

USDA Child Nutrition Programs Administrative Review Summary Report

School Food Authority: Pewaukee School District

Agency Code: 674312

School(s) Reviewed: Horizon Elementary School

Review Date(s): 3/20/17-3/21/17

Date of Exit Conference: 3/21/17

State agencies (SA) are required to conduct administrative reviews to assess School Food Authority (SFA)'s administration of the National School Lunch Program (NSLP), School Breakfast Program (SBP), and other school nutrition programs. The objectives of the Administrative Reviews are to:

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

General Program Reminders/Updates:

- The Department of Public Instruction (DPI) School Nutrition Team (SNT) conducts School Nutrition Skills Development Courses (SNSDC) each summer in various locations around the state. Courses cover many areas of the school nutrition programs including administrative responsibilities, program basics, meal pattern requirements and menu planning, financial management, professional standards, procurement, and many other topics. More information along with other upcoming trainings and webinars can be found on the Wisconsin DPI School Nutrition Training webpage dpi.wi.gov/school-nutrition/training.
- SFA staff are encouraged to pursue GOALS Certification. GOALS stands for Goal Oriented Achievement Learning Skills. This is a certificate endorsed by the DPI and is obtained by completing training in nutrition, program administration and operations, and communications and marketing. For more information go to the Wisconsin DPI School Nutrition Training webpage dpi.wi.gov/school-nutrition/training/goal-oriented-achievement-learning-skills.
- USDA Policy Memorandum SP 46-2016 requires all SFAs operating federal school meal programs, by July 1, 2017, to have a written and clearly communicated policy that addresses unpaid meal charges governed at the SFA level. The policy may apply consistently for all age/grade groups or vary based on student age/grade groups. For a snap-shot on what the policy must include, see the Unpaid Meal Charges In a "Nutshell": <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/unpaid-meal-charges-nutshell.pdf>. For a more comprehensive overview, see SP 58-2016: Unpaid Meal Charges Guidance: <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-58-2016.pdf>
 - Best Practices
 - Local meal charge policy checklist
 - Sample outstanding balance letter
 - Sample robo-call script

- Bad debt is an unallowable expense to the food service program. A transfer must be made from non-federal funds to cover student account write-offs. SP 57-2016 Unpaid Meal Charges guidance Q & A may be found at <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/sp-57-2016.pdf>.

Appreciation/Commendations/Noteworthy Initiatives:

Sincere thank you to the staff at Pewaukee School District for the courtesies extended to the State Agency and the USDA Midwest Regional Office auditors during the on-site review. Staff were available to answer questions and were receptive to recommendations and guidance. In addition, thank you for taking the time to respond to the off-site questions, as well as pulling records in preparation for the on-site portion of the review.

REVIEW AREAS

1. MEAL ACCESS AND REIMBURSEMENT

Commendations

- The determining official is doing a wonderful job, 181 eligibility determinations were reviewed, 0 errors were identified!
- Benefits are approved and families are notified of their status within the required timeframe.
- Direct certification is completed as required- runs are conducted more often to increase student matches.

Comments/Technical Assistance/Compliance Reminders

Certification and Benefit Issuance

- When an application only has one frequency of payment indicated for all of their reported incomes on the application, you should not convert it to annual, but using the Income Eligibility Guidelines (<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/income-eligibility-guidelines-1617.doc>), you would look at the amount of their income under the column indicating that frequency (i.e., weekly, twice monthly, every two weeks, monthly, annually).
- Effective in SY 2016-2017, any income field left blank is a positive indication of no income and certifies that there is no income to report. The application can be processed as complete granted the rest of the required information is filled out.
- Thank you for using the DPI prototype letters with the current non-discrimination statement.

Limited English Proficiency (LEP)

- LEAs must make reasonable efforts to provide household letters and application forms to families in the appropriate languages.
- To assist SFAs in reaching households with limited English proficiency, the SNT provides the Wisconsin version of the USDA Free and Reduced Price Meal application materials in English, Spanish, Hmong and Albanian.

Independent Review of Applications

- LEAs that have a 5% or higher error rate during the certification review of the Administrative Review are required to conduct a second review of applications in the following school year.

Pewaukee School District had a 0% error rate from SFA-1 and will *not* be required to conduct a second review of applications in the following school year.

Disclosure

- The information provided by families on the free and reduced price application is to be used only for determining eligibility for meal or milk benefits.
- The LEA must seek written consent from the parent or guardian to use the information provided on the application or through direct certification for non-program purposes, such as athletic or testing fee waivers. Consent must be obtained each school year. A template sharing information form is located on the SNT webpage <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/sharing-info-other-programs-1617.doc>.
- For anyone receiving eligibility information to approve students for non-food service program benefits after parental consent is received, the *Disclosure Agreement* form should be signed and on file at the district. A template disclosure form is located on the SNT website <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/disclosure-agreement.docx>.

Verification

- No errors, great job!
- The LEA has a regulatory obligation to verify “for cause” all approved applications that may be questionable. For more information, refer to the current Eligibility Manual.

Meal Counting and Claiming

- The meal counting and claim for the review period was conducted perfectly. Great job!
- Meals may only be charged to a student at the time of receipt of a reimbursable meal to assure proper benefits issuance. This requirement also applies to offsite meals provided during a field trip. DPI has posted a Field Trip resource page on our website to help schools offer a meal to students found under NSLP, then meal planning. <http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/field-trip-meals-templates.doc>

Findings and Corrective Action Needed

Certification and Benefit Issuance

- ❑ **Finding #1:** The SFAs Free and Reduced Meals FAQs website: <http://www.taherfood4life.org/schools/pewaukee/freereduced-meals/> incorrectly states that households *must* notify the SFA when a they are no longer receiving W-2 (TANF) or Food Stamps (SNAP); or when their income goes up or household size goes down.

Corrective Action Needed: Correct (or remove) the FAQ guidance posted on the website to align with federal regulations outlined the Eligibility Manual:

<https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/eligibility-manual-2016.pdf> on page 45.

- Under year-long duration of eligibility, households are not required to report changes in income, household size, or their participation in a program that impacts their child’s eligibility status. However, households may *voluntarily* report a change. If a change is reported that will increase benefits, the LEA must put that change into effect. However, if the change will decrease benefits (from free to reduced price) or terminate benefits (from free or reduced price to paid), the LEA must explain to the household that the change does not have to go into effect unless the household wants the change made.

- In other cases (e.g., verification, verification for cause, incomplete applications, Administrative Review), a change in eligibility status may not be voluntary, and may result in an initially incorrect eligibility determination. When this happens, LEA officials must make appropriate changes in eligibility, and send a notice of adverse action.
Note: If a households' benefits are decreased as a result of verification and they apply again later in the school year, the agency must obtain supporting current income documentation (e.g., pay stubs) at that time prior to reinstating meal benefits.

2. MEAL PATTERN AND NUTRITIONAL QUALITY

Commendations

- The food service director is doing a wonderful job of managing the school lunch program. The meal pattern and Smart Snacks documentation was organized and thorough, and no meal pattern problems were found. The cafeteria is bright and welcoming, and the signage throughout the serving line is very nice. It is also commendable to have recess before lunch, as students are more likely to eat more of their meal. Thank you to all food service staff for the hard work you do every day!
- The reviewer also noted Pewaukee School District is doing a fabulous job ensuring *all* students have the ability to participate in Offer vs. Serve. Support staff are using the PECS system to assist Special Education students in choosing their meal for the day.

3. RESOURCE MANAGEMENT

Commendations

- Documentation was clear and easily accessible, supporting the agencies procedures/operations as indicated in the offsite tool.
- Thank you for completing the Paid Lunch Equity tool each year and adhering to the pricing requirements.
- Thank for completing the nonprogram food revenue ratio tool and adhering to the revenue ratio requirement.

Comments/Technical Assistance/Compliance Reminders

Nonprofit School Food Service Account

The new 16-17 Annual Financial Report (AFR) instructions are located on our website at:

<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/annual-financial-report-instructions-new-1617.doc>

Revenue from Nonprogram Foods

Adult meals are considered non-program foods. Food service programs must price adult meals above the overall cost of the meals. Since adult meal costs can be difficult to calculate, SFAs must follow the **minimum** pricing guidelines in Food Nutrition Services Instruction 782-5. A *Wisconsin Adult Meal Pricing Worksheet* has been developed to assist you in pricing adult meals

<http://dpi.wi.gov/sites/default/files/imce/school-nutrition/doc/wisconsin-adult-meal-pricing-guide.doc>.

Districts need to reassess adult meal prices annually prior to contract submission to ensure student reimbursement are not being used to subsidize adult meals. The current reimbursement rates (2016-17 SY) should be used to determine 2017-18 SY prices because rates are not released until July 1 of each year.

Findings and Corrective Action Needed:

Comprehensive Review- Revenue form Nonprogram Foods

- ❑ **Finding #1:** The adult meal price is not set high enough. The current charge is \$3.50. The highest tired student price is \$4.10. At a minimum, the adult price must cover all student per meal revenues and federal/state reimbursements (\$4.10 + \$0.63) to ensure student funds are not used to subsidize adult meals. ***see pricing formula above**

Corrective Action Needed: Raise the adult meal price to a minimum of \$4.73. For money collection purposes, it may be more practical to charge \$4.75. This will need to be implemented during the current school year.

- Send an email statement outlining what the price will be set at and when it will be implemented.
- Update the online contract for the 2016-17 SY with the new adult NSLP meal price.

4. GENERAL PROGRAM COMPLIANCE

Commendations

- Thank you for posting the food safety inspection and the new “And Justice for All” posters posted on the cafeteria wall so the public can easily access this information.
- Temperature logs are complete and staff are maintaining records as required.

Comments/Technical Assistance/Compliance Reminders:

Civil Rights

Nondiscrimination Statement

- When including the non-discrimination statement on letters, menus, website, and other documents used to convey program information, it is necessary to use the current statement which was just updated in October 2015 <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/civil-rights>. However, when space is very limited, such as on the printed menus, the abbreviated statement may be used, “**This institution is an equal opportunity provider,**” so that it can be printed in the same size font as the other printing in the document.

Special Dietary Needs

Medical Statement

- DPI has updated the Medical Statement Form posted on our website that you may use <https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/medical-statement.pdf>. When the form is completed and signed by a licensed medical practitioner, the school is required to provide a meal that meets the child’s needs as documented. The meal would *not* have to meet the meal pattern requirements, as the diet requests serves as the meal pattern for that particular child.

It recommended that the agency utilize DPIs template. The current local medical statement does not include all the required information. A signed medical statements must include:

❑ A description of the child’s physical or mental impairment that is sufficient to allow the SFA to understand how it restricts the child’s diet, and

❑ An explanation of what must be done to accommodate the disability (for example, the food(s) to be omitted and food(s) to be substituted).

- Schools are not required to accommodate requests that are not supported by a signed statement from a licensed medical practitioner. Schools may accommodate non-disability requests if they choose to *as long as accommodations are made within the meal pattern requirements*. SFAs must ensure that accommodations are provided to all students equally. For more information on this topic, see the recently posted Wisconsin Q&A: <https://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/q-and-a-sp-59-2016.pdf>

On-site Monitoring

Every school year, SFAs with more than one school must perform no less than one on-site review of the meal counting and claiming system in each school operating the NSLP by February 1. The onsite review of Horizon Elementary was conducted, but the review did not include the readily observable general areas and the agency is using a form that dates back to 1994. Moving forward, the agency should use the updated form, which includes the general areas of review and can be found on our website at: <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/administrative-review>.

For more information see USDA memo SP 56-2016

<http://www.fns.usda.gov/sites/default/files/cn/SP56-2016os.pdf>.

FSMC

Items that may not be delegated to the FSMC

- On-site Monitoring
- Signature Authority
- Edit Checks – if software generated, the SFA must sign off on them

Local Wellness Policy (LWP)

The local wellness policy requirement was established by the Child Nutrition and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Reauthorization Act of 2004 and further strengthened by the Healthy, Hunger-Free Kids Act of 2010 (HHFKA). The final rule requires School Food Authorities (SFAs) to begin developing a revised local school wellness policy during School Year 2016-2017 and full compliance with the requirements of the final rule by June 30, 2017.

The district is working hard update the current LWP, which is great! A draft copy was reviewed by the DPI SNT staff as submitted by the SFA on 1/31/17. Suggestions from the SA on 2/3/17 included the addition of guidelines for food and beverage marketing, reference to Smart Snacks guidelines and nutrient standards for foods that are provided but not sold.

At a minimum the wellness policy must include:

- Specific goals for nutrition promotion and education, physical activity, and other school-based activities that promote student wellness. LEAs are required to review and consider evidence-based strategies in determining these goals.
- Standards and nutrition guidelines for all foods and beverages sold to students on the school campus during the school day that are consistent with Federal regulations for school meal nutrition standards, and the Smart Snacks in School nutrition standards.
- Standards for all foods and beverages provided, but not sold, to students during the school day.
- Policies for food and beverage marketing that allow marketing and advertising of only those foods and beverages that meet the Smart Snacks in School nutrition standards.

- Description of public involvement, public updates, policy leadership, and evaluation plan.
- SFAs must permit participation by the general public and the school community including parents, students, and representatives of the school food authority, teachers of physical education, school health professionals, the school board, and school administrators in the wellness policy process. In addition, SFAs must designate one or more school officials to ensure each school complies with the policy.

SFAs must complete an assessment of the policy every three years to determine compliance with the wellness policy, how the wellness policy compares to model policies, and process made in attaining the goals of the wellness policy. SFAs must make the Triennial Assessment available to the public. In addition, SFAs must make available to the public the wellness policy and any updates to the wellness policy on an annual basis.

A summary of the requirements can be found at:

https://healthymeals.nal.usda.gov/sites/healthymeals.nal.usda.gov/files/uploads/LWPsummary_finalrule.pdf. USDA Food and Nutrition Service has information on the local school wellness policy process and wellness policy elements at: <https://healthymeals.nal.usda.gov/school-wellness-resources>. Wisconsin Team Nutrition has several wellness policy resources available including a toolkit, a wellness policy builder, and wellness policy report card at: <http://dpi.wi.gov/school-nutrition/wellness-policy>.

Smart Snacks in Schools

- All foods or beverages sold to students on the school campus between midnight and 30 minutes after the end of the instructional day must be in compliance with the Smart Snacks rule that went into effect on July 1, 2014. Information on this regulation, along with a product calculator to help determine compliance of various food items, can be found on our website at <http://dpi.wi.gov/school-nutrition/national-school-lunch-program/smart-snacks>.
- There have been no food or beverage fundraisers at Horizon Elementary this school year, but if any fundraisers occur in the future, make sure to pass along the necessary information to the principal and/or any teachers involved. The food service director said that all of the staff in the district are aware of the Smart Snacks guidelines and know to come to her for information on allowable foods and beverages. Communication is key for complying with Smart Snacks district-wide, so keep up the good work!
- Each student organization may hold two exempt fundraisers per school year. An exempt fundraiser can sell foods or beverages that do not meet the Smart Snacks guidelines. Each fundraiser cannot exceed two consecutive weeks in length, and it cannot occur in the meal service area during meal time. The school must complete the exempt fundraiser tracking tool annually and use it to ensure that each student organization does not hold more than two exempt fundraisers. Template tracking tools can be found on our Smart Snacks webpage.
- Second meals cannot be sold as a unit because the unit would not meet the Smart Snacks nutritional standards. All parts of the meal must be analyzed for compliance and priced separately.
 - Entrees sold as part of the NSLP are exempt from Smart Snacks standards on the day of and day after they are served. Fresh, frozen, or canned fruits and vegetables without added fats and sodium are also exempt, as are the milk types/sizes served in the meal programs. Therefore, most items served at lunch are exempt from the standards. Foods such as desserts, grain side dishes, and chips will need to be analyzed for compliance since they do not fall under an exemption.

Professional Standards

SFAs should clearly document all required training information and maintain a central tracking file that lists the name of staff person, date hired, title/position, brief list of core duties/responsibilities, status (full, part-time, volunteer, etc.), professional standards position (director, manager or staff). Learning codes are not required, but encouraged. A template tracking tool is posted to our website at <http://dpi.wi.gov/school-nutrition/training/professional-standards>.

Food Safety, Storage and Buy American

Food Safety Plans

- The Food Safety Plan was available for review. It was obvious in observing staff at work that they are knowledgeable about foodservice practices and uses good food handling practices.
- Thank you for maintaining a site specific Food Safety plan outlining equipment, food processes 1-2-3, Standard Operating Procedures (SOP), and Employee Reporting Agreements.
- The on-site storage areas were reviewed, including freezers, refrigerators, dry good storage rooms and other areas. No violations noted.
- The agency is using Time as a Public Health Control at Horizon El and adhering to the SOP approved by the local sanitarian.

Buy American

The USDA requires that a SFA purchase, to the maximum extent practicable, domestic commodities or products. Using food products from local sources supports small local farmers and provides healthy choices for children in the school meal programs. Purchasing from these entities also supports the local economy. The Buy American provision is required whether food products are purchased by SFAs or entities that are purchasing on their behalf.

The Buy American provision should be included in solicitations, contracts, and product specifications. A reply offer to comply with Buy American terms in a solicitation ensures contractors are aware of Buy American requirements. Further, bidder assurance of the Buy American provision ensures that the bidder is responsive and responsible to the solicitation.

While limited exceptions exist when products are prohibitively costly or not available in required quantities, SFAs must consider alternative domestic foods prior to automatically approving an exception. More information on this new requirement can be found on the SNT website at <http://dpi.wi.gov/school-nutrition/procurement/buy-american> including a tool to assist with tracking noncompliance products.

- Grape tomatoes from Mexico were noted when reviewing storage areas as noncompliant. If these items fall under an exemption, ensure they are tracked on the above tool. This item is available domestically, so consider working with your vendor to procure an alternative product.

Reporting and Recordkeeping

Thank you for completing the required USDA and DPI reports and maintaining the paperwork in an organized manner.

SFSP Outreach

A goal of USDA Child Nutrition Programs is to ensure all students have access to healthy and nutritious meals year round. Even though a summer feeding program is not operated at Pewaukee

School District, USDA would like all SFAs to inform families of where their students can receive a free meal in the summer months. SFAs can inform families of summer meals via the following methods:

- Promotion of the [summer meals locator](#) on the [DPI Summer Meals website](#)
- Promotion of calling 211 to locate meals in the area
- Promotion of the ability to text ‘food’ to 877-877 to locate meals in the area
- Promotion of the USDA Summer Food website
<http://www.fns.usda.gov/summerfoodrocks>.

For more information on Summer Feeding option contact:

Amy J. Kolano, RD, CD
Summer Food Service Program Coordinator
Phone: 608.266.7124
e-mail: amy.kolano@dpi.wi.gov

Findings and Corrective Action Needed:

- Finding #1:** The calendar menu does not contain the correct shortened nondiscrimination statement.

Corrective Action Needed: Update the statement to “This institution is an equal opportunity provider.” Submit a copy via email. * **obtained onsite- no further action necessary.**

- Finding #2:** The per meal charge (\$0.00, \$0.40, and \$2.50) is appearing on the point of service screen at the review site. This is considered overt ID.

Corrective Action Needed: Work with Skyward to reconfigure the settings removing this information from the screen. Send an email to the consultant explaining how this was remedied. If the configuration cannot be changed, consider an alternative, like purchasing side blinder for computer screens so the current transaction charge is not visible to students. Review point of service sale systems at all other non-review sites.

- Finding #3:** The Fruit Roll-Ups sold at Horizon Elementary do not meet the Smart Snacks guidelines due to the first ingredient. If you choose to sell a fruit snack product instead, look for one with the first ingredient of “fruit juice” or “fruit puree.” A first ingredient with the word “concentrate” in it, such as “fruit puree concentrate” or “fruit juice concentrate” is considered an added sugar and is not considered a fruit for the purposes of Smart Snacks. When reviewing Smart Snacks documentation it was noted that the Starburst sorbet bar is also not compliant, as the first ingredient after water is sugar. If water is the first ingredient in a food, you must assess the product’s compliance based on the second ingredient. This product is not sold at Horizon, but keep in mind that it will need to be discontinued wherever it is sold.

- Finding #4:** Second meals are being sold as a unit and do not meet the Smart Snacks nutritional standards.

Corrective Action Needed: Discontinue selling second meals as a unit. All parts of the meal must be analyzed for compliance and priced separately as ala carte. Submit an email statement agreeing to this with a timeline for implementation towards compliance.

Corrective Action Needed: Please submit a written statement verifying that you will no longer order and sell this product. If you choose to replace it with a different product, please submit the nutrition facts label and ingredient list.

Dr. Tony Evers, State Superintendent of Wisconsin Department of Public Instruction, shares a vision that every student will graduate prepared for college and career in an initiative called “Agenda 2017”. His goals are for students to have the knowledge, skills, and habits that will allow them to succeed in life after high school. Access to quality nutrition plays a major role in developing those life-long habits.

The School Nutrition Team believes that what school nutrition programs do every day plays a very important part in the success of every child being able to graduate. We all know that well-nourished children are ready to learn. Thank you for all you do to ensure your students’ success.

For more information on this initiative, please visit the Wisconsin DPI Every Child a Graduate webpage dpi.wi.gov/statesupt/agenda-2017.

