



April 12, 2018

GwenCarol Holmes, Superintendent
Blaine County School District
1060 Fox Acres Road Suite 1010
Hailey, ID 83333

Dear Superintendent Holmes,

On March 22 and 23, 2018, State Department of Education (SDE) Coordinators Jennifer Butler and TJ Goodsell conducted an Administrative Review of Blaine County School District for the following United States Department of Agriculture (USDA) programs:

- National School Lunch Program (NSLP)
- School Breakfast Program (SBP)
- USDA Foods

The sites reviewed were Wood River Middle School and Wood River High School

The State agency (SA) would like to commend Karen Hoffman, Duane Sorensen and the entire staff of Blaine County School District for their hard work operating the school nutrition programs.

Overview

The Richard B. Russell National School Lunch Act, amended by the addition of Section 201 to the Healthy Hunger Free Kids Act of 2010, requires a unified accountability system designed to ensure that participating school food authorities (SFA) comply with USDA requirements. The objectives of the Administrative Review are to:

- Determine whether the SFA meets program requirements
- Provide technical assistance
- Secure any needed corrective action
- Assess fiscal action and, when applicable, recover improperly paid funds

Review Frequency and Scope of Review

The Healthy Hunger-Free Kids Act mandates State agencies conduct an Administrative Review a minimum of one time during a three-year cycle to evaluate Critical and General Areas of Review, including:

- Performance Standard 1: Meal Access and Reimbursement
- Performance Standard 2: Meal Pattern and Nutritional Quality

- General Areas of Review: Resource Management, Food Safety, Local School Wellness Policy, Smart Snacks, Civil Rights, Buy American, Professional Standards, and other areas of general program compliance.

These were the SA determined findings and the SFA response to the findings:

Findings and Corrective Action Plan (CAP)

Finding 1 – Certification and Benefit Issuance

Five applications (affecting 8 students) were incorrectly determined resulting in a 1.19% error rate. Two applications were incomplete due to missing an adult signature. Three applications were miscalculated by not including all income listed on the application. Households were called to request an adult to complete the applications with the missing signatures. Letters of adverse action were sent to the three households with miscalculations while the SA reviewers were onsite and benefits were later changed from reduced to paid. Fiscal action was calculated on the benefit issuance errors.

Timeframe for CAP completion: Due April 2; completed April 2, 2018

Sponsor Response to CAP: Documentation showing changes in benefits was uploaded into MyIdahoCNP.

Finding 2 – Civil Rights

School Foodservice Authority staff who interact with program applicants or participants (i.e., cafeteria staff, Free and Reduced Application approval staff) and their supervisors as well as the Hearing Official must have annual foodservice civil rights training. Superintendent Holmes is listed as the Hearing Official and Kandace Blackburn is listed as the Confirming Official so must have the required USDA civil rights training. Both have documentation of reading the "Frontline Staff" training sheet, but due to the nature of their roles, they must have the comprehensive foodservice training. Training is available at the SA website.

Timeframe for CAP completion: Due April 13; completed March 23, 2018

Sponsor Response to CAP: Documentation that the hearing and confirming officials completed approved civil rights training was uploaded into MyIdahoCNP.

Finding 3 – Resource Management

SFAs are required to determine if the percent of total revenue that is generated from their nonprogram food sales is equal to or greater than the percent of total food costs that are attributable to the SFA's purchase of nonprogram foods (7 CFR210.14(f)). A simplified approach allows SFAs to separate their nonprogram food costs from their program food costs for a period of at least five consecutive operating days. This can be done using the SA's nonprogram food revenue tool (NPFRT).

Timeframe for CAP completion: Due April 13; completed April 11, 2018

Sponsor Response to CAP: Three separate NPFRTs reflecting a five day period of grades K-12 breakfast and lunch menu costs, a la carte food and beverage expenses, and all revenues were uploaded into MyIdahoCNP and show compliance.

Fiscal Action

Due to benefit issuance errors, fiscal action results in \$341.36. However, since this amount falls under the \$600 threshold, the fiscal action will be disregarded and no financial adjustment will occur.

Commendations

- Congratulations to Wood River Middle School for being awarded \$7,122.26 for a convection oven as part of a USDA equipment grant. Your initiative in applying for this grant is appreciated and shows your commitment to your students.
- Congratulations to Blaine County School District for their partnership with The Hunger Coalition to win a Summer Sunshine Award and be spotlighted in the December 2017 USDA Food Nutrition Service (FNS) Summer Meals Newsletter.
- Blaine County School District does a great job utilizing USDA Foods (aka commodities) entitlement dollars. USDA's Child Nutrition Programs support American agricultural producers by providing cash reimbursements for meals served in schools, but also by providing nutritious, USDA-purchased food. Available products include low sodium vegetables, fruits in light syrup, fresh produce and commonly consumed entrée items.
- The preparation for the Administrative Review was greatly appreciated. All requested items were uploaded in a timely manner. Everyone involved in the review was receptive to feedback and it is evident they are dedicated to running a quality foodservice program.
- SA contractor Laura Thomas, MEd, RD, LD, conducted the menu analysis for the review week and found no areas of concern or requiring technical assistance. Keep up the great job of serving compliant meals and menus.
- SA contractor Laura Thomas, provided the following commendations based on her review:
 - The program offers multiple choices at each meal. The high school lunch offered a variety of fresh, raw and cooked vegetables – an excellent strategy for meeting student preferences and increasing intake. Fresh and canned fruits also offered at both breakfast and lunch for student choice. Lunch entrée choices ranged from traditional cooked meal (bone-in chicken), build a chef salad, build a custom sandwich, along with student favorites of pizza and hot sandwiches. Students have ample choices for personal preference and a nutritious lunch.
 - Pantry was well-stocked with lower sodium ingredients, including broths, sauces, canned vegetables, and soups.
 - Foodservice Director provided organized, comprehensive files for review and quickly supplied additional information when requested.

Technical Assistance (TA)

Certification and Benefit Issuance

- Error prone applications are applications that document a monthly income within \$100 of the Income Eligibility Guidelines. Error prone applications must be a priority when selecting households for verification.
- The LEA has a regulatory obligation to verify "for cause" all approved applications that may be questionable [7 CFR 245.6a(c)(7)]. However, the verification effort may not delay the approval of the application [7 CFR 245.6a(c)(1)(ii)]. If an application is complete and indicates that the child is eligible for free or reduced price benefits, the application must be approved. Only after the determination of eligibility has been made can the LEA begin the verification process.

Verification

- When conducting verification, the "Official Use Only" box should be completed by the confirming official, prior to informing the household that they are subject to verification, and by the verifying official, after determining the results of verification. The SY17-18 applications subject to verification were left blank in the "Official Use Only" box.
 - The confirming official, who must be a different individual than the determining official or may be a POS software system, must review an application prior to beginning the Verification process. This ensures that the application eligibility was determined correctly. The confirming official must complete the "Official Use Only" box on the free and reduced application that has been selected for verification. Once the verification process has been completed and results determined, the verification official, who can be either the confirming or determining official, must complete the "Official Use Only" box on the Free and Reduced meal application. Verification must be in line with requirements outlined in 7 CFR 245.6a.
- Based upon a high non-response rate on applications that were chosen for verification, the SA recommends implementing a "verification for cause" process at the beginning of the new school year on any application received from a household that did not respond to verification efforts from the previous school year.
- When performing verification, follow up on all income frequencies listed on the original application. If additional income such as child support is listed, that income should also be verified for accurate reporting.
- When calculating income during the verification process, determination should be based on gross income rather than net pay. One application was incorrectly calculated; however, the student's eligibility status did not change as a result of the error.
- When a household receives a notice of adverse action following verification process, allow ten calendar days before changing benefit issuance list rather than 10 operating or work days.

Food Safety and Buy American Provision

- Shell eggs were observed on the top shelf over ready to eat foods. Make sure shell eggs are located on a lower shelf to avoid cross contamination in the event they break.
- Each SFA is required to purchase domestic agricultural commodities or products that are produced and processed substantially in the United States or territories, as applicable (7 CFR 210.21 (d)). If a product from another country is sourced, then the food service must have proof that the domestic product is significantly higher in price or not available in sufficient quantities. Products must be checked upon receipt and not accepted if the products do not comply with the Buy American Provision, unless there is documentation to justify the exception (exorbitant pricing or product shortages). Tomatoes from Mexico were identified onsite and the proper documentation was not readily available as with other items.
 - Supporting documentation for the tomatoes was obtained and uploaded into MyIdahoCNP.

Civil Rights

- A procedure for receiving and processing Civil Rights complaints must be included in the civil rights file available at each site (7 CFR 210.15(a)(6)). This procedure must state that all complaints associated with Child Nutrition Programs are forwarded to the State agency within three working days.
 - While SA reviewers were onsite, a complaint procedure was created and distributed for retention at each site.
- The long non-discrimination statement on the adverse action letter was incorrect. Ensure that templates are updated to include the correct statement.

Procurement

- A separate procurement review was completed by Keddington & Christensen, LLC. on September 8, 2017. No findings requiring corrective action were found, but three areas of technical assistance were noted. Please follow the guidance provided in this NSLP Procurement Review and bring the procurement policy into compliance with Federal Regulations before the next review.

Resource Management Comprehensive Review

- The Hailey Community Campus Café revenue and expenses must be kept separate from the Child Nutrition Program Fund 290 account.
- Upon receiving an Office of Inspector General (OIG) complaint, Lead NSLP Coordinator Lynda Westphal, with the Idaho State Department of Education (SDE), Child Nutrition Programs (CNP), conducted a detailed review of the Blaine County SD financial processes. Based on this review, it appears that the district has not requested the specific information from Chartwells concerning discounts, rebates, and credits, although the option is available to them. Due to the lack of information at the district, it is impossible for the SDE, CNP to confirm if the credit given by Chartwells to the district is accurate. A summary of the review of the April and May 2017 invoices, along with the copy of this Administrative Review, was sent to the USDA Western Region Office (WRO) to forward to OIG as documentation.

Your review is now closed

Fiscal action results in \$341.36 and will be disregarded. Should you wish to appeal any of these findings please follow the appeal procedures found on the State Agency Appeal Procedures document attached to this letter.

If you wish to discuss any of these findings, please contact me at (208) 332-6820.

Thank you for your continued support of the Child Nutrition Programs.

Sincerely,



Jennifer H. Butler, M.Ed., S.N.S.
NSLP Coordinator

cc: Colleen Fillmore, P.h.D., R.D.N., L.D., S.N.S., Director, Child Nutrition Programs
Karen Hoffman, Administrative Assistant, Blaine County School District
Duane Sorensen, Food Service Director, Chartwells

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State Agency Appeal Procedures

School Meal Programs – Administrative or Follow-up Review

School food authorities may appeal the denial of all or part of a Claim for Reimbursement or withholding payment arising from administrative or follow-up review activity conducted by the State Agency under 210.18 of this part.

The appeal process outlined in 7 CFR 210.18 (p) reads as follows:

1. The written request for a review shall be postmarked within 15 calendar days of the date the appellant received the notice of the denial of all or a part of the Claim for Reimbursement or withholding of payment, and the state agency shall acknowledge the receipt of the request for appeal within 10 calendar days;
2. The appellant may refute the action specified in the notice in person and by written documentation to the review official. In order to be considered, written documentation must be filed with the review official not later than 30 calendar days after the appellant received the notice. The appellant may retain legal counsel, or may be represented by another person. A hearing shall be held by the review official in addition to, or in lieu of, a review of written information submitted by the appellant only if the appellant so specified in the letter of request for review. Failure of the appellant school food authority's representative to appear at a scheduled hearing shall constitute the appellant school food authority's waiver of the right to a personal appearance before the review official, unless the review official agrees to reschedule the hearing. A representative of the state agency shall be allowed to attend the hearing to respond to the appellant's testimony and to answer questions posed by the review official;
3. If the appellant has requested a hearing, the appellant and the state agency shall be provided with at least 10 calendar days advance written notice, sent by certified mail, return receipt requested, of the time, date and place of the hearing;
4. Any information on which the state agency's action was based shall be available to the appellant for inspection from the date of receipt of the request for review;
5. The review official shall be an independent and impartial official other than, and not accountable to, any person authorized to make decisions that are subject to appeal under the provisions of this section;
6. The review official shall make a determination based on information provided by the state agency and the appellant, and on Program regulations;
7. Within 60 calendar days of the state agency's receipt of the request for review, by written notice, sent by certified mail, return receipt requested, the review official shall inform the state agency and the appellant of the determination of the review official. The final determination shall take effect upon receipt of the written notice of the final decision by the school food authority;
8. The state agency's actions remain in effect during the appeal process;
9. The determination by the state review official is the final administrative determination to be afforded to the appellant.

Appeals must be directed to:
Brandon Phillips
Financial Specialist, Public School Finance
State Department of Education
PO Box 83720
Boise, Idaho 83720-0027
(208) 332-6983
E-mail: bcphillips@sde.idaho.gov

USDA Nondiscrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotape, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](#), (AD-3027) found online at: http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov.

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