



CSIS California School Information Services

Coalinga-Huron Joint Unified School District

Food Service Review

April 16, 2018

Michael H. Fine
Chief Executive Officer







CSIS California School Information Services

April 16, 2018

Lori Villanueva, Superintendent
Coalinga-Huron Joint Unified School District
657 Sunset Street
Coalinga, CA 93210

Dear Superintendent Villanueva:

In October 2017, the Coalinga-Huron Joint Unified 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 states that FCMAT will 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. FCMAT appreciates the opportunity to serve the Coalinga-Huron Joint Unified School District and extends thanks to its staff for their cooperation and assistance during this review.

Sincerely,

Michael H. Fine
Chief Executive Officer

FCMAT

Michael H. Fine, Chief Executive Officer

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About FCMAT

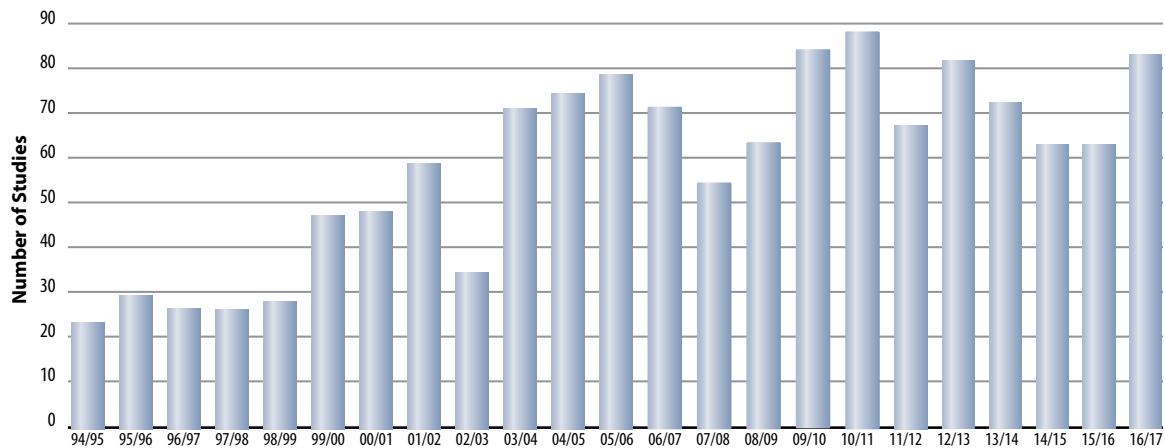
FCMAT’s primary mission is to assist California’s local K-14 educational agencies to identify, prevent, and resolve financial, human resources and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related 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) 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

The Coalinga-Huron Joint Unified School District is located in Fresno County, with student attendance boundaries that also encompass portions of San Benito and Monterey counties. The district has a five-member governing board and serves approximately 4,450 students at five elementary, two middle, one comprehensive high, one community day, and two continuation high schools. According to data from the California Department of Education (CDE), student enrollment has increased slightly each school year since 2011-12.

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 are offered at most schools. The district's California Longitudinal Pupil Achievement Data System (CALPADS) records indicate that the percentage of its students who are eligible for free or reduced-price meals increased from 80% in 2015-16 to 81% in 2017-18.

In October 2017, the Coalinga-Huron Joint Unified School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for FCMAT to provide management assistance to review the operations of the district's Food Services Department.

Study and Report Guidelines

FCMAT visited the district on December 11-13, 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
- Budget
- Staffing and Meals per Labor Hour
- Personnel Activity Reports
- Meal Program, Menus, and Meal Service
- Participation Trends and Eligibility for Provisions
- Warehouse and Purchasing
- Facilities and Equipment
- Food Handling and Food Safety
- Paid Meal Equity and Meal Charges
- Nonprogram Foods
- Wellness Program
- Program Compliance and State Administrative Review
- Staff Training
- 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:

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Bakersfield, CA

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Nipomo, CA

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

Executive Summary

The district's unaudited actuals reports indicate that the cafeteria fund deficit spent \$225,030 in 2015-16 and \$82,052 in 2016-17 and, based on the first interim report, is projected to deficit spend \$338,053 in 2017-18. The unrestricted general fund contributed \$116,490 to the cafeteria fund in 2016-17, and an additional contribution of \$325,000 is projected in 2017-18. The district does not charge indirect costs to the cafeteria fund. Indirect costs are legitimate responsibilities of the program and should be budgeted and charged to show the true program cost.

Based on FCMAT's experience, labor costs and the costs for food and supplies should each be 40%-45% of revenue. However, the district's annual labor costs from 2015-16 through 2017-18 are 55%- 66% of annual revenue, and food and supplies costs are 47%-52% of revenue. To address deficit spending and the unrestricted general fund contribution, the district needs to identify areas of cost reductions and/or revenue increases, and the Food Services Department needs strong leadership to ensure that the program operates efficiently and effectively.

Meals per labor hour (MPLH) is an industry-standard formula used to measure labor efficiency and help determine appropriate staffing levels in a food service operation. In school food service, the best practice standard is 30 MPLH. FCMAT's analysis shows 24 MPLH districtwide, which indicates overstaffing for the number of meals served. The high school has the lowest productivity at 10 MPLH, and the other schools vary between 25 and 32 MPLH, with both middle schools having the highest productivity. Labor hours should be balanced between schools, and student participation needs to be increased or staffing reductions need to be considered for schools with low MPLH numbers. The most positive way to improve MPLH is to increase participation; options for doing this, such as menu changes, offer versus serve, salad bars, midmorning or second chance breakfasts, and grab-and-go meals, should be explored.

The district uses the Provision 2 claiming method for Huron Elementary and Huron Middle schools, at which all students eat for free. The district needs to evaluate the viability of implementing Provision 2 and Community Eligibility Provision (CEP) reimbursement claiming options at the other schools and districtwide. 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 director of food services needs to be the leader in menu planning to ensure compliance with regulations and control costs. Input from site food service staff should be obtained for menus, and a variety of foods should be offered without excessive repetition. Implementing a cycle menu would simplify this task. All menus need to be properly analyzed, and a user-friendly, easy-to-read menu should be developed and posted on the district website and in school cafeterias.

The district's meal lines are separate from those for a la carte sales. This creates a stigma for students who are eligible for free and reduced-price meals. The perception of a free meal line or a free and reduced-price cafeteria is problematic and can create overt identification of eligible students. The district should implement strategies to offer reimbursable meals in snack bars and at the Toad Café.

The food service warehouse is secured with an alarm system, but the freezer inside the warehouse is not. To prevent food spoilage and product loss, a temperature sensor alarm should be installed in the freezer and programmed to alert designated employees if the proper temperature is not maintained. The Food Services Department should use its entire annual United States Department of Agriculture (USDA) commodities entitlement and ensure that food products are used timely. A commercial transport truck with a lift gate is needed so that warehouse deliveries to schools can be made efficiently.

The Huron Elementary School kitchen and cafeteria do not have a functioning heating system, and the FCMAT study team observed staff heating the kitchen with an eight-burner stove. This is a hazardous situation that needs to be remedied immediately. Staff at Huron Elementary should be directed to discontinue using stove-top burners to heat the kitchen, and the district should immediately assess and repair or replace the school's heating and cooling systems.

The district has a significant problem with unpaid meal charges; the charges are the highest the study team has ever seen, and totaled \$151,728 as of November 28, 2017. Allowing charges to accumulate to these amounts may decrease the likelihood of repayment and lead families to believe they do not have to pay for meals. Students have been allowed to charge meals, with minimal or no attempts by the district to collect debt. Any uncollected outstanding charges at the end of the school year cannot be funded with cafeteria revenue or carried over by the cafeteria fund to the next school year; the district must pay for them from nonfederal funding sources while it continues to pursue payment. Effective January 1, 2018, Senate Bill (SB) 250 established new rules for students who do not have money for meals. District administrators need to work with food service staff to develop a policy and/or procedure to comply with this law, determine how to collect debt from families, and ensure that any charges that remain uncollected at the end of the school year are not paid or carried over by the cafeteria fund to the next school year.

Child nutrition programs undergo a state administrative review every three years to assess program compliance. The district's last review was in 2015-16; however, some of the required corrective actions had not been implemented at the time of FCMAT's visit. The appropriate corrective actions need to be completed and applicable procedures implemented to ensure compliance with program regulations.

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 USDA has established minimum training requirements for food service personnel. An annual staff training plan is needed to ensure that specific topics, such as required food components and portions for meal service, are explained and understood. Strong, knowledgeable department leadership is needed. It is essential for the director of food services to thoroughly understand and implement program regulations, stay current with and train all staff in the necessary program requirements, and routinely visit sites to ensure compliance and efficient program operation.

Findings and Recommendations

Budget

Ideally, a school district food service program should be self-sustaining. Revenues generated by a program should be able to fund all department expenses, including indirect costs, with appropriate reserves maintained.

FCMAT reviewed the district's cafeteria fund budgets for the current and preceding two fiscal years and found that since fiscal year 2015-16 program expenditures have exceeded revenues (also known as deficit spending), which indicates an ongoing structural budget deficit. The unaudited actuals reports for the district's cafeteria fund indicate that the food service program deficit spent \$225,030 in 2015-16 and \$82,052 in 2016-17. The 2015-16 report also included a negative prior-year audit adjustment of \$58,544.

In addition, the district does not charge indirect costs to the cafeteria fund. Indirect costs are business and administrative expenses for services provided to all programs, such as budget, payroll, accounts payable, human resources, and data processing. The true program cost is not shown if indirect costs are not budgeted and charged to the cafeteria fund. The California School Accounting Manual (CSAM) provides guidelines for allowable indirect cost amounts and how to calculate them. Even in a deficit spending situation, the district should charge indirect costs to the cafeteria fund because they are legitimate responsibilities of the program.

The district's 2015-16 unaudited actuals report and its audited financial statements for the fiscal year ended June 30, 2016 indicate a fund balance of \$26,763. The audit report also shows a negative variance of \$67,555 compared to the district's 2015-16 final projected budget. The 2016-17 unaudited actuals report indicates a cafeteria fund balance of \$28,153; however, \$116,490 was transferred in from the general fund.

Food and labor costs are the majority of any food service expense budget. Based on the study team's experience, food and labor costs should each be approximately 40%-45% of revenue. An analysis of the district's 2015-16 unaudited actuals report indicates that labor costs were 66% of revenue, and food and supplies costs were 47%. Neither was within the expected standards, which contributed to deficit spending of \$225,030 for that fiscal year. An analysis of the district's 2016-17 unaudited actuals report indicates that labor costs were 55% of revenue, and food and supplies costs were 49%.

Cafeteria Fund Budget Trends

	2015-16 Unaudited Actuals	2016-17 Unaudited Actuals	2017-18 First Interim
Beginning Fund Balance	\$310,337	\$26,763	\$28,153
Total Revenues	1,879,822	1,952,802	1,797,000
Salaries	799,896	734,837	794,981
Benefits	437,403	340,016	390,427
Total Salaries and Benefits	1,237,299	1,074,853	1,185,408
Salaries/Benefits % of Revenue	66%	55%	66%
Food and Supplies	883,478	951,793	940,717
Food/Supplies % of Revenue	47%	49%	52%
Services and Other Operating	(15,925)	8,208	8,928
Capital Outlay	0	0	0
Indirect Costs	0	0	0
Total Expenditures	2,104,852	2,034,854	2,135,053
Excess (Deficiency)	(225,030)	(82,052)	(338,053)
Audit Adjustments	(58,544)	0	0
Transfers In	0	116,490	325,000
Other Restatements	0	(33,048)	0
Ending Fund Balance	\$26,763	\$28,153	\$15,100

Source: District financial reports
Rounding used in calculations

The district's first interim report indicates that the program will deficit spend in the amount of \$338,053 in 2017-18, with a projected transfer in of \$325,000 from the general fund. An analysis of the report indicates that labor costs are projected to be 66% of revenue and food and supplies costs are projected to be 52%; both are well above the standard of 40%-45%. In addition, at the time of FCMAT's review the department had more than \$150,000 in uncollected student meal charges.

To address deficit spending and the unrestricted general fund contribution, the district needs to identify areas of cost reductions and/or revenue increases. As discussed in other sections of this report, revenue may be increased and/or costs reduced by increasing student participation, standardizing menus, collecting outstanding student meal debt, changing procurement and ordering practices, and considering offer versus serve (a meal planning option that is discussed further in the meal program, menus, and meal service section of this report) at all sites.

Part of the increased food costs may be attributed to the new nutritional guidelines; however, food costs will vary depending on the type of services offered. Districts that offer only meals cooked from scratch have lower food costs but higher labor costs than those that buy premade meals. For example, food costs for meals prepared from scratch should be approximately 35% of revenue, while premade meals are usually 40%-45% of revenue. Because the district offers both premade meals and meals made from scratch, its average food cost should be approximately 40% of revenue. However, as shown in the above table, the district's annual food costs have been between 47% and 52% of revenue.

A review of the district's annual labor costs from 2015-16 through the 2017-18 first interim report indicates that they are much higher than the expected standard. The department has average labor costs of 55% to 66% of annual revenue. It is important to keep a balance of revenue to expenditures; to accomplish this, labor costs should be within the recommended guidelines of 40%-45% of total revenue. A majority of the food service staff qualify for district contributions to health and welfare benefits, which increases program costs. In addition, a portion of the increased cost for labor has been imposed on the food service program because of increases in the California Public Employees' Retirement System (PERS) employer contribution rates. It would benefit the district to review the program's hourly labor and benefit rates and compare them to other programs in similar regions. High labor costs can also be an indicator of excess staffing, which is further analyzed in the staffing and meals per labor hour section of this report.

Recommendations

The district should:

1. Eliminate deficit spending in the cafeteria fund by developing and implementing a plan to reduce expenditures and/or increase revenues.
2. Charge the full allowable indirect cost rate to the cafeteria fund.
3. Ensure that the budget includes realistic revenue and expenditure projections.
4. Closely monitor the budget throughout the year to ensure revenues and expenditures are within the projected budget, and make adjustments as necessary.
5. Ensure that the director of food services studies student participation trends to find ways to increase participation and reduce food waste.
6. Review the hourly labor and benefit rates for the Food Services Department and compare them to other programs in similar regions.
7. Review department staffing levels to identify labor efficiency, review each open position against efficiency ratios before filling the position, and reduce labor hours accordingly if meal counts and revenues decrease.

Staffing and Meals per Labor Hour

Because labor costs are usually one of the largest expenses in a food service operation, it is important for the department to operate efficiently and to ensure that staffing ratios are adequate to meet the needs of the program without being excessive. Best practice for labor costs is approximately 40%-45% of revenue. As discussed in the budget section of this report, labor costs in the prior two years have been 55%-66% of revenue. Current year projections are 66%. This is excessive and often indicates overstaffing.

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. Usually only labor hours for food service staff at schools 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 schools. It is best practice to maintain an 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 often counted as a fraction of a meal equivalent because they are usually simpler to prepare than lunches. The district's breakfasts are mostly packaged ready-to-serve items or heat-and-serve items. For FCMAT's analysis, breakfasts are counted as 0.5 of a meal equivalent.

The district provides after-school snacks at most of its schools. These are counted in FCMAT's meal analysis as 0.33 of a meal equivalent because they are simple prepackaged snacks.

A la carte sales occur at Coalinga High and Coalinga Middle schools. Staff indicated that Huron Middle School also sold a la carte items in the past but has not done so this year because of the lack of food service staff. A la carte sales are included in the MPLH calculation and are converted to a meal equivalent based on gross revenue earned. Typically the a la carte meal equivalent is calculated by dividing the total dollar amount of the sales by the average price of breakfast and lunch, which is \$2.02 for the district's schools.

The district's October 2017 School Nutrition Program reimbursement claim was used for FCMAT's analysis. October is a good month to use because it is after the cut-off date for processing free and reduced-price meal applications for the new school year and usually provides an accurate representation of student eligibility.

The staffing list provided by the Food Services Department combined schools into three groups: CHS Café, which combines staff hours for the Coalinga High and Coalinga Middle schools; Sunset Café, which includes staff hours for the four Coalinga elementary schools; and Huron Café, which combines staff hours for the Huron Elementary and Huron Middle schools. Some staff from these schools work exclusively at one school and some work at more than one. The division of hours between these schools is not available on a written schedule, and the director of food services was not aware of how the staff time at these schools is allocated. Therefore, this information was provided by the site lead food services assistants and communicated to FCMAT via email from the food service office. To provide proper oversight of the program, it is important for the director of food services to have a written schedule with these details and to monitor staff hours at all sites.

The MPLH analysis, included in the appendix of this report, indicates that the district is overstaffed at some schools; overall, the district has 24 MPLH. Based on the division of labor provided to FCMAT, the high school has the lowest productivity at 10 MPLH. The other schools

vary between 25 and 32 MPLH, with both middle schools having the highest productivity at 32. Documents provided to FCMAT show Coalinga High School a la carte sales of approximately \$91 per day. In FCMAT's experience, this is a very low amount compared to sales at other high schools. If actual sales are higher than reported, the incorrectly low reporting will negatively affect the MPLH calculation.

Because the Sunset kitchen prepares and transports food for all the Coalinga elementary schools and staff work at multiple schools, FCMAT's analysis combines the staffing hours and meals for these schools. The combined MPLH is 25. This group has a vacant 3.5-hour position that was filled with a substitute at the time of FCMAT's visit. If that position were closed, the MPLH for the group would be 27. Therefore, it may be prudent to close this position.

Huron Café total staff hours are 45.5 per day, including two 3.5-hour-per-day vacancies, one of which was not filled with a substitute at the time of FCMAT's visit and so was not included in FCMAT's calculation. Staff indicated that the Huron Middle School snack bar has not been open this school year because there is not a staff member to operate it. Huron Elementary School has 30 MPLH and Huron Middle School has 32; these are two of the most productive schools in the district.

FCMAT's observations indicated that there may be some imbalances in staffing even at schools with a high MPLH. At Huron Middle School only one staff person was present during part of the lunch service, and staff indicated that this is not uncommon if the elementary school is not fully staffed. A few changes in the serving methods, as discussed in the meal program, menus, and meal service section of this report, would require fewer staff at the elementary school and allow this staff time to be used at the middle school daily.

FCMAT's analysis also compares the October 2017 meal totals to the October 2015 and 2016 totals. The comparison, included in the appendix of this report, shows that the number of daily breakfasts and lunches has varied by only 1%-3% each year. After-school snacks have decreased significantly, by 18% in 2016 and by 9% in 2017. The reason for this is not known, but it could be related to fewer students staying after school. It would benefit the district to research and analyze the cause or causes of these decreases.

MPLH numbers can be improved by increasing student participation and by reducing staff; it often requires some of each. The most positive way to improve MPLH is to increase participation, and methods of doing this are discussed throughout this report. In addition, it would be beneficial for the director of food services to talk with site staff and students about food preferences and what menu changes may entice more students to participate in the meal program.

Because 81% of the district's students are eligible for free or reduced-price meals, a high participation rate is expected. However, total districtwide participation (including that of students eligible for free or reduced-price meals and those who pay) at breakfast is just 21%, and at lunch 56%. It is not uncommon for before-school breakfast participation to be low, but participation should be much higher at lunch.

Many districts offer a midmorning breakfast or second chance breakfast during a nutrition break or passing time. This may help increase breakfast participation and thus improve MPLH results. This often works well because many students either arrive late or are not hungry before school, but are much more interested in eating later in the morning.

The Coalinga elementary schools have good lunch participation with an average of 68% of total students, but with 79% of students eligible for free or reduced-price meals, participation could still be improved. Coalinga Middle School has just 40% lunch participation among all students,

even though 74% of its students are eligible for free or reduced-price meals. As discussed in the participation trends section of this report, offering grab-and-go reimbursable meals in the snack bar may increase participation and thus meal counts.

Huron Elementary and Huron Middle schools have the Provision 2 program option, under which all students get free meals. The elementary school lunch participation is 91%; however, the middle school has just 73% participation. It would be beneficial to consider reopening the snack bar for a la carte snacks as well as offering grab-and-go reimbursable meals.

High school meal participation is low at 11% at breakfast and 18% at lunch. This is not unusual for high schools, particularly those such as Coalinga High that have an open campus and many fast food options close by. In addition, the cafeteria is located in a rather remote section of campus, which makes it inconvenient for students. The Toad Café, a snack bar in a more central campus location, sells some entrées as well as snacks. Offering grab-and-go reimbursable meals at this location may increase meal counts. As discussed in the meal program, menus, and meal service section of this report, the high school menu is repetitive and does not offer particularly interesting choices for students.

In interviews, employees indicated that it is often a challenge to recruit and retain food service staff. A review of the daily schedules for some staff members showed that the work schedules may be undesirable. For example, the Coalinga High/Coaling Middle School staffing includes a 3.75-hour position that is a split shift. It begins at the middle school at breakfast for a 45 minute shift, then is off for 2.25 hours before it resumes at the middle school for 1.75 hours, then goes to the high school for the remainder of the shift. There is also a 3.0-hour position that works 2.75 hours at the middle school and then goes to the high school for 15 minutes. Even the 6.0-hour position at the middle school must first go to the high school to pick up supplies and then go back to the high school at the end of the day for 15 minutes. It would benefit the district to find ways to better organize schedules so that less movement between sites is required.

Recommendations

The district should:

1. Revise the written staff schedule to include the hours worked at each school, including positions that are split between schools. Ensure that the director of food services oversees this process and is aware of the allocation of hours at all schools.
2. Ensure that the director of food services regularly completes an MPLH analysis for all schools and makes frequent in-depth visits to kitchens to be aware of productivity issues and assess staffing needs.
3. Consider not filling the vacant Sunset Café 3.5-hour position.
4. Carefully monitor MPLH and staffing at Coalinga High School; meal participation and a la carte sales should be significantly increased or staffing reductions need to be considered.
5. Research and analyze the causes for the decrease in after-school snack participation.

6. Ensure that the director of food services has regular meetings with site staff to get their input regarding improving productivity and simplifying work methods.
7. Ensure that the director of food services talks with school site staff and students and explores options to increase participation, such as menu changes, offer versus serve, salad bars, and midmorning or second chance breakfasts.
8. Consider offering grab-and-go reimbursable meals that can be served at snack bars at the middle schools and high school.
9. Consider filling the vacant Huron Café 3.5-hour position and reopening the snack bar at Huron Middle School.
10. Find ways to better organize food service staff schedules so movement between sites is minimized and part-time positions are more appealing.

Personnel Activity Reports

Personnel Activity Reports (PARs) are detailed documents that support the salary and benefit distribution of employees who work on multiple activities or cost objectives. These reports identify the employees' daily activity by hours or percentage of hours spent in each program. The federal requirements for PARs (Code of Federal Regulations Title 2, Part 225, Appendix B 8. h.) state that the documents 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.

In September 2012, the United States Department of Education (USDE) approved a new system, called the Substitute System Based on Employee's Predetermined Schedule, that can be used as a substitute for the usual PARs reporting and that simplifies recordkeeping. Districts must meet specific criteria to qualify for this option. Alternative documents 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 who 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 it is used. More information about this option and the Substitute System Based on Sampling Method may be found in the CSAM and on the CDE website at <http://www.cde.ca.gov/fg/ac/co/timeaccounting2013.asp>.

The district's Food Services Department has one warehouse worker/delivery driver, who works eight hours a day for the food service program and is charged 100% to the cafeteria fund. However, during the summer the employee performs work for other departments if no summer food service programs are operated. No PAR form was provided to FCMAT for this position.

According to the district's December 8, 2017 Employer Labor Report, the district charges 44%-75% of the salary and benefit costs for four custodians to the cafeteria fund. The district provided a January 2016 PAR form to FCMAT for one custodian, and the director of food services indicated that PARs have not been completed for these employees since that time. Because these positions do not work solely for food service, the district needs to keep documents to assess the actual time spent in various activities and make budget adjustments for salary and benefit charges accordingly.

Recommendations

The district should:

1. Assess the full-time warehouse worker position that is charged to the cafeteria fund. If it determines that the position's duties are split between food service and other departments at any time during the fiscal year, ensure that PARs are completed and salaries and benefits are charged to the appropriate accounts.

2. Complete PARs for the four custodian positions that are funded from multiple sources, and ensure that salaries and benefits are charged to the appropriate accounts.
3. Ensure that all positions funded from multiple sources are properly documented by PARs as required by the CDE and federal regulations. Maintain all documents for the state administrative review.
4. If a substitute time accounting method is selected and used, ensure that the method is approved by the CDE as needed and that federal regulations and procedures described in the CSAM are followed.

Meal Program, Menus, and Meal Service

Meal Program

The district participates in the National School Lunch and School Breakfast programs, which are regulated by USDA and the CDE. During federal reauthorization in 2010, regulations were updated with the most comprehensive changes to the program in 15 years. Initial guidelines 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 adhere to 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 meal patterns and nutrition standards for school lunches and breakfasts based on 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:

www.fns.usda.gov/school-meals/healthy-hunger-free-kids-act

www.fns.usda.gov/sites/default/files/NSLA.pdf

www.cde.ca.gov/ls/nu/sn/nslp.asp

The regulations seek to increase the fruits, vegetables, whole grains, and fat-free and low-fat fluid milk on school menus; reduce the levels of sodium, saturated fat and trans fat 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, which better meets students' dietary needs and protects their health. Menus must comply with both calorie minimums and maximums based on age groups, must not exceed 10% saturated fat, and must ensure that all grain products are at least 50% whole grain.

In addition to higher fruit and vegetable requirements, districts must offer a wider variety of vegetables, including specified weekly amounts of vegetable subgroups. These subgroups include dark green, red/orange, starchy, and legumes. Although 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. At lunch, one-half cup of fruit and three-fourths cup of vegetables must be offered to K-8 students, and one cup of both fruit and vegetables must be offered to high school students. Students must take at least one-half cup of fruit or vegetable with both breakfast and lunch, regardless of whether they want it. Districts have experienced an increase in waste because of this requirement.

Based on the documents provided and FCMAT's observations, the district offers the correct vegetables, including the subgroups. However, some of the same vegetables are repeated too often rather than giving students a variety of choices, which was the intent of the regulations. For example, one-half cup of dark green vegetables is required to be offered weekly. Examples include broccoli, romaine, kale, and spinach, which are not necessarily kid-friendly items. However, broccoli is the most frequently offered vegetable on the district's menus, served two to three times a week. A tossed salad with romaine lettuce could be served as an alternative and would likely be more popular.

Offer versus serve is a meal planning option that allows students to decline some of the food offered in a reimbursable meal. The goal is to reduce food waste and extra expense while letting

students choose the foods they want to eat. At least five items must be offered at lunch and four at breakfast. Students may take all of the items offered; however, they are only required to take three items at each meal. Other than the requirement that one of the items be a fruit or vegetable, students may choose or refuse whatever they want. Regulations require offer versus serve at high schools, and it is highly encouraged at other grade levels.

The district does not use offer versus serve at the middle schools or elementary schools; rather, it uses the traditional method of service that prepares a plate for students, which forces them to take all items offered. This leads to a great deal of waste because students must take items they neither like nor intend to eat. FCMAT study team members observed many students throwing away almost full trays of food. Students who are allowed to choose what they want are more likely to eat the meals with less waste. Offer versus serve can also save time and money because less food needs to be prepared. As discussed in the budget section of this report, the district's food costs are higher than recommended standards, and controlling waste is an essential part of reducing food cost.

The director of food services indicated that the offer versus serve method at the K-8 levels slows the serving lines because students must make choices, but in FCMAT's experience this is not the case at most districts. It may take a little more time initially and with new students, but once students get used to the system, offer versus serve does not slow serving lines. For this method to work, it is essential that students and staff receive training on reimbursable meals and offer versus serve.

Menus

The district's menus are disorganized and repetitious, and there is no apparent pattern in how they are written. Most school districts use a cycle menu system, in which menus are repeated within a specific time frame, such as every four weeks. In a cycle menu the same items often appear on the same day of the week or the same week in the month so students can anticipate favorite menu days. Because some days are more popular with students than others, a cycle menu helps school food service staff and the director establish a product usage history, which in turn makes it easier to order the correct quantities in advance. This also helps the warehouse and purchasing staff because the flow of products is more predictable. The cycle can be changed quarterly or for holidays to add variety and take advantage of seasonal favorites, new items and commodity products.

The district's menu items are repeated quite frequently, often several times a month, and some items appear on different days of the week in a seemingly random fashion. This sometimes results in menu items repeating just a few days apart. The only discernable consistency is pizza every Friday.

The elementary and middle schools have the same menu; it offers just one entrée choice per meal, two vegetables and one fruit. Vegetable choices often repeat several times a week, such as broccoli, which appeared 11 times on the October menu. Broccoli is in the dark green vegetable group, which must be included in the menu, but only at one-half cup per week. Romaine lettuce is also in that group and could be offered instead of or in addition to the broccoli for variety. Likewise, red and orange vegetables are required at three-fourths of a cup per week for K-8 students and one and one-fourths cup at the high school, which necessitates two to three servings a week. Tomatoes and sweet potatoes are in this group; tomatoes could be offered with hamburgers or on a salad, and sweet potato fries are often popular with students. There are many vegetables that students usually like but that do not appear on the menu, such as cucumbers and

jitama. Tajin, a lime and chili spice mixture, would be a popular condiment to offer with these vegetables and may encourage students to consume them.

Some menu combinations are not typically kid-friendly, such as canned corn and canned carrots served with a burger; oven-fried potatoes would be a more complementary vegetable. During FCMAT's visit, school staff were offered oven fries with a burger, but the students were served carrots and corn. The broccoli with dip as described on the menu was very large florets of broccoli mixed with ranch dressing. This made it messy to eat and possibly less appealing to some students. It is better to cut the broccoli into bite-sized pieces and serve the dressing separately. Fresh pears were also served but they were not ripe, making it difficult for students to eat them.

The high school follows the K-8 menu but school site food service staff are allowed to add two entrée choices. According to staff, these are often based on leftovers. This creates more repetition. The October high school menu included corn dogs or hot dogs and ham and cheese sandwiches three to four days a week. Breakfast menus had similar repetitiveness. Many high schools repeat popular menu items daily or several times a week, but they have many more choices so students are not forced into a repetitious menu.

Many districts offer more than one daily entrée at all grade levels to appeal to more students. At the elementary level a second entrée could be something as simple as a cold sandwich, or yogurt with graham crackers. Middle schools often have two to three daily entrée choices.

There is a great deal of inconsistency in the menus served at the schools. For example, the fruit choices are listed on the menu as canned or fresh fruit assorted varieties. The recipe for the fresh fruit includes apples, oranges, bananas, pears, peaches and grapes, but the recipe for the assorted canned fruit includes only canned fruit cocktail. During FCMAT's visit, the fruit served differed from school to school. Some schools served applesauce and some served canned peaches. The fresh fruit served varied from apples to pears to oranges. The high school offered two fresh fruits and one canned. The elementary and middle schools served either a fresh or canned fruit.

When a recipe variety (e.g., fruit) is used on the menu, a guideline is needed for schools regarding which fruit(s) should be used each day. A recipe variety needs to represent what is actually offered and seasonally available. For example, fresh peaches should not be a choice in winter. Different fruit varieties can be written to include various seasonal types such as fall, winter, and spring varieties. Staff indicated that they specify what they want on the produce orders submitted to the director of food services but often receive something else.

During FCMAT's visit, the vegetables offered also differed among schools. Some schools served raw carrots and some canned carrots. One day baby carrots and corn were on the menu; one school served cooked carrots and canned corn, one had fresh carrots and canned corn, one mixed canned corn and carrots together and also served raw broccoli, and one school served broccoli and carrots. More uniformity is needed in what is served to provide central control for ordering and budget purposes. The purpose of having a generic fruit and/or generic vegetable variety on a menu is to allow the fruits to be analyzed together and the vegetables to be analyzed together for simplicity on the menu nutrient analysis; however, the fruits and vegetables included in the analysis must be served on the menu within that week. This is not what FCMAT observed or what was listed on menu production records.

The district does not have salad bars at its schools. Salad bars have become extremely popular at many districts because they give students more choices of fruits and vegetables and allow them to decide which items they will take, making it more likely that they will finish their food. Some food service staff indicated that schools used to have salad bars, but they only had one fruit and

one vegetable on them. This would not be sufficient to constitute a salad bar because a salad bar is meant to provide choices and therefore includes several varieties of fruits and vegetables. It can include daily items such as salad greens, carrots, cucumbers, and a fresh and canned fruit, as well as other items throughout the week such as broccoli, corn, tomatoes, jicama, and beans. A variety of cooked vegetables can also be offered, such as oven-fried potatoes and refried or ranch beans depending on the menu. This is a good way to offer all the required vegetable groups without forcing students to take items they do not like. Some staff indicated that salad bars may slow down the serving lines and that students will not take the required portions of food, but this is usually not the case after students get used to the routine.

The district's written menu is hard to follow. The menu format comes from the nutrient analysis software program and lists all items including condiments, generic fruit varieties, and all milk varieties. The high school menu lists one entrée on the top and the other two at the bottom, below all the other daily menu items, which makes it difficult to see the choices offered. This menu format is posted on the district's website and in the cafeterias. A simpler, user-friendly and easy-to-read menu would be better for students and families. Production records could then be used to list everything staff need to offer.

The director of food services writes the menus, and the food service office specialist reviews and enters them in the nutrient analysis software program. School staff indicated that they have not participated in menu planning but would like to. The director needs to be the leader in menu planning, with input from school staff, and ensure that all required menu items are included and that a variety of foods are offered without excessive repetition.

Recipes and Nutrient Analysis

The district does not have recipe books for the schools that include the recipes and products being served. FCMAT was provided the generic USDA recipe book rather than recipes used for the district's menu items. Regulations require recipes for all items served even if they are convenience products. To analyze menus in a nutritional analysis software program, recipes must first be created.

Interviews with employees indicated that the director of food services is unfamiliar with menu nutrient analysis and that the food service office specialist is responsible for the recipes and nutritional analysis using the NutriKids software program. Samples of the menu analysis were provided to FCMAT, but it is not clear whether all items served are included in the analysis (such as the extra entrées at the high school) or whether the analysis is adjusted when new menu items are served.

The menu analysis for the week of December 11, 2017 appeared to meet the component requirements for meats, grains, fruits, vegetables and milk, but did not meet calorie or sodium requirements. The K-8 breakfast analysis was 148% of the calorie limit and 138% of the sodium limit; lunch was 119% of the calorie limit and 140% of the sodium limit. The high school breakfast analysis showed 196% of the calorie limit and 218% of the sodium limit; lunch was 160% of the calorie limit and 245% of the sodium limit. The analysis also indicated that there is a great deal of missing data in the software program. This means that when ingredients or products are entered in the program they may be incomplete and do not list required data such as sodium, fat, protein, or calcium. It appears that items are not entered correctly in the program, the menus do not meet requirements, or both. As described earlier, schools do not follow the menus as written, which also makes the nutritional analysis of meals inaccurate.

A complete nutritional analysis needs to include documentation of possible food allergens and provide readily available carbohydrate and calorie counts for diabetic students. Interviews with staff indicated that site lead food services assistants have to either read food labels or look up food products on the internet to obtain nutritional content and ingredient information, and that school food service staff are responsible to decide what foods to serve students who have dietary restrictions. The district is not required to provide food substitutions for students unless the intolerance is considered a disability or a written medical statement is provided for students with dietary restrictions. However, some districts try to accommodate other students with food intolerances or dietary restrictions if it is feasible to do so. The director of food services needs to develop a list of carbohydrate and calorie counts and common allergen contents for all menu items and provide it to food service staff. The list needs to be updated regularly and could be included in recipe books for easy access. More information about modifications to accommodate students with disabilities in regard to school meal programs may be found on the CDE website at <https://www.cde.ca.gov/ls/nu/sn/mbsnp022017.asp>.

Serving Lines

The study team observed meal service at numerous schools. Overall, meal lines moved smoothly even though they were long. As previously discussed, the district does not use offer versus serve for K-8 students; rather, students are served every item on the menu. This takes more staff time and creates more food waste than offer versus serve would. Switching to offer versus serve and allowing students to help themselves to at least some items involves some planning, and the different line configurations at each school may determine how this is implemented.

The district's serving lines have both a card scanner and a PIN pad for student identification. This is unusual; most districts use one or the other. There is nothing wrong with using both as long there is enough equipment for all students to use it efficiently. However, many schools do not have enough equipment to make both a scanner and PIN pad available on each side of the serving line, so many students have to wait for the device of their choice.

At Huron Elementary School there are two serving lines in which staff prepare food trays in advance. Students then proceed to the milk cooler and point-of-sale (POS) station. There is enough room between the milk cooler and the POS station to place a salad bar where students could help themselves to fruits and vegetables.

At the Dawson and Sunset Elementary schools' food service facility the serving area is a large L-shaped line. Staff and many student helpers dish trays behind the line; students take a tray and then go through a door into the adjacent cafeteria. There is a salad bar that is no longer used in the cafeteria. The design of this kitchen, which is separate from the cafeteria, makes it more challenging to use the salad bar. Because it would have to be located after the POS, someone would need to monitor the salad bar to make sure students take the required portions. However, students could go to the salad bar before entering the main line. Another option is to include previously portioned fruit and vegetable items on the line for self-service, or have staff ask students which items they want rather than putting everything on the trays. This site has many student helpers at serving times, so there is sufficient help to make these changes.

Both middle school kitchens have identical layouts with a double-sided speed line adjacent to the kitchen. This is an ideal serving method for this age group. A small salad bar with a variety of choices could be located in part of the existing speed line. The schools use both sides of the speed line for serving but limit one side to students who have ID cards to scan and the other side for

PIN pad use. This creates more congested lines. Students should be able to use either line with both ID entry methods available on both lines.

The high school cafeteria does not have a speed line; it has two traditional serving counters that lead to the same POS computer. Most of the food is served by staff, including wrapped items, with only a few items available for self-service. During FCMAT's visit, no menu was posted and students had to ask what the choices were. The design of this serving line makes it difficult to include a traditional salad bar unless it is placed after the POS in the cafeteria with a staff person monitoring it. However, some prepared salads could be added on the line. These are often popular with this age group, and students could help themselves to prepackaged items. Another option is to convert the serving lines into a speed line for self-service. This school had the most congested serving line observed by FCMAT, especially at the POS because only one scanner and one PIN pad were available for two lines.

Having meal lines in one place and a la carte sales in other places can stigmatize students who are eligible for free or reduced-price meals. Even though students who pay also use the meal lines, the perception of a free meal line or a free and reduced-price cafeteria 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 bars. This could be done at the district if POS terminals were placed in the snack bars. Not all meal choices need to be served in all locations, and fewer snack items could be offered in the main meal lines. Simply making meals and a la carte items available everywhere could eliminate the free meal stigma.

At the high school, grab-and-go combo meals could be offered at the snack bar in the main cafeteria and at the Toad Cafe to make the lines move quickly. These meals are usually packaged in a clear container or a lunch sack and include the components needed to constitute a complete meal. Milk could be offered on the side. This would give students more options and could lessen congestion in the main serving line.

Recommendations

The district should:

1. Offer a wider variety of vegetables.
2. Implement offer versus serve at all schools.
3. Educate school staff and students about what constitutes a reimbursable meal and the offer versus serve method.
4. Implement a four-week menu cycle to make nutritional analysis, production sheets, ordering and inventory more efficient.
5. Consider offering two entrée choices for elementary schools and two or three choices for middle schools. Ensure less repetition and more accountability by including all entrées in the menu cycle rather than having them randomly chosen by school site food service staff.
6. Offer a variety of fruits and vegetables, ensure that the varieties listed on the menu are what is served, and ensure that guidelines regarding the day's items to be served are provided to school food service staff.
7. Consider offering Tajin as a condiment with vegetable items.

8. Consider offering salad bars at all schools.
9. Create a written menu format for public use (cafeteria posting and website) that is easy to read and does not include generic terms, such as fruit variety, unless a variety is offered on that day.
10. Ensure that the director of food services is in charge of the entire menu process and ensures that regulations are met, appropriate variety is offered without excessive repetition, and schools follow the menu. Ensure that school food service staff are included in menu planning.
11. Create recipes in the nutrient analysis software program for all items used on the menus, including convenience foods. Assemble recipe books for all schools based on current menus, and update recipes with all menu changes.
12. Ensure that all menus are properly analyzed and that the analysis includes all menu items. Ensure that an analysis is completed whenever the menus change.
13. Ensure that the director of food services is knowledgeable about the regulations regarding recipes and nutrient analysis, and that the director reviews the analysis frequently if the analysis is performed by another employee.
14. Ensure that the director of food services develops a list of carbohydrate and calorie counts and common allergen contents for all menu items, regularly updates the list, and provides it to food service staff.
15. Ensure that the director of food services and the food service office specialist attend training provided by NutriKids regarding the nutrient analysis software program.
16. If it continues to use both card scanners and PIN pads for meal lines, ensure there is enough equipment available for all serving lines.
17. Allow middle school students to use both sides of the speed lines whether they use the card scanner or PIN pad.
18. Ensure that menus are posted in all school cafeterias.
19. Consider converting the serving lines at the high school into speed lines for self-service.
20. Consider offering reimbursable meal options in both high school snack bars.
21. Ensure that the director observes serving lines frequently and works with staff to improve service.

Participation Trends and Eligibility for Provisions

Participation

The FCMAT study team visited numerous schools to observe food service and meal participation for breakfast and lunch. Most of the serving lines observed flowed smoothly. At Sunset Elementary School the lines appeared to slow down due to the large number of student helpers. The use of student helpers is encouraged; however, during FCMAT's visit an excessive number of student helpers were on the serving line. Depending on the school size and type of services provided, having two or three student helpers is usually sufficient.

According to the October 2017 meal claim report, the district's free and reduced-price lunch participation is 54% of students who are eligible for the program. Participation for Coalinga High School is very low at 21% of eligible students. The district's paid lunch participation is 14% of all lunches served. The high school has an open campus, so students have a choice to eat on campus or not, and this can reduce a school's participation rate. Many school districts average a participation rate of 60%-80% of students who are eligible for free and reduced-price meals, particularly in schools with closed campuses. The low participation rate at Coalinga High School may be attributable in part to the fact that many secondary students do not want to participate in school meals. The overt identification that can occur when there are separate lines for ala carte items and reimbursable meals may also discourage students who are eligible for free or reduced-price meals from participating in the regular meal service.

At breakfast, the districtwide participation rate is 20% of students who are eligible for free or reduced-price meals, and participation among students who pay accounts for 15% of all breakfasts served. Coalinga High School has a 12% breakfast participation rate among students who are eligible for free and reduced-price meals. Breakfast participation at the other schools is average compared to other districts but could be improved at the elementary schools by offering students a second chance breakfast at midmorning or breakfast in the classroom. At the high school and middle schools, in addition to breakfast before school, a midmorning nutrition break could significantly increase participation. A grab-and-go meal could also be offered at the Toad Café, which is a popular student gathering area and is centrally located on the high school campus.

Many factors can affect participation, including free and reduced-price meal eligibility, menus, time of day meals are offered, bus schedules, and speed of serving lines. Demographics may prevent increasing eligibility and participation because some students may have higher family incomes 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 scheduled periodically to allow students to sample new products, and the food service program could be promoted at wellness committee meetings where parents and students can identify with the benefits of school meals.

Provisions Overview and Eligibility

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-priced meals. Of these three alternative claiming provisions, the most commonly used by school districts is Provision 2 (which is explained in detail below). The district is a sponsor of the Provision 2 claiming method for Huron Elementary and Huron Middle

schools. These two schools have the highest percentages of students who are eligible for free and reduced-price meals.

For schools not on Provision 2, the district uses the standard method of claiming federal and state reimbursement for meals served to students. Using this method, the district receives reimbursement based on each participating student's meal eligibility: free, reduced-price, or paid. When a district uses the standard method of claiming federal and state meal reimbursements, it must collect a considerable amount of paperwork for each student or household to determine each student's eligibility annually in compliance with the USDA requirements.

According to the district's uncertified 2017-18 CALPADS eligibility data, 93% of the students at Huron Elementary and Huron Middle schools qualify for free or reduced-priced meals. In comparison, 73% of the students at Coalinga High School and 74% at Coalinga Middle School are eligible. The districtwide free and reduced-price eligibility was 81% as of December 7, 2017.

The following table shows the district's schools, their enrollment, and the percentage of students who are eligible for free and reduced-price meals.

	Enrollment	Free/Reduced Eligibility
Culwell Community Day	2	50%
Cheney Kindergarten	143	71%
Coalinga High	1,145	73%
Coalinga Middle	640	74%
Cambridge High	51	75%
Sunset Elementary	446	78%
Bishop Elementary	343	81%
Dawson Elementary	419	82%
Chestnut High Continuation	39	90%
Huron Elementary	845	93%
Huron Middle	378	93%
District Total	4,451	81%

In interviews, staff indicated that the district recently evaluated the potential benefits of the provisions claiming options for all schools and determined that only the Huron schools were eligible. 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 three subsequent years, including those students identified as eligible for reduced-price and paid meals.

The benefits of the Provision 2 alternative method are typically achieved when 70% or more of a school's students are eligible for free and reduced-price meals. This provision allows a district to make determinations based on individual schools. According to the district's 2017-18 CALPADS eligibility data, all schools except Culwell Community Day have a free and reduced-price meal eligibility rate in excess of the 70% eligibility threshold established by the CDE. As a result, this claiming method may work for the entire district because 81% of students districtwide qualify for free and reduced-price meals. However, aside from the reduction in paperwork, the district must evaluate the potential effect on revenue that each provision will have for each school based on current student meal participation. More details about the School Nutrition Program provi-

sion options may be found on the CDE website at <https://www.cde.ca.gov/ls/nu/sn/provisions.asp>.

Another alternative claiming method that may be more beneficial to apply to some district schools or districtwide is the Community Eligibility Provision (CEP). The CEP 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 using a formula based on the number of identified students, which are those students who qualify for free meals through direct certification, including those in foster care or Head Start, and those who are homeless, migrant or living in households that receive Supplemental Nutrition Assistance Program food stamps, Temporary Assistance for Needy Families cash assistance, or Food Distribution 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 who qualify based on income, it creates an appearance that total free and reduced-price meal eligibility rates have decreased when in fact they have not.

Schools and LEAs with a minimum identified student percentage (ISP) 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 CEP for free meals and uses that figure to calculate the reimbursement. Under this provision, some district schools could receive the higher federal and 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 in the free, reduced-price, and paid categories. The intent is to increase participation by providing all students with access to free nutritious meals, but in some circumstances this reimbursement program can also increase revenue even while feeding the same number of students.

A preliminary calculation for the CEP program using the identified students listed on the 2017-18 CALPADS report indicates that the district exceeds the 40% minimum districtwide to participate in the program. In particular, Huron Elementary and Huron Middle schools could benefit from this provision. Based on the CALPADS report provided, Huron Elementary would receive reimbursement for all meals served at the free rate. Huron Middle School would receive reimbursement for 91% of meals at the free rate and for the other 9% at the paid rate.

Huron Elementary:	558 identified students / 845 enrollment = 66.04% ISP x 1.6 = 106%
Huron Middle:	214 identified students / 378 enrollment = 56.61% ISP x 1.6 = 91%
Districtwide:	2,444 identified students / 4,451 enrollment = 54.91% ISP x 1.6 = 88%

The district would need to review its 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.

The district's CALPADS data indicates an increasing number of identified students. The 2015-16 CALPADS report has a total of 2,062 identified students, the 2016-17 report has a total of

2,119, and the 2017-18 uncertified report has a total of 2,444. If this pattern continues, the CEP should be considered districtwide in future school years.

The CEP method has many advantages. For example, use of point-of-sale systems to determine whether 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; only a simple meal count is needed. Because all students eat free, student meal debt would be eliminated. Labor hours needed to process meal applications, perform verification tasks and track student participation by eligibility are also reduced, and increased student participation is common.

Schools that choose 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.

When analyzing the feasibility 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 that use the CEP may establish a base year for LCFF purposes. Schools that use this option 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 can be found on the CDE website at <https://www.cde.ca.gov/fg/aa/lc/lcfffaq.asp>.

Recommendations

The district should:

1. Ensure that the number of student helpers used in the food service program is not excessive.
2. Ensure that the director of food services tracks student participation at all schools, identifies trends, and identifies and determines how to remove obstacles to increase participation.
3. Offer a second chance breakfast at midmorning or breakfast in the classroom at elementary schools to increase participation.
4. Offer a second chance breakfast at midmorning and a grab-and-go breakfast at the high school and middle schools to increase participation.
5. Consider moving Huron Elementary and Huron Middle schools to CEP.
6. Continue to evaluate reimbursement claiming options Provision 2 and CEP for all schools to determine if alternative options result in a favorable reimbursement.
7. Before implementing a provision meal claiming method, review and understand the requirements for student eligibility verification as it relates to the LCFF.

Warehouse and Purchasing

The food service warehouse is managed by one full-time, 12-month warehouse worker/delivery driver. This position is fully funded by the cafeteria fund, and interviews indicated that it is supervised by the director of food services. The warehouse worker controls the district's food and supplies inventory by manually making changes to an Excel spreadsheet. The Food Services Department uses the NutriKids software program for nutrient analysis; the software also has an inventory control module, but the department does not use it. Product orders for warehouse items are submitted manually by the lead food services assistant at each school and filled by the warehouse worker. Outgoing and incoming product amounts are recorded and updated weekly, and an updated inventory report is forwarded to the director of food services weekly.

Fresh fruit and vegetable orders and milk products are delivered by vendors directly to the serving locations. Warehouse product deliveries for Huron schools are scheduled for Monday and Wednesday. However, sometimes it is necessary to make deliveries four times per week and/or multiple times per day to the Huron schools because the delivery van is a three-quarter ton vehicle, and the maximum load capacity for each trip is limited. A commercial transport truck with a larger load capacity and a lift gate would be more efficient for these deliveries. Coalinga High School receives deliveries on Thursday and Friday, and other schools are scheduled for weekly deliveries. The staff at Sunset Elementary School borrow the van daily for approximately one hour to transport food to Cheney Elementary School.

The district did not sponsor the Summer Seamless Food Program in 2017 because it did not schedule a summer school program. Therefore, deliveries of food and supplies were not needed. Although the warehouse worker makes an effort to stay busy by performing work for other departments, staff indicated that a 12-month assignment for the warehouse worker is not necessary if the district does not operate a summer food program. Regardless of whether the district chooses to offer summer school, it could sponsor the food program for the community at one or several schools with prior approval from CDE. All persons in the community under 18 years of age, and those over age 18 who meet the CDE's definition of having a mental or physical disability, may participate in the program.

The food service warehouse is an older building; however, FCMAT found it clean and organized. The building is secured with an alarm system, but the freezer inside the warehouse is not. Recently the department lost approximately \$11,500 worth of food to spoilage when the freezer failed to maintain the proper temperature for frozen products. Interviews with employees indicated that the warehouse worker usually monitors the freezer daily but was out of the district for an extended time when the freezer failed. Because the warehouse already has an alarm system, the freezer could be equipped with a temperature sensor for a minimal cost. The temperature sensor can be connected to the alarm and programmed to alert designated employees if the proper temperature is not maintained so any problems can be resolved before food is lost.

The lack of timely use of food product is also a concern. For example, at the beginning of the 2017-18 school year the warehouse received 18 cases of USDA frozen eggs; however, the Food Services Department had still not placed this item on the menu five months into the school year. According to the USDA regulations on inventory storage, schools should use USDA foods within six months, and the best use by date or expiration date should be printed on all USDA foods packages. More guidance on freezer food safety, proper storage temperatures and recommended product shelf life can be found at <https://www.fda.gov/downloads/Food/ResourcesForYou/>

HealthEducators/UCM109315.pdf and <https://www.fsis.usda.gov/wps/portal/fsis/topics/food-safety-education>.

The USDA commodities entitlement report for 2017-18 provided by the district indicates that it allocated \$5,000 for the Department of Defense (DOD) fresh fruit and vegetable program for schools. At the time of FCMAT's fieldwork, none of these funds had been used. The report also indicates that the district still has 27% of entitlement funds for other USDA purchases and 59% for commodity processed items. The entitlement report for 2016-17 indicated that the district did not use all of its USDA entitlement: DOD funds were not allocated, 67% of entitlement funds for other products were not used, and 71% of funds for processing were not used. Typically, a purchasing cooperative will sweep these funds and distribute them to other members that can use them.

Purchasing is an extremely important function in any food service program. The goals of purchasing should be to obtain the best price for needed items and to use vendors that provide quality service. The best way to accomplish these goals is by implementing best practices and procedures for bids and quotes. Some districts have found it advantageous to form purchasing cooperatives with other districts to increase purchasing power and decrease the administrative burden of duplicated paperwork. In some cases participation in a cooperative may not be advisable because of large distances between participating districts, but smaller districts such as Coalinga-Huron can usually benefit from participating in cooperative purchasing.

The district is a member of the Super Cooperative purchasing group. The Santa Clarita Valley School Food Services Agency is the lead agency for this cooperative, with authority to contract for USDA foods and related services on behalf of member districts. The district is also a member of the Central Valley Buying Group. Gold Star Foods is the distributor for the Super Cooperative, and Sysco Foods is the distributor for Central Valley Buying Group.

The district does not solicit bids for milk, fresh produce, or bread products; it purchases frozen bread from Sysco Foods. Education Code Section 38083 allows districts to purchase perishable foodstuffs and seasonal commodities needed to operate cafeterias in accordance with the rules and regulations adopted by the governing board, notwithstanding any provisions of the Education Code that conflict with such rules and regulations.

Although the Education Code and district regulations allow for these items to be purchased without a bid, districts often find they can obtain the best price and service by issuing a bid or obtaining quotes. Piggybacking is another method for procuring goods and services; this is when school districts make purchases using the bid awarded by another public agency or corporation. Public Contract Code Section 20118 authorizes piggybacking if a district's board determines it is in the district's best interest.

Recommendations

The district should:

1. Consider purchasing the automated inventory module from its current food service software provider to eliminate the use of handwritten requisitions and better manage inventory.
2. Purchase a commercial transport truck with a lift gate to enable more efficient warehouse deliveries to schools.

3. Consider offering the Summer Seamless Food Program each year.
4. Evaluate the number of work days for the warehouse worker/delivery driver position in light of the job duties and responsibilities, and determine if the annual work days should be reduced. If the position works for other departments during the summer, ensure that a PAR form is completed and the salary and benefit costs for these hours are not charged to the cafeteria fund.
5. Install a temperature sensor on the warehouse freezer and connect it to the alarm system to prevent future food spoilage and product loss.
6. Use food products in a timely manner.
7. Ensure that the Food Services Department uses its entire annual USDA commodities entitlement.
8. Seek bids, obtain quotes, or negotiate prices with food service vendors for items not obtained through the purchasing cooperatives.

Facilities and Equipment

During fieldwork, the FCMAT study team visited all of the district's food preparation locations, many of its serving facilities, and the food service warehouse. FCMAT observed the condition and functioning of the kitchens, serving areas and multipurpose rooms. The cleanliness of each location was satisfactory, and food service staff seemed to take pride in their kitchens and were interested in keeping them in good working order.

The kitchens at most schools are dated, but layout, work space, serving lines and cafeteria eating areas are spacious enough for the food service program's needs. At most schools, staff indicated that the work spaces and kitchen designs are adequate.

However, the kitchen at Huron Elementary School was extremely cold, and staff were heating the kitchen food preparation and serving area with an eight-burner stove. Staff indicated that the kitchen has not had a functioning heating system for several years. This is a hazardous situation that needs to be remedied immediately. In addition, the multipurpose facility at this school did not have adequate heating. At the time of fieldwork, students were eating breakfast and it was apparent they were uncomfortable in the cold building. Staff also indicated the cooling system does not function well during hot weather.

One of the terms in the 2004 settlement agreement of the Williams vs. State of California statewide class action lawsuit requires that every public school provide clean and safe facilities for all students. Each school district must also provide a uniform complaint process for reporting complaints of unsafe or unhealthy facility conditions. The Office of Public School Construction has developed the Facility Inspection Tool (FIT), a school facility conditions evaluation worksheet, for districts to use to determine whether a facility is in good repair, defined as being clean, safe, and functional. The FIT and more information on the Williams Act are available at <https://www.cde.ca.gov/ls/fa/sf/williams.asp>.

Other district food service facilities are adequate but show signs of wear and need modernization. For example, the kitchen and multipurpose room at Coalinga High School are old. Although the size of the eating area is adequate, it is not an appealing eating space for students. The dining area is equipped with long fold-out tables with attached benches, which are adequate for elementary students but not secondary students. Colorful table tops and chairs that resemble those in fast food restaurants, and tall bistro tables that resemble those in commercial food courts, would be more appealing. In interviews, staff indicated that in recent years, the district remodeled some buildings on the high school campus with bond funds; however, the cafeteria was not part of that bond project.

The high school has an open campus, and participation in the breakfast and lunch meal programs is low. However, the Toad Café, a relatively new facility operated by food service and located near the center of campus, is popular with students. A variety of a la carte food items are available for purchase. Students who purchase items from the café eat outside where tables and seating areas are provided; the café does not have an indoor seating area. The main kitchen and eating areas are located at the back of the campus. This may also discourage students from participating in the reimbursable school meal program. Placing tables and chairs outside the cafeteria eating area may help increase participation in the breakfast and lunch programs, helping keep students on campus during lunch until it is possible to remodel the cafeteria facility. Upgrades to the cafeteria facility may increase student participation and revenue for the food service program and would provide a more appealing environment for students.

Properly maintained kitchen facilities and equipment are essential to a district's food safety program. Coalinga Middle and Huron Middle schools have relatively new kitchen equipment. Some kitchen equipment at most of the other schools is old but still functioning adequately. The department's warehouse appears adequate for the level of inventory stored. However, the three-quarter ton van used to deliver food and supplies to the schools has a relatively low maximum weight limit, which means multiple trips are required.

Recommendations

The district should:

1. Direct staff at Huron Elementary School to discontinue using stove-top burners to heat the kitchen.
2. Ensure that the heating and cooling systems at Huron Elementary School are assessed and repaired or replaced immediately.
3. Use the Facility Inspection Tool to evaluate the condition of its facilities as required by the Williams Act.
4. Consider remodeling the high school cafeteria production, serving and eating areas to make the facility more appealing to students.
5. Consider placing tables and chairs outside the high school cafeteria eating area.
6. Develop and implement an equipment replacement and maintenance schedule.

Food Handling and Food Safety

Proper food handling is essential for any food service operation to maintain fresh foods and avoid food-borne illnesses. The food service operation must follow all local and state health regulations. School districts that participate in the National School Lunch and/or School Breakfast program must follow a specific format in their food safety plan: the Hazard Analysis and Critical Control Point (HACCP). All food safety policies and procedures must be outlined in HACCP-based standard operating procedures. The HACCP has been required since 2005 and is a comprehensive food safety plan that includes a detailed and specific format and complex methods for ensuring food safety.

The district does not have an HACCP plan specific to its operations. The documents the district provided to FCMAT are a generic version of the plan from the USDA HACCP manual. The district is required to have a written HACCP plan that follows a specific format, and to implement it in daily food handling procedures, such as taking and recording food and refrigeration temperatures.

In interviews, staff indicated that all the district's food service employees and Regional Occupational Program (ROP) high school student helpers have food safety certifications, but improvement may be needed in some food safety practices. For example, food, refrigerator and freezer temperatures are not properly recorded. Several sites do not record food temperatures on production and transport records, and some refrigerators and freezers do not have temperature logs as required.

In accordance with USDA guidance issued in June 2005, a school food safety program must include documented standard operating procedures. A written plan for applying HACCP principles is also required at each school food preparation and service site. The written plan must include methods for documenting menu items in the appropriate HACCP process category; documenting critical control points of food production; monitoring; establishing and documenting corrective actions; recordkeeping; and reviewing and revising the overall food safety program. Step-by-step instructions on developing a food safety program based on HACCP principles are available at <http://www.cde.ca.gov/lis/nu/sn/gis15.asp>.

The National Food Service Management Institute has developed HACCP-based standard operating procedures in conjunction with the USDA and the U.S. Food and Drug Administration. Templates are available at <http://www.nfsmi.org/ResourceOverview.aspx?ID=75>. Use of these templates can help simplify the development of policies and procedures; however, the district will need to individualize them to fit its food service program.

Recommendations

The district should:

1. Ensure that the Food Services Department creates an HACCP plan specific to its operation and based on USDA guidelines. This should be completed before the next CDE administrative review.
2. Ensure that the director of food services monitors food safety practices and trains staff as needed to ensure that proper procedures are followed.

Paid Meal Equity and Meal Charges

The USDA and the State of California have addressed the issue of prices charged to students who do not qualify for free or reduced-price meals. The Healthy, Hunger-Free Kids Act of 2010, Public Law 111-296, prohibits meals for nonneedy students from being subsidized by federal reimbursements for meals of needy students. This law became effective July 1, 2011. In simple terms, the requirement means that a district's average meal prices should at least equal the difference between the federal subsidy amount for a free meal and the federal subsidy amount for a paid meal.

For 2016-17, federal reimbursement amounts were \$3.24 for a free lunch and \$.38 for a paid lunch. The difference is \$2.86, which is the minimum the district should charge for paid lunches. However, the district charges only \$2.25 for K-8 students and \$2.50 for high school students. The district's last CDE administrative review included required corrective action regarding this issue, but the district is still out of compliance. If the district does not charge the minimum price for paid lunches, it must cover the difference with nonfederal funds. The cafeteria fund cannot subsidize these costs.

The USDA has a Paid Lunch Equity Tool that calculates the minimum paid lunch price based on prior year's paid meal totals and the average meal prices. It can be found on the USDA website at <https://www.fns.usda.gov/school-meals/paid-lunch-equity-sy2017-18-calculations-and-revised-tool>.

A common problem food service departments face is how to handle students who are not eligible for free meals but do not have money to pay for meals, and the unpaid meal charges they sometimes accumulate. It is sometimes difficult to get families to pay meal charges, and districts deal with these issues in different ways. In the past, districts usually set a limit for meal charges, and students were either refused a meal or given an alternate meal when too many unpaid charges had accumulated. This is no longer an option in California because of a law that became effective January 1, 2018. Senate Bill (SB) 250 establishes new rules for students who do not have money for meals. Known as the Child Hunger Prevention and Fair Treatment Act of 2017, the law prohibits denying any student a meal or giving them an alternative meal if they do not have money or have unpaid meal charges. The law also requires that a school 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 also notify families of the negative balance in a student meal account within 10 days of the occurrence of the negative balance.

The district has a serious problem with unpaid meal charges; the charges are the highest the FCMAT study team has ever seen. Districtwide, unpaid meal charges totaled \$151,728 as of November 28, 2017. The total was \$116,501 as of June 30, 2017. The director of food services indicated that the negative balances have exceeded \$100,000 for the past three years but was unaware of the current balance. Many students have individual negative balances in excess of \$100, some are several times that amount, and the largest negative balance is \$1,385. Allowing charges to accumulate to these amounts may decrease the likelihood of repayment and lead families to believe they do not have to pay for meals.

The district's policy regarding meal charges is somewhat unclear. Administrative Regulation 3551 states that families will be notified anytime an account has a zero balance, and if a student's unpaid account balance reaches \$50 or more, families will be sent a written notice stating that the balance must be paid within seven school days. The food service Free and Reduced-Price

Meal Policy Statement indicates that bills for negative balances are sent home to families monthly. Based on the documents provided to FCMAT, neither of these policies are followed. Staff indicated that the food service office sent more than 900 negative balance letters to families in November 2017 but that no other letters had been sent since June 2016. This indicates a lack of fiscal oversight by food service management. Students have been allowed to charge with little or no attempt by the district to collect debt. Because of this, it may be difficult to reverse the pattern of unpaid charges.

Any charges that remain uncollected at the end of the school year cannot be funded with cafeteria revenue or carried over by the cafeteria fund to the next school year. The district must pay for them from nonfederal funding sources while it continues to pursue payment. Interviews with food service personnel indicated that the district's general fund covered the meal charges at 2016-17 year end but that the amount has been treated as a loan, and the cafeteria fund is making monthly payments back to the general fund. This is not allowed. Prior year negative balances recovered from families can be used to repay the general fund, but cafeteria funds may not be used for that purpose.

District administrators need to work with food service staff to develop a policy and/or procedure to comply with SB 250, determine how to collect debt, and determine how to communicate with families about negative balances as soon as they occur so large debts do not accumulate. Although SB 250 requires families to be notified within 10 days of the occurrence of a negative balance, they should be notified sooner, at least weekly, in an attempt to prevent a large debt. Many districts use the automated student calling system to inform families of negative balances and program the system to make daily calls to families of all students who owe money.

Huron Elementary and Huron Middle schools are Provision 2 schools, which means all students eat for free. Because of this, students and families may not understand that if they transfer to another district school, including the high school, they need to complete an application to qualify for the free and reduced-price meal program. A possible solution for this issue is to implement Provision 2 or the CEP option at additional schools and allow all students to eat for free as discussed in the participation trends and eligibility for provisions section of this report.

Recommendations

The district should:

1. Ensure that it completes the paid meal equity calculation annually to determine the minimum price of paid meals, and raise lunch prices as needed to meet the requirements.
2. Review SB 250, create a policy and/or procedures to comply with this law, train staff on the new procedures, and ensure they are followed.
3. Make every effort to qualify all eligible students for the free and reduced-price meal program.
4. Ensure that cafeteria funds are not used to repay the general fund for prior year outstanding meal charges.
5. Immediately determine how to collect outstanding meal charges and how best to keep them from accruing.

6. Consider using its automated calling system to notify families of outstanding meal charges daily.
7. Inform families that an annual meal application is needed for students who do not attend Provision 2 schools.

Nonprogram Foods

Nonprogram foods are food and beverage items sold on a school campus that are not reimbursable meals or meal supplements. They include items purchased with cafeteria funds and sold in competition with the reimbursable meal program, such as a la carte items, adult meals, foods sold outside of school hours, and foods used for catering or vending activities.

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 equal to at least the cost of such foods. The USDA requires that 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 revenue from reimbursable meals does not fund foods sold in competition with the meal program. If there is a shortfall, nonprogram food prices need to be raised. If the nonprogram food sales are found to be out of compliance with regulations, the district must cover any shortfall with nonfederal funds.

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 cost calculation includes only food costs; other costs, such as labor and direct and indirect expenses, are not included. This assessment must be done annually using the USDA Nonprogram Food Revenue Tool or a USDA-approved alternative method. The USDA Nonprogram Food Revenue Tool and guidance are available on the USDA website at <https://www.fns.usda.gov/guidance-paid-lunch-equity-and-revenue-nonprogram-foods>. The CDE also provides guidance on its website at <https://www.cde.ca.gov/ls/nu/sn/mbsnp042016.asp>.

The USDA offers a simplified tracking method whereby a district can assess its compliance with this requirement for a reference period of five days rather than an entire year. However, California has a minimum reference period of 22 days. Before using this option, the district needs to check with CDE to confirm that it is acceptable.

During the 2015 state administrative review, the district was found to be out of compliance with the nonprogram foods regulation and was directed to implement procedures to track nonprogram food sales using either the USDA tool or a spreadsheet. However, the district has not adequately implemented either tracking method. The district's corrective action response indicated that a purchase order would be set up to account for nonprogram food costs and that deposits would be made in a nonprogram foods account, but it is not clear if this has been done. A spreadsheet was created that separates program and nonprogram bank deposits, and it appears that the department is tracking food costs and sales at the snack bars; however, labor costs are included. Based on the documents provided, other nonprogram foods such as catering, adult meals and vending are not included in the calculations.

It would be advantageous to write a procedure that notes the tracking method chosen and the methods used by the district to separate revenue and food costs between program and nonprogram sources. This would include identification of 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. Even though labor costs may not be included in the nonprogram foods calculation described above, the prices charged for catering and vending sales must include labor costs to ensure that all costs for these items are covered.

Recommendations

The district should:

1. Examine the 2015 CDE administrative review report and ensure that appropriate corrective actions have been implemented.
2. Track nonprogram food costs and revenue, and complete the USDA Nonprogram Food Revenue Tool annually to determine if adjustments need to be made to ensure compliance.
3. Ensure that the prices charged for nonprogram foods are high enough to meet the requirements.
4. Develop a written procedure that states how nonprogram food costs and revenues are tracked, and seek guidance from its CDE child nutrition consultant on how best to accomplish this.

Wellness Program

A local school wellness policy is a written document that guides a 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 that participate in the National School Lunch Program since 2006. This requirement was part of the federal Child Nutrition Reauthorization Act of 2004.

The Healthy, Hunger-Free Kids Act of 2010 specified new requirements for wellness policies, including that they do the following:

- Designate one or more school officials to ensure that the school complies with the policy.
- Include goals for nutrition promotion.
- Expand the committee members to include physical education teachers and school health professionals.
- Inform and update the public about the content and implementation of the policy.

In addition, on July 29, 2016, the USDA Food and Nutrition Service finalized regulations to create a framework and guidelines for written wellness policies established by LEAs. The final rule required LEAs to begin developing a revised local school wellness policy during the 2016-17 school year. The revised policy was to be in place by June 30, 2017, and districts were reminded of this requirement in an April 2017 memo from the USDA.

The district's Board Policy 5030, Student Wellness, has an adoption date of September 26, 2017. The policy is generic but contains the required elements. FCMAT was not able to determine that the district has established a wellness committee as required. Committee meeting agendas and minutes were requested but not provided to the FCMAT study team, and no other records or documents regarding policy implementation or reports to the board were provided. The director of food services indicated that she has not attended any wellness committee meetings.

Recommendations

The district should:

1. Establish a wellness committee and conduct regular (e.g., quarterly) committee meetings.
2. Ensure that the director of food services is an active participant on the wellness committee.
3. Monitor implementation of the wellness policy, and provide wellness reports to the governing board as required.

Program Compliance and State Administrative Review

Child nutrition programs undergo 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 CDE's review objectives are as follows (further information is available at <https://www.cde.ca.gov/ls/nu/ar/arsnp.asp>):

The CDE and the School Food Authority (SFA) collaborate to complete the administrative review to ensure program integrity and increase overall compliance, with the following objectives:

- Determine if the SFA is meeting all federal and state School Nutrition Program requirements
- Provide focused technical assistance to assist the SFA with correcting any findings
- Secure necessary corrective action documentation demonstrating the SFA's permanent corrections
- Assess fiscal action and, when applicable, recover improperly paid funds

The district's last administrative review was in 2015-16. The review cited many areas of noncompliance, and the district was informed of required corrective actions. Some issues were minor and were corrected at the time of the review, some required follow-up corrective actions by the district, and some resulted in fiscal action, per a letter from the CDE dated October 13, 2016. A summary of several of the review's findings is as follows:

- The Food Services Department did not have a written food safety plan based on HACCP and specific to its operation. This has been a requirement since 2005. The district's corrective action response to this finding related only to food safety certification for staff. The director of food services does not appear to understand the requirement, and the district is still out of compliance. This is discussed in more detail in the food handling and food safety section of this report.
- Paid student lunches were not priced at or above the required minimum amount. The district's corrective action response to this finding indicated that the director of food services would use the Paid Lunch Equity Tool to complete this calculation. However, this has not occurred. This is discussed in more detail in the paid meal equity section of this report.
- The Nonprogram Food Revenue Tool was not completed. This is required to ensure that school districts do not use USDA funds from reimbursable meals to subsidize any other food sales or programs. The district is still out of compliance in this area, and further details are provided in the nonprogram foods section of this report.
- Civil rights training requirements were not met. The required corrective action indicated that the district was to provide procedures to ensure that annual training was provided. The district's corrective action response to this finding indicated that the director of food services would provide annual training and document it with staff sign-in sheets. No training records specific to the food service program were provided to FCMAT.

- Site monitoring requirements were not met. Food service management is required to monitor sites and have a signed checklist of items monitored. The district's corrective action response indicated that the director of food services visits sites weekly or monthly. Sample monitoring sheets for some sites were provided to FCMAT; however, based on interviews with staff, site visits are not conducted weekly and/or monthly.
- After-school snacks were not properly counted and claimed. The district used attendance as the meal count rather than a separate meal count sheet. As a result, all snacks for November 2015 were disallowed, and the district lost the reimbursement for that month. FCMAT requested but was not provided samples of meal count sheets to verify they are completed correctly.

In addition, the after-school snack program was not monitored by the director of food services as required. The requirement is that the program be monitored at least twice a year; the first review must be within the first four weeks of operation. The district's corrective action response to this finding indicated that the director of food services would do this in the future. The sample monitoring report provided to FCMAT for Coalinga High School was dated October 4, 2017. School started on August 16; therefore, monitoring occurred after the four-week deadline.

- Not all required meal components were available to students on the day CDE staff observed meal service. The school ran out of French fries during lunch, and the meals for students who did not receive fries were not allowed to be counted for reimbursement.

In addition, no nutritional information was available to verify that the chicken patty served met the meat or meat alternate requirements. The district was given a warning that fiscal action could be taken for repeat violations. The district's corrective action responses for these meal component issues indicated that annual training would be provided to staff. However, no training records specific to the food service program were provided to FCMAT.

Ongoing staff training needs to be provided to ensure all food service staff understand and follow regulations. Many issues like those listed above would normally be discovered by food service management staff when conducting regular site visits, thus ensuring that program compliance becomes a habit for staff members so the district is always prepared for state reviews. Monitoring needs to be comprehensive, not performed simply to complete the annual site monitoring report.

Recommendations

The district should:

1. Ensure that the director of food services is knowledgeable about program requirements, trains staff on these issues, and visits sites and monitors the program frequently and regularly for compliance.
2. Ensure that all of the required corrective actions are completed, and implement procedures to ensure ongoing compliance.

Staff Training

All food service personnel need to receive regular, ongoing training to understand and perform their jobs. Training is essential, and it is now mandatory. The USDA established minimum training requirements for school food service personnel, and they became effective July 1, 2015. The requirements mandate professional standards and annual training requirements for child nutrition directors, managers, and staff. The annual training hours required vary depending on each position and/or the number of hours worked. Training needs to be documented and will be evaluated during state administrative reviews. Information about this mandate, as well as training resources, can be found at <http://professionalstandards.nal.usda.gov/>.

Interviews with staff and observations by the study team indicated that some training has been provided regarding school safety and proper lifting requirements. However, training specific to the food service program is lacking. For example, some staff members are not knowledgeable about required food components and portions for meal service.

Interviews with employees indicated that not all staff members clearly understand their job duties and the need for teamwork. For example, one school has a job duty rotation, but employees do not always follow the rotation schedule. Employee morale is low, especially for some staff at the Huron schools. This could be attributed to a lack of strong department leadership.

Interviews with administrative staff indicated that the director of food services has attended some program training. However, the November 2015 state administrative review found several program areas out of compliance. Based on FCMAT's observations and the documents provided, many findings in that review have not been addressed, nor have the corrective action responses been implemented. It is essential for a food service director to thoroughly understand and implement program regulations, and stay current with and train all staff in the requirements.

The district needs an annual food service staff training plan to ensure that specific food service topics are explained and understood, and the director of food services needs to visit food service sites regularly to monitor compliance, observe serving lines, and remind staff of requirements as needed. This type of hands-on interaction and training is effective. The director of food services does not conduct regularly scheduled meetings with site lead food services assistants or annual meetings with all food service staff. These meetings are needed to discuss food service topics such as new regulations, procedural changes, and menu planning.

The director of food services and the food service staff would also benefit from visiting other school districts' food service departments and observing their meal service. Networking like this can help provide new ideas as well as information about efficiencies and cost-saving measures. When staff work in only one environment, they often cannot visualize other ways to perform their duties. Observing other food service operations can help stimulate new ideas for menu planning, food production methods, and other services.

Recommendations

The district should:

1. Identify areas in which the director of food services and food service staff need training, and ensure that it is provided. Urgently needed training topics include food service safety practices, and program requirements such as portion sizes and meal components.

2. Ensure that the USDA's training requirements are met.
3. Assign the director of food services to develop and implement an annual training plan and to schedule regular training sessions for food service staff. Training can be provided within the department, through online webinars, and at conferences.
4. Ensure that the director of food services provides staff members with information regarding regulations and changes to regulations, and that staff are held accountable for following them.
5. Document all trainings, and retain these training records for each staff member.
6. Ensure that all staff members are aware of their job duties and are held accountable for completing them.
7. Ensure that the director of food services visits sites regularly and provides immediate staff training on any practices that need improvement.
8. Ensure that the director of food services conducts regularly scheduled meetings (e.g., monthly) with site lead food services assistants and annual meetings with all food service staff.
9. Send the director of food services and food service staff members to other school districts to observe food service operations.

Appendices

Appendix A

Meals per Labor Hour Analysis

**MEALS PER LABOR HOUR
October 2017**

SCHOOLS	22 Days											Sunset Café Totals	District Totals
	Coalinga HS*	Coalinga MS	Huron Elem*	Huron MS	Sunset Café (Coalinga Elem Schools)			Sunset Café (Coalinga Elem Schools)			Sunset Café Totals		
					Sunset 4-5	Cheney Kindergarten	Bishop K-1	Dawson 2-3					
Enrollment	1,198	640	884	378	446	143	343	419	1,351	4,451			
Number of Free & Reduced	876	471	818	352	348	101	277	343	1,069	3,586			
% Free and Reduced	73%	74%	93%	93%	78%	71%	81%	82%	79%	81%			
MEALS													
Breakfasts/Month	2,831	2,111	5,516	1,743	2,345	1,593	2,405	2,201	8,544	20,745			
Breakfasts/Day	129	96	251	79	107	72	109	100	388	943			
Breakfast Equivalents (.5)	64	48	125	40	53	36	55	50	194	471			
% Total Student Participation	11%	15%	28%	21%	24%	51%	32%	24%	29%	21%			
Lunches/Month	4,827	5,650	17,601	6,076	6,629	2,139	5,061	6,437	20,266	54,420			
Lunches/Day	219	257	800	276	301	97	230	293	921	2,474			
% Total Student Participation	18%	40%	91%	73%	68%	68%	67%	70%	68%	56%			
Total Breakfast & Lunch Equivalents/Day	284	305	925	316	355	133	285	343	1,115	2,945			
After-School Snacks/Month	595	2,396	1,699	1,604	3,475	1,752	1,574	0	6,801	13,095			
After-School Snacks/Day	27	109	77	73	158	80	72	0	309	595			
After-School Snack Equivalents (.33)	9	36	26	24	53	27	24	0	103	198			
A la Carte \$/Month	\$1,994	\$7,260	-	-	-	-	-	-	-	-			
A la Carte \$/Day	\$91	\$330	-	-	-	-	-	-	-	-			
A la Carte Equivalents (\$2.02)	45	163	-	-	-	-	-	-	-	-			
Total Meal Equivalents	338	504	951	340	407	160	309	343	1,218	3,352			
LABOR HOURS	32.25	15.75	31.5	10.5					48.5	138.5			
MEALS PER LABOR HOUR (MPLH)	10	32	30	32					25	24			
Meal & Snack Comparison Prior Years													
District Totals		Oct 2015	Oct 2016	Oct 2017	October 2016 vs 2015	October 2017 vs 2016	October 2017 vs 2016						
Breakfasts per day		22 days	21 days	22 days	25	3%	-11	-1%					
Lunches per day		2,489	2,451	2,474	-38	-2%	22	1%					
Snacks per day		799	657	595	-142	-18%	-62	-9%					

*Totals include Chestnut Continuation, Cambridge Continuation and Miles Culwell Community Day schools (Enrollment, % free/reduced and meal counts are included in the sites that feed these students.)

Sources:

- 2017-18 CALPADS 1.17 Report, December 7, 2017
- October 2015, 2016 and 2017 SNP Site Claim Report and Claim for Reimbursement Summary
- eTriton Manager's Summary October 1-31, 2017, December 13, 2017
- District Staffing Spreadsheet
- Rounding Used in Calculations

Appendix B

Study Agreement

FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

CSIS California School Information Services

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM DRAFT STUDY AGREEMENT October 5, 2017

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Coalinga-Huron Joint Unified 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> |

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 \$13,200.

- 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 on 1300 17th 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.

