

School Nutrition Programs

An Operational Overview of Child Nutrition Programs for the
Business Manager

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Materials

<https://www.msbo.org/msbo-certification-class-materials/>

School Meals Make A Difference!

School meals provide the fuel required for student learning & achievement.

A quality food service program is one that is both financially sustainable and nutritionally sound

A quality food service program provides your district a competitive advantage over districts that do not.

Overview Of Session

- Funding & Revenue Sources for CN Programs
- Regulations and Requirements
- Regulatory Changes / Nutrition Programs during COVID
- F/R Eligibility & Reporting

Overview Of Session

- Health Department, Food Safety and Sanitation requirements
- Financial Oversight & Key Metrics
- Legislative and Policy Updates
- On-line Resources & Links

National School Lunch Program: “A Measure of National Security”

1946 Child Nutrition Act (CNA):

- *Safeguard the health and well-being of the Nation's children.*
- *Encourage the consumption of agricultural commodities.*
- *Align with Dietary Guidelines for Healthy Americans.*

2010 Healthy Hunger Free Kids Act (HHFKA)

HHFKA: 84 Pages, 72 Sections

2 Main Purposes:

1. To increase access to healthy foods for kids & families
2. To address the complex issues of childhood obesity & hunger

Michigan Mandate for School Meal Programs

- K-12 public school districts are mandated to operate the **National School Lunch Program**
- K-12 public school districts are mandated to operate the **National School Breakfast Program** in any school building having 20% or more of its enrollment eligible for free/reduced priced meals
- Meal programs are Governed by USDA
- Funded and legislated by Congress
- Meals designed around Nutrient Standards that are reflective of the USDA Dietary Guidelines for Americans

Michigan School Meals

FY 2024 State Aid Budget included Section 30d
– Universal School Meals

Meals can be served at no cost to students for
the 2023-2024 School Year

State-Funded Reimbursement Program –
State pays the reimbursement difference

Budget was signed July 20, 2023



Poll the Audience: concerning district participation in “Michigan School Meals”

- A) Our district IS participating in Michigan School Meals for SY 23/24 and is NOT CEP.
- B) Our District IS participating in Michigan School Meals and is partially CEP.
- C) Our District is participating in Michigan School Meals and is 100% CEP our district is 100% CEP.
- D) Our District is NOT participating in Michigan School Meals because our district is 100% CEP and fully funded at the federal free reimbursement rate.
- E) Our District is NOT participating in the Michigan School Meals initiative & is instead participating in traditional NSLP/SBP.
- F) I don't know what our district is doing.

Focus of School Meal Patterns reflects Dietary Guidelines for Americans

- Offer more fruits, vegetables and whole grains
- Offer only fat-free or low-fat fluid milk
- Reduce sodium content
- Control Saturated Fat and Calorie Levels



Chain of Command

Congress and the President

US Department of Agriculture

Michigan Department of Education

School Food Authorities

Local Food Service Programs



Child Nutrition Programs

More than just School Lunch!

- Breakfast (NSBP)
- Lunch (NSLP)
- Special Milk
- After School Snack
- Supper
- Summer Feeding (SFSP)
- Childcare
- Head Start
- Senior Nutrition
- Emergency Feeding
- Fresh Fruit & Veg Grant

National School Meals

- One of the largest segments of the food service industry
- Annually
 - \$35+ Billion Industry



Michigan FY 2018 and FY 2021 (Pre/Post Pandemic)

- 63,348,342 Breakfasts 2018/19 (pre-pandemic)
- 76,016,922 Breakfasts 2021/22 (pandemic)
- 64,910,362 Breakfasts 2022/23 (post pandemic)

- 122,481,153 Lunches 2018/19
- 136,814,795 Lunches 2021/22
- 120,031,879 Lunches 2022/23

- 1,437,279 K-12 Enrollment 2022 (Oct 2022)
- 775,404 F/R Eligibility Rate: 53.9%(Oct 2022)

Federal Reimbursement Dollars Paid to MI School Food Authorities

FY 2022

\$722,600,000



State & Federal Funding for School Meal Programs

- Federal Meal Reimbursements
- State Supplemental Funds
 - 31d and 31f
 - 31a – districts shall provide up to \$10 to breakfast
 - 30d – Michigan school meals
- USDA Foods Entitlement
 - Based on 2022-2023 SY total number of qualifying student lunches
 - Rate per meal changes annually
 - Current rate is \$.295 per meal at the federal level

Michigan Ten Cents a Meal Grant

Local Revenue Categories

- Student Meal Sales
- A la Carte
- Vending & Concessions
- Catering
- Adult Sales



NSLP & NSBP Breakfast & Lunch Reimbursement Rates 2023-2024 SY

	Breakfast Non-Severe Need	Breakfast Severe Need	Lunch Non-Severe Need	Lunch Severe need	After School Snacks	
Paid	\$0.38	\$0.38	\$0.48	\$0.50	\$0.10	
Reduced Price	\$1.98	\$2.43	\$3.93	\$3.95	\$0.58	
Free	\$2.28	\$2.73	\$4.33	\$4.35	\$1.17	

Severe Need Rates

- *Severe Eligibility Rates are calculated annually*
- Breakfast
 - If 40% or more of the total lunches in a **building** in the preceding year were free or reduced-price.
(2023-24 eligibility was determined using 2022-23 participation rates)
- Lunch - Entire district is eligible if:
 - 60% or more of the total lunches served **district wide** in the preceding year were free or reduced-price.

\$.08 Certification Reimbursement (HHFKA Performance Based Reimbursement)

\$.08 Performance Based Reimbursement is provided for SFA's that demonstrate compliance with 2012 meal pattern requirements.

Regulations and Requirements



Meal Patterns and Nutrition Standards

1. Fruits & Vegetables: portion & variety requirements for breakfast & lunch. Must take ½ cup fruit at breakfast, must take ½ cup fruit or vegetable at lunch.
1. Whole Grains: “whole grain rich” standards on all grain items for breakfast & lunch.
1. Lean Proteins: Meat, Poultry, Eggs, Cheese, Legumes.
1. Low Fat Milk: Flavored & Unflavored Fat Free/ 1% varieties.
1. Limits on Calories, Trans-Fats Sodium & Saturated Fat by age/grade group (k-5, 6-8 and 9-12)

Offer Versus Serve

A strategy that:

- Allows students flexibility in food component and food item selection
- Reduces food waste
- Is mandatory for HS NSLP
- Is optional in SBP, all levels



Offer Versus Serve

For lunch to be reimbursable, students must:

- Select at least 3 full components
- Must select at least $\frac{1}{2}$ cup of either a fruit or vegetable, or combination of F/V

Students may:

- Decline 2 or 5 required components, including the entrée or milk
- Take smaller portions of declined food items (this does not affect the price)

Top 3 Challenges for School Meal Programs

- Increasing costs (food, labor, equipment – everything!)
- Staff Shortages
- Menu Item Shortages Plate waste and student acceptability of updated meal pattern & healthier alternatives remain top concerns Sodium levels have been reduced twice (Sodium target 1a and more sodium levels have been proposed)

Poll the Audience

Has your district continued to experienced increased food costs, labor shortages, and menu items shortages this fall?

1. Yes, we've experienced an increase in food costs.
2. Yes, we've experienced labor shortages.
3. Yes, we've experienced menu item shortages.
4. Yes, we're experiencing all 3.
5. No, we aren't experiencing any of the above.

Dietary Specifications for School Meal Programs

Daily Amounts are based on Average for 5-Day week	BFAST			LUNCH		
	<i>K-5</i>	<i>6-8</i>	<i>9-12</i>	<i>K-5</i>	<i>6-8</i>	<i>9-12</i>
Calories (Min – Max)	350 - 500	400 - 550	450 - 600	550 - 650	600 - 700	750 - 850
Sat Fat (% of total Calories)	< 10 %	< 10 %	< 10 %	< 10 %	< 10 %	< 10 %
Sodium (mg)	< 486mg	<540mg	<576mg	<1107mg	<1224mg	<1278mg
Trans Fat	0 gm per serv	0 gm per serv	0 gm per serv	0 gm per serv	0 gm per serv	0 gm per serv

Accommodating Special Dietary Needs

- Documented disability
 - **Must** make the substitutions as listed by the physician
- Without a documented disability
 - **May** make the substitutions listed on the medical statement form signed by a recognized medical authority
 - As of July 1, 2017, Lactose Intolerance & Gluten Sensitivity are considered disabilities

Special Diet Statement

Special Diet Statement

Why am I being asked to fill out this form?

Institutions or organizations who sponsor and operate a federally funded Child Nutrition Program must make reasonable substitutions to meals and/or snacks on a case-by-case basis for participants who are considered to have a disability that restricts their diet.* According to the ADA Amendments Act, most physical and mental impairments that substantially limit or affect one or more major life activities or bodily functions will constitute a disability.

Sponsors are not required to accommodate special dietary requests that are not a disability. This includes requests related to religious or moral convictions or personal preference. **If these requests are accommodated, sponsors must ensure that all USDA meal pattern and nutrient requirements are met.**

This form must be completed by a licensed physician, physician assistant, or an advanced practice registered nurse, such as a certified nurse practitioner. **Updates to this form are required only when a participant's needs change.**

Note to Districts/Schools: Parents/Guardians may provide a written request for lactose-free milk without a physician's signature. Lactose-free milk served must meet meal pattern requirements for the program.

Submit this completed special diet statement to: _____

Participant Information:

Participant's Full Name: _____ Today's Date: _____

Date of Birth: _____

Name of School/Center/Site Attended: _____

Parent/Guardian Name: _____

Home Phone Number: _____ Work Phone Number: _____

Required Information: Dietary Accommodation

- List the food to be avoided: _____
- Briefly explain how exposure to this food affects the participant: _____
- List foods to be omitted and substituted. Attach a sheet with additional instructions as needed.

Foods to be Omitted	Foods to be Substituted

Additional Information

☐ Texture Modification: ☐ Pureed ☐ Ground ☐ Bite-Sized Pieces ☐ Other: _____

☐ Tube Feeding Formula Name: _____

Administering Instructions: _____

Oral Feeding: ☐ No ☐ Yes If yes, specify foods: _____

☐ Other Dietary Modification or Additional Instructions (Describe): _____

*School Nutrition Program – 7 CFR 210.10(m), Child and Adult Care Food Program – 7 CFR 226.20 (g), Summer Food Service Program – 7 CFR 225.16(f)(4).

Required Signature

This form must be signed by a licensed physician, physician assistant, or advanced practice registered nurse such as a certified nurse practitioner. The medical person signing it should keep a copy of this document in his/her records.

Prescribing Authority Credentials (print): _____ Date: _____

Signature: _____ Clinic/Hospital: _____

Phone Number: _____ Fax Number: _____

Voluntary Authorization

Note to Parent(s)/Guardian(s)/Participant: You may allow the director of the school/center/site to talk with the medical person about this Special Diet Statement by signing the Voluntary Authorization section:

In accordance with the provisions of the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and the Family Educational Rights and Privacy Act I hereby authorize _____ (physician/medical authority name) to release such protected health information as is necessary for the specific purpose of Special Diet information to _____ (program name) and I consent to allow the physician/medical authority to freely exchange the information listed on this form and in their records concerning me, with the program as necessary. I understand that I may refuse to sign this authorization without impact on the eligibility of my request for a special diet for me. I understand that permission to release this information may be rescinded at any time except when the information has already been released. **Optional:** My permission to release this information will expire on _____ (date). This information is to be released for the specific purpose of Special Diet information. The undersigned certifies that he/she is the parent, guardian, or authorized representative of the participant listed on this document and has the legal authority to sign on behalf of that participant.

Parent/Guardian: _____ Date: _____

OR Participant's Signature (Adult Day Care ONLY): _____

Non-Discrimination 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](https://www.ocio.usda.gov/sites/default/files/docs/2012/Complain_combined_6_8_12.pdf) (https://www.ocio.usda.gov/sites/default/files/docs/2012/Complain_combined_6_8_12.pdf), (AD-3027) found online at: [How to File a Complaint](https://www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint) (<https://www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint>), 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:

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

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Important Regulatory Sections

- ☐ Smart Snacks Final Rule
- ☐ Local Wellness Policy Final Rule
- ☐ Professional Standards Final Rule
- ☐ Administrative Review Process

“Smart Snacks” Regulations

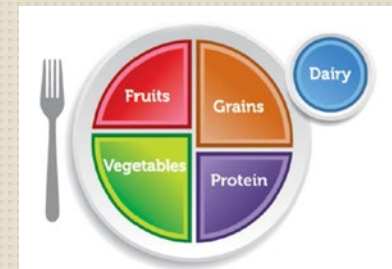
- Regulations for “All Foods Sold in Schools” aka “Smart Snacks” are Nutrition Standards for all foods and beverages sold in schools
 1. Outside the school meal programs
 2. On the school campus
 3. At any time during the school day (from Midnight until 30 minutes after the last school bell)



“Smart Snack” Nutrition Standards for All Food Sold on the School Campus

- Nutrition Standards for Snacks:
 - Whole grain rich OR
 - First ingredient must be a fruit or vegetable OR
 - Combination foods must have at least $\frac{1}{4}$ cup fruit/vegetable OR
 - Snack must contain 10% DV of key nutrients

- Nutrient Requirements:
 - Calorie, Sodium, Fat and Sugar limits



TIP: Use Smart Snack Calculator to determine allowability

Smart Snacks: Programs & Foods impacted

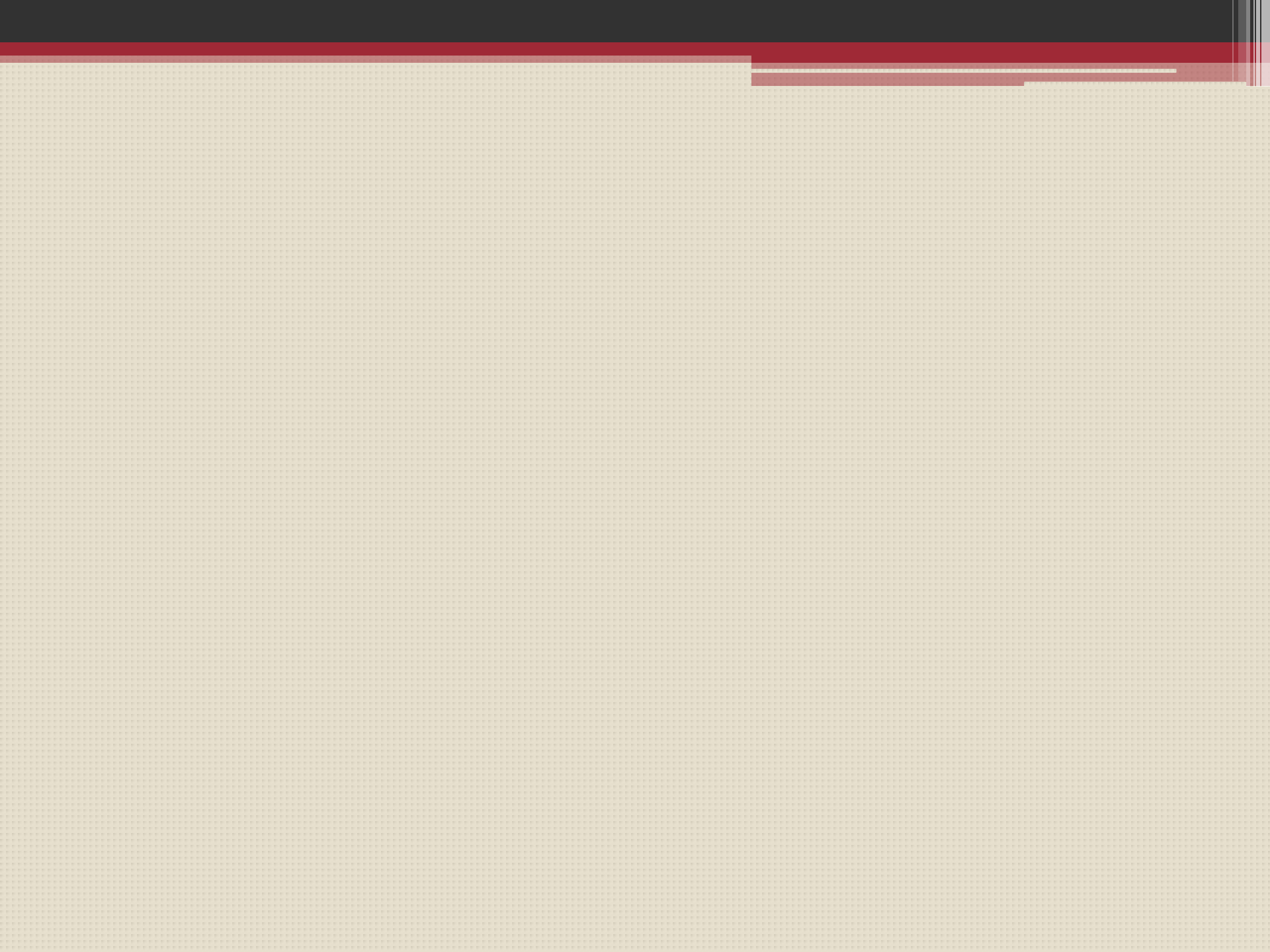


Programs & Foods Impacted

1. Foods Sold in School Stores
2. Food Sold in Vending Machines
3. Foods Sold for Fundraisers that are ready-to-eat (bake sales, etc)
4. Foods Sold in the cafeteria that are not part of the reimbursable meal.

Programs & Foods NOT Impacted

1. Foods sold in concession stands after the school day.
2. Food brought in from home by students (school lunch, snacks or class treats).
3. Food served/sold at Banquets on the school campus after the school day.
4. Foods sold for fundraisers that will be consumed at home (i.e. Pizza Kits, Market Day, Cookie Dough).



Local School Wellness Policy

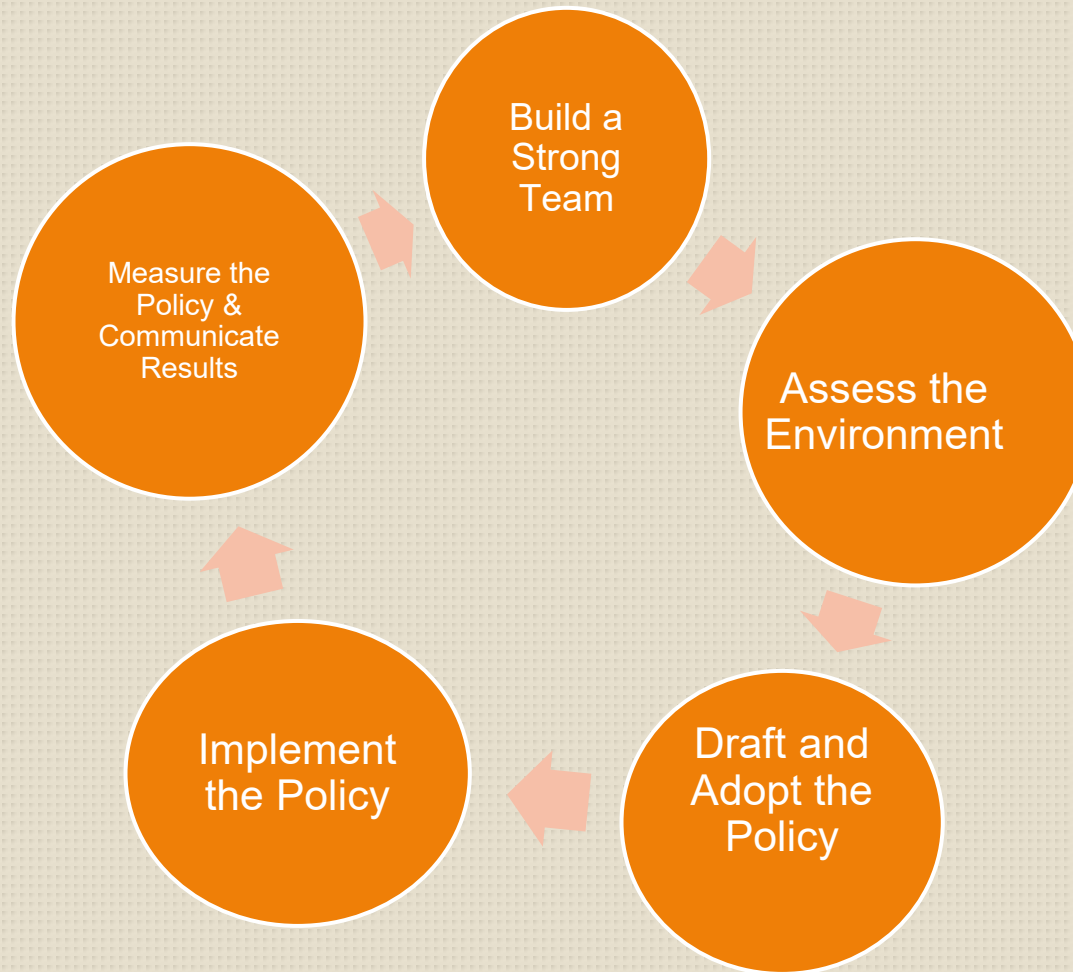
Final Rule was published on July 29, 2016. LWP requirements create a framework and guidelines for district written wellness policies established by LEA's.

Requires LEA's to develop, **implement and assess goals under a** School Wellness Policy, that required full compliance by June 30, 2017.

What's required to be included in the LWP?

- Set specific goals for nutrition promotion & education, physical activity and other activities that promote student wellness.
- Standards and nutrition guidelines that meet Smart Snacks in Schools nutrition standards.
- Policies that allow marketing or advertising of only those foods that meet Smart Snack in schools nutrition standards.

Local Wellness Policy Process



Drafting the Policy

Content Requirements of the Wellness Policy

SPECIFIC GOALS FOR

- Nutrition Promotion
- Nutrition Education
- Physical Activity
- Other School based activities that promote student wellness

NUTRITION GUIDELINES

For ALL Food and Beverages sold to students on the school campus during the school day that are consistent with Federal regulations.

For ALL food and beverages provided, but not sold, to students during the school day (classroom parties, snacks).

MARKETING POLICY

Policies for Food and Beverage marketing and advertising of only those foods and beverages that meet the Smart Snack in School nutrition standards.

Section 1: General Information

School(s) included in the assessment:

Month and year of current assessment: _____

Date of last Local Wellness Policy revision: _____

Website address for the wellness policy and/or information on how the public can access a copy:

Section 2: Wellness Committee Information

How often does your school wellness committee meet? _____

School Wellness Leader:

Name	Job Title	Email Address

School Wellness Committee Members:

Name	Job Title	Email Address

Michigan Department of Education Local Wellness Policy Assessment Plan

School Name: _____ Date: _____

Nutrition Promotion and Education Goal(s):

Goal What do we want to accomplish?	Action Steps What activities need to happen?	Timeline Start dates	Measurement How is progress measured?	Lead Person	Stakeholders Who will be involved and/or impacted?	Complete?
Example: Food and beverages will not be used as a reward for students.	a) Provide teachers with list of non-food reward examples. b) Discuss changes at back-to-school staff training. c) Follow-up mid-year to discuss challenges and determine additional communication needed.	Before the beginning of next school year.	<ul style="list-style-type: none"> • Verbal check-ins with staff to ensure to compliance. • Teachers survey at end of school year. 	Principal	Teachers, staff, students	Yes

A final thought on Smart Snacks & Local Wellness Policies

Administrative Policy 21 & PA 42

Michigan Non-Compliant Food Fundraiser Guidance

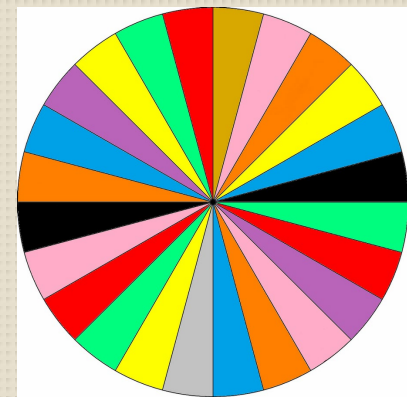
“The Michigan Department of Education (MDE) will allow up to two food-based fundraising activities per week that do not meet the USDA Smart Snacks in Schools standards. These exemptions are optional and chosen at the local level by each school building”.

If your district's goal is to have non-food/ Smart Snack compliant fundraisers, make sure your Local Wellness Policy states this.

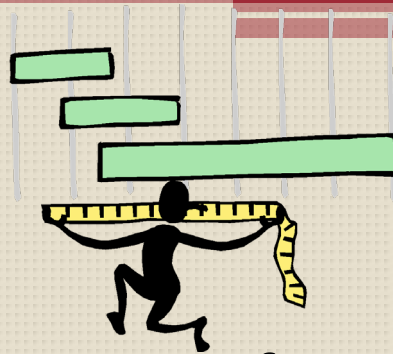
BREAK



When we
return, we'll
spin the
wheel for a
gift card
prize!



Poll the Audience



Concerning the implementation of your Local Wellness Policy (LWP), which statement below best describes your district:

- a) Local Wellness Policy is published and on your website.
- b) Your school district has an active LWP Committee that has met this calendar year (in 2023)
- c) A Local Wellness Policy Triennial Assessment has been completed for your district.
- d) All of the above are true for our district.
- e) Unsure of district LWP status.

Administrative Review (AR) Process:

Measuring compliance of USDA Regs

- MDE conducts an **Administrative Review every 5 years** inclusive of all Federal feeding programs within a district (NSLP, SBP, & Snack). *Districts with critical violations will be reviewed every 3 years.*
- Technical Assistance is provided when non-compliance is noted. Financial penalties assessed on critical findings (F/R lunch Apps, POS, Verification)
- Summer SFSP & CACFP Admin Reviews remain every 3 years

Administrative Review (AR)

- Off-Site Assessment and On-site Assessment/Visit
- Review Cycle = every 5 years
- AR review Training provided for districts in the year they are up for review.
- Five Sections to the review

Civil Rights, Verification, Nutrition Quality & Meal Pattern, Meal Access & Reimbursement, Other Federal Programs (CEP, after school and grant programs)

- Separate reviews are conducted for
Resource Management & Procurement

School Meals Professional Standards

Final Rule effective July 1, 2015

- USDA established Professional Standards for school nutrition personnel who administer, manage & operate the NSLP & NSBP.




Professional Standards:

Annual Training Requirements

POSITION:	ANNUAL TRAINING REQUIREMENTS:
Directors	12 Hours
Managers	10 Hours
Staff (20+ Hrs per week)	6 Hours
Part-Time Staff (< 20 hrs per week)	4 Hours

Four Key areas for School Nutrition Training

- Nutrition
 - Operations
 - Administration
 - Communications/Marketing
- 
- An illustration of a woman with blonde hair, wearing a brown turtleneck sweater, standing and looking down at a small electronic device (possibly a PDA or early smartphone) she is holding in her hands. The background is a solid light blue.
- Training can be received in any or all of these areas
 - School nutrition director ultimately responsible for tracking and documentation

Hiring Standards for District Level Directors

- Hiring standards are minimum education requirements for Food Service Directors. Education requirements are based on student enrollment of the district. There are 3 categories:
 1. 2,499 Students or Fewer
 2. 2,500 to 9,999 Students
 3. 10,000+ Students or more (minimum: Bachelors +)

NOTE: Directors hired before **July 1, 2015** will be grandfathered into their current positions, which means they **do not** have to meet the hiring requirements in order to stay in their present position at their district/school.

Professional Standards:

Hiring Requirements

Student Enrollment	2,499 or Less	2,500 – 9,999	10,000 or More
	HS Diploma + 3 yrs Experience OR Associates Degree OR Bachelors Degree	Assoc Degree + 2yr Experience OR Bachelors Degree + 2 yrs Experience	Bachelors Degree + 5 yr Experience (Specific major in food/nutrition, FS Mgt, Business, Culinary, Dietetics)

Supervising your Food Service Director

- Technical skills and expertise
- Leadership ability
- Partnership and membership on leadership team
- Professional development opportunities
- Networking

Professional Standards



Local Meal Charge Policy

- USDA memo SP 46-2016 July 8, 2016
- Written policy required by July 1, 2017
- Clearly communicated in writing to school administrators, school nutrition staff, families, and students.
- Key Policy Considerations:
 - Maintain financial integrity of programs
 - Provide kids with adequate nutrition to focus in school
 - Minimize stigmatization of children with meal charges

Avoiding Lunch Shaming

Discouraged Actions	Encouraged Actions
Announcing or publicizing the names of children with unpaid meal charges	Communicating your district Meal Charge Policy & Bad Debt Policy in writing in a variety media methods.
Using hand stamps, stickers, or other physical markers to identify children with unpaid meal charges	Communicating debt reminders directly and discreetly to adults in the household
Sending clearly marked notices home when children have an outstanding balance	Avoid any confrontation with students.
Throwing a child's meal in the trash if they are unable to pay & providing different meal than what other kids are served.	Serving children standard reimbursable meal at the point of service. Work with parent to obtain payment on back end.

Bad Debt Policy

- Updated definition of **bad debt** /
Admin Memo #4 Uncollectable meal Charge requirements
- Bad Debt is “uncollectable meal balances for **inactive students** as of June 30th that have not been collected by December 31st of the same calendar year”.
- “Inactive Students” = students that have left the school district or graduated.
- The important take-away: at this time **student debt for active students is required to remain on a student accounts until the student becomes inactive.**

Certifying Students for Meal Benefits

Students do not need to apply for Meal Benefits under Michigan School Meals.

*All students must be coded as Free Reduced or Paid in SIS Education Benefit Forms & eligibility

Family Education Benefit Form Application is required

*Forms are accepted any time during the school year.

Eligibility Guidelines

Direct Certification: Important & Required

- Direct Certification - Required (District matches SIS data base to State SNAP data base for DC match list)
- Direct Certification
 - Required a minimum of three times per (best practice Monthly!)
 - Foster care, SNAP, TANF, Medicaid Eligible
 - Pandemic EBT (P-EBT)
 - First file available near the beginning of the SY
 - Refresh files are available monthly
 - Remember - DC impacts Title1 funding!

Sharing of Student F/R Eligibility Status

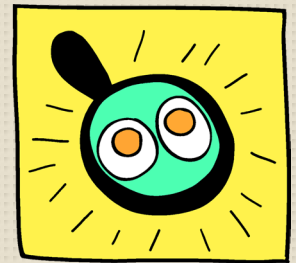
- Sharing of F/R eligibility can only be done with parent consent.
- Signed “Sharing of Information” form must be filled out annually.
- If F/R eligibility is shared with other programs without parent consent, a Civil Rights complaint can be filed by participant.

Free and Reduced-Price Documentation & Record Keeping Requirements

- Verification
- Audit Sample pulled by Oct 15th
- Completion of Verification due by Nov 15th
- SFA-VCR Report Due Feb 1 in MDE NexSys.
- Public Release of F/R Meals & Eligibility Chart
- Disclosure of Information – Sharing Information

CEP Community Eligibility Provision

- CEP eligibility of SFA is determined by Directly Certified (food stamp eligible) students.
- 40% or higher by building is required
- Claim rate formula by building:
 $\# \text{ of DC Students} / \text{by enrollment} * 1.6 = \text{Claim Rate}$
- Medicaid Direct Certification Pilot began July 1, 2017



Example: 200 DC students/300 Enrollment = .66% x 1.6 = 100%
(Magic Number is 62.5% or higher for 100% Claim Rate)

Advantages of CEP

Advantages:

- Can be done by building or throughout district
- Increased Participation
- Ease of Claiming at Point of Service
- No F/R Applications or Verification Required

Important Note.....

- Education Benefit Forms required to determine economically disadvantaged students for Title 1, E-rate & grants can be difficult to get this information, but Title 1 and E-rate have addressed this issue in formulation.

A Word about FID Reporting

- Cost per meal used to determine 31f funding

- 25K Rule

“Indirect rates should only be applied by the district to the first \$25,000 of any contract or sub-grant related to a federal grant.”

Unrestricted Indirect Cost Rate

- Maximum
 - 15% Public Schools
 - 12% Non-Public Schools



Applied to all expense EXCEPT food & contracts
“These rates can be used to reimburse the general fund for administrative and other costs that are not easily allocated to a particular program at the district.

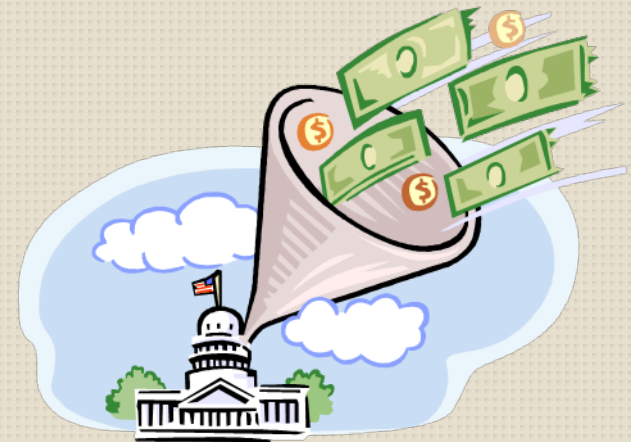
- Final Indirect Cost Rate Summary Report – R0418 – found at MDE website under Grants Coordination and School Support – Fiscal Reporting

Procurement Requirements



- Federal Regulations
 - Competitive Bidding and Threshold
 - Procurement Procedures for USDA Child Nutrition Programs – MDE Procurement Trainings occurring now throughout the state.
 - Admin Policy #13 SY 14-15
Request for Approval for Equipment & Other Capital Expenditures
 - Approval List for SNP for Single Items with cost of \$5,000 or more – Fillable Form
 - Procurement reviews are conducted on the same review schedule as Administrative review (they are separate)

USDA Foods Distribution Program



- USDA Foods Entitlement Dollars
 - Based on the number of LUNCH meals served in the previous SY multiplied by the annual per meal. **Current Commodity Entitlement Rate: \$.295 per lunch meal served based on the 2022-2023 school year lunch meals served.**
 - Bonus Commodities : additional foods acquired through price support and surplus removal programs (not guaranteed)
- The more lunch meals served the more entitlement \$\$ you get
- USDA food entitlement = about 12% of your food budget
- Can defray the cost of a meal by up to .26 per meal.

Consortia in Michigan

- Great Lakes Consortium (GLC)
- Macomb Oakland RESA (MOR)
- School Purchasing And Resource Consortium (SPARC)
- ***Districts must join a consortium to be eligible to receive USDA foods.***



Consortia Procurement

- ❖ Consortia procurement completed on behalf of member SFAs will be reviewed by MDE annually
- ❖ All purchases that an SFA makes through a consortia contract will be “covered” through the MDE review of Consortia Procurement
- ❖ Specifically, MDE will be reviewing samples of consortia:
 - ❖ Processing procurement documents
 - ❖ Distribution
 - ❖ Warehousing
 - ❖ Third party entities/Agents

NexSys: Web Based Annual Permanent Agreement

- Contract between SFA & MDE for Child Nutrition Programs
- In exchange for reimbursement dollars district agrees to follow ALL USDA/MDE program regulations



Meal Pricing Requirements

- PLE Tool
- Adult Meals
- Ala Carte Pricing Tool



Adult Meal Pricing

- Price adult meal higher than student meals
- At minimum, Adult Meals must be priced above the free reimbursement rate + USDA Foods entitlement + Sales Tax



- Adult Meals are a revenue generator and it's good customer service.

DIRECTIONS	SAMPLE	YOUR SCHOOL
Free Reimbursement Rate	\$4.35	
Value of USDA Foods for current year 2021-2022 SY	.295	
Subtotal	\$4.645	
Sales Tax	.2787	
Total Minimum Price	\$4.92	

Assessment of Participation

- What is your %ADP?
 - Tracking
 - All categories – paid, reduced, and free
 - All buildings
 - Overall district
 - Daily, monthly, annually
 - Tracking using Meal Equivalents

Food Safety and Sanitation

- Food Law Updates
 - Licensing requirements by building (separate for concessions)
 - Plan review required for certain equipment, Mobile Food Truck and construction projects
 - Manager Certification (ServSafe) one per licensed location
 - Food Safety training for all staff
 - Cottage Food Law applies to district bake sales
- HACCP – Food Safety plan Required by USDA for School Meals Program. (Hazard Analysis Critical Control Point).
- USDA regulations – Two inspections per year per building

Poll the Audience

- What is your greatest concern about your district's food service operation?
 - a) Food and Supply Costs
 - b) Labor Challenges
 - c) Supply Chain issues – availability of Food and Supplies
 - d) All of the above (A, B, C)
 - e) Don't have any concerns



Best Practices: Tools for Managing Your School Food Service Business

- Implement Cycle Menus
- Use Mobile Phone app provided by POS software vendor for student on-line ordering, menu viewing & allergy info.
- Food Service webpage provides important Online Access of Information for parents & students:
F/R Apps, Parent Forms, Menus, Nutrition Information, Local Wellness Policy, Meal Program Access, Meal Charge Policies, Breakfast Outreach.
- Measure Key Performance Indicators (KPI's) – Meals per Man Hour, Cost per Meal, Average Daily Participation, Food Cost analysis


Management Options for your School Nutrition Program

- Self-Operated - FS Director employed by District
 - Shared Services - One FS Director oversees operations of 2 or more districts
 - Contract Management – FS Director is employed by a FSMC that is contracted with the district
-
- A Highly Qualified Director and Professionally Trained Staff

Outsourcing & Alternative Solutions for Food Service Program management

- Employees or Management or Both
- FSMC spells out each party's responsibility for the purchase of and payment for Food, Supplies, Labor
- District Monitoring of Contracts & Performance i
 - Participation & revenue tracking
 - Review P & L monthly
 - District is responsible for submitting monthly claim forms, program applications and F/R meal applications.
- System development and program goals for staff training, equipment, program expansion & growth
- **Leadership of your program remains critical**

Monitoring Food Cost

- Industry standards dictate a food cost not to exceed 40-45% of revenue.
- All menu's need to be costed out to insure costs fall within budgeted levels.
- Utilization of USDA foods (commodities) is critical to controlling food costs. USDA foods represent 12% of food costs. 

Measuring Labor Costs using MPLH

- Meals Per Labor Hour (MPLH) standards help operators to measure productivity. MPLH analysis compares Total Meals to Total Labor Hours to determine productivity levels for each kitchen.

OUTPUT (Total meals Served)

INPUT (Total Labor Hours) = PRODUCTIVITY

High Labor Cost?

Evaluate these factors.....

- Greater than 45-50% of total revenue
 - Too many labor hours allocated
 - Low productivity
 - Inadequate facilities and equipment
 - Lack of training and efficiency
 - Labor intensive menu
 - Planned schedule v. actual worked
 - Labor contract

Procurement Regulations

- 200.421 CNR effective July 1, 2017
- Buy American Provision
 - Domestic Language required in bid documents
 - Buy American Justification Form
- Micro-purchasing Threshold
- Other..
- All purchases outside of Coop subject to procurement review audit.

Formal vs. Informal for **Public Schools, Public School Academies & Intermediate School Districts**

Is your (aggregate) annual purchase valued over the small purchase threshold?

Federal = \$150,000 (Services)

Michigan = \$100,000 (Food)

Michigan = \$28,048 (Non-Food/Supplies)*

Local= Varies

NO



You can
conduct an
informal
purchase

YES



You must
conduct a
formal
purchase

Public Policy & Legislation for Child Nutrition Programs Reauthorization (CNR)

- Reauthorization of the Richard B Russel Child Nutrition Act. Currently program is operating under the 2010 CNR.
- Farm Bill impacts USDA Foods (commodity entitlement) for school meal programs & P-EBT.
- CEP expanded

Advocating for CN Programs

- Expanding NSLP/SBP to offer healthy school meals for all students at no charge (State SB 500/ HB 540).
- Ensure USDA maintains current school nutrition standards, rather than implement additional unachievable rules.
- Reduce regulatory and administrative burdens for school meal program operators.

Final Thoughts

- **Role of support services in your district**
 - How are they contributing to overall student success?
- **School Meal Programming**
 - Are you maximizing all of the programs available to your district?
 - Do you have a financially/nutritionally sound program?
 - Invest in your efforts (equipment, training, program expansion)

Additional Links

- Michigan School Business Officials: www.msbo.org
- School Nutrition Association of Michigan: www.michigansna.org
- School Nutrition Association: www.schoolnutrition.org
- USDA School Meals (main site): www.fns.usda.gov/cnd
- Action for Healthy Kids: www.actionforhealthykids.org
- Food Allergy & Anaphylaxis Network: www.foodallergy.org
- Michigan Dept. of Agriculture: www.michigan.gov/mda
- Eligibility Guidance for School Meals Manual:
<http://www.fns.usda.gov/cnd/Guidance/EliMan.pdf>

Thank You

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- Lori Adkins, CN Consultant Oakland Schools
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Finalize Credit for Attendance

The MSBO Evaluation is your record for attendance.

Please complete by October 19

- ✓ Receive an email from survey monkey for the MSBO evaluation. Your evaluation will be your record for attendance.
- ✓ Receive e-mail from MOECS-noreply@michigan.gov to fill out an evaluation for SCECHs.