329,277	228,249	85,541	216,591	163,604	37,333
Total Expenses	1,303,395	1,458,103	1,081,135	231,025	945,541	1,259,415	606,898
Net Income from Operations	123,657	(203,240)	(292,032)	(233,943)	(905,426)	(869,990)	(369,691)



Chronological Account - Dining Services Board Agenda Item 02/12/2024

Date	Document/Shared Governance/Email Communication	Summary	Link
Monday, February 2, 2009	Program Review	Weakening economy, competition, rising prices & staffing costs.	https://www.deanza.edu/gov/apbt/documents/DiningServiceProgReview08.pdf
Friday, April 1, 2011	Program Review	Weakening economy, competition, rising prices & staffing costs.	https://www.deanza.edu/gov/apbt/documents/DiningServiceProgramReview_11.doc
Thursday, April 12, 2012	Program Review	Department operated at a loss. Declining revenues and increasing expenses are putting pressure on the financial viability of self-sustaining departments. Continued monitoring of P&L.	https://www.deanza.edu/gov/apbt/documents/DiningServiceProgramReview_2012.doc
Friday, August 1, 2014	Program Review	Declining revenues and increasing expenses are putting pressure on the financial viability of self-sustaining departments. Continued monitoring of P&L.	https://www.deanza.edu/gov/apbt/documents/ProgReviewDiningService_2014.doc
Tuesday, August 1, 2017	Program Review	Declining revenues and increasing expenses are putting pressure on the financial viability of self-sustaining departments. Continued monitoring of P&L.	
Friday, January 19, 2018	Administrative Planning & Budget Team	Declining revenues and increasing expenses are putting pressure on the financial viability of self-sustaining departments. Continued monitoring of P&L.	https://www.deanza.edu/gov/apbt/meetings/2018-01-19.html
Friday, April 20, 2018	Administrative Planning & Budget Team	Declining revenues and increasing expenses are putting pressure on the financial viability of self-sustaining departments. Continued monitoring of P&L.	https://www.deanza.edu/gov/apbt/meetings/2018-04-20.html
Tuesday, April 23, 2019	Administrative Planning & Budget Team	Declining revenues and increasing expenses are putting pressure on the financial viability of self-sustaining departments. Continued monitoring of P&L.	https://www.deanza.edu/gov/apbt/meetings/2019-04-23.html
Wednesday, December 11, 2019	Administrative Planning & Budget Team	Declining enrollment and increases to minimum wage negatively impacting the bottom line. Continued monitoring of P&L.	https://www.deanza.edu/gov/apbt/meetings/2019-11-12.html
Tuesday, June 9, 2020	Administrative Planning & Budget Team	Impact of Covid. Department operating at a loss. Using reserves. Next steps planning implemented.	https://www.deanza.edu/gov/apbt/meetings/2020-06-09.html
Tuesday, June 16, 2020	Administrative Planning & Budget Team	Covid-19 impact & next steps for Dining Services possible layoffs.	https://www.deanza.edu/gov/apbt/meetings/2020-06-16.html
Thursday, June 18, 2020	College Council	Covid-19 impact & next steps for Dining Services - Layoffs.	https://www.deanza.edu/gov/college_council/meetings/2020-06-18.html
Monday, July 27, 2020	Academic Senate	Dining Services closed completely in March. They projected a loss of over \$300k for 19/20 and expect continual loss, another \$400k for 20/21. Even if the campus is to open in the Fall, there would not be enough volume to support the operation.	https://www.deanza.edu/gov/academicsenate/meetings/2020-07-27SP.html
Tuesday, August 11, 2020	Administrative Planning & Budget Team	Layoffs were approved at the July Board meeting. Resolution #2020-24.	https://www.deanza.edu/gov/apbt/meetings/2020-08-11SP.html
Tuesday, September 29, 2020	Administrative Planning & Budget Team	Layoffs rescinded by Board.	https://www.deanza.edu/gov/apbt/meetings/2020-09-29.html
Tuesday, March 2, 2021	Administrative Planning & Budget Team	Dining Services remains closed and staff are working in other areas.	https://www.deanza.edu/gov/apbt/meetings/2021-03-02.html

Date	Document/Shared Governance/Email Communication	Summary	Link
Sunday, August 1, 2021	Program Review	Impact of Covid is severe. Department is incurring significant losses with no increased revenue anticipated.	
Tuesday, October 26, 2021	Administrative Planning & Budget Team	Serious concern regarding viability of department. Request for Proposal process will be investigated.	https://www.deanza.edu/gov/apbt/meetings/2021-10-26.html
Tuesday, January 25, 2022	Administrative Planning & Budget Team	Serious concern regarding viability of department. Sales figures shared.	https://www.deanza.edu/gov/apbt/meetings/2022-01-25.html
Monday, April 25, 2022	Campus Center Advisory Board	Not enough sales to cover expenses.	https://www.deanza.edu/gov/campus-center-advisory/meetings/2022-04-25.html
Tuesday, May 3, 2022	Administrative Planning & Budget Team	Profit and Loss figures shared. Projections are grave.	https://www.deanza.edu/gov/apbt/meetings/2022-05-03.html
Tuesday, October 4, 2022	Administrative Planning & Budget Team	Projection update shows department is not viable as self funded entity.	https://www.deanza.edu/gov/apbt/meetings/2022-10-04.html
Monday, October 17, 2022	Campus Center Advisory Board	Currently the department is running at a loss and using reserves & using HEERF to backfill loss of revenue. Department is self-sustaining and not subsidized by general fund. Serious concern over long-term viability of department.	https://www.deanza.edu/gov/campus-center-advisory/meetings/2022-10-17.html
Tuesday, November 1, 2022	Administrative Planning & Budget Team	HEERF backfilling department.	https://www.deanza.edu/gov/apbt/meetings/2022-11-01.html
Thursday, March 9, 2023	Budget Taskforce	Projections for 2023-2024 reflects a deficit of \$707,792.	https://www.deanza.edu/gov/budget-taskforce/meetings/2023-03-09.html
Thursday, June 15, 2023	Budget Advisory Committee	Next steps for Dining Services. Request For Proposal & Process.	https://www.deanza.edu/gov/bac/meetings/2023-06-15.html
Thursday, June 22, 2023	College Council	Approved Dining Services Request for Proposal.	https://www.deanza.edu/gov/college_council/meetings/2023-06-22SP.html
Thursday, June 22, 2023	College Council	Dining Services positions submitted to Resource Allocation and Program Planning Committee not approved.	https://www.deanza.edu/gov/college_council/meetings/2023-06-22SP.html
Wednesday, June 28, 2023	Email	Dining Services Request For Proposal & Process Classified Senate Information Request.	
Thursday, July 20, 2023	Email	Notify H.R. of status of Dining Services and March 2024 notices.	
Thursday, September 14, 2023	Budget Advisory Committee	Volunteers for Dining Services Request for Proposal team.	https://www.deanza.edu/gov/bac/meetings/2023-09-14SP.html
Tuesday, September 19, 2023	Email	Volunteers for Dining Services Request for Proposal team.	
Tuesday, September 26, 2023	Classified Senate	Volunteers for Dining Services Request for Proposal team.	https://www.deanza.edu/gov/classifiedsenate/meetings/2023-09-26.html
Wednesday, September 27, 2023	Zoom Meeting	Meeting with H.R.	
Friday, September 29, 2023	Email	Email to H.R. and President Holmes with profit & loss and list of employees impacted.	
Monday, October 2, 2023	Academic Senate	Volunteers for Dining Services Request for Proposal team.	https://www.deanza.edu/gov/academicsenate/meetings/2023-10-02.html
Tuesday, October 3, 2023	Classified Senate	Volunteers for Dining Services Request for Proposal team.	https://www.deanza.edu/gov/classifiedsenate/meetings/2023-10-03.html
Wednesday, October 4, 2023	De Anza Student Government	Appoint Lydia Wong to Dining Services Request For Proposal team.	https://www.deanza.edu/dasg/senate/meetings/2023-10-04.html

Date	Document/Shared Governance/Email Communication	Summary	Link
Wednesday, October 4, 2023	Email	Volunteers for Dining Services Request for Proposal team - Academic Senate email.	
Wednesday, October 4, 2023	Email	Dining Services Request for Proposal team.	
Wednesday, October 11, 2023	Zoom Meeting	Dining Services Request for Proposal Prep Meeting.	
Thursday, October 12, 2023	Administrative Planning & Budget Team	Finalized Dining Services Request for Proposal Team. Dining Services Profit & Loss Statement FY 22/23.	https://www.deanza.edu/gov/bac/meetings/2023-10-12.html
Friday, October 13, 2023	Email	Volunteers for Dining Services Request for Proposal team - Classified Senate email.	
Monday, October 16, 2023	Zoom Meeting	Dining Services Request for Proposal Prep Meeting #1.	
Monday, October 16, 2023	Campus Center Advisory Board	Dining Services Request for Proposal Update.	https://www.deanza.edu/gov/campus-center-advisory/meetings/2023-10-16.html
Tuesday, October 17, 2023	Classified Senate	Appoint Dennis Shanakkian to Dining Services Request for Proposal team.	https://www.deanza.edu/gov/classifiedsenate/meetings/2023-10-17.html
Tuesday, October 24, 2023	Classified Senate	Dining Services Request For Proposal Update.	
Wednesday, October 25, 2023	Zoom Meeting	Dining Services Request for Proposal Meeting #2.	
Tuesday, November 7, 2023	Resource Allocation and Program Planning Committee	Dining Services Request For Proposal Update.	https://www.deanza.edu/gov/rapp/meetings/2023-11-07.html
Tuesday, November 7, 2023	Zoom Meeting	Meeting with H.R. and legal counsel.	
Friday, December 1, 2023	Zoom Meeting	Follow up meeting with H.R. and legal counsel.	
Tuesday, February 27, 2024	Request for Proposal Due Date		