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When Food Service Means Food Stamps

A job feeding college students means few benefits for contract laborers.

by Amy Yurkanin

TACARRA DAVIS SPENT SIX YEARS behind the serving lines of the University of Alabama's largest dining halls.

"I pretty much did everything," Davis said. "Training, prepping, cooking, serving"

She chopped and cooked, dishing and serving students and staff at Alabama's largest university. She never ran late, rarely missed shifts and generally made herself a fixture, even as the rest of the staff turned over as regularly as a chicken on a spit.

That six years of labor was more than enough time to earn a bachelor's degree. But as even as she was a fixture in the dining hall, Davis was an outsourced and seasonal employee. She didn't make a living wage or earn the tuition benefits given to actual University of Alabama employees.

Davis started part-time in 2013 at Bama Dining, a subsidiary of Philadelphia-based food contractor Aramark.

It's one of the largest food service contractors in the world, employing 215,000 people and providing dining services on more than 400 US college and university campuses. The dining powerhouse is one of several companies operating industrial kitchens across the country, a multibillion-dollar business powered by the labor of low-wage workers.

After four years, she went full-time—with a catch. Her employment ended every summer, when she subsisted on food stamps, unemployment, and borrowed money. Vacation for students meant desperation for Davis. She thought she would be working for the University of Alabama when she applied for the Bama Dining job. She had worked in food service before but expected more from a campus position.

"Since it was the University of Alabama, you expect it to pay enough for taking care of all those kids on campus," Davis said.

It wasn't until she arrived at orientation that she learned Aramark would be her employer. That set Davis apart from

other university employees who tended the grounds, cleaned the floors, and protected the buildings. Davis and her co-workers worked through holidays and tornado scares that closed classes and other university functions.

"When there's severe weather, the college shuts down, schools can shut down, but we always have this service available here for the students," said Kristina Patridge, director of university dining services. "Bama Dining—they show up."

On campus, these workers miss out on one of the most important benefits colleges have to offer: free University of Alabama classes. While regular employees enjoy generous tuition discounts that enable them or their family members to get degrees and climb the economic ladder, Davis did not. It was just one of many stark differences she noticed between the status of food service workers and university employees.

"We were working for the university on the campus, but there was a big difference," Davis said. Another difference: Davis and her fellow Aramark employees worked through holidays and weather scares. But unlike classes, meals never got canceled.

Food service isn't the only department affected by outsourcing. At Alabama A&M University, Aramark contractors maintain some facilities. University of Alabama in Huntsville uses outside companies to transport students. Troy University recently bid out some of its public relations work. And nearly all colleges and universities use adjunct faculty paid by the class in addition to regular, full-time professors.

Universities increasingly outsource—an approach pioneered by corporations that has spread to education and the public sector. Cornell University profes-

sor Rosemary Batt has studied how the model affects workers in fast food franchises and call centers.

"The empirical evidence shows that there's a substantial difference between the wages and working conditions of people in the outsourced entity of the contract firm," Batt said.

Not far from the dining hall where Tacarra Davis spent her days, Terry Poole worked as a security guard for the University of Alabama, patrolling parking lots and checking dorms for trouble. He took the job not for its \$26,000 a year salary, but for the tuition discounts he's using to complete a degree in aerospace engineering.


"I was a bouncer downtown for a long time, and one of the other bouncers was also a security guard at Alabama, and he was telling me about the benefits," Poole said. "So he asked me if I wanted to get on there so I did, specifically for the education benefits."

"When there's severe weather, the college shuts down, schools can shut down, but we always have [dining] service available here for the students."

Poole started in January 2016. In addition to the tuition discount, he received a standard package of state employee benefits, including paid sick leave, health insurance, and a pension. Then there were the not-so-standard benefits.

"There's a few other perks," Poole said. "A lot of the businesses around town give employees discounts."

Davis, on the other hand, discovered that working for Aramark came with a lot of unanticipated costs. Like all employees,



When Tacarra Davis went full-time, she became eligible for health insurance and a 401(k) through contractor Aramark but couldn't afford premiums or contributions.

she had to pay for on-campus parking. Unlike regular employees, she couldn't have the cost automatically deducted from her paycheck and had to make a special trip to the parking office. At one point, she racked up \$400 in parking fines when she couldn't afford the fees.

Aramark's raises, when she received them, were smaller than she expected. When Davis went full-time, she became eligible for health insurance and a 401(k) through Aramark but couldn't afford premiums or contributions.

Davis earned a little more than \$10 an hour when she quit, which worked out to about \$13,000 a year. Food and meal discounts helped a bit with her bottom line, but Davis still struggled to stay afloat between paychecks. The low wage prevented her from building up savings.

"I spent six years there, and I didn't accomplish anything," Davis said.

Meanwhile, Poole embraced a double life—full-time employee by night and student by day. It was his second go at college, an opportunity he didn't want to waste.

His first college try ended quickly when he became overwhelmed by the coursework. Poole dropped out and spent several years installing concrete floors in retail outlets. He made good money until the industry changed and the company went out of business. His income dropped, and he seized the university job

as a path to better economic security.

"I've never been on an airplane a day in my life, and people always ask, 'Well, how are you going to build airplanes if you've never been on one?'" Poole said. "Well, people build spaceships, and I promise you they've never been on one of those either. Honestly, at the end of the day, aerospace engineering is one of the highest paying jobs you can get with a bachelor's degree. That's why I did it."

According to Payscale.com, a website that tracks industry pay, entry-level aerospace engineers can earn an average of \$68,000 annually. Six-figure salaries aren't uncommon.

Poole said he paid about \$2,500 this semester for thirteen hours of engineering classes, and he estimates his total bill will range between \$15,000 to \$18,000 when he completes his degree in 2021.

"There was one semester my books cost more than my tuition," Poole said. "I always look at everything in red and black, and at the end of the day, it's saving me \$50,000 to \$60,000 to get my degree."

Poole used his natural ability with numbers to maximize every hour, paycheck, and benefit. Security guards at the University of Alabama work twelve-hour shifts, and Poole started on the night shift. He worked from 6 p.m. to 6 a.m. and reported to class at 8 a.m. Two classes every day—plus labs and homework—practically eliminated any downtime.

"I think I averaged about eight to fourteen hours of sleep a week," he said. "It was not easy."

Last year Poole switched to days, which has been easier on his sleep schedule, but tougher in terms of class schedule. The university gives employees three hours leave a week for school. Poole squeezes classes into his lunch and supplemental breaks. He burns an hour and fifteen minutes of annual leave every week for lectures.

Changes in his work schedule have disrupted this plan. At one point, the security guard ran out of leave and missed several classes. That semester, he earned two As, one B and a D in a required course he had to retake over the summer.

Summer is a quiet time at the university, and the season with the most generous education benefits. Employees can take two free classes during the lull.

That generosity does not extend to Aramark, which lays off a significant part of its workforce every summer. Some years, Davis qualified for unemployment benefits of about \$100 a week, and in others, she picked up hours during camp season. Usually she just went unpaid for three months.

"At the time I was receiving food stamps," Davis said. "So basically, I just lived off food stamps and borrowing money."

Seasonal workers reduce costs for contractors, Batt said.

"Colleges used to employ food and service workers directly," Batt said. "In the past couple of decades, in order to cut costs, universities have outsourced their dietary

services to contractors. And the contracts are designed to reduce costs. So the food-service contractors are always looking for ways to cut costs. So they cut the hours they are willing to provide services."

That often translates to shorter hours for dining halls and closure during holiday breaks, she said.

"This also creates unstable seasonal work for the workers," Batt said.

Aramark has operated dining services at the University of Alabama since 1996, when it took over from another contractor. The company provides dining services at several Southern schools, including Auburn University, the University of South Alabama, the University of Mississippi and Mississippi State.

The business relationship benefits both parties. Under the terms of the contract, Aramark must pay the university at least \$9.5 million in commissions for the 2019-2020 school year. In return, Aramark receives a captive market, thousands of students required to purchase meal plans that cost roughly \$2,000 a semester.

The partnership created controversy in the past. Students sued Auburn University and two University of Alabama campuses (Huntsville and Birmingham) in 2010 in an attempt to block mandatory dining fees. Judges dismissed the case, and students remain obligated to buy more than \$300 in Dining Dollars every year, which can be spent on campus and at some off-campus locations. Unlike meal plans, which are only required for freshmen, all students must participate in Dining Dollars.

Off-campus restaurants have balked at the program's fees, which require them to pay Aramark in order to compete for business.

Food service consultant Tom Mac Dermott said the cost of feeding students has increased in recent years as students demand healthier food with more variety. Using contractors allows universities to





Prices of Meal Plans Soar at Mississippi Universities

Contractor Aramark uses the profits to expand campus facilities.

by Aallyah Wright and Luke Ramseth

AT \$2,000 A SEMESTER FOR A meal plan, Mississippi State University students pay twice what they did about a decade ago for food. Ole Miss dining prices have similarly skyrocketed, up \$500 in five years.

Narika Glasper, a recent Ole Miss graduate, recalled the sticker shock. Her scholarships covered housing and tuition, but not food. The price of an “unlimited” meal plan was out of the question, so she settled for a cheaper one that covered fifty meals a semester. Then she learned her unused meal “swipes” didn’t roll over.

“I was mad because that’s money that was wasted,” said Glasper, 22. “I had to pay upfront for that and I didn’t use it, so that’s money that just went to [Ole Miss food contractor, Aramark].”

Glasper isn’t alone in her frustration. Rising meal plan prices at Ole Miss and Mississippi State mirror hikes at colleges around the country, and they contribute to the increasing cost of a college education. A big reason for the higher

costs? Students are paying for more than just food.

MSU and Ole Miss deliver increasing student meal plan revenue to their dining contractor, Aramark. Some students are required to pay for meal plans. In return, the schools receive millions of dollars in commissions and bonuses, which they often use to upgrade or build new facilities and add new dining options, according to dining contracts obtained by the *Clarion Ledger* and *Mississippi Today*.

“Food service on college campuses is one of the biggest revenue streams for colleges,” said Marissa Meyers, researcher with the Hope Center, an organization focused on college costs.

Food usually makes up the “board” part of room and board costs at colleges. Nationwide, college students now pay on average more than \$4,600 a year for board costs, with Mississippi at about \$3,800 for public universities, according to US Department of Education data.

This means students are paying

focus on education and research while specialists handle the cooking and serving. Many universities struggled to provide dining services without the expertise and bulk buying power companies like Aramark provide. He estimated 70 percent of colleges and universities use contractors to provide food and upgrade facilities.

“There’s no trend toward going back to self-operated food service,” Mac Dermott said.

The number of universities using outside companies has grown in recent years.

Some schools have bucked the trend. University of Georgia operates its own dining services. Yale University dropped contractors and took over its dining operations more than a decade ago. More recently, Kennesaw State University in Georgia ended its contract with Sodexo and began preparing its own food.

Most colleges and universities have found that outsourcing saves money on wages and benefits, Mac Dermott said.

“In addition to wages, the burden of providing benefits would fall on the contractor,” he said.

Economist Semoon Chang of the Gulf Coast Center for Impact Studies said using contractors has many benefits and doesn’t necessarily harm workers who can earn more at Aramark than other food service jobs.

“Outsourcing is an effective way of lowering costs for many organizations,” Chang said. “Benefits include no payments of fringe benefits such as retirement, Social Security, insurance, et cetera; no payment when business is slow, such as summertime for educational institutions; no worry about possible unionization of workers; flexibility in changing suppliers if services are not good.”

Patridge said the University of Alabama has only six staff members in dining services. Aramark employs more than 500. The company even staffs on-campus branches of chains such as Starbucks and Raising Cane’s. The university monitors the company’s compliance with the contract and the quality of the food. A student committee makes recommendations aimed at improving the variety and quality of food.

But the university doesn’t require minimum wages or benefits for workers, Patridge said.

“They simply work as an independent contractor on campus,” she said.

Poole grew up in Duncanville, in rural Tuscaloosa County. When his father’s draft number came up, his mother dropped out of high school to support their young family.

“I grew up in a family where it was more important to get a job and work hard than it was to get an education,” Poole said.

That work ethic, combined with access to a university education, could open doors to a brighter future. Even if his job ends, he plans to complete his degree.

Aramark has introduced an education benefit for qualifying employees, starting in 2020. The company will pay tuition for employees without college degrees accepted to an Arizona State University online program. Only employees will be eligible—not their children.

It came too late for Davis, who left her Aramark job in May and took a position with an auto parts manufacturer. It offers better pay, benefits, and year-round work.

“The older you get, the more you realize this is not for me,” Davis said. “I found something better. I can have money built up, and I can just see a big difference. I’m so glad to be off that campus.”

Amy Yurkanin is an investigative reporter at AL.com. These articles are part of an SFA partnership with AL.com, the Montgomery Advertiser, Mississippi Today, and the Clarion Ledger to shed light on labor practices at area universities.