



April 12, 2018

Peter McPherson, Superintendent
Challis School District
721 East Main Avenue Suite 6
Challis, ID 83226

Dear Mr. McPherson,

On April 10, 2018, State Department of Education (SDE) Coordinators Tamara Donovan and Jennifer Butler conducted an Administrative Review of Challis School District for the following United States Department of Agriculture (USDA) programs:

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

The site reviewed was Challis Junior Senior High School.

The State agency (SA) would like to commend Natasha Andrews and the entire staff of Challis 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 Smart Snacks in Schools

Schools must meet the minimum requirement in 7 CFR 210.11, for all foods and beverages sold in school (also known as Smart Snacks) to increase consumption of healthful foods during the school day and support a healthy school environment as reflected in your Wellness Policy. Challis Junior Senior High School vending machines and the "Nutrition Break" concession stand contained non-compliant beverage and food items (high calorie sodas, drinks, and candy). During the last administrative review, Smart Snacks compliance was a finding as well; the school district stated at that time that they were in the process of eliminating non-compliant food sales. All food and beverage sales to students, including the vending machines and the "Nutrition Break" concession stand, must either: comply with specific nutrition standards, be tracked as exempt fundraiser(s) with an allowance of up to ten per school year, or be inaccessible during the school day (defined as midnight the day before until 30 minutes after the school day ends). Please see additional information under Technical Assistance.

Corrective Action: Provide written documentation (an email would suffice) describing how Challis Junior Senior High School plans to comply with Smart Snacks regulations.

Due Date for CAP Completion: April 25, 2018

Corrective Action Response: On April 11, 2018, the secretary provided the following written plan: *Challis Junior Senior High School opens concessions for items to purchase at an afternoon "Nutrition Break" during school hours. The teas and candy bars sold were not Smart Snack compliant. Marta Pierson and Barb Thomas oversee the items sold at "Nutrition Break". They met as of April 1, 2018, to discuss a plan of how to correct issues to become Smart Snack compliant. Marta Pierson checked items that our vendors offer compared to website provided and the products section and sent the list on to Barb Thomas to approve for ordering. The products that we plan to sell and have priced are attached. Marta Pierson also checked all the drink items in both vending machines. One vending machine contained compliant products. The other beverage vending machine will be turned off Monday through Thursday 7:30 am to 4:30 pm, so that the machine will be inaccessible to students during school hours (the building opens to students at 7:30 am). We plan to have the new items and begin by April 23, 2018.*

Finding 2 Special Provisions Option Provision 2 Breakfast

Provision 2 Base Year (SY 2004-05) benefit issuance was validated by the SA on March 17, 2016. During the administrative review, the retention of all required Provision 2 documentation could not be confirmed as the public release could not be located. If the document cannot be located and the SFA wishes to participate in Provision 2 breakfast next school year, a new base year will need to be established during SY 2018-19. The current Provision 2 cycle expires at the end of SY

2018-19; if the SFA wishes to continue with Provision 2 breakfast beyond SY 2018-19, they must contact the SA prior to the expiration to see if they qualify for an extension.

Corrective Action: Notify the SA whether or not the missing records have been located. If located, upload them into MyIdahoCNP under Review Attachments. If not located, advise the SA if the district intends to conduct a new base year during SY 2018-19.

Due Date for CAP Completion: April 25, 2018

Corrective Action Response: On April 11, 2018, a public notice from SY 2004-05 was uploaded. On April 12, 2018, the Food Service Director contacted the SA to report that the SFA does not plan to continue with Provision 2 breakfast in SY 2018-19.

Fiscal Action

There was no fiscal action associated with this administrative review.

Commendations

- Natasha was very well prepared for the review. All necessary documentation was uploaded well ahead of deadlines or was organized and ready for the on-site review. Natasha was available to answer questions and provide clarification. The time and work put into preparing for the review was much appreciated.
- The Food Service Director was receptive to suggestions and immediately put SA recommendations into practice.
- All Free and Reduced Priced Meal Applications were determined correctly and verification was performed without errors.
- The food service-run vending machine contained Smart Snacks compliant items.
- Independent contractor Kerry McKaig, who conducted the menu review, appreciated Natasha providing all her documentation in a timely and organized manner and noted that the food service staff did an excellent job weighing and measuring food and serving the proper portions according to the production records. The breakfast and lunch week of review (March 5-8, 2018) meal compliance worksheets for grades 6-8 and 9-12 show that all required meal components were met.
- The food service staff shared that they encourage the students to use good manners (please and thank you). It was great to observe these positive interactions.
- Congratulations for being awarded \$6,375.00 for a convection oven as part of a USDA Equipment Grant. The initiative in applying for this grant is appreciated and shows commitment to Challis students.

Technical Assistance (TA)

Smart Snacks

- Challis Junior Senior High School was out of compliance with the Smart Snacks federal regulations that went into effect July 1, 2014. The SA provided "A Guide to Smart Snacks in Schools" booklet, emailed Smart Snacks resource links, and reviewed Smart Snacks

information and options with the secretary. The SA reminded the secretary that fundraisers, both exempted and compliant, need to be tracked. Per state policy, a maximum of ten exempted fundraisers per school site per year may be allowed. An exempted fundraiser can be for a maximum of four consecutive school days. All exempted fundraisers beyond ten must be pre-approved by the SA using the Request form. Details available at the SA Smart Snacks web page.

- Keep records of the Smart Snack Calculator reports, etc. to document item compliance; records must be kept for three years plus the current year.

Special Provisions

- Because all breakfast meals are served at no charge to children in Provision 2 schools, the school is no longer receiving payment from households who would normally be paying the reduced price and full price for meals. Therefore, the district may need to make up the difference between Federal reimbursement and meal costs. A school considering Provision 2 must evaluate whether the savings in administrative costs associated with simplifying meal counting, cash handling, and claiming procedures under Provision 2 offset the costs of providing breakfast to all children at no charge. Due to the potential financial burden of providing meals at no charge, at least a 65% or higher Free and Reduced percentage (<35% Paid) should be achieved to participate in Provision 2 breakfast. Anything lower may be unsustainable and compound losses over the 4-year cycle.

Food Safety

- Independent contractor Kerry McKaig completed the menu review and recommended that the individual yogurt containers served at breakfast be kept cold by utilizing a frozen salad bar insert instead of placing the yogurt directly on the serving counter. This was seen on the day of SA on-site review.

School Breakfast Program (SBP) Outreach

- SFAs must inform eligible families of the availability of reimbursable breakfasts served under the SBP. In addition to providing all households informational packets with Free and Reduced Meal Applications, schools must send reminders regarding the availability of the SBP multiple times throughout the school year. (7 CFR 210.12 (d)) When operating free Provision 2 breakfast, additional promotion should support that breakfast is available everyday free of charge. Posting the breakfast menu to the district/school website is one way of promoting the availability of breakfast.

Resource Management

- All foods purchased by the food service department to be used as non-program food sales must be marked up to account for the cost of the food, labor, storage, and delivery of the products. Food service cannot order for non-USDA programs without marking up the price. The Food Service Director increased prices in the food service vending machine and the catered snack prices to bring the Non-Program Foods Revenue Tool into compliance.

Procurement

- A separate NSLP procurement review was completed by Keddington & Christensen, LLC; please follow the guidance provided and ensure your procurement procedures are in compliance with federal regulations before your next administrative review.

Your review is now closed.

There is no fiscal action as a result of this review. 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,



Tamara Donovan, RDN, LD, SNS
NSLP Coordinator

cc: Colleen Fillmore, PhD, RD, LD, SNS, Director, Child Nutrition Programs
Natasha Andrews, Child Nutrition Director, Challis School District

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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

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- (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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