



**CSIS** California School Information Services

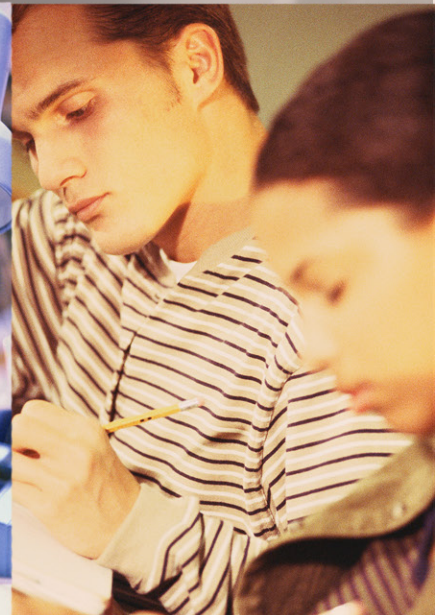
# Salinas Union High School District

## Food Service Review

March 22, 2018



**Michael H. Fine**  
Chief Executive Officer







March 22, 2018

Dan Burns, Superintendent  
Salinas Union High School District  
431 W. Alisal Street  
Salinas, CA 93901

Dear Superintendent Burns:

In August 2017, the Salinas Union High School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement to provide a review of the district's food service program. Specifically, the agreement stated that FCMAT would perform the following:

1. Examine the food service department's operational processes and procedures in areas including but not limited to food preparation, meal service, student participation, staffing, federal and state compliance, menu planning, purchasing, warehousing and food storage, inventory, and facilities, and make recommendations for improved efficiency, if any.
2. Evaluate the department's workflow and distribution of functions and make recommendations for improved efficiency, if any.
3. Review training and professional development programs for the department's employees and managers and make recommendations for improvements, if any.

This final report contains the study team's findings and recommendations in the above areas of review. FCMAT appreciates the opportunity to serve the Salinas Union High School District, and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,

Michael H. Fine  
Chief Executive Officer

**FCMAT**

Michael H. Fine, Chief Executive Officer

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# About FCMAT

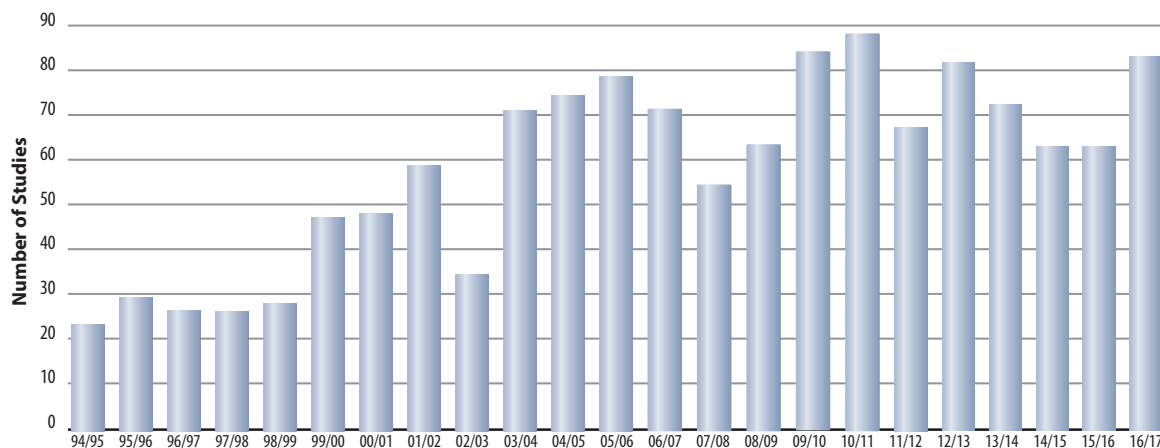
FCMAT's primary mission is to assist California's local K-14 educational agencies to identify, prevent, and resolve financial, human resources and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related school business and data services. FCMAT's fiscal and management assistance services are used not just to help avert fiscal crisis, but to promote sound financial practices, support the training and development of chief business officials and help to create efficient organizational operations. FCMAT's data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and inform instructional program decisions.

FCMAT may be requested to provide fiscal crisis or management assistance by a school district, charter school, community college, county office of education, the state Superintendent of Public Instruction, or the Legislature.

When a request or assignment is received, FCMAT assembles a study team that works closely with the LEA to define the scope of work, conduct on-site fieldwork and provide a written report with findings and recommendations to help resolve issues, overcome challenges and plan for the future.

FCMAT has continued to make adjustments in the types of support provided based on the changing dynamics of K-14 LEAs and the implementation of major educational reforms.

**Studies by Fiscal Year**



FCMAT also develops and provides numerous publications, software tools, workshops and professional development opportunities to help LEAs operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) division of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS). CSIS also hosts and maintains the Ed-Data website ([www.ed-data.org](http://www.ed-data.org)) and provides technical expertise to the Ed-Data partnership: the California Department of Education, EdSource and FCMAT.

FCMAT was created by Assembly Bill (AB) 1200 in 1992 to assist LEAs to meet and sustain their financial obligations. AB 107 in 1997 charged FCMAT with responsibility for CSIS and its state-wide data management work. AB 1115 in 1999 codified CSIS' mission.

AB 1200 is also a statewide plan for county offices of education and school districts to work together locally to improve fiscal procedures and accountability standards. AB 2756 (2004) provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans.

In January 2006, Senate Bill 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT's services to those types of LEAs.

Since 1992, FCMAT has been engaged to perform more than 1,000 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Michael H. Fine, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.



# Introduction

## Background

Located in Monterey County, the Salinas Union High School District has a seven-member governing board and serves approximately 15,614 students in grades 7-12 at four middle, four comprehensive high, one continuation high, and two alternative schools. According to data from the California Department of Education (CDE), enrollment has increased each year since 2009-10.

The district participates in the National School Lunch and School Breakfast programs; breakfast and lunch are offered at all district schools, and after-school snacks and meals are offered at most schools. The district's California Longitudinal Pupil Achievement Data System (CALPADS) records indicate that the free and reduced-price meal eligibility increased from 67% in 2015-16 to 69% in 2017-18.

In August 2017, the Salinas Union High School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for management assistance to review the operations of the district's Food Service Department.

## Study and Report Guidelines

FCMAT visited the district on October 30-November 1, 2017 to conduct interviews, collect data, observe the food service operations and facilities, and begin reviewing documents.

Following fieldwork, FCMAT continued to review and analyze documents. This report is the result of those activities and is divided into the following sections:

- Executive Summary
- Management and Oversight
- Staffing and Meals per Labor Hour
- Personnel Activity Reports
- Budget
- Facilities and Equipment
- Meal Program, Menus and Meal Service
- Meal Program Compliance
- Participation Trends and Provisions Eligibility
- Meal Service and A La Carte Sales
- Paid Meal Equity
- Nonprogram Foods Compliance
- Federal and State Compliance
- Wellness
- Competitive Foods
- Training and Professional Development
- Appendices

FCMAT's reports focus on systems and processes that may need improvement. Those that may be functioning well are generally not commented on in FCMAT's reports. In writing its reports, FCMAT uses the Associated Press Stylebook, a comprehensive guide to usage and accepted style that emphasizes conciseness and clarity. In addition, this guide emphasizes plain language, discourages the use of jargon and capitalizes relatively few terms.

## Study Team

The study team was composed of the following members:

Diane Branham  
FCMAT Chief Management Analyst  
Bakersfield, CA

Roy Rico  
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Bakersfield, CA

Judy Stephens  
FCMAT Consultant  
Nipomo, CA

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FCMAT Consultant  
Arroyo Grande, CA

Laura Haywood  
FCMAT Technical Writer  
Bakersfield, CA

Each team member reviewed the draft report to confirm its accuracy and achieve consensus on the final recommendations.

# Executive Summary

The district's manager of food service directs the Food Service Department. The department's central office includes one accounting technician II and one account clerk II. At the time of FCMAT's visit, the account clerk II position had been recently filled after being vacant for more than two years. While the position was vacant the manager of food service spent much of her time in the office. Each middle school and comprehensive high school site has a food service manager and is staffed with food service assistant I and II positions. The department's leadership structure is not adequate for the district's size and does not provide for adequate oversight. The district should add an assistant manager of food service position to help provide more oversight, leadership and staff training. To allow the manager of food service adequate time to oversee the program and sites, the district should also review the assignment and amount of clerical work in the department and ensure work is assigned and the department is staffed appropriately.

Meals per labor hour (MPLH) is an industry standard formula used to measure labor efficiency and help determine the appropriate staffing levels in a food service operation. In school food service, best practice standards are 30 MPLH. FCMAT's analysis for the district indicates that only two schools meet this standard: Alisal High School has 36 MPLH and Everett Alvarez has 34. The other schools vary between 21 and 28 MPLH, which indicates overstaffing for the number of meals served.

An MPLH analysis should be routinely completed before making any staffing changes, and the manager of food service should be included in all department staffing decisions. An MPLH analysis was not completed prior to adding an eight-hour position at each middle school and comprehensive high school site at the beginning of the 2017-18 school year. FCMAT's MPLH analysis indicates the addition of full-time positions was unnecessary, and staffing at some sites may need to be reduced. The district should balance the labor more appropriately by transferring some of the 4.5-hour positions from sites with low productivity to those with high productivity, and it should ensure that sites have enough staff during lunch to replenish foods in the speed line and salad bars.

MPLH ratios can also be improved by increasing student participation. The district's student participation at breakfast and lunch is low. To increase participation, consideration should be given to offering a second chance breakfast at midmorning and having two lunch periods instead of one. Provision 2 and Community Eligibility Provision (CEP) reimbursement claiming options should be evaluated to determine if they are viable for the district. These options reduce staff time to process meal applications, simplify meal counting and claiming procedures and allow all students to eat for no charge, which may also increase participation. In evaluating these provision options, the district should be aware that if the cost to provide the meals is more than the reimbursement received, the cost differential must be paid from sources other than federal funds. The effects on student data collection and reporting used for the Local Control Funding Formula (LCFF) should also be considered.

The 2017-18 adopted cafeteria fund budget does not appear to be a realistic projection of revenues or expenditures. Revenue projections are low compared to 2016-17 unaudited actuals, and the projected food and supplies costs are extremely high at 77%. Based on the study team's experience, these expenses should be 40%-45% of revenue. However, this 34% increase from the previous year could be a result of the free meal programs the district operates. The cafeteria fund budget should include realistic projections and be monitored throughout the year, budget

adjustments should be made as necessary, and net cash resources should be routinely monitored to ensure they do not continue to exceed federal regulations.

Menu writing is rotated monthly among the site food service managers; however, this system is not working well because there are inconsistencies from month to month, written menus are not complete, and a nutritional analysis is not completed. Menu writing is a function that should be controlled by the manager of food service to ensure compliance with regulations and to control costs. Implementing a cycle menu would simplify this task.

Nutritional analysis software should be purchased and an analysis completed with each monthly menu to ensure nutritional requirements are met. Production records should be written centrally for efficiency, consistency and accuracy and then sent to site food service managers to complete with the number of food items offered and served at their sites. Production records should include all items offered and make note of any substitutions or additional food served.

The salad bars include expansive offerings and are attractively presented; however, they should be relocated so that they are positioned before the point-of-sale (POS). The salad bars are currently placed after the cashier. Therefore, it is unacceptable to allow the salad bar items to be counted as part of a complete meal because no one checks to ensure that students take items from the salad bar after they exit the POS.

The district has an after-school snack program approved through the National School Lunch Program (NSLP) at all middle schools and comprehensive high schools. In addition, at the beginning of the 2017-18 school year, the district implemented a supper program at eight school sites and labeled it an after-school meal. The meal is offered at the same time as the after-school snack, at no charge to students. However, the district has not applied and received approval for an official program for these meals. If the supper program is continued, the district should immediately ensure that it is approved by the Child and Adult Care Food Program (CACFP).

The district provides all students the opportunity to have free food from its salad bars, operates a universal free breakfast program and a free after-school meal program, and provides free lunch to students who qualify for reduced-price meals. It also provided free meals to all students for the first 30 days of the 2017-18 year. These programs are subsidized with food service funds, which is not in compliance with federal requirements. Funding for free meals provided to students who do not qualify for them must be provided from an allowable nonfederal funding source. Therefore, the cafeteria fund is not allowed to pay for the cost of these free meal programs for students who do not qualify for meal benefits. The cafeteria fund needs to be reimbursed for the difference in cost of the reduced-price and paid eligible students. In addition, providing free meals to students who do not qualify for these benefits may be considered a gift of public funds. A board policy should be adopted regarding providing free meals to students who do not qualify for them, and an allowable nonfederal funding source to pay for these meals should be identified.

The district's meal lines are located separately from those for a la carte sales. This creates a stigma for students that are eligible for free and reduced-price meals, and some site staff referred to the meal line as the "free meal line," even though paid students use the same meal lines. The perception of a free meal line is problematic and can create overt identification of eligible students. The district should implement strategies to offer reimbursable meals and a la carte items in all or at least most of the serving lines.

Effective January 1, 2018, Senate Bill (SB) 250 established new rules for students who do not have money for meals. District administration needs to work with food service staff to develop a policy and procedure to fulfill the law, determine how to collect debt from families, and ensure

that any uncollected charges at the end of the school year are not paid or carried over by the cafeteria fund.

The district has some competitive food sales that do not meet federal and state regulations, including vending machines and stores operated by student entities, fundraisers that occur during school hours, staff and parent sales, and food fairs. Failure to abide by competitive food sales requirements may result in the state withholding federal and state meal reimbursements. It is vital that the district educate staff, students and parents about competitive food sales laws, regulations and policies, and ensure that all groups follow them.

Food service staff members need to receive regular training to be able to understand and perform their jobs and follow regulations. Training is essential, and the United States Department of Agriculture (USDA) has established minimum training requirements for food service personnel. An annual staff training plan is needed to ensure that specific topics, such as offer versus serve and the components that constitute a complete reimbursable meal, are explained and understood. The manager of food service should regularly visit sites, observe serving lines, monitor the program for compliance and remind staff of requirements as needed. A checklist and orientation packet should be assembled relative to the specific needs of new food service employees, and the manager of food service should be given an opportunity to review the material and assess food service knowledge before new employees are sent to a school site. The district should also consider sending site food service managers to other schools in the district as well as other school districts to observe food service operations.

## Subsequent Events

The district received correspondence from CDE dated February 2, 2018, indicating that the budget agreement (required spending plan to reduce the cafeteria fund to an allowable level) had been approved.



# Findings and Recommendations

## Management and Oversight

A school child nutrition program should be staffed with adequate leadership positions based on the size of the district and program, and the number of food service personnel. The management team should have the most up-to-date knowledge of best practices in managing a school nutrition program. The federal and state child nutrition guidelines and requirements are complex, and a thorough understanding of the regulations and a strong leadership team are essential in managing an efficient student meal service program.

The manager of food service directs the district's Food Service Department. The job description for this position, dated April 12, 2005, includes the responsibility of managing other departments, which no longer applies. The clerical functions of the program are primarily assigned to two office personnel: an accounting technician II and an account clerk II. At the time of FCMAT's visit, the account clerk position had been recently filled after being vacant for more than two years. The manager of food service and the two clerical staff are located at the district office.

Each middle school and comprehensive high school site is staffed with a food service manager to operate and manage all the food program aspects of a school, including the supervision of site food service staff. Site managers are provided with oversight and direction from the manager of food service. The sites are staffed with food service assistants I and II. The food service assistant I positions are entry level. They perform routine, repetitive food preparation work with established procedures. The food service assistant II positions are responsible for more complex cooking or baking tasks.

The Food Service Department leadership structure is not adequate for the district's size and does not provide sufficient oversight of the department. An assistant manager of food service position could help oversee the school sites, offer more leadership guidance to the program and sites, and provide more staff training. Although each school is staffed with a site food service manager, the daily support and guidance from the manager of food service is crucial in the efficient operation of a school site's meal program.

Interviews indicated several issues in program operation and supervision. Instead of visiting and monitoring the sites as frequently as needed, the manager of food service performs daily clerical work (some of which is likely due to the previously vacant account clerk II position) and calls substitutes for employees that are absent at the school sites. The procedures for reporting absences and securing substitutes are inadequate. Employees call both the site manager and manager of food service to inform them of their absence. The manager of food service must often work from home to call substitutes in the morning. Because the central food service office is responsible for securing substitute workers or coverage by other employees, the absent employee should only be required to call this office. Employees should be aware of and adhere to established timelines for reporting absences. This will allow department staff sufficient time to provide substitutes. Interviews indicated that one school site has difficulty with staffing because substitutes and regular staff do not want to work there. This makes it more difficult and time consuming for the manager of food service to properly staff this site when employees are absent. On the day of FCMAT's visit, the site was severely understaffed.

The manager of food service visits each school site approximately every six weeks, depending on the clerical workload in the central office. This does not provide sufficient oversight. Interviews indicated that some clerical work performed by the manager of food service will be assigned to the recently hired account clerk II employee.

The district recently implemented an after-school meal program in addition to the existing snack program. This program requires three annual visits per site by central office food service management staff. The National School Lunch Program requires one annual visit at each site, and the School Breakfast Program requires one annual visit at 50% of the sites that offer breakfast, but the CDE recommends more. These site visits must be documented and corrective action findings followed up and corrected for compliance. Some of the findings in the department's last CDE administrative review could have been noted by the manager of food service and corrected while conducting site visits.

School site food service managers meet monthly with the manager of food service, primarily to discuss menu planning. Staff training is sporadic, and there does not appear to be a plan in place for ongoing training. The Salinas High School food service manager conducts most of the staff training, and interviews indicated that more training is needed. All staff would benefit from additional training in their specific areas of responsibility, including site food service managers in areas such as supervision and evaluation of employee work performance. This is addressed further in the training and professional development section of this report.

## Recommendations

*The district should:*

1. Add an assistant manager of food service position.
2. Revise the manager of food service job description to update the job duties and responsibilities.
3. Implement more efficient procedures for securing substitutes.
4. Review the assignment and amount of clerical work in the Food Service Department and ensure work is assigned and the department is staffed appropriately to allow the manager of food service adequate time to oversee the program and sites.
5. Ensure that central office food service management staff visit school sites frequently.
6. Ensure that site visits are documented and timely corrective action is taken.



## Staffing and Meals per Labor Hour

Labor costs are generally a large percentage of the expenses in a food service operation; therefore, it is important for the department to operate efficiently. Staffing ratios should be adequate to meet the needs of the program without being excessive. Best practice for labor cost is 40-45% of revenue. The district's 2017-18 adopted budget for the cafeteria fund projects that these costs will be 40% of revenue. The 2016-17 unaudited actuals showed labor to be just 34% of the department's revenue. This is unusually low, which normally indicates understaffing, but that is not the case based on FCMAT's analysis of 2017-18 data.

Another measurement of staffing in a food service operation is meals per labor hour (MPLH). This is an industry standard used to assess labor efficiency and help determine appropriate staffing levels. Generally, only labor hours for food service staff at school sites are used in the calculation. Labor hours for management, clerical and warehouse staff are not included because the calculation is a measure of the labor it takes to prepare and serve the meals at sites. It is best practice to maintain MPLH of approximately 30.

There are several ways to calculate MPLH. Breakfasts, lunches, snacks and a la carte sales must be included in the analysis. Lunches are counted as a whole meal equivalent. Breakfasts are sometimes counted as a fraction of a meal equivalent because they are often simpler to prepare than lunch; they can be counted as a whole meal equivalent if site prepared items are served. The district's breakfasts are simple, composed mostly of pre-packaged heat and serve items and cold items, so they are counted as 0.5 meal equivalents in FCMAT's analysis.

A la carte sales are also included in the MPLH calculation because they require labor to prepare and sell. Typically the a la carte meal equivalent is derived by dividing the total dollar amount of the sales by the average of lunch and breakfast prices. However, the district does not charge for breakfast, so the study team determined that \$2.50 would be a reasonable factor to use in this analysis.

After-school snacks are usually simple prepacked items such as milk and graham crackers. This normally is counted as 0.33 of a meal equivalent. The district serves after-school snacks, and beginning in 2017-18 decided to also serve a more substantial meal – a hot or cold sandwich, pizza, burritos or rice bowls, served with milk, and fruit or juice – that is supposed to be a supper. The district has not applied for a reimbursable supper program and is counting these items as an after-school snack on its reimbursement claims. This practice creates some financial and compliance issues, which are discussed in other sections of this report. For the study team's MPLH calculation after-school snacks and meals are counted as 0.5 of a meal because some are very simple and some are more labor intensive to prepare.

The district added an eight-hour food service position at each middle school and comprehensive high school when after-school meals were added; this is excessive and expensive. These eight-hour positions perform other duties in the kitchens during the school day but are expected to stay after school for an extended period. Some sites have their snack/meal program open until 5 p.m. even though most students come to get the snack/meal right after school. The district should limit the amount of serving time for the after-school program so that staff time can be better utilized during the school day.

Staff at North Salinas High School prepares and serves meals for the Mount Toro, El Puente and Carr Lake schools. One employee from North Salinas goes to these sites to serve breakfast and lunch. Carr Lake and El Puente meal counts are included in North Salinas High meal totals on

the reimbursement claim forms. Mount Toro meals are reported separately on claim forms, but for this analysis they were added to the North Salinas High School numbers.

The MPLH analysis, included in the appendix of this report, indicates that only two schools meet the recommended levels of staffing – Alisal High School has 36 MPLH and Everett Alvarez has 34. The other schools vary between 21 and 28 MPLH, which indicates too many labor hours for the number of meals served. The school with the lowest MPLH is El Sausal Middle School at 21; this school has the second highest percentage of students who are eligible for free and reduced-price meals at 90%. Salinas High School is the next lowest at 23 MPLH; this school has the lowest free and reduced-price meal eligibility in the district at 49%.

An MPLH analysis was not completed before adding the eight-hour position at each site. FCMAT's MPLH analysis indicates the addition of full-time positions was unnecessary, and staffing at some sites may need to be reduced. Transferring some of the 4.5-hour positions to schools with high productivity, such as Alisal and Everett Alvarez, from schools with less productivity would balance the labor more appropriately. Eliminating positions as they become vacant would help achieve a staffing level in the 30 MPLH range. If any of the recently added eight-hour positions become vacant, they could be eliminated or reduced in hours based on an MPLH analysis completed at that time.

Interviews indicated that the manager of food service was not included in the decision to add the eight-hour positions, but rather that this decision was made by others in an effort to hurriedly add an after-school meal program and provide employees with benefited positions. While eight-hour positions are often desirable to staff, they are not the best way to cover the workload in a school food service operation. The program needs more people during critical serving times so students can be more efficiently served. Therefore, it would have been more practical and less expensive to create several part-time positions (e.g., three to five hours) rather than eight-hour positions. The manager of food service needs to be involved in department staffing decisions, conduct regular site observations and MPLH calculations to determine appropriate staffing levels, and compare current meal counts with those in past months and years so trends can be studied and analyzed.

As discussed elsewhere in this report, the food service program is not adequately supervised. One of the Food Service Department's clerical positions was vacant for more than two years, and the manager of food service spent much of her time in the office during that time. In addition, districts the size of Salinas UHSD usually have an assistant manager type of position to help with oversight. If a current site staff member is qualified for and promoted to this position, any resulting vacancies should be evaluated to determine appropriate staffing levels prior to being filled.

A staffing practice that many districts use to cover the critical serving times is to hire student workers and pay them minimum wage. They could be hired for 30-40 minutes per day to help with the lunch lines, cover additional points of sale and/or help refresh serving lines with additional food. Adult workers would likely not be interested in these positions, and because all the current employees are already working at lunchtime, the extra time could not be added to their schedules.

## Recommendations

*The district should:*

1. Reduce the amount of serving time for the after-school snack/meal program.
2. Transfer hours from schools with low productivity (MPLH) to those that are more in need, such as Alisal High and Everett Alvarez High schools.
3. Consider not filling vacancies as they occur until appropriate staffing levels are achieved.
4. Ensure that the manager of food service is involved in department staffing decisions.
5. Ensure that the manager of food service makes regular site visits to observe meal preparation and service and routinely completes an MPLH analysis to assess staffing needs.
6. Add an assistant manager of food service position.
7. Consider hiring student workers to provide help during lunch service.



## Personnel Activity Reports

Personnel activity reports (PARs) are detailed documents that support the salary and benefit distribution of employees that work on multiple activities or cost objectives by identifying the employee's daily activity by hours or percentage of hours spent in each program. The federal requirements for PARs (CFR Title 2, Part 225, Appendix B 8. h.) state that the documentation must:

- Reflect an after-the-fact distribution of the actual activity of each employee.
- Account for the total activity for which each employee is compensated.
- Be prepared at least monthly and coincide with one or more pay periods.
- Be signed by the employee.
- Not represent budget estimates or distribution percentages determined before the services were performed.

The United States Department of Education has approved a substitute system for the usual PARs reporting that simplifies recordkeeping. Specific criteria must be met to qualify for this option. Alternative documentation such as a predetermined work schedule may be acceptable instead of PARs to document the time of an individual who works on multiple activities or cost objectives on a predetermined or fixed schedule. An employee that documents time under this system is permitted to certify time periodically (at least semiannually) rather than monthly. This alternate method must be preapproved by the state before using it. More information about this option may be found in the California School Accounting Manual (CSAM) and on the CDE website: <http://www.cde.ca.gov/fg/ac/co/timeaccounting2013.asp>.

The district's Food Service Department has one warehouse delivery employee who works three hours a day for food service and five hours on other district duties. This is documented on a PAR form. The manager of food service indicated that a full-time warehouse employee who spends approximately 50%-60% of their time on food service duties is also charged to the cafeteria fund. This position does not complete a PAR form. If this position does not work solely for food service, documentation must be kept to assess the actual time spent in various activities, and necessary budget adjustments for salary and benefit charges must be made.

## Recommendations

*The district should:*

1. Assess the full-time warehouse position that is charged to the cafeteria fund. If it is determined that the position's duties are split between food service and other departments, ensure that PAR forms are completed and salaries and benefits are charged to the appropriate accounts.
2. If the substitute time accounting method is selected for use, ensure that the method is approved by the CDE as necessary and that federal regulations and procedures described in the CSAM are followed.



## Budget

Ideally, a school district food service program should be self-sustainable. Revenues generated by a program should be able to fund all department expenses, including indirect costs, with appropriate reserves maintained. However, per Title 7 Code of Federal Regulations Section 210.19 a district's food service program is only allowed to maintain surplus net cash resources of three months' average operating expenditures.

The CDE's Nutrition Services Division completed an administrative review of the district's food service program in 2015. The district's net cash resources were found to be out of compliance, and the report indicated that the fund's net cash resources exceeded three months' average expenditures by \$7,009,486. The report mandated that the district develop and submit for state approval a written spending plan to reduce the cafeteria fund to an allowable level. Interviews with administrative staff indicated that a spending plan had been developed but was being revised at the time of FCMAT's fieldwork. The spending plan was requested by the study team but was not provided. FCMAT's net cash resources calculation utilizing the CDE Nutrition Services Division Form SNP-57 and the district's 2016-17 unaudited actuals reflects an excess of 12.5 months' average expenditures over the allowable cap.

### Net Cash Resources Calculation

1. Income Statement:

a. Total Revenues (Form 13, Page 1, A. 5)	\$6,031,749
b. Total Expenditures (Form 13, Page 1, B. 9)	-5,669,214
c. Net Income for the School Year	362,535

2. Fund 13 Ending Balance (Form 13, Page 2, F. 2b) 9,777,336

3. Number of Full School Months in the Fiscal Year 9

4. NCR Calculation:

a. Average Operating Month	629,913
b. Fund 13 Ending Balance	9,777,336
c. Three Months of Expenditures	1,889,739
d. Fund 13 Net Cash Resources	7,887,597
e. Number of Months Over/Under NCR Cap	12.5

Rounding used in calculation

The budget for the current fiscal year does not appear to be a realistic projection of revenue or expenditures. In particular, revenue projections have been inconsistent during the reviewed years. Program revenue comes from student meal participation and a la carte sales. Interviews conducted by the study team did not reveal any justification for a projected decrease in 2017-18 revenue compared to 2016-17 unaudited actuals. In 2016-17 revenues increased by \$646,231 compared to 2015-16, but were decreased by \$466,925 in 2017-18.

Food and labor costs are the major portion of a food service expense budget. Based on the team's experience, a prudent goal for these expenses is 40%-45% each as a percentage of revenue. The 40% budgeted for 2017-18 labor costs is within the standard. Interviews with administrative staff indicated that the district recently added eight full-time positions to operate the after-school meal program. In addition, staff indicated that a decision had recently been made to increase all 3.5-hour positions to 4.5 hours. At the time of FCMAT's visit, this change was still in progress. The full cost of staff additions and increases in hours will significantly impact the program's labor budget, but it was unclear to the study team if those costs were included in the labor projections for the 2017-18 adopted budget.

Projected costs for 2017-18 salaries and benefits increased by 6% as a percentage of revenue from fiscal year 2016-17 and by 5% from 2015-16.

The projected food and supplies costs for the current year are extremely high at 77% and well above the standard of 40%-45% as a percentage of projected revenues. This is a 34% increase from the previous year, which is unusually large. However, this increase could be a result of the free meal programs the district operates. The district provides all students the opportunity to have free food from its salad bars; provided free meals to all students for the first 30 days of school in 2017-18; operates a universal free breakfast program; operates a free after-school meals program that is only approved and claimed as a snack for federal and state reimbursement; and provides free lunch to students who qualify for reduced-price meals. The school sites also lack oversight and approval for purchases of menu items. These areas are discussed in more detail in other report sections.

The 2017-18 budget reflects deficit spending of \$3,895,669 for the fiscal year. Some of the deficit is due to the projected capital outlay expenditures that are reportedly one-time in nature. However, if most of these added expenses are ongoing rather than one-time, this overspending could create an ongoing operating deficit and require a contribution from the unrestricted general fund in future years.

In 2016-17, the district had \$357,430 in entitlement dollars to purchase United States Department of Agriculture (USDA) commodity foods. It utilized most of its entitlement, \$180,924, to purchase fresh fruits and vegetables through the Department of Defense program and \$172,991 for processed commodity foods. As a member of the Central Coast Purchasers Cooperative, the district obtains bid pricing for most of its food and supplies to ensure it receives competitive pricing.

Services and other operating expenses for 2017-18 are projected to increase \$281,168 from the previous fiscal year. Capital outlay expenditures are budgeted to increase \$1,556,390. Close monitoring is needed during the fiscal year to prevent the fund balance from growing to an unallowable level. The district charges the program the full allowable indirect cost rate.



### Cafeteria Fund Budget Trends

	2015-16	2016-17	2017-18
	Unaudited Actuals	Unaudited Actuals	Adopted Budget
Beginning Fund Balance	\$9,011,461	\$9,457,762	\$9,820,297
Total Revenues	5,385,518	6,031,749	5,564,824
Salaries	1,375,198	1,468,068	1,585,484
Benefits	488,652	602,337	625,273
Total Salaries and Benefits	1,863,850	2,070,405	2,210,757
Salaries/Benefits % of Revenue	35%	34%	40%
Food and Supplies	2,352,966	2,601,566	4,262,024
Food/Supplies % of Revenue	44%	43%	77%
Services and Other Operating	363,025	340,296	621,464
Capital Outlay	125,346	437,410	1,993,800
Indirect Costs	234,030	219,537	372,448
Total Expenditures	4,939,217	5,669,214	9,460,493
Excess (Deficiency)	446,301	362,535	(3,895,669)
Ending Fund Balance	\$9,457,762	\$9,820,297	\$5,924,628

Source: District financial reports

Rounding used in calculations

## Recommendations

*The district should:*

1. Routinely monitor net cash resources to ensure they do not continue to exceed federal regulations.
2. Ensure that the cafeteria fund budget includes realistic revenue and expenditure projections.
3. Closely monitor the budget throughout the year and at each interim reporting period to ensure revenues and expenditures are within projected budget, and make budget adjustments as necessary.
4. Ensure that the 2017-18 salary and benefits budgets reflect costs for added staff positions and the one-hour increase from 3.5 to 4.5 hours.
5. Closely monitor capital outlay expenditures throughout the year to ensure planned and budgeted expenditures occur as scheduled.
6. Monitor budget trends from year to year, determine the cause of any large variations, and make adjustments as necessary.



## Facilities and Equipment

The study team visited all of the middle school and comprehensive high school food service preparation and serving facilities during its fieldwork. The team observed the condition and functionality of the kitchens, serving areas, and multipurpose rooms. Several of the kitchens visited are too small for the school's enrollment and quantity of meals served. The district's enrollment is growing, and some of the kitchen facilities were not designed to provide services for the growth. The district's 2015-16 CALPADS report reflects an enrollment of 14,691; the 2017-18 report (dated October 26, 2017, and not yet certified) reflects a total of 15,614, an increase of approximately 6% over the two-year period.

The district has already begun replacing some equipment; however, some kitchens are still operating in outdated facilities that are not adequate to provide timely and efficient services to all students. Interviews indicated the district is building a new high school and a new middle school that will open in the next few years to mitigate enrollment growth. The 2017-18 cafeteria fund budget includes \$1,993,800 in capital outlay expenditures. However, the revised spending plan was not complete at the time of FCMAT's fieldwork, so it is unknown how much has been allocated to the two new schools for equipment.

The Alisal High School kitchen and serving areas are not adequate for the number of meals it serves. The school has an enrollment of approximately 2,800. It serves approximately 1,000 lunches daily during one 40-minute period, 500-600 breakfasts and 450-600 after-school snacks/meals. It also offers an extensive list of a la carte items for sale from food carts placed on campus and from a kiosk located near the cafeteria. Speed lines were recently replaced; however, the salad bar is not on or near the serving line for easy student access and participation.

The Salinas High School kitchen serves meals from an area designed for a snack bar concept. The serving area is equipped with several serving windows in the multipurpose room. The school serves approximately 450-550 lunches and 400-450 breakfasts daily. It also serves 100-150 after-school snacks/meals. Other a la carte food items are available for sale from two food carts on campus and a snack bar by the gym. The campus would benefit from a speed line concept or a food court similar to that at North Salinas High School. The serving area could be remodeled with speed lines to expedite meal services; however, it would further reduce the dining space for students. The school has an enrollment of approximately 2,600, and the dining area does not have enough seating space for student participation. When the cafeteria tables are full, students consume their meal outside or in the gymnasium during inclement weather.

Harden Middle School has adequate food service facilities; however, the multipurpose room is not utilized for student dining. All students participating in the meal programs are directed to go outside to eat. During the study team's visit, students were observed sitting on benches and grass areas eating their lunch. The kitchen food preparation areas and storage are adequate for this school with an enrollment of more than 1,200. Meals are offered to students through two speed lines. The site serves approximately 450-500 lunches, 220-250 breakfasts and 200 more breakfast meals during a nutrition break offered daily. The site also serves approximately 100-140 after-school snacks/meals.

The food service program has a central warehouse staffed by one full-time and one part-time employee. The warehouse provides all the serving sites with supplies and other items that are not directly ordered by sites from vendors.

The cafeteria fund's 2016-17 estimated actuals reflect a budget of \$1,200,000 for capital outlay expenditures; however, the 2016-17 unaudited actuals include expenditures of \$437,410. The

2017-18 adopted budget projects \$1,993,800 in capital outlay expenditures. Interviews with administrative staff indicated that these funds were allocated to capital outlay as part of the department's required spending plan based on corrective action from the 2015 CDE administrative review. Staff also indicated that equipment items listed on the spending plan have received approval from the state, but requests for new or upgraded facilities have not been approved. More information on the cafeteria fund and its allowable uses can be found in Nutrition Services Division Management Bulletin NSD-SNP-07-2013 and at <https://www.cde.ca.gov/ls/nu/sn/cafundguide.asp>.

## Recommendations

*The district should:*

1. Conduct a review of equipment needs at all serving sites and develop a plan for replacement or additions.
2. Conduct a facilities analysis of all food service areas and develop plans for renovations or additions to better accommodate student enrollment.
3. Revise the spending plan for allowable expenditures and resubmit it to the CDE for approval.
4. Ensure that food service management is involved in developing spending plan timelines.
5. Follow and implement the spending plan according to an annual spend-down schedule.

# Meal Program, Menus and Meal Service

## Nutritional Requirements

The district participates in the National School Lunch and School Breakfast programs, which are regulated by the United States Department of Agriculture (USDA) and the California Department of Education (CDE). During federal reauthorization in 2010, regulations were updated to become the most comprehensive changes to the program in 15 years. Initial revisions became effective in the 2012-13 school year and have continued to become stricter.

Section 9(a)(4) of the Richard B. Russell National School Lunch Act (NSLA) requires that school meals reflect the latest Dietary Guidelines for Americans (Title 42 United States Code Section 1758(a)(4)). In addition, Section 201 of the Healthy, Hunger-Free Kids Act of 2010 amended Section 4(b) of the NSLA to require the USDA to issue regulations to update the meal patterns and nutrition standards for school lunches and breakfasts based on the recommendations issued by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences (Title 42 United States Code Section 1753(b)). The following websites contain additional information regarding these issues:

<http://www.fns.usda.gov/sites/default/files/NSLA.pdf>

<https://www.fns.usda.gov/school-meals/healthy-hunger-free-kids-act>

The regulations seek to increase the availability of fruits, vegetables, whole grains, and fat-free and low-fat fluid milk on school menus; reduce the levels of sodium, saturated fat and trans fats in school meals; and meet the nutritional needs of school children within specified calorie requirements. The intent is to provide meals that are high in nutrients and low in calories.

## Menu Planning

Districts must offer a wide variety of vegetables, including specified weekly amounts of vegetable subgroups. These subgroups include dark green, red/orange, starchy, and legumes. While this is nutritionally sound, it has complicated menu planning and to some extent, student acceptance. A full cup of fruit must be offered at breakfast for all grade levels. One-half cup of fruit and three-fourths cup of vegetables must be offered to K-8 students at lunch, and one cup of both fruit and vegetables must be offered to high school students (grades 9-12) at lunch. Students must take at least one-half cup of fruit *or* vegetable with both breakfast and lunch whether or not they want it. Districts have experienced an increase in waste because of these requirements, but precise nutritional standards must be met.

In addition to the food component requirements, menus must meet specific nutritional guidelines such as sodium and fat limits and minimum and maximum calorie levels for the various age groups. Regulations include the type of milk (fat free and low fat) that must be offered and stipulate that “hidden” fruits or vegetables baked into other items cannot count toward the fruit/vegetable requirement. Fruits pureed into smoothies are exempt from this restriction.

At its last CDE administrative review in 2015, the district’s submitted menus were deemed to be nutritionally adequate and acceptable under the NSLP regulations. All menus passed the criteria for the NSLP certification for having the proper items and serving sizes available daily. However, the district does not have a method to ensure compliance on a routine basis.

The district has posted menus for both lunch and breakfast. They list the basic menu items offered on the serving line but do not include the daily fruits and vegetables offered. While it is not a requirement to show these on the menu intended for students, there is no additional menu or guideline that specifically indicates which of these food items the staff should order and offer to comply with the subgroup regulations. What is actually served is noted on the production sheets after the fact. Many production sheets show a “veggie bar” with the recipe number V-18. However, the study team requested but was not provided a copy of this recipe, and it does not appear to be used by staff.

A variety of fresh fruits and vegetables are available, including a veggie bar/salad bar, which is optional for students because it is located in many of the cafeterias after the students have already passed the cashier/meal checker. During the study team’s visit, there were approximately 8-10 items (vegetables and eggs) offered daily on the veggie bar, but this is not part of a written menu, recipe or daily rotation.

The method by which the district is offering the veggie bar (after the cashier, with no one checking for a complete meal) is not acceptable to allow it to be counted as part of a complete meal. Therefore, it will either have to place the entire veggie bar in the speed line or write a menu that offers the proper amount and type of vegetables for service in the speed lines or at the windows.

Offering vegetables on the speed line is inconsistent among schools. Most schools offer some vegetables in the line but others do not. At some sites potatoes are offered on the speed line, but only packaged with a specific entrée item. In that instance, they are not considered available to all students because the students who did not choose that particular entrée would not have access to the potatoes.

Typically, just two items, such as one-half cup of packaged carrots and one-half cup of beans or potatoes, would meet the one-cup vegetable offering requirement. Students could pick these up in the speed line to satisfy the reimbursable meal requirement and then add more items from the veggie bar located after the cashier, if so desired. However, if the veggie bar were part of the speed line, this added cost and waste would be reduced.

During the study team’s visit, staff at one school indicated they had tried portion cups of vegetables but discontinued the practice because of how many items the students had to juggle. (See suggestion for using paper trays or boats in other sections of this report.)

## Consistency of Offerings Between Schools

FCMAT found that items posted on the written menu are not consistently served at each school. For example, two entrées for breakfast and two or three entrées for lunch are listed on the menu, yet some schools have several more than that. One school offers sausage in a breakfast sandwich; another offers ham. Some offer peanut butter and jelly sandwiches. Some offer assorted cereals every day and others offer cereal only on some days or they offer cereal bars on some days. The study team observed many variations in both main entrée items and fruit choices. The site food service manager determines the type of fruit served. There does not appear to be any approval process or directive from the central food service office, which would provide consistency and limit expensive fruits. There is also no direction to offer sliced fresh fruit even though it may increase student consumption of fruit. Sliced fruit is faster to eat and is also easier to eat for those with braces.

Some sites offer only the veggie bar, but some make boxed salads that are placed in the speed line one or two days per week. This can be a good alternative, but the district must still ensure that it offers the required vegetable subgroups.

To increase student participation, more options could be offered daily. For example, assorted cereals and string cheese served together could be offered daily. This is an easy option that does not require preparation by staff but provides consistency if a student does not like the other choices.

The after-school menus include a wide variation in the hot items offered. There is also a lack of consistency among the schools' menus. For example, the production sheets showed that some schools offer goldfish crackers daily, while other schools offer cereal bars, Nutrigrain bars, or graham crackers. Although they meet the required grain component, these offerings seem repetitious. The manager of food service should determine the items offered so that they can be properly analyzed.

## Cycle Menus

Menu writing is a function that the manager of food service should control to ensure compliance with regulations and to control costs. Currently, menu writing is rotated monthly among the site food service managers. This system is not working well because there are inconsistencies from month to month that go unnoticed by the central food service office. A comparison of the October and November 2017 menus showed differences in the number of daily entrées offered, dessert offered on Fridays and yogurt parfaits offered each Tuesday and Thursday in October but not November, and that items are not routinely paired together.

If the purpose of this rotation is to obtain input from the site food service managers, using a cycle menu would simplify this task for everyone and ensure that the district manager of food service has the ultimate responsibility for the menus.

A cycle menu basically has the same entrées offered in the same order each month. Usually the same two or three entrées are offered together daily. Because some days are more popular with students than others, the cycle menu assists site food service staff in establishing a product history from which it is easier to order the correct quantities in advance. This also assists the warehouse and purchasing staff because the flow of product is more predictable. The cycle can be changed quarterly to add less popular items for variety and to take advantage of seasonal favorites, sale items, and commodities. The district has a bit of a cycle menu with turkey and ham sandwiches, spicy chicken, and yogurts appearing on similar days, but it is not always consistent. There are daily themes, such as meatless, oriental, pasta and fiesta, but sometimes there are three entrées, sometimes four and other times only two.

The cycle can be written for any length of time, but it is typically written for one month and then changed or adapted quarterly. It can be varied with one or two new items each month, but the core remains the same. The benefits of a cycle menu include that it is easier to analyze with nutritional software and easier to forecast amounts needed, which is essential for ordering and maximizing storage. In addition, participation increases because students learn to trust when their favorites will be on the menu without having to look at it. The sites can still give input to the manager of food service at the monthly managers' meetings. Because site food service staff are most familiar with student preferences and usage, their opinion is important. The site food service managers' input could still include product specifications and recipes for inclusion in the menu, but outcome would be centralized from the food service office and all schools would



follow the same menu. This also provides consistency in the appearance of the student menu, and a template could be established for the items that are offered daily listing items in the same order and with extra descriptors, such as WG for whole grain or V for vegetarian.

Menus have to be changed to adapt to the use of commodity items and/or sales on products, but those can generally be added to the established cycle on a planned basis in the following month.

The written menu for food service staff needs to show everything that is offered, including fruits, vegetables and all items on the veggie bars to ensure that each school is offering all required subgroups. Veggie bar menus could be written as a weekly or daily rotation cycle, which can change with seasonal availability. Menus are to be analyzed weekly, so the required items only have to be available once in that weekly cycle. A veggie bar recipe that specifically states what is offered and meets the requirements for subgroups needs to be written.

There does not appear to be a plan for which hot foods or entrées are offered in the a la carte lines each day. There is a list that shows all possibilities, but it is unclear if these items meet the requirements for foods and beverages sold to students on campus outside of the reimbursable food program, known as smart snacks. Extensive regulations pertaining to these items can be viewed at:

<https://www.cde.ca.gov/ls/nu/sn/mbsnp212016.asp>

<http://www.fns.usda.gov/school-meals/fr-072916d>

## Quality Perception

The district does some scratch cooking once or twice weekly, such as spaghetti and homemade burritos. However, a majority of the hot food is at least partially processed. This is acceptable under NSLP regulations, but caution must be taken in the type of processed food that is offered to promote the nutritional adequacy of the menu. Many processed items that are purchased for school food service programs must be specially formulated to meet the nutritional requirements. Breakfast items such as whole grain chocolate pop tarts meet the regulations but may not give the perception that nutrition is important to the district. This type of item could be switched to something perceptibly more nutritious, like cheese, nuts or yogurt, or marketing efforts could show that these are whole grain, low fat, reduced sugar alternatives to what is available to the general public in grocery stores. Menus that are posted online could have notations, such as WG for whole grain and LF for low fat, to both inform and educate the public.

During FCMAT's visit some school sites lacked enough staff during the lunch rush to replenish foods in the speed lines and restock and clean the salad bars to ensure they continued to look attractive throughout the meal period.

## Nutritional Analysis

All school food service menus must be written to meet the USDA and California regulations for food components, calories, sodium, percentage of saturated fat, and trans fats. No documentation was provided to show that the district meets these requirements. Interviews indicated that the district does not complete a nutritional analysis but is considering the purchase of software for this purpose.

The manager of food service indicated the menus and certification presented for the 2015 CDE administrative review were accepted, and the complete report indicates that it was closed, which means the district completed all requirements and corrective actions. However, the current



written menus are not complete nor is there a nutritional analysis. Therefore, the district no longer appears to be in compliance.

By providing proper nutritional analysis, carbohydrate counts for diabetic students would be readily available. One staff member indicated that health technicians have to look up generic information on the internet to get carbohydrate counts for new menu items. The manager of food service could develop a carbohydrate count list for all recipes and products and make it available on the district website or other location so that health staff and site food service managers have access to the most updated information.

## Production Records

Federal regulations require the use of production records to ensure that the food served to students meets the nutritional guidelines for a complete reimbursable meal. Review of the school site production records found that only the entrée choices and basic sides are listed. Veggie bar items are not listed despite the wide variety of vegetables offered each day. All food is required to be accounted for on the production records and should be approved by the district's manager of food service to ensure that requirements are met. As indicated in the budget section of this report, the 2017-18 projected food and supplies cost is extremely high, approximately 77% of revenue. Any extra food offered by sites without approval may be contributing to this cost.

Production records are sheets meant to be completed daily by each site that show the amount of food that was planned and prepared, the contribution to the meal pattern, and the number of leftover servings. They are designed to show whether a district is providing the quantity of food necessary to serve all students who participate in the meal service. All foods served to students need to be listed on the production record; however, FCMAT observed that many offerings served are not noted on the production sheets.

The district's site food service managers complete their production records from blank forms, and the study team found that the forms are inconsistently completed. For example, some show the veggie bar as contributing two cups of the fruit/vegetable component and others show it only providing a half-cup; the weight portions differ from 4-16 ounces. A recipe number is cited for the veggie bar, but food service management could not locate that recipe. At breakfast both a one-ounce cheese stick and a one-ounce package of sunflower seeds are given a contribution weight of two grains/breads each; however, their correct contribution is one grain/bread each. These examples indicate that some site food service managers do not understand how best to complete these forms.

It would be more efficient and provide for more consistency if one person were assigned to prepare the forms while they write the menus. The forms would then be sent to site food service managers to complete with the number of food items offered and served at their sites. Most menu writing and nutritional analysis software programs have this option so that once the menu is written, all documents are consistent. Site food service managers can add to the forms for any extra offered items or substitutions, either on the computer document or handwritten on the printed form.

Veggie bars require a separate daily production sheet. It can be a standard form with all options printed on it. The site food service manager would then fill in the amounts of food that were offered on the bar and the leftovers.

## Recommendations

*The district should:*

1. Ensure that the manager of food service develops complete menus that show all items, including the veggie bar, to be offered each day for breakfast, lunch, and after-school meals/snacks. Ensure that site food service staff input is solicited in this process.
2. Require all sites to follow the menu as written unless they have received approval for modifications from the manager of food service and establish a practice to ensure that the menu is followed consistently, including routine site visits by the manager of food service.
3. Consider locating the veggie bars in speed lines.
4. Consider writing cycle menus to make nutritional analysis, productions sheets, ordering and inventory more efficient.
5. Ensure that menus include notations such as WG, LF and V.
6. Develop a written veggie bar recipe that specifically states what is offered and meets the requirements for vegetable subgroups.
7. Document that the items sold a la carte meet smart snack requirements.
8. Have enough staff during meal periods, employees or students, to replenish speed line and salad bar items.
9. Purchase nutritional analysis software and complete the nutritional analysis with each monthly menu to ensure it meets nutritional requirements.
10. Assemble a carbohydrate list for use by site food service managers and health staff.
11. Have production records written centrally for efficiency, consistency and accuracy and sent to each site for daily completion, and purchase a software program that will generate production sheets easily from the written menus.
12. Ensure that production sheets reflect all foods offered, and ensure that any additional food served or substitutions made are noted on the production records. Require daily completion of a separate veggie bar production sheet.
13. Provide training to site food service managers on the weekly requirements, and ensure they properly complete production sheets and that all food offered is accounted for on production records.

## Meal Program Compliance

The district is an approved sponsor of the National School Lunch and School Breakfast programs. Under these programs, the district is allowed to offer one reimbursable breakfast and lunch to each student per school day. Because the district is approved for standard meal counting, reimbursable meals must be claimed according to each individual student's eligibility category (free, reduced-price, or paid). The district may charge students who are eligible for paid or reduced-price meals. It also has approval to offer an after-school snack to those students that are enrolled at a school that is area eligible, which means at least 50% of the students are eligible for free and reduced-price meals.

## After-School Snack Program

The district has an after-school snack program approved through the NSLP at all middle schools and comprehensive high schools. In addition, at the beginning of the 2017-18 school year, the district implemented a supper program at eight school sites and labeled it an after-school meal. The meal is offered at the same time as the after-school snack, at no charge to students.

The district has not applied and received approval for an official program for the supper meals. It claims them through the NSLP after-school snack program. NSLP does not have an after-school meal program, so claiming meals through this program is not compliant. The Child and Adult Care Food Program (CACFP) offers both a snack and supper meal program; both include an application and approval process. The method used by the district for serving supper meals as well as snacks creates both compliance and financial problems.

There are specific guidelines for each program, each with different nutritional components. The snack program requires the district to offer two items to students. The supper meal is similar to a lunch and requires that four food components be served. Following is information provided by the CDE:

A reimbursable snack must contain full servings of any two of the following four food components. A reimbursable meal must contain full servings of all four components:

- Fluid Milk - 8 ounces
- Grain or Bread Product - 1 slice bread (for example)
- Meat or Meat Alternate - 1 ounce meat (snack); 2 ounces (meal)
- Fruit, Vegetable, and/or 100% Juice - 3/4 cup (for a meal, at least two different items must be served, totaling 3/4 cup)

For snack, these components may be served in any combination, except that juice may not be served when milk is the only other component.

Production records are kept on foods offered, but it is difficult to determine whether students are taking a snack or the full meal. Interviews with staff indicated that some sites allow students to take both and/or are unaware of what is taken. Based on the production records, the main item offered for the snack and meal are taken in about equal amounts. However, the number of sides served indicates that those taking the snack are likely taking more than two items, which increases the cost. It is unclear if the students taking the meal are taking all required components.

Based on its claiming procedures, the district receives \$.88 reimbursement for both the snack and supper meal. The current CACFP free reimbursement rate for a supper meal is \$3.23; therefore, the district could receive much more revenue if it were authorized to provide a CACFP meal.

As shown on the MPLH analysis, 884 more daily snacks were claimed in October 2017 than October 2016. This is likely due to the addition of the supper meals; however, because the district claimed them all as snacks, revenue was lost.

The CACFP after-school snack and meal programs include the following requirements:

- Located at sites where at least 50% of children in the school attendance area are eligible for free and reduced-price meals.
- Located at sites that offer educational or enrichment activities after the regular school day ends during the regular school year (not in the summer).
- Serve meals and snacks that meet USDA's nutrition standards, with foods like milk, meat, vegetables, fruit, and bread.

Additional information on these programs can be found at:

<https://www.cde.ca.gov/ls/nu/as/snackfacts.asp>

<https://www.cde.ca.gov/ls/nu/sn/snack.asp>

## Compliance

Interviews indicated that several district programs are subsidized with food service funds, which is not in compliance with federal requirements. Students who qualify for free or reduced-price meals are eligible for school meal benefits during the school year in which they qualify and up to 30 operating days of the following year or until a new eligibility is determined. After 30 operating days, a student's eligibility must be returned to paid status if a new determination has not been made through a meal application or direct certification. During the 2017-18 school year, the district provided the 30-day carryover to students with free and reduced status, but also gave free meals to all paid students during that time.

The district operates a universal free breakfast program at all school sites. Staff indicated that the district will reimburse the cafeteria fund for the difference in cost for reduced-price and paid eligible students, but had not done so at the time of FCMAT's visit. The district also provides lunch to reduced-price eligible students for free. If the district has appropriately reflected this in its meal policy and collection procedures and the pricing information for all sites in the Child Nutrition Information and Payment System (CNIPS), the food service program may waive the reduced meal charge of 40 cents for lunch and 30 cents for breakfast for those students eligible for reduced-price meals.

The food service program has salad bars at all middle schools and comprehensive high schools. All students are allowed to eat from the salad bar for free, even if they do not participate in the reimbursable lunch program.

Information provided by the CDE staff and available on its website (<https://www.cde.ca.gov/ls/nu/sn/mbusdasnp162012.asp>) indicates that funding for free meals provided to students who do not qualify for them must be provided from an allowable nonfederal funding source. Therefore, the district's cafeteria fund is not allowed to pay the cost of the free meal programs discussed above for students who do not qualify for meal benefits. The cafeteria fund needs to be reimbursed for the difference in cost of the reduced-price and paid eligible students.

In addition, providing free meals to students who do not qualify for the NSLP benefits may be considered a gift of public funds. Article 16, Section 6, of the California Constitution provides that the state Legislature cannot authorize any county, city, or other political subdivision to make any gift of public funds to an individual or corporation. School districts are considered a component of a political subdivision for this purpose. If a school district's expenditure does not fall under one of the two exemptions provided in the California Constitution, it may be considered a gift unless the expenditure is for a public purpose. If the funds are to be used for a public purpose, they are not a gift within the meaning of the constitutional prohibition (*California Teachers Assn. v. Board of Trustees* (1978) 146 Cal.Rptr. 850, 855). When an educational agency's governing board has determined that a particular type of expenditure serves a public purpose, the courts have often deferred to that finding. However, the study team was not provided board meeting minutes indicating that such a determination had been made.

Understanding the requirements for and the use of cafeteria funds in the School Nutrition Program is a key element in the success of a child nutrition program. Further information is available at:

<https://www.fns.usda.gov/2017-edition-eligibility-manual-school-meals>

<https://www.cde.ca.gov/ls/nu/sn/mbsnp27cacfp072015.asp>

## Recommendations

*The district should:*

1. Determine if it wants to continue both the after-school snack and the supper meal program.
2. If the supper program is continued, ensure that it is approved by the CACFP.
3. If the after-school snack program is continued, determine if it should be offered through NSLP or CACFP.
4. Ensure that all staff responsible for the supper and snack programs are provided with the proper training, understand the requirements and the difference between the components of the snack and the meal, and serve students properly.
5. Conduct an analysis on the cost of the free meal status 30-day carryover provided to all students, including paid students, in 2017-18. Ensure that the cafeteria fund is immediately reimbursed for those costs that cannot be paid from cafeteria funds.
6. Conduct a monthly analysis on the cost of the universal free breakfast program. Ensure that the cafeteria fund is reimbursed monthly for those costs that cannot be paid from cafeteria funds.
7. Ensure that its meal policy and collection procedures and the pricing information in CNIPS reflect that the lunch and breakfast meal charges for reduced-price eligible students are waived.

8. Establish and maintain a log of students that are allowed to eat from the salad bar for free, but who are not eligible for free meals. Ensure that the cafeteria fund is reimbursed monthly for these costs.
9. Establish a board policy regarding providing free meals to students who do not qualify for NSLP benefits and determine an allowable nonfederal funding source to pay for them.

# Participation Trends and Provisions Eligibility

## Participation

FCMAT visited numerous school sites to observe the practices and meal participation for breakfast and lunch. Most serving lines observed flowed smoothly, especially at the middle schools. However, several high schools had long lines. Industry studies show that participation decreases when students perceive that they have to wait too long in line. Most of the wait is due to inadequate serving facilities, which is addressed in more detail in the facilities section of this report. All schools operate with a single 40-minute lunch session, which puts further demands on the serving staff. At Alisal High School, not all students at serving lines could participate in the veggie bar because the food ran out and staff did not have enough time to replenish it. The lines of students entering the cafeteria were not controlled, causing chaos and crowding.

According to the October 2017 meal claim report, the district's free and reduced lunch participation is 40% of eligible students, which is low. Many school districts average a 60%-80% participation rate for students that are eligible for free and reduced-price meals, particularly in middle schools and high schools with closed campuses. Paid lunch participation is extremely low at 2% of eligible students. This may be partly due to an extensive a la carte menu offered at all school sites, but in large part is due to the common tendency of secondary students not wanting to participate in school meals. The overt identification associated with separate lines for a la carte items and reimbursable meals may also discourage students who are free and reduced eligible from participating in the regular meal service.

At breakfast the free and reduced participation is 21% of eligible students and paid participation is only 13%. If breakfast participation cannot be significantly improved, the district may want to consider eliminating it or offering it only as a second chance breakfast (midmorning) instead of before school. This can help increase participation and allows for some reduction in staff hours.

Many factors can affect participation, including free and reduced eligibility, menus, time of day meals are offered, and speed of serving lines. Demographics may prevent increasing eligibility and participation because some students may have higher income resources and prefer to purchase a la carte items instead of participating in the traditional meal program. However, issues should be identified and changes considered. For example, student taste testing activities could be periodically scheduled to allow students the opportunity to sample new products, and the food service program should be promoted at Wellness Committee meetings where parents and students can identify with the benefits of school meals.

## Provisions Overview and Eligibility

The district uses the standard method of claiming federal and state reimbursement for meals served to students. With this method, the district receives reimbursement based on each participating student's meal eligibility of free, reduced, or paid. For students that qualify for free lunch, the district can claim the highest reimbursement of \$3.48 for each served meal; for students that qualify for reduced meals the reimbursement rate is \$3.08; and for students that qualify for paid meals, the district receives \$0.33. The rates of reimbursement typically increase slightly each school year. Aside from these reimbursement rates, the district receives an additional 6 cents per meal for all lunches served (free, reduced, and paid). The district receives reimbursement by reporting daily counts of meals served by eligibility category at each site using eTriton, an automated meal counting system.



When a district utilizes the standard method of claiming federal and state meal reimbursements, a considerable amount of paperwork must be collected for each student or household to annually determine each student's eligibility to comply with the USDA requirements.

In an effort to reduce the amount of paperwork at the local level, in the 1980s Congress incorporated into Section 11(a)(1) of the National School Program Act three alternative provisions (Provisions 1, 2 and 3) to the standard requirements for annual determination of eligibility for free and reduced-price meals. Of these three alternative claiming provisions, the most commonly used by school districts is Provision 2.

The Provision 2 claiming method reduces the annual meal application burden substantially and simplifies meal counting and claiming procedures. Schools in the district that qualify will establish baseline claim percentages in a given base year and serve all meals at no charge for four years. Eligible schools must serve meals to all participating students at no charge during the base year and the three subsequent years, including those students identified as reduced and paid. The benefits of this alternative method are typically achieved for school sites with free and reduced-price eligibility rates of 70% or higher. This provision also allows a district to make determinations based on individual schools.

According to the district's 2017-18 CALPADS eligibility data, the number of students that qualify for free or reduced-price meals has slightly increased since 2016-17. However, several schools in the district have a much larger percentage of eligible students than other schools. For example, 90% percent of the students at El Sausal Middle School qualify for free or reduced-price meals. In comparison, only 49% of the students at Salinas High School are eligible. The districtwide free and reduced eligibility was 69% as of October 25, 2017.

	Enrollment	Free/Reduced Eligibility
Alisal High	2,838	80%
El Sausal Middle	1,102	90%
Everett Alvarez High	2,644	61%
Harden Middle	1,278	74%
La Paz Middle	1,110	87%
North Salinas High	2,213	64%
Salinas High	2,606	49%
Washington Middle	1,274	71%
Carr Lake Community Day	17	94%
El Puente Alternative	339	65%
Mount Toro Continuation	193	79%
District Total	15,614	69%

Based on district information provided to FCMAT, including the October 2017 claim for reimbursement eligibility percentages, several schools appear to qualify for this program. The district's fall 2017 CALPADS data indicates that six schools have a free and reduced-price eligibility rate that exceeds 70%. (Carr Lake and El Puente meal counts are included in North Salinas High meal totals on the reimbursement claim forms, and the combined total of these sites is 65%.) However, aside from the reduction in paperwork, the district must evaluate the potential revenue impact that each provision will have for each school based on current student meal participation. Under Provision 2, districts are reimbursed for meals served based on the base year percentages established for each meal category of free, reduced, and paid. The district does not collect any



funds from students for reduced-price or paid meals because all students are eligible to eat for free. More details about the School Nutrition Program provision options may be found on the CDE website at <https://www.cde.ca.gov/ls/nu/sn/provisions.asp>.

Another claiming method that might be more beneficial to apply at some district sites or districtwide is the Community Eligibility Provision (CEP). The CEP provision was established as a result of the Healthy, Hunger-Free Kids Act of 2010 and allows schools and local educational agencies (LEAs) located in low-income areas to provide free breakfast and lunch to all students. CEP was phased in over a three-year period and became available nationwide July 1, 2014. CEP completely eliminates the traditional paper eligibility applications. Instead, schools are reimbursed through a formula based on the number of identified students, which are those students who qualify for free meals through direct certification and those in foster care, Head Start, are homeless, migrant or living in households that receive Supplemental Nutrition Assistance Program food stamps, Temporary Assistance for Needy Families cash assistance or the Food Distribution Program on Indian Reservations benefits. Because this claiming method eliminates the use of applications, it changes the appearance of free and reduced-price data. Because it considers only identified students for free meals and not those qualifying by income, it creates an appearance that overall free and reduced-price eligibility rates have decreased when in fact they have not.

Schools and LEAs with a minimum identified student percentage that is greater than or equal to 40% in the prior school year may participate in the CEP program. When using this method, the state applies a multiplier of 1.6 to the number of students qualifying through community eligibility for free meals and uses that figure to calculate the reimbursement. For example, in October 2017 the district had 6,882 identified students and an enrollment of 15,614. Therefore, 44.08% of student enrollment is the identified student percentage (ISP). When the ISP is multiplied by 1.6, the district would receive 71% of all breakfast and lunches served at the free reimbursement rate. The other 29% would be reimbursed at the paid rate.

With this provision, some district schools could receive the higher federal/state free reimbursement rate for 100% of meals served compared to the traditional reimbursement program for which they receive a lower total reimbursement that is based on meals served by free, reduced, and paid categories. While the intent is to increase participation levels by allowing access to free nutritional meals for all students, in some circumstances, this reimbursement program could increase revenue while feeding the same number of students.

A preliminary calculation for the CEP program using the identified students listed on the district's October 2017 CALPADS report indicates that the district exceeds the 40% threshold districtwide to participate in the program. The district would have to review the CALPADS data for April 1, 2018 to confirm eligibility for the 2018-19 school year because April data is used for CEP election for the following year.

This program has many advantages. For example, utilization of point-of-sale systems to determine if a student qualifies to receive a free or reduced-price meal or has sufficient money in their account becomes unnecessary. Many districts that participate do not use a computerized system at CEP schools; a simple meal count is all that is necessary. Labor hours needed to process meal applications, perform verification tasks and track student participation by eligibility are reduced. Increased student participation is also common because all students eat for free.

Schools electing to participate in a provision claiming method must pay the difference between federal reimbursement and the cost of providing all meals to students at no charge. If the cost to

provide the meals is more than the reimbursement received, the funds to pay for this cost differential must be from sources other than federal funds.

In conjunction with the analysis of moving to an alternative reimbursement program, the district must consider the effects on student data collection and reporting used for the Local Control Funding Formula (LCFF). Schools on the CEP may establish a base year for LCFF purposes. Schools using this option only to establish a new LCFF base year must collect income data for all eligible students at least once every four years and collect income data for every newly enrolled student in the intervening years. More information regarding verification responsibilities related to LCFF when electing an alternative meal reimbursement program is accessible on the CDE website at <https://www.cde.ca.gov/fg/aa/lc/lcfffaq.asp>.

## Recommendations

*The district should:*

1. Ensure that the manager of food service tracks student participation at all sites, identifies trends, and identifies and determines how to rectify obstacles to increase participation.
2. Consider having two lunch periods instead of one to help improve line flow and control.
3. Consider offering a second chance breakfast at midmorning to increase breakfast participation. If participation does not increase, consider eliminating breakfast at sites with low participation.
4. Evaluate reimbursement claiming options Provision 2 and CEP to determine if alternative options result in favorable reimbursement.
5. Before implementing a provision meal claiming method, review and understand the requirements for student eligibility verification as it relates to the LCFF.

## Meal Service and A La Carte Sales

The pattern of meal service throughout the district is similar from school to school with a few exceptions. All middle and comprehensive high schools have a main service line, which serves the reimbursable meals. School sites also have snack bar windows and/or mobile carts that serve a la carte items. Most of the schools have self-service speed lines where students help themselves to meal items and proceed to the point-of-sale (POS) cashier.

The meal lines offer the meal components – entrées (protein and grain), fruit and vegetable choices, and milk. However, most sites visited did not offer the required amount of fruits and vegetables on the meal line. Offering these items on the line allows students to obtain a complete reimbursable meal before proceeding to the POS, where staff can check the meal to ensure it is complete. All sites have a salad bar option for additional vegetable choices, but at most of the schools it is located after the POS. At most of the schools the salad bar is not in a convenient location and gets overlooked by many students. During the study team's visit, the salad bar offerings were expansive and beautifully presented but at some schools much of the food was untouched and discarded at the end of the meal. This creates food waste, is a waste of labor, and makes it difficult for students to have options for their vegetable selections.

The salad bars are a very good option to be able to offer the variety of vegetables (with the various subgroups) the district is required to offer in a week, as explained in the menu section of this report. At many of the sites the serving lines could be rearranged to place the salad bar cart before the POS or put the salad bar items in one compartment of the speed line. Special adapters are available for speed line cabinets so salad bar containers can fit in them. At other sites the POS could be moved so it is located after the salad bar.

In observing meal lines the study team found that many students did not take the required fruit or vegetable item; therefore, these were not legitimate reimbursable meals. If a state auditor were observing the meal lines, they would not allow these incomplete meals to be claimed. During its site visits the study team estimated that approximately 80% of students did not take a full meal. Most of these were because students did not take a fruit or vegetable, and some did not have the required number of items. At breakfast a few students only took juice yet entered their ID in the POS system for a full meal. This indicates that staff is not closely monitoring meals to ensure they are complete, or they do not understand what constitutes a full meal. This was a finding on the 2015 state administrative review. The corrective action response indicated that training was done at that time but the same problems are still occurring, which indicates staff needs further training.

The district does not provide trays or cardboard boats (similar to those used for the salad bar but larger) for students to use for food items. The use of trays or boats would make it easier for students to carry their food along with backpacks and other belongings rather than trying to juggle food items or put them in their pockets, which encourages theft and makes it difficult for food service staff to determine if students have a full meal.

Alisal High School has a congested serving line set-up, and on the day of FCMAT's visit did not have adequate staff to manage the number of students served. The school has two double-sided speed lines that would allow four lines to proceed simultaneously; however, most of the students were just using one side of each line, increasing the congestion. The school serves an average of 1,000 lunches a day in the meal lines, and on the day of FCMAT's visit only two staff members were stationed in the lines. The situation was chaotic with students filing through so fast that the staff was unable to pay close attention to the POS to know if all students entered their ID

numbers or to see if they had the right food items to constitute a complete meal. These staff members also left the POS computer station to replenish the food lines, which allowed many students to pass through the line without a checkpoint. The salad bar was located after the POS, and no one was monitoring it. The salad bar items were completely gone halfway through the lunch period and were never refilled even though a cart with pans of extra food was sitting nearby. It should be a priority to rearrange the serving lines at Alisal High and have a person other than the POS operators monitor and replenish food during lunch, both on the lines and the salad bar. Consideration should also be given to adding a third speed line because of the number of students served.

Interviews with staff indicated concerns that having meal lines in one place and a la carte sales in other places creates a stigma for students that are eligible for free and reduced-price meals. Some site staff referred to the meal line as the “free meal line.” Even though paid students also use the meal line, the perception of a free meal line is problematic and can create overt identification of eligible students.

Many school districts offer meals and snacks at all POS locations by selling a la carte items in meal lines and meals in the snack bar and on carts. This could be done at the district if POS terminals were placed in the snack windows and, if wireless access is available, on the mobile carts. Not all meal choices need to be served in all locations and fewer snack items could be offered in the main meal lines, but making meals and a la carte items available everywhere could eliminate the free meal stigma. Grab and go combo meals could be considered at the snack windows and mobile carts to make the lines move quickly. These meals are generally packaged in a clear container or lunch sack containing the essential components to constitute a complete meal. Milk could be offered on the side. The district’s a la carte lunch menu lists “Combo Meal of the Day,” but they were not observed at any sites during FCMAT’s visit.

The district has not instituted online payments, and there is little prepayment on the students’ accounts. Although interviews indicated high school students do not favor online prepayment, so that their money remains flexible, this is standard practice at other districts and is successful. Online prepayment could be required in certain lines so that cashiers would not have to handle money and the line would continue to move quickly when offering reimbursable meals and a la carte items. One school could pilot the program and offer a few items on the speed line, such as Powerade and baked chips, until the system is established.

Another advantage of offering meals in all locations is that participation in the meal program would likely increase. It would also make it more convenient if students wanted a meal and snack because they would not need to stand in two lines.

Another option for reimbursable meals is to offer them prepackaged in a vending machine. This could provide additional options for students that want something quick and do not want to wait in line. The machines can be programmed to track student ID numbers so they are included in the daily meal counts in the proper eligibility category.

At most of the schools different meals are prepared for staff, and many sites have a dedicated serving window for them. Some schools offer several different items a day for staff even though the numbers served are small, 7-15 per day. Students might be served quicker if there were no dedicated lines for staff meals. These could be used for an additional student line, and because so few staff members participate, they could be allowed to come to the front of the line.

Students are allowed to buy the meals prepared for staff if there is extra. However, if the food does not meet the competitive foods regulations or the meal program requirements, they are noncompliant.

While the general set-up of meal service and a la carte sales is similar throughout the schools, some sites have a better flow or more organization than others. Some of this may be due to facility differences, but sometimes it is simply a matter of habit and the way things have always been done. It can be helpful for staff to visit various district sites to see how others organize their lines and have conversations about better ways of doing things. Observing food service operations in other districts can also help stimulate new ideas.

## Recommendations

*The district should:*

1. Rearrange cafeteria food lines to place the salad bars before the POS.
2. Retrain staff and educate students in what constitutes a reimbursable meal and carefully monitor lines to ensure that all required components are taken.
3. Provide large cardboard boats or trays for students to use for meal items.
4. Make Alisal High School a priority for reorganization of the meal lines. Utilize both sides of the speed lines, incorporate the salad bar in the speed line and ensure the site is properly staffed.
5. Consider adding a third speed line at Alisal High School.
6. Make all or most of the serving lines both reimbursable meal and a la carte lines. Place POS terminals in snack windows and work with the technology department to improve wireless access so that terminals can be used on mobile food carts.
7. Incorporate complete grab and go meals to be served on carts and at snack bar windows.
8. Establish an online payment system to speed up lines by reducing cash handling. Consider some no cash express lines to encourage students to prepay.
9. Consider the use of reimbursable meal vending machines.
10. Consider discontinuing the staff only lines and allowing staff to come to the front of the student lines.
11. Not allow students to buy a staff meal unless it meets regulations for student meals or a la carte sales.
12. Consider having site food service managers visit other Salinas Union High School District sites and other school districts to observe operations and get new ideas.



## Paid Meal Equity

The USDA and state have addressed the issue of prices charged to students that do not qualify for free or reduced-price meals. The Healthy, Hunger-Free Kids Act of 2010, Public Law 111-296, requires that meals for non-needy students are not subsidized by federal reimbursements for meals of needy students. This law became effective July 1, 2011.

Basically, the requirements are that a district's average meal prices should at least equal the difference between the federal subsidies for free meals and those for paid meals. The 2016-17 federal reimbursement was \$3.24 for free lunches and \$.38 for paid lunches. The difference is \$2.86, which is the minimum the district should charge for paid lunches. The district charges \$3.00 for lunches, so these requirements are met. The USDA has a calculation for the minimum paid lunch price based on prior year's paid meal totals and the average meal prices. This is called the paid lunch equity tool and can be found on its website at <https://www.fns.usda.gov/school-meals/paid-lunch-equity-sy2017-18-calculations-and-revised-tool>.

Districts throughout the country have struggled with the issue of how to handle non-eligible students that do not have money for lunch. Most districts have allowed students to charge a certain number of meals and then gave an alternate meal if charges were not paid. Documentation provided to the study team and staff interviews indicated that the district has allowed one charge. After that students were given an opportunity to help themselves to the salad bar for free, as an alternate meal. It is not known how many free salad bar meals have resulted from outstanding charges.

A review of outstanding meal charges indicated a negative balance districtwide of \$1,212 as of November 8, 2017. Most of the charges were for \$3.00 or one meal, which was the district's limit. There were only a few students with higher negative balances; the highest three were \$18, \$54 and \$63. It is unknown how long any of these charges have been outstanding or whether families were contacted regarding these charges. The district does not have a complete written policy or procedure regarding how parents are contacted about charges and how ongoing outstanding charges are handled. The documentation provided and staff interviews indicated that parents are called or sent letters.

The district does not have an online prepayment system for student accounts. Many districts have found such a system to be beneficial in encouraging families to prepay for meals. These systems not only allow families to prepay but will automatically email or text participants to alert them of low balances or charges owed. This is something the district should pursue, especially with the passage of Senate Bill (SB) 250.

California SB 250, effective January 1, 2018, establishes new rules for students that do not have money for meals. Known as the Child Hunger Prevention and Fair Treatment Act of 2017, this law prohibits denying any student a meal or giving students alternative meals if they do not have money or have unpaid meal charges. The law also requires that the district make every attempt to directly certify the student or provide the family with a meal application and encourage them to submit it to the district to determine if they qualify for free or reduced-price meals. The district must notify families of the negative balance in a student meal account within 10 days of the occurrence of the negative balance. District administration needs to work with food service staff to develop a policy and procedure to fulfill the law and determine how to collect debt from families. This new law could increase the amount of meal charges and create more challenges in collecting them, potentially increasing the district's financial liabilities. Any uncollected outstanding charges at the end of the school year cannot be funded with cafeteria revenue, either

reimbursements or a la carte sales, or carried over by the cafeteria fund to the next school year. These charges must be covered by the unrestricted general fund or other nonfederal funds while the district continues to pursue payment.

## Recommendations

*The district should:*

1. Ensure that the paid lunch equity calculation is completed annually.
2. Establish an online prepayment system to make it more convenient for families to prepay and receive alerts about low or negative balances.
3. Review SB 250, create a policy and/or procedure that includes the requirements, train staff on the new procedures and ensure they are followed.
4. Make every effort to qualify all eligible families for the free and reduced-price meal program.
5. Ensure that any uncollected charges at the end of the school year are not carried over by the cafeteria fund.



## Nonprogram Foods Compliance

Nonprogram foods are food and beverage items, other than reimbursable meals and meal supplements, which are sold on a school campus. This includes a la carte and other food items that are sold in competition with the reimbursable meal program and are purchased with cafeteria funds.

All foods sold in a school and purchased with funds from the nonprofit school food service account, other than meals and meal supplements reimbursed by the USDA, must generate revenue at least equal to the cost of such foods. The USDA requires that the sales of nonprogram foods generate at least the same percentage of revenue as they contribute to total food costs. The main reason for this requirement is to ensure that the revenue from reimbursable meals does not fund foods sold in competition with the meal program.

USDA memo SP20-2016 states:

Nonprogram foods include any nonreimbursable foods and beverages purchased using funds from the nonprofit school food service account. This encompasses all foods sold in schools as well as adult meals, foods sold outside of school hours or any foods used for catering or vending activities.

SFAs are required to determine if the percent of total revenue that is generated from their nonprogram food sales is equal to or greater than the percent of total food costs that are attributable to the SFA's purchase of nonprogram foods. For example, if the costs of nonprogram food are 25 percent of the SFA's total food costs, then the amount of revenue generated from the sale of these nonprogram foods must be at least 25 percent of the total revenue in the school food service account.

Food service programs must calculate their nonprogram food revenues and costs and provide documentation of the calculations to the CDE upon request and during CDE administrative reviews. The USDA Nonprogram Food Revenue Tool and guidance is available on the USDA website at <https://www.fns.usda.gov/guidance-paid-lunch-equity-and-revenue-nonprogram-foods>. The CDE has also provided guidance on its website at <https://www.cde.ca.gov/ls/nu/sn/mbsnp042016.asp>.

FCMAT did not see evidence that the district had completed the nonprogram food revenue tool. This will be necessary for future CDE administrative reviews.

It is advantageous to also write a procedure noting the option chosen to complete the tool and the methods used by the district to separate revenue and food costs between program and nonprogram sources. This would include identification of the account codes used for foods sold a la carte, as well as any foods sold outside of school hours or used for catering or vending activities. The options for the tool include tracking either 22 consecutive days or year-round tracking. California requires one of these two options rather than the five-day option suggested by USDA. It would benefit the district to seek guidance from its CDE child nutrition consultant regarding the best option.

## Recommendations

*The district should:*

1. Write a procedure documenting how nonprogram food costs and revenues are tracked. If necessary, seek guidance from its CDE child nutrition consultant on how best to accomplish this.
2. Annually complete the USDA Nonprogram Food Revenue Tool to determine if adjustments need to be made to ensure compliance.
3. Ensure that the prices charged for a la carte foods and other food sales are high enough to meet the requirement.

## Federal and State Compliance

Child nutrition programs receive a state administrative review every three years to assess program compliance. The review is comprehensive and includes all aspects of the program such as menu compliance, meal counting and claiming, eligibility determination, food safety, financial compliance, and the wellness policy.

The district's last administrative review was completed in 2015. The review yielded several findings, some of which were minor, that were corrected immediately. However, some findings that were corrected have reoccurred. For example, during its site visits FCMAT observed competitive foods sold in vending machines and noncompliance with offer versus serve meal requirements in regard to the number of food components and the quantity of food taken by students. The study team observed large numbers of students passing through the POS checkpoint without a complete meal.

Although the district's corrective action response to the administrative review indicated that staff training regarding offer versus serve was provided, the frequency and manner of training needs to be addressed. This is an area that requires constant review, especially for new staff. Ongoing training needs to be provided to ensure that all site staff understand and follow regulations. FCMAT did not see evidence of an orientation plan for new staff nor a plan for ongoing training. This is addressed in more detail in the training section of this report.

One corrective action response stated that students were told not to place items in their pockets or backpacks prior to monitoring by the cashier, but during its visit the study team observed that this was again common practice. Providing students a food tray or boat to carry their items may solve this problem.

Food service management needs to monitor procedures and ensure program compliance. These types of issues could be discovered by management staff by conducting regular site visits, and immediate training could be provided to ensure that program compliance becomes a habit with staff members and that the district is always prepared for state reviews.

## Recommendations

*The district should:*

1. Establish a procedure whereby all newly hired staff are thoroughly trained in offer versus serve reimbursable meal component requirements.
2. Establish a training plan whereby the manager of food service or site cafeteria managers continually review offer versus serve requirements with all food service staff.
3. Establish a procedure to continually monitor vending machines for compliance with the type of food offered and the time the machines are open and available to students. Establish appropriate communication with the organizations that receive these funds.
4. Ensure that students do not place items in their pockets or backpacks before the cashier checks the meals for compliance. Consider providing students a food tray or boat to carry items.

5. Ensure that food service management staff routinely visit sites and monitor the program for compliance.

## Wellness

A local school wellness policy is a written document that guides the school district's efforts to establish a school environment that promotes students' health, well-being, and ability to learn. Wellness policies have been required for school districts participating in the National School Lunch program since 2006. This requirement was part of the federal Child Nutrition Reauthorization Act of 2004 and was further revised by the Healthy, Hunger-Free Kids Act of 2010. A summary of the requirement can be viewed at [https://fns-prod.azureedge.net/sites/default/files/tn/LWPsummary\\_finalrule.pdf](https://fns-prod.azureedge.net/sites/default/files/tn/LWPsummary_finalrule.pdf).

The district has established Board Policy 5030, Student Wellness, as required. The district also has a very active Wellness Committee, which is composed of the required stakeholders and met regularly in 2016-17. The committee has established many objectives that involve the Food Service Department, and interviews indicated that there are plans to add students to the committee.

The Implementation and Monitoring Plan was reviewed and updated in 2016-17 but needs more work to decide on indicators to be used to measure implementation and effectiveness of the Wellness Policy. It is unclear in the committee meeting minutes if wellness policy leadership was designated at each site to ensure that the school complies with the district's Wellness Policy.

An assessment report summarizing the progress in attaining the goals of the Wellness Policy and evaluation of the monitoring plan is due every three years at a minimum. This report will be due in 2018-19, prior to the next CDE administrative review.

The Wellness Policy states in part:

For all foods and beverages available on each campus during the school day, the District shall adopt nutrition guidelines which are consistent with 42 USC 1758, 1766, 1773, and 1779 and federal regulations and which support the objectives of promoting student health and reducing childhood obesity. (42 USC 1758b)

FCMAT observed that some site vending machines and food sales operated by student organizations and others are not consistent with federal and/or state requirements. This is discussed further in the competitive foods section of the report.

## Recommendations

*The district should:*

1. Establish leadership of one or more school officials at each site who have the authority and responsibility to ensure that each school complies with Board Policy 5030, Student Wellness, including all competitive foods regulations.
2. Decide on specific indicators to monitor and evaluate compliance and progress with Board Policy 5030, Student Wellness, and reflect these indicators in the Wellness Committee meeting minutes.



## Competitive Foods

The Healthy, Hunger-Free Kids Act of 2010 specifies that nutrition standards apply to all foods sold outside the school meal programs, on the school campus, and at any time during the school day. These changes are intended to improve the health and well-being of the nation's children, increase consumption of healthful foods during the school day, and create an environment that reinforces the development of healthy eating habits. The standards for food and beverages are minimum standards that LEAs, school food authorities and schools are required to meet.

Competitive foods and beverages are those sold at school sites outside of and in competition with the federally reimbursable meal programs. Examples of competitive foods and beverages include those sold during the school day in student stores, á la carte items sold by the food service department, and items sold at fundraisers. More detailed information can be found in the appendix of this report and at <http://www.cde.ca.gov/ls/nu/he/compfoods.asp>.

In addition to complying with nutritional requirements such as fat, calorie, sugar, whole grain, and sodium limits, student organizations must comply with the following (California Code of Regulations Title 5 Section 15501):

1. Up to three categories of foods or beverages may be sold each day (e.g., chips, sandwiches, juices, etc.).
2. Food or beverage item(s) must be preapproved by the governing board of the school district.
3. Only one student organization is allowed to sell each day (such as a student store or vending machines).
4. In addition to the one organization a day, all student organizations may sell foods four times a year, all on the same four days. School administration may set these dates.
5. Food(s) or beverage(s) cannot be prepared on campus.
6. The food or beverage categories sold cannot be the same as the categories sold in the food service program at that school during the same school day.

These rules must be followed on school campuses from midnight until 30 minutes after the end of the school day. This includes vending machines being locked during this timeframe.

Due to food safety concerns and in compliance with state and local health codes, foods made at home may not be sold at school (Health and Safety Code - California Retail Food Code, Article 7, Section 114021). Allowing students to sell food prepared in private homes puts a great deal of liability on the school district should people get a food borne illness from these foods.

The district has some competitive food sales that do not meet regulations. There are vending machines on most campuses that are operated by student entities, such as the associated student body (ASB), that seem to have allowable foods and beverages in them but are in competition with the food service program because they are not locked from midnight until 30 minutes after the end of the school day. At some sites the principals are unaware of who is getting the revenue from these vending machines.

Interviews with staff indicated that fundraisers, such as candy sales, occur during school hours. Student stores at some sites sell the same items as the food service program, and there were reports of teachers bringing in pizza from outside restaurants and selling it to students. The 2015

state administrative review noted baked potatoes with chili and cheese being prepared by a parent and sold to students on school campuses. These practices are all noncompliant food sales.

During the Salinas High School site visit, FCMAT observed a food fair with approximately 21 school clubs selling food at lunch. The clubs have these sales four times a year all on the same day, which is allowable. However, they were out of compliance with many competitive foods regulations and in violation of food safety regulations. Most of the items (e.g., the pizza, burritos, hot Cheetos with cheese sauce, asada fries, nachos, brownies, cupcakes, ice cream sandwiches, pumpkin pie and many others) did not meet nutritional requirements. A number of items such as burgers, pizza and burritos were also items on the food service menu. Other items were prepared on campus such as pan-fried calamari, baked potatoes and fruit cups. Some items appeared to have been prepared in private homes such as the lumpia, brownies and cupcakes.

Many items were served from uncovered containers and not held at proper temperatures, which is a food safety concern. The food fair was located outdoors in the large quad area of the school. Tables were set up on the lawn and food was served in the open where it could easily be contaminated by students, insects and birds. Food served in the open must be covered with pan lids, food wraps (foil or plastic wrap) or be behind a sneeze guard (Health and Safety Code – California Retail Food Code Article 7, Section 114060). For further information, the California Retail Food Code can be found at <https://www.cdph.ca.gov/Programs/CEH/DFDCS/CDPH%20Document%20Library/FDB/FoodSafetyProgram/RetailFood/CRFC.pdf>.

Because the restrictions are limiting, it is difficult to have a food fair of this magnitude that meets competitive food sale regulations. It is feasible that some local restaurants could provide foods to the clubs that meet the nutritional regulations and health code regulations, but they likely would be too expensive and perhaps not appealing to students. Other than selling packaged snack foods and beverages that meet the regulations, the best solution would be to hold such an event at least 30 minutes after school, in the evening or on a weekend. This may not be as convenient for students, but only the health code rules would need to be followed, and perhaps the event could be planned around a school rally or game.

Failure to abide by competitive food sales requirements may result in the state withholding federal and state meal reimbursements, even when school sites and not the food service department cause violations. It is vital that the district educate staff, students and parents about these issues and enforce the requirements.

## Recommendations

*The district should:*

1. Ensure that vending machines in competition with the food service program are locked from midnight until 30 minutes after the end of the school day.
2. Ensure that site principals know which organizations receive vending machine revenue and routinely confirm vending machines are locked during required hours.
3. Educate staff, students and parents about competitive food sales laws, regulations and policies, and ensure that all groups follow them.



4. Ensure that the governing board approves food sales and administration monitors sales for compliance.
5. Discontinue the food fairs unless all the regulations can be followed, or consider holding them after school or on a weekend.



## Training and Professional Development

Food service staff members need to receive regular training to be able to understand and perform their jobs, and the USDA has established minimum training requirements for food service personnel. These requirements became effective July 1, 2015, and mandate professional standards and annual training requirements for child nutrition directors, managers and staff. The requirements vary with the position and/or the number of work hours. Training needs to be documented and will be evaluated during state administrative reviews. Information about this mandate and training resources can be found at <http://professionalstandards.nal.usda.gov/>. The manager of food service keeps meeting and training agendas/sign-in sheets, but needs to organize these records to show the annual training hours of each individual staff member.

The district has required that all food service managers and food service assistant IIs have their ServSafe Food Protection Manager certification to comply with health department standards. However, no policy or procedure was provided to the study team indicating when other staff are offered this training or the ServSafe Food Handler training. The state only requires one person per site to have the Food Protection Manager certificate, but it is common practice for districts to require training for all food service staff.

The study team was not provided with a checklist regarding orientation of new Food Service Department employees. Interviews indicated that new employees receive generalized district orientation from the Human Resources Department, but it is not specific to the needs of food service. During site visits the study team observed that a new employee was sent directly from Human Resources to a school site to work without the knowledge of the manager of food service or site food service staff. This practice is unfair to the Food Service Department and the new hire. The manager of food service should have a packet of information specific to the department to review with new hires and be given an opportunity to review this material and assess their level of knowledge in food safety and USDA regulations before they are sent to a school site. A typical food service orientation packet would include information regarding dress code, privacy of student status and accounts, emergency procedures, offer versus serve guidelines, requirements for time sheets, and cell phone guidelines. A checklist for further training might include specific kitchen equipment and POS stations.

An annual staff training plan is needed to ensure that specific topics, such as offer versus serve and the components that constitute a complete reimbursable meal, are explained and understood. The manager of food service needs to regularly visit sites, observe serving lines and remind staff of requirements as needed. This type of hands-on, in-the-moment training is very effective.

The manager of food service conducts monthly meetings with site food service managers where items of current interest are discussed, including menu planning. In addition, interviews indicated that general meetings of all staff occur a couple of times per year and site food service managers are responsible for ongoing training of their staff. Site food service managers need to keep a record of these trainings and forward necessary information to the food service central office so that training time can be documented for each employee.

## Recommendations

*The district should:*

1. Organize training records to show that each individual staff member's annual hourly requirement is met.
2. Assemble a checklist and orientation packet specific to the needs of new food service employees, and ensure that the manager of food service is given an opportunity to review the material and assess food service knowledge before new employees are sent to a school site.
3. Work to improve communication between the Human Resources and Food Service departments and ensure that the manager of food service is aware of and concurs with new hire assignments.
4. Assign the manager of food service to develop and implement an annual training plan to ensure that essential topics are covered. Include the positions that are required to obtain ServSafe certifications.
5. Ensure that the manager of food service regularly visits sites and provides immediate staff training for any practices that need improvement.
6. Ensure that site food service managers keep records of the trainings they provide to staff and forward the information to the food service central office.

# **Appendices**

## **Appendix A**

### **Meals per Labor Hour Analysis**

## **Appendix B**

### **Competitive Food Sales**

## **Appendix C**

### **Study Agreement**



MEALS PER LABOR HOUR											
October 2017											
21 Days											
SCHOOLS	Alisal HS	El Sausal MS	Everett	Harden MS	La Paz MS	North Salinas HS*	Salinas HS	Washington MS	District Totals		
MEALS	Enrollment / % Free & Reduced	2,838 / 80%	2,644 / 61%	1,278 / 74%	1,110 / 87%	2,762 / 66%	2,606 / 49%	1,274 / 71%	15,614 / 69%		
	Breakfasts/Month	12,542	8,399	7,521	4,527	8,641	8,607	5,908	58,558		
	Breakfasts/Day	597	400	358	216	411	410	281	2,788		
	Breakfast Equivalents (.5)	299	200	179	108	206	205	141	1,394		
	Lunches/Month	22,234	12,230	8,062	8,355	14,242	9,754	6,817	88,194		
	Lunches/Day	1,059	582	384	398	678	464	325	4,200		
	Total Breakfast & Lunch Equivalents/Day	1,357	782	563	506	884	669	465	5,594		
	After-School Snacks/Month	9,377	4,533	2,304	2,646	4,428	2,000	2,112	30,010		
	After-School Snacks/Day	447	216	110	126	211	95	101	1,429		
	After-School Snack Equivalents (.5)	223	108	55	63	105	48	50	715		
	A la Carte \$/Month	\$38,436	\$59,282	\$17,626	\$24,880	\$43,620	\$36,336	\$21,470	\$260,030		
	A la Carte \$/Day	\$1,830	\$2,823	\$839	\$1,185	\$2,077	\$1,730	\$1,022	\$12,382		
	A la Carte Equivalents (\$2.50)	732	1,129	336	474	831	692	409	4,953		
	Total Meal Equivalents	2,313	2,019	954	1,043	1,820	1,409	925	11,261		
LABOR HOURS		65	60	37	38	66	60	38	399		
MEALS PER LABOR HOUR (MPLH)		36	34	26	28	28	23	25	28		
Meal & Snack Comparison Prior Years		Oct 2015	Oct 2016	Oct 2017	Oct 2016 versus 2015	Oct 2016 versus 2015	Oct 2017 versus 2016				
	Breakfasts per Day	2,372	2,663	2,788	291	12%	125	5%			
	Lunches per Day	4,242	4,626	4,200	384	9%	-426	-9%			
	After-School Snacks per Day	202	545	1,429	343	170%	884	162%			
*Totals include Carr Lake, El Puente and Mount Toro schools											
Sources:											
2017-18 CALPADS 1.17 Report, October 26, 2017											
October 2017 SNP Site Claim Report and Claim for Reimbursement Summary											
eTrition Manager's Summary October 1-31, 2017, December 1, 2017											
District Staffing Spreadsheet, December 1, 2017											
Rounding Used in Calculations											





## Appendix B

## QUICK REFERENCE CARDS

## NON-CHARTER PUBLIC SCHOOLS

## MIDDLE/HIGH SCHOOL-FOOD RESTRICTIONS

References: *Education Code* sections 49430, 49431.2, 49431.7, *California Code of Regulations* sections 15575, 15577, 15578, *Code of Federal Regulations* sections 210.11, 220.12

A **middle/junior high** contains grades 7 or 8, 7 to 9, 7 to 10.

A **high school** contains any of grades 10 to 12.

**Effective** from midnight to one-half hour after the end of the official school day.

**Applies** to ALL foods sold to students by any entity.

**Sold** means the exchange of food for money, coupons, vouchers, or order forms, when any part of the exchange occurs on a school campus.

**"Snack" foods must meet one of the following general food standards:**

- Be a fruit, vegetable, dairy, protein, or whole grain item\* (or have one of these as the first ingredient), or
- Be a combination food containing at least ¼ cup fruit or vegetable.

**AND must meet the following nutrition standards:**

- ≤ 35% calories from fat (except nuts, seeds, reduced-fat cheese or part skim mozzarella, dried fruit and nut/seed combo, fruit, non-fried vegetables, seafood), **and**
- < 10% calories from saturated fat (except nuts, seeds, reduced-fat cheese or part skim mozzarella, dried fruit and nut/seed combo), **and**
- ≤ 35% sugar by weight (except fruit\*\*, non-fried vegetables, dried fruit and nut/seed combo), **and**
- < 0.5 grams trans fat per serving (no exceptions), **and**
- ≤ 200 milligrams sodium per item/container (no exceptions), **and**
- ≤ 200 calories per item/container (no exceptions)

**Paired foods:**

- If exempt food(s) are combined with nonexempt food(s) or added fat/sugar they must meet ALL nutrition standards above.
- If two foods exempt from one or more of the nutrition standards are paired together and sold as a single item, the item must meet for trans fat, sodium, and calories.

**"Entrée" foods must be intended as the main dish and be a:**

- Meat/meat alternate and whole grain rich food, **or**
- Meat/meat alternate and fruit or non-fried vegetable, **or**
- Meat/meat alternate alone (cannot be yogurt, cheese, nuts, seeds, or meat snacks = these are considered a "snack" food).

**AND**

A competitive entrée **sold by District/School Food Service the day of or the day after** it appears on the reimbursable meal program menu must be:

- ≤ 400 calories, **and**
- ≤ 35% calories from fat
- < 0.5 grams trans fat per serving

A competitive entrée **sold by Food Service if NOT on the menu the day of or day after or any other entity (PTA, student organization, etc.)** must meet one of the following general food standards:

- Be a fruit, vegetable, dairy, protein, or whole grain item (or have one of these as the first ingredient), **or**
- Be a combination food containing at least ¼ cup fruit or vegetable

**AND meet the following nutrition standards:**

- ≤ 35% calories from fat, **and**
- < 10% calories from saturated fat, **and**
- ≤ 35% sugar by weight, **and**
- < 0.5 grams trans fat per serving, **and**
- ≤ 480 milligrams sodium, **and**
- ≤ 350 calories

\* A whole grain item contains:

- The statement "Diets rich in whole grain foods... and low in total fat... may help reduce the risk of heart disease..." **or**
- A whole grain as the first ingredient, **or**
- A combination of whole grain ingredients comprising at least 51% of the total grain weight (manufacturer must verify), **or**
- At least 51% whole grain by weight.

\*\* Dried blueberries cranberries, cherries, tropical fruit, chopped dates, or chopped figs that contain added sugar are exempt from fat and sugar standards. Canned fruit in 100% juice only.

**CHECK YOUR DISTRICT'S WELLNESS POLICY FOR STRICTER RULES.**

**Groups or individuals selling foods/beverages to students must keep their own records as proof of compliance.**

## MIDDLE/HIGH SCHOOL-BEVERAGE RESTRICTIONS

References: *Education Code* Section 49431.5, *California Code of Regulations* Section 15576, *Code of Federal Regulations* sections 210.10, 210.11, 220.8, 220.12

A **middle/junior high** contains grades 7 or 8, 7 to 9, 7 to 10.

A **high school** contains any of grades 10 to 12.

**Effective** from midnight to one-half hour after the end of the official school day.

**Applies** to ALL beverages sold to students by any entity.

**Sold** means the exchange of beverages for money, coupons, vouchers, or order forms, when any part of the exchange occurs on a school campus.

**A compliant beverage must be marketed or labeled as a fruit and/or vegetable juice, milk, non-dairy milk, water, electrolyte replacement beverage/sports drink, or flavored water AND meet all criteria under that specific category.**

**Compliant beverages:**

1. Fruit or Vegetable juice:
  - a. ≥ 50% juice **and**
  - b. No added sweeteners
  - c. ≤ 12 fl. oz. serving size
2. Milk:
  - a. Cow's or goat's milk, **and**
  - b. 1% (unflavored), nonfat (flavored, unflavored), **and**
  - c. Contains Vitamins A & D, **and**
  - d. ≥ 25% of the calcium Daily Value per 8 fl. oz., **and**
  - e. ≤ 28 grams of total sugar per 8 fl. oz.
  - f. ≤ 12 fl. oz. serving size
3. Non-dairy milk:
  - a. Nutritionally equivalent to milk (see 7 *CFR* 210.10(d)(3), 220.8(i)(3)), **and**
  - b. ≤ 28 grams of total sugar per 8 fl. oz., **and**
  - c. ≤ 5 grams fat per 8 fl. oz.
  - d. ≤ 12 fl. oz. serving size
4. Water:
  - a. No added sweeteners
  - b. No serving size limit
5. Electrolyte Replacement Beverages (**HIGH SCHOOLS ONLY**)
  - a. Must be either ≤ 5 calories/8 fl. oz. (no calorie) OR ≤ 40 calories/8 fl. oz. (low calorie)
  - b. Water as first ingredient
  - c. ≤ 16.8 grams added sweetener/8 fl. oz.
  - d. 10-150 mg sodium/8 fl. oz.
  - e. 10-90 mg potassium/8 fl. oz.
  - f. No added caffeine
  - g. ≤ 20 fl. oz. serving size (no calorie) OR ≤ 12 fl. oz. serving size (low calorie)
6. Flavored Water (**HIGH SCHOOLS ONLY**)
  - a. Must be either ≤ 5 calories/8 fl. oz. (no calorie) OR ≤ 40 calories/8 fl. oz. (low calorie)
  - b. No added sweetener
  - c. No added caffeine
  - d. ≤ 20 fl. oz. serving size (no calorie) OR ≤ 12 fl. oz. serving size (low calorie)

All beverages must be caffeine-free (trace amounts are allowable).

## MIDDLE/HIGH SCHOOL-STUDENT ORGANIZATIONS

Reference: *California Code of Regulations* Section 15501

**Student organization** is defined as a group of students that are NOT associated with the curricula or academics of the school or district.

**Effective** from midnight to one-half hour after the end of the official school day.

Student organization sales must comply with all food and beverage standards **AND all** of the following:

1. Up to **three categories** of foods or beverages *may* be sold each day (e.g., chips, sandwiches, juices, etc.).
2. Food or beverage item(s) must be **pre-approved** by the governing board of the school district.
3. Only **one student organization** is allowed to sell each day.
4. Food(s) or beverage(s) **cannot** be **prepared on campus**.
5. The food or beverage categories sold **cannot** be the same as the categories **sold in the food service program** at that school during the same school day.
6. In addition to one student organization sale each day, any and **all student organizations** may sell on the **same four designated days** per year. School administration may set these dates.





**CSIS** California School Information Services

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**FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM  
STUDY AGREEMENT  
August 2, 2017**

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Salinas Union High School District, hereinafter referred to as the district, mutually agree as follows:

**1. BASIS OF AGREEMENT**

The team provides a variety of services to local education agencies (LEAs). The district has requested that the team assign professionals to study specific aspects of the district's operations. These professionals may include staff of the team, county offices of education, the California State Department of Education, school districts, or private contractors. All work shall be performed in accordance with the terms and conditions of this agreement.

In keeping with the provisions of Assembly Bill 1200, the county superintendent will be notified of this agreement between the district and FCMAT and will receive a copy of the final report. The final report will also be published on the FCMAT website.

**2. SCOPE OF THE WORK**

**A. Scope and Objectives of the Study**

1. Examine the food service department's operational processes and procedures in areas including but not limited to food preparation, meal service, student participation, staffing, federal and state compliance, menu planning, purchasing, warehousing and food storage, inventory, and facilities, and make recommendations for improved efficiency, if any.
2. Evaluate the department's workflow and distribution of functions and make recommendations for improved efficiency, if any.
3. Review training and professional development programs for the department's employees and managers and make recommendations for improvements, if any.

**B. Services and Products to be Provided**

1. Orientation Meeting - The team will conduct an orientation session at the district to brief district management and supervisory personnel on the team's procedures and the purpose and schedule of the study.
2. On-site Review - The team will conduct an on-site review at the district office and at school sites if necessary.
3. Exit Meeting - The team will hold an exit meeting at the conclusion of the on-site review to inform the district of significant findings and recommendations to that point.
4. Exit Letter – Approximately 10 days after the exit meeting, the team will issue an exit letter briefly memorializing the topics discussed in the exit meeting.
5. Draft Report - Electronic copies of a preliminary draft report will be delivered to the district's administration for review and comment.
6. Final Report - Electronic copies of the final report will be delivered to the district's administration and to the county superintendent following completion of the review. Printed copies are available from FCMAT upon request.
7. Follow-Up Support – If requested by the district within six to 12 months after completion of the study, FCMAT will return to the district at no cost to assess the district's progress in implementing the recommendations included in the report. Progress in implementing the recommendations will be documented to the district in a FCMAT management letter. FCMAT will work with the district on a mutually convenient time to return for follow-up support that is no sooner than eight months and no later than 18 months after completion of the study.

**3. PROJECT PERSONNEL**

The FCMAT study team may also include:

<i>A. To be determined</i>	<i>FCMAT Staff</i>
<i>B. To be determined</i>	<i>FCMAT Consultant</i>
<i>C. To be determined</i>	<i>FCMAT Consultant</i>
<i>D. To be determined</i>	<i>FCMAT Consultant</i>

**4. PROJECT COSTS**

The cost for studies requested pursuant to Education Code (EC) 42127.8(d)(1) shall be as follows:

- A. \$650 per day for each staff member while on site, conducting fieldwork at other locations, presenting reports and participating in meetings. The cost of independent FCMAT consultants will be billed at their actual daily rate for all work performed.
- B. All out-of-pocket expenses, including travel, meals and lodging.
- C. The district will be invoiced at actual costs, with 50% of the estimated cost due following the completion of the on-site review and the remaining amount due upon the district's acceptance of the final report.

**Based on the elements noted in section 2A, the total not-to-exceed cost of the study will be \$24,800.**

- D. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT's services are payable to Kern County Superintendent of Schools - Administrative Agent located at 1300 17<sup>th</sup> Street, City Centre, Bakersfield, CA 93301.

## **5. RESPONSIBILITIES OF THE DISTRICT**

- A. The district will provide office and conference room space during on-site reviews.
- B. The district will provide the following if requested:
  - 1. Policies, regulations and prior reports that address the study scope.
  - 2. Current or proposed organizational charts.
  - 3. Current and two prior years' audit reports.
  - 4. Any documents requested on a supplemental list. Documents requested on the supplemental list should be provided to FCMAT only in electronic format; if only hard copies are available, they should be scanned by the district and sent to FCMAT in electronic format.
  - 5. Documents should be provided in advance of fieldwork; any delay in the receipt of the requested documents may affect the start date and/or completion date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's online SharePoint document repository, where the district will upload all requested documents.
- C. The district's administration will review a preliminary draft copy of the report resulting from the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the team prior to completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAT will have limited contact with pupils. The district shall take appropriate steps to comply with EC 45125.1(c).

**6. PROJECT SCHEDULE**

The following schedule outlines the planned completion dates for different phases of the study and will be established upon the receipt of a signed study agreement:

Orientation:	to be determined
Staff Interviews:	to be determined
Exit Meeting:	to be determined
Draft Report Submitted:	to be determined
Final Report Submitted:	to be determined
Board Presentation:	to be determined, if requested
Follow-Up Support:	if requested

**7. COMMENCEMENT, TERMINATION AND COMPLETION OF WORK**

FCMAT will begin work as soon as it has assembled an available and appropriate study team consisting of FCMAT staff and independent consultants, taking into consideration other jobs FCMAT has previously undertaken and assignments from the state. The team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the district and any other parties from which, in the team's judgment, it must obtain information. Once the team has completed its fieldwork, it will proceed to prepare a preliminary draft report and a final report. Prior to completion of fieldwork, the district may terminate its request for service and will be responsible for all costs incurred by FCMAT to the date of termination under Section 4 (Project Costs). If the district does not provide written notice of termination prior to completion of fieldwork, the team will complete its work and deliver its report and the district will be responsible for the full costs. The district understands and agrees that FCMAT is a state agency and all FCMAT reports are published on the FCMAT website and made available to interested parties in state government. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a report once fieldwork has been completed, and the district shall not request that it do so.

**8. INDEPENDENT CONTRACTOR**

FCMAT is an independent contractor and is not an employee or engaged in any manner with the district. The manner in which FCMAT's services are rendered shall be within its sole control and discretion. FCMAT representatives are not authorized to speak for, represent, or obligate the district in any manner without prior express written authorization from an officer of the district.

9. **INSURANCE**


During the term of this agreement, FCMAT shall maintain liability insurance of not less than \$1 million unless otherwise agreed upon in writing by the district, automobile liability insurance in the amount required under California state law, and workers compensation as required under California state law. FCMAT shall provide certificates of insurance, with Salinas Union High School District named as additional insured, indicating applicable insurance coverages upon request prior to the commencement of on-site work.

10. **HOLD HARMLESS**


FCMAT shall hold the district, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement. Conversely, the district shall hold FCMAT, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement.

11. **CONTACT PERSON**

Name: Ana Aguillon  
Telephone: (831) 796-7018  
E-mail: [ana.aguillon@salinasuhd.org](mailto:ana.aguillon@salinasuhd.org)

  
\_\_\_\_\_  
Dan Burns, Superintendent  
Salinas Union High School District

August 9, 2017  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Michael H. Fine,  
Chief Executive Officer  
Fiscal Crisis and Management Assistance Team

August 2, 2017  
\_\_\_\_\_  
Date