



March 31, 2020

Dr. Sherawn Reberry, Superintendent
Middleton School District #134
5 South Viking Ave
Middleton, ID 83644

Dear Superintendent Reberry,

On January 14, 2020, State Department of Education (SDE) Coordinators Heather Blume, Lynda Westphal, Jennifer Butler, Jessica Spoja, and Teresa Goodsell alongside Program Specialist Shawn Charters conducted an Administrative Review of Middleton School District for the following United States Department of Agriculture (USDA) programs:

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

The sites reviewed were Mill Creek Primary School and Middleton High School, both currently operating Provision 2 breakfast, which expires June 30, 2020. The State agency (SA) would like to commend Barbara Bumgardner, and the staff of the Middleton 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, however Idaho has received a waiver to conduct reviews on a five-year schedule 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

Several free and reduced applications were missing or inaccurately determined. These errors resulted in a 1.11% error rate.

Due Date for CAP Completion: January 29, 2020

Corrective Action: Please inform any households impacted by changes in eligibility status and update the Benefit Issuance List. Standard letters are available at the SA website under Download Forms. All households for whom benefits are to be reduced or terminated must be given ten calendar days' written advance notice of the change; all households for whom benefits are changed to higher benefits are effective immediately and must be implemented no later than three operating days (per the USDA Eligibility Manual).

Corrective Action Response: The information needed was uploaded into the Review Attachments section of MyIdahoCNP on February 4, 2020.

Finding 2 – Verification

The SA discovered two errors while reviewing the applications selected for Verification. One application was missing proof of child's income, resulting in an incomplete verification review. Another application was incorrectly verified with no change to benefits, however the applicant's paystubs showed their income was nearly double the amount originally stated, as well as indicating a loss from starting their own business. USDA does not permit a loss from a business venture to off-set earnings from wages or salary, therefore all benefits should have ceased immediately.

Due Date for CAP Completion: January 29, 2020

Corrective Action: The SFA must obtain proof of the child's income for the first application prior to January 22, 2020 to complete the verification process. Should the applicant not respond or fail to provide evidence of income, the student's benefits must be changed to paid. Ten days advance notification shall be provided to the household receiving a reduction or termination of benefits, prior to the actual reduction or termination. The notice must be sent the first day of the 10 day advance notice. The Sponsor must terminate benefits for the household listed on the second application. Provide the following documentation to the SA:

1. Notification of Termination of Benefits Letter for the first application, should the applicant not respond or fail to provide evidence of income
2. Notification of Termination of Benefits Letter for the second application
3. An updated benefit issuance list reflecting the appropriate benefit for both households following adverse action

Corrective Action Response: The information needed was uploaded into the Review Attachments section of MyIdahoCNP on February 11, 2020.

Finding 3 – Certification and Benefit Issuance Notification Letters

The letters used to notify families of eligibility status did not include all of the elements required by USDA.

Due Date for CAP Completion: Completed January 14, 2020; no further action required.

Corrective Action: Provide a plan for adding the missing components to the household notification letters.

Corrective Action Response: The SFA created and provided updated letter templates that included all the required elements per the Eligibility Manual while SA Reviewers were on-site.

Finding 4 – Civil Rights

The nondiscrimination statement (NDS) must accompany any printed and web-based materials referencing FNS programs. Web pages associated with program operation should list the full USDA NDS with details on participants' right to file a complaint. The full NDS to use is available in both English and Spanish on the SA website under [Civil Rights](#).

Due Date for CAP Completion: January 29, 2020

Corrective Action: Post the full USDA NDS on the school food service webpage. Notify the SA when the website has been updated.

Corrective Action Response: Documentation that the website was changed was uploaded into MyIdahoCNP on January 17, 2020.

Finding 5 – SFA On-Site Monitoring

According to 7 CFR 210.8 (a)(1) and 7 CFR 220.11 (d)(1), each SFA with two or more sites must perform no less than one on-site review in each school operating NSLP and 50% of schools operating SBP under its jurisdiction prior to February 1, each school year. During the last Administrative Review in November 2016, technical assistance was provided advising that a new form was required beginning that school year with the additional requirement to monitor breakfast in at least half of the schools each year. The SFA continued to complete lunch monitoring only, on the outdated form. While onsite, the current form was printed and directions discussed with the foodservice director.

Due Date for CAP Completion: January 29, 2020

Corrective Action: Upload a narrative describing a plan to ensure all schools will receive a lunch review with the addition of half of the schools also receiving a breakfast review prior to February 1. Include information on who will be conducting the reviews, the timeline in completing the reviews, a plan to have half of the schools receive a breakfast review on a rotation of every other school year, and a process to ensure the reviews will be documented on the correct form.

Corrective Action Response: A plan to complete SFA Onsite Monitoring Reviews was uploaded on January 16, 2020.

Finding 6 – Resource Management

Under subsection 12(q) of the Richard B. Russell National School Lunch Act and 7 CFR 210.14(f), SFAs are required to ensure all revenue accrues to the non-profit school food service account. During the onsite review, it was unclear whether or not this requirement was met as the detailed financials for the prior year did not include revenues. Detailed income was requested from the business manager along with questions on the audit report submitted, which were provided on January 16, 2020. It was determined at that point that bad debts (debts which have been determined to be uncollectable), including losses (whether actual or estimated) arising from uncollectable accounts and other claims, were carried from year to year. These costs are unallowable.

Due Date for CAP Completion: January 29, 2020. A request for an extension to the deadline was submitted on January 31, 2020 and the deadline was extended until February 14, 2020. A second extension request was submitted on February 20, and an extension granted for corrective action to March 6, 2020.

Corrective Action: Upload detailed income from the last year, the current year, and answer the audit question before it can be determined if the district is compliant with this requirement. Additionally, provide a plan that addresses processes to ensure the food service account is not charged unallowable expenses (as identified in the Indirect Cost Guidance), including bad debt as defined in 2 CFR 200.426, and the difference between the cost of serving lunches and/or breakfasts at no charge to all participating children and Federal reimbursement when operating Provision 2 breakfast.

Corrective Action Response: Financial documents were provided on January 16, 2020 and a plan for addressing the concerns of unallowable expenses in the not for profit food service account, including losses incurred by operating Provision 2, was provided on March 13, 2020.

Finding 7 –Resource Management Comprehensive Review - Revenue from Nonprogram Foods

The sale of nonprogram foods is not tracked in an adequate manner to ensure compliance with requirements for the revenue from nonprogram foods.

Due Date for CAP Completion: January 29, 2020. A request for an extension to the deadline was submitted on January 31, 2020 and the deadline was extended to February 14, 2020. A second extension request was submitted on February 20, and an extension granted for corrective action to be submitted March 6, 2020.

Corrective Action: Complete the new Nonprogram Food Revenue Tool for one week of the current school year.

Corrective Action Response: A partially completed Nonprogram Food Revenue Tool was provided on March 13, 2020. Due to the unanticipated closure of the Middleton School District and extenuating circumstances brought on by COVID-19, the requirement for the full tool was waived for the purpose of this review. The full NPFRT will be completed and submitted during the program renewal period.

Finding 8 – Special Provision Options (Provision 2 Breakfast)

Provision 2 Base Year (SY16-17) benefit issuance was previously validated by the SA on November 14, 2016. However, during the administrative review, the retention of all required Provision 2 documentation could not be confirmed as the base year’s daily meal counts were not observed. The SFA was given two weeks to locate the missing records. Should the records not be found, the SA would generally require the district to immediately return to standard counting and claiming procedures and calculate fiscal action. However, the SA is extending previous USDA guidance and allowing the SFA to continue their claiming procedure until April 1, so they have time to notify families of the change. Additionally, should the district choose to continue Provision 2, ensure that the operation aligns with §245.9 Special assistance certification and reimbursement alternatives.

Due Date for CAP Completion: January 29, 2020. A request for an extension to the deadline was submitted on January 31, 2020 and the deadline was extended to February 14, 2020. A

second extension request was submitted on February 20, and an extension granted for corrective action to be submitted March 6, 2020.

Corrective Action: Notify the SA by January 29, 2020, if the missing base year records have been located. If records are not located, begin standard counting and claiming procedures on April 1, 2020.

Corrective Action Response: The missing Provision 2 Base Year records were located and uploaded into Review Attachments on February 3, 2020. The decision to not continue Provision 2 after it expires was also communicated on March 13, 2020.

Finding 9 – Meal Components and Quantities

Independent contractor CN Resource (CNR) completed the menu review and found that for the week of menu review, the lunch menu did not meet the minimum daily and weekly requirements for grain. A grain was offered daily, however the minimum daily and weekly requirements were not met. Additionally, it was found that more than the allowable 2-ounce equivalents of grain-based desserts were offered for the week.

Due Date for CAP Completion: Completed December 19, 2019, no further action.

Corrective Action: Provide a written statement that the daily grain, weekly grain, and weekly grain-based dessert requirements are met moving forward. Include details to describe what specific changes were made to the menu to correct all menu review findings and bring the menu into compliance.

Corrective Action Response: CNR closed this finding after approving the uploaded response.

Finding 9 – Local Wellness Policy

In July 2016, the regulations on wellness policies (§210.31) was finalized and required LEAs to comply by June 30, 2017. The LEA's current LWP was revised December 12, 2016, but is missing required elements, making it noncompliant. Specifically, the policy does not address policies for food and beverage marketing and public updates of triennial assessments. Additionally, annual reporting requirements and "wellness policy survey" for public input are not occurring as presented in the adopted policy. The wellness policy committee must work to get the LWP compliant with the final rule requirements. For more information, please visit the Idaho SDE Child Nutrition Programs School Wellness website.

Due Date for CAP Completion: January 29, 2020.

Corrective Action: Upload a narrative describing the wellness policy committee's plan for how and when the LWP will be brought into compliance with Federal requirements.

Corrective Action Response: A plan to bring the wellness plan into compliance was uploaded into MyIdahoCNP on January 27, 2020.

Commendations

- Food Service Director and Office Manager both have the School Nutrition Specialist (SNS) credential. They were among the first five in the State to receive this status.
- Middleton is a frontrunner in the USDA Foods WBSCM rolldown and an integral part of a co-op for SFAs. Barbara serves on the editorial board for CN Magazine and was the first in the state to receive the Healthier U.S. School Challenge award for the entire district. Middleton is the only district in the state to be awarded the USDA "One in a Melon"

award. Middleton food service is also known for being proactive in trying new things and uses student-driven suggestions for different menu items at the high school.

- The child nutrition district supervisor is organized and provided all requested documentation for which she had access. She demonstrates her professional mastery of the child nutrition program and supports her staff with resources to achieve goals. This district deserves commendation for the diversity of the workforce and how engaged the department is within the school community.
- Excellent work meeting meal pattern requirements for the week of menu review!
- The kitchen serving line and cafeteria are warm and inviting for students – it was decorated with holiday gingerbread houses for creative fun during the onsite observation. The kitchen staff are full participants in the school celebration.
- The chicken potato bowl on the day of SA review was really tasty along with the salad bar offerings, the students had a wonderful selection of fruits and vegetables.
- Food service staff was observed following food safety practices and correct portioning (weights and measures) of foods during preparation and service.
- A variety of choices are available for lunch and many freshly prepared items created a wonderful aroma in the cafeteria, including many fresh fruits and vegetables. The students are fortunate to have freshly baked bread items on a regular basis.
- Lunch at the High School was observed. The point of service (POS) ran smoothly and kitchen staff worked efficiently and were able to recognize students and quickly enter names into the POS system. Students were very respectful of staff and really enjoyed the lunch items provided.

Technical Assistance (TA)

Meal Counting and Claiming

- During the review, the importance of signage was discussed with the SFA. The SFA must ensure that signage is posted near or at the beginning of the serving line identifying what constitutes a reimbursable meal. Provided TA to clarify item count for students to know which items count as two for the three items required for a reimbursable breakfast.

Dietary Specifications and Nutrient Analysis

CN Resource completed the menu review and provided the following TA:

- Not all recipes were written in standardized format. Standardized recipes need to have clear and complete preparation steps and directions. Several recipes, including those listed below, did not include the preparation steps and directions.
 - Weiner wrap, Cheeseburger, and Cinnamon knot, Yogurt parfait entrée, Burrito bowl, Breakfast burrito bar, Caesar salad, Build your own sandwich-Sandwich toppings recipe, Nacho toppings recipe, Chicken fettucine, Chicken Caesar salad, Philly steak sandwich, and Cinnamon roll.

Meal Components and Quantities

CN Resource completed the menu review and provided the following TA:

- The results of the menu review were provided to the SFA in a detailed Menu Review Results Report. All menus served within the SFA must meet all daily and weekly meal

pattern requirements for the specific grade group. The SFA was encouraged to provide training as needed to ensure compliance. Please note that per USDA guidance any repeat menu findings in future Administrative Reviews, may result in fiscal action.

- The federal regulations require daily minimum amounts of grains to be served. The daily minimum of 2 oz. eq. in grades 9-12 was not met on Tuesday, during the week of review, with the burrito bowl meal on the Pizza Palace service line. The rice provided with the burrito bowl only provided 1.25 oz. eq. grain per serving. Consider the following suggestions to help meet requirements:
 - Either increase the serving size of the rice to one full cup of cooked rice per serving or add a whole grain-rich tortilla that weighs at least 21 grams (0.75 oz.) per serving to be served alongside this meal. Both options would provide at least two oz. eq. grain and meet the daily grain requirement.
 - The federal regulations require weekly minimum amounts of grains to be served:
 - The weekly requirement of 10 oz. eq. was not met. The menu offered a minimum of 9.25 oz. eq. of grain throughout the week. By following the suggestions outlined to meet the daily grain requirement, the weekly grain requirement will also be met.
 - Only two oz. eq. of creditable grain-based desserts are allowed per week. The menu offered 5.5 oz. eq. grain-based desserts for the week. Reduce the amount of grain-based desserts served on the menu this week to less than or equal to two oz. eq. grain. Keep in mind that sweet crackers, such as animal and graham crackers, credit as a grain-based dessert. The graham crackers, cinnamon roll, and rice krispy treats served during the week count toward grain-based desserts.
 - Consider serving a one oz. dinner roll with the potato bowls on Tuesday instead of graham crackers to help meet this requirement. Serve an unsweetened roll in place of the cinnamon roll or decrease the other grain-based desserts and serve a smaller portion size.
- During the review, the importance of signage was discussed with the SFA. The SFA must ensure that signage is posted near or at the beginning of the serving line identifying what constitutes a reimbursable meal. Gave TA to clarify item count for students to know which items count as two for the three items required for a reimbursable breakfast.

Food Safety (HACCP)

CN Resource provided the following TA:

- The SFA must maintain temperature logs for all food storage areas, in accordance with the requirements of the local health department. The completed temperature logs must be kept on file for a minimum of six (6) months. Determine one location for file copies of temperature logs (kitchen office or food service office) and include dry storage temperatures consistently on log records.
- Record food storage temperatures consistently on logs. The January log only had two completed dates as of the review date. This ensures food is stored within recommended

temperature ranges for food safety and this standard helps ensure food quality. (CFR210.13(d))

- The SFA must post a copy of the most recent food safety inspection in a publicly visible location at the site. During the review, the SFA relocated the posted health inspection to the cafeteria side of the serving line for better public visibility.
- The SFA must have a complete food safety plan/manual that includes all of the required sections as specified by USDA. The SFA must have a food safety plan available at each site so that food service staff may stay in compliance with food safety requirements and procedures. Update the food safety plan to include monitoring temperatures in dry storage areas and to include critical control points on standardized recipes as those are updated.

Buy American Provision

- 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. The SFA must keep documentation justifying the limited exception(s); make use of the document available in Download Forms. The out of compliance products observed were Mushrooms – Holland, Baby Corn – Thailand, Water Chestnuts – China, Canned Pineapple – Indonesia, Fresh Pineapple – Costa Rica, and Vine Ripened Tomatoes – Mexico.
- Include the Buy American provision in SFA solicitation documents for the purchase of commercial foods. The SFA should require suppliers to attest that their final food products are either 100% domestic commodities or a food product containing over 51% domestic food components, by weight or volume. 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).

Offer versus Serve (OVS)

- Staff received annual OVS training, however the training agenda was overly broad and did not specifically identify that "OVS breakfast" and/or "OVS lunch", as applicable, was part of the training.

Smart Snacks

- Per 7CFR210.11, school administration should keep a written record of all fundraisers that occur within the school day. All exempted fundraisers beyond 10 must be pre-approved by the State agency using the Request form (7CFR 210.11). Details available at the SDE CNP Smart Snacks website.

Local Wellness Policy

- Federal legislation requires school districts to implement a local wellness policy that must include language:
 - Permitting parents, students, school board, PE teachers, school health professionals, school food service staff, administrators, and community

members to participate in the development, implementation, review, and update of the local wellness policy.

- Identifying wellness policy leadership of one or more LEA and/or school official(s) who have the authority and responsibility to ensure each school complies with the wellness policy.
- Specifying measurable goals for nutrition education, nutrition promotion, physical activity, and other school-based activities to promote student wellness that are written with consideration for evidence-based strategies.
- Addressing nutrition guidelines for all foods and beverages sold on the school campus during the school day and for providing school meals that adhere to Federal meal pattern requirements.
- Identifying nutrition standards for non-sold foods and beverages available during classroom and school celebrations.
- Stating a policy for food and beverage marketing that allows the marketing and advertising of only those foods and beverages that meet Smart Snacks in School nutrition standards.
- Addressing an evaluation conducted once every three years of the wellness policy and the extent to which schools are in compliance, how the district policy compares to model wellness policies, and the progress made in attaining local wellness policy goals.
- Identifying a way to share the wellness policy content and implementation with the public.

Professional Standards

- All staff must have Civil Rights training when starting employment. If they are coming from another district they must go through your own Civil Rights training to inform them of the district specific policies and procedures.

School Breakfast and SFSP 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)). The foodservice page on the district's website or the monthly breakfast menu would be a good location to promote the breakfast program.
- When operating free Provision 2 Breakfast, additional promotion should support that breakfast is available every day to students at no cost.

Special Provision Options

- If the SFA wishes to participate in Provision 2 Breakfast next school year, they will need to establish a new base year during the next school year (SY 20-21).
- Schools considering Provision 2 must evaluate whether the savings in administrative costs offset the costs of providing breakfast to all children at no charge. Due to the potential financial burden of providing meals at no charge, a recommendation of 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.

- 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.

Resource Management Comprehensive Review

- Nonprofit Food School Food Service Account
 - Share tables are to be used for students who do not want to consume food, however the unused food MUST be returned to foodservice, it is not to go to teachers' classrooms or to be used for snacks.
- Revenue from Nonprogram Foods
 - When the sale of nonprogram foods occurs, additional monitoring of revenues and expenses needs to be conducted. Use the updated Nonprogram Food Revenue Tool available in the Download Forms section of MyIdahoCNP for annual tracking of nonprogram foods.

Procurement

- A procurement review was completed and the closure letter sent on February 4, 2020. Please follow the guidance provided in that separate closure letter.

Fiscal Action

There is no fiscal action resulting from this review.

Your review is now closed.

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,



Heather Blume, MS, RD, LD, SNS
NSLP Coordinator

cc: Colleen Fillmore, PhD, RDN, LD, SNS, Director, Child Nutrition Programs
Barbara Bumgardner, Child Nutrition Director, School District

Civil Rights

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To file a program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, (AD-3027) found online at [the USDA website](#), 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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