



STATE OF MAINE  
DEPARTMENT OF EDUCATION  
23 STATE HOUSE STATION  
AUGUSTA, ME 04333-0023

PAUL R. LEPAGE  
GOVERNOR

May 18, 2017

ROBERT G. HASSON, JR., Ed.D.  
COMMISSIONER

Richard Green  
Superintendent  
Lisbon Public Schools  
19 Gartley Street  
Lisbon, ME 04250

Dear Superintendent Green:

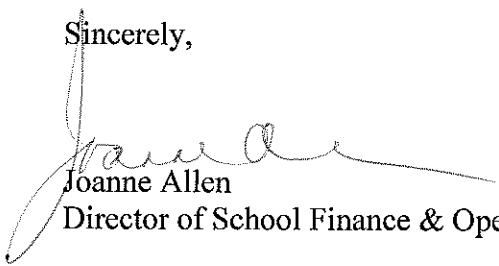
An Administrative Review of the Lisbon School Nutrition Program was conducted on May 2 & 3, 2017. We appreciated the assistance given by you and your staff.

The enclosed Official Notification of Review Findings and Corrective Action describes the corrective action documentation and completion dates discussed during the exit conference. Please return a signed copy of this Official Notification when submitting the corrective action documentation. **Please provide the corrective action documentation by June 16, 2017.** Failure to do this may result in the withholding of reimbursement payments until it is received and/or a follow-up visit verifies that corrective action has been determined as acceptable. We hope that following the exit conference you and your staff addressed the corrective actions and that you will have no problems in meeting the response deadline.

The Official Notification also provides the potential fiscal action, which is an initial estimate of the amount of reimbursement that will be reclaimed. These are only estimates which must be adjusted to the actual date of corrective action for each violation. If documentation of corrective action or acceptable corrective action is not received by the response date stated above, the claim will be recalculated to the end of the school year.

We hope that this review has been helpful to you and your staff. If you should have any questions, or if we can assist in any way please feel free to contact Sarah Platt at 624-6879 or email [sarah.d.platt@maine.gov](mailto:sarah.d.platt@maine.gov).

Sincerely,

  
Joanne Allen  
Director of School Finance & Operations

JA/SDP/sjs

Enclosure

cc: Allison Leavitt

OFFICES LOCATED AT THE BURTON M. CROSS STATE OFFICE BUILDING  
PHONE (207) 624-6600 FAX: (207) 624-6700 TTY USERS CALL MAINE RELAY 711

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**Administrative Review of Lisbon  
School Nutrition Program  
May 2 & 3, 2017**

***Introduction***

The Lisbon School Nutrition Programs were reviewed. Philip W. Sugg Middle School and Lisbon High School were selected to represent the district based on Federal Regulation 7CFR 210.18 and Maine Department of Education, Child Nutrition policies and procedures. The review process consisted of an assessment of program materials from the month of March 2017, as well as onsite program observation at selected schools on May 2 & 3, 2017.

***Performance Standard 1: Meal Access and Reimbursement***

**Certification and Benefit Issuance-** A review of the certification and benefit issuance process was conducted to ensure that meals claimed for reimbursement are served only to those eligible for free, reduced-price and paid school meals. Eligibility documentation for a statistical sample of 336 students receiving free and reduced-price meal benefits was reviewed to validate the certification process. Documentation was in excellent order.

Two errors were found. One application was approved correctly for free meal benefits; however, when entering the information into the benefit issuance system, NutriKids, the household size was entered incorrectly and the family received reduced-price benefits. The second application was incorrectly approved for free meal benefits due to an oversight in total reported income. Both errors were corrected by notifying the families and benefits were changed accordingly.

Two applications required follow-up as the number of household members listed on the application did not match the number of names listed, therefore these applications were considered incomplete. Technical assistance was provided and Ms. Leavitt obtained the necessary information from the families. This did not result in any eligibility changes.

**Verification-** Verification is the process of validating a percentage of approved meal benefit applications. Districts must conduct verification between October 1 and November 15 and the Verification Report is due by November 20 of each year. A review of the Lisbon School Nutrition Program's verification process showed that the process was done correctly and documentation was in excellent order.

**Meal Counting and Claiming-** The district uses the electronic point of service (POS) system, NutriKids, to track reimbursable meals. Meal counts from the March 2017 District Claim for Reimbursement were validated.

***Performance Standard 2: Meal Pattern and Nutritional Quality***

**Meal Components and Quantities-**

**Review Period-** Menus and production records were reviewed for the week of March 6, 2017.

*Breakfast:* Menus were assessed for meeting the daily and weekly requirements for fruit, milk variety and minimum amounts of whole grain rich offerings. Menus and production records were compliant with the meal pattern for the week of review.

*Lunch:* The meal pattern requires that all five meal components (whole grains, meat/meat alternate, fruit, vegetables, and milk) be offered to students daily in the required serving sizes.

At Philip W. Sugg Middle School, it was noted that staff are changing the planned offerings on the fruit and vegetable bar on a daily basis. While this did not result in a meal pattern violation, there is concern of the potential for this to occur. Substitutions to the planned menu should occur in rare situations and when they happen, a like item should be substituted.

Documentation from the week of review showed that the daily “Wow Butter and Jelly” sandwich choice does not meet the weekly minimum requirements for grains and meat/meat alternate and additional items must be offered for this to be compliant with the meal pattern. This was corrected prior to the onsite review.

At Lisbon High School, the macaroni and cheese did not meet the whole grain rich requirements, the chicken nuggets did not meet minimum grain requirements, and the peanut butter and jelly sandwich did not meet minimum requirements for grains and meat/meat alternate. Additional meat/meat alternate and grain need to be offered to reach both the daily and weekly minimum grain requirements.

**Day of Review-** During the on-site portion of this review, meals were observed to ensure sufficient food components were offered to students and Offer versus Serve was implemented properly. Offer versus Serve is the option for students to decline a certain number of meal components as part of a reimbursable meal.

*Breakfast:* At Philip W. Sugg Middle School, the yogurt parfait did not include enough grains to contribute to the meal pattern. This recipe needs to be revised to ensure that at least one ounce of grain equivalents are offered with this meal choice.

*Lunch:* At Lisbon High School, the peanut butter and jelly sandwich did not offer sufficient meat/meat alternate or grain. Technical assistance was provided and additional items were added to this meal option. During service, two students selected the sandwich choice but not the additional items and the cashier incorrectly claimed these as reimbursable meals. It was recommended to bundle the sandwich with the accompaniments to ensure the student selects the minimum quantities to count toward a reimbursable meal.

**Customer Service-** During breakfast on the day of review, it was observed that customer service could be improved at the point of sale. Students are the heart of school nutrition programs and creating an inviting cafeteria will grow meal participation and ensure students have access to a nutritious meal at school. At lunch, customer service at the point of sale was great with the cashier interacting positively with each student.

**Production Records-** Production records are used to support the claiming of meals and therefore, must document the items offered and quantities served as part of a reimbursable meal.

They are also a useful tool for forecasting and waste management. Production records were completed correctly and provided accurate documentation for the menu assessment.

### ***Resource Management***

For the month of March 2017, the financial records were in good order, maintained correctly and provided a clear audit trail.

To determine the program's financial status, annual expenses are compared to annual revenue. For a program to breakeven, the total percent of food, labor and other expenses should not exceed 100%. For SY 2016, revenues and expenses were obtained from the Monthly Income and Expenses report found in NEO, the Maine Department of Education's Data Management System. Town support of \$219,207.95 and an equipment purchase of \$18,000 is not included in our comparison of expenses to revenue below:

<b>SY 2016</b>	<b>Target</b>	<b>Actual</b>
Percentage of Food to Total Revenue	35-40%	38.5%
Percentage of Labor to Total Revenue	50-55%	89.49%
Percentage of Other to Revenue	<u>5-10%</u>	<u>4.23%</u>
	100%	132.23%

Based on the suggested ranges, labor expense is high but food and other expenses are within range.

**Paid Lunch Equity (PLE)** - The program has complied with the PLE requirement for SY 2017. Federal law requires that student paid lunch prices be assessed each year. The PLE tool is released each Spring to assist with this process. The completed tool is submitted to Maine DOE with the annual program agreement prior to the start of the new school year.

**Meal Charging** - The School Nutrition Program has a written procedure for handling meal charges. There is currently an outstanding balance of approximately \$7,500 of unpaid meals for enrolled students. When meal debt becomes uncollectable it is an unallowable expense to the Federal school nutrition program and must be paid by a source outside of the school nutrition program.

**Procurement**- The Lisbon School Nutrition Program is a member of the Merrymeeting Consortium buying group and currently has a formal contract with Dennis Paper & Foodservice as their prime vendor. This contract is renewable through SY 2018. The contract was reviewed by Maine DOE and no problems were found.

**Indirect Costs**- Program regulations 7 CFR 210.14(a) and 220.13(i) require that any cost paid from the non-profit school food service account meet the standards for allowable costs as set out in the Federal cost principles. A review of the financial records from March 2017 showed that indirect costs, costs that cannot be specifically allocated to a program, were charged to the school nutrition account. In this instance, a percentage of the district's trash removal was charged to the school nutrition account. These unallowable costs charged to the school nutrition account from July 2017 through current must be returned to the school nutrition program account. A review of

the prior school year did not take place during the on-site review. This practice of charging unallowable costs to the Federal school nutrition account must stop immediately.

### ***General Program Compliance***

**Records and Record Keeping-** Reports are submitted to the State Agency in a timely fashion and program records are kept for three years, as required. This includes eligibility documentation, menus and production records.

**Smart Snacks Competitive Foods Rule-** The competitive foods rule applies during the school day, defined as the period of midnight before, to 30 minutes after the end of the official school day. The rule applies to all foods sold to students including vending machines, fundraisers and a la carte foods. No issues were found.

**Labor Management-** Labor productivity is expressed as Meals per Worker Hour (MPWH), which is the average meal equivalent of lunch, breakfast and a la carte sales, divided by the total daily labor hours. The MPWH rate is a useful tool to assess how well labor is being managed. Suggested goals are given in a range. The higher number is for a convenience operation, serving primarily pre-made items, such as canned or frozen products which require limited staff hours. The lower number is for primarily conventional school-made from scratch operations, requiring more staff hours.

#### *Philip W. Sugg Middle School*

For the month of March 2017, the MPWH was **10.9**; the minimum goal for this size program is 14-17 MPWH. Labor productivity is below the recommended guidelines at this school.

#### *Lisbon High School*

For the month of March 2017, the MPWH rate was **9.8**. The minimum goal for this size program is 14-17 MPWH. Labor productivity is below the recommended range for this school.

**Meal Participation Rates-** Student participation rates are a valuable measure of the health of a school nutrition program and of student satisfaction.

#### *Philip W. Sugg Middle School*

Participation rates for the month of March 2017 were:

	Free	Reduced	Paid	<b>Overall</b>
Breakfast	37.36%	34.03%	13.27%	<b>28.22%</b>
Lunch	66.07%	63.23%	38.58%	<b>55.96%</b>

#### *Lisbon High School*

Participation rates for the month of March 2107 were:

	Free	Reduced	Paid	<b>Overall</b>
Breakfast	8.89%	16.98%	1.91%	<b>9.26%</b>
Lunch	48.29%	53.23%	42.74%	<b>49.58%</b>

This is the first year that Lisbon High School has offered a breakfast program. As the program grows, they may wish to consider alternate serving methods such as Grab-n-Go as means to increase participation.

**USDA Food Program**- The USDA Food Program is being utilized well and no problems were observed during the review.

**Food Safety and Sanitation**- The kitchen and food storage areas at both schools were clean and well organized. Health Inspection reports were displayed for public view, as required.

Maine DOE requires that a complete sample meal, including milk, be covered, dated and kept for 48 hours. This was current practice at both reviewed schools.

Federal Regulations require schools to have a Food Safety Program based on Hazard Analysis and Critical Control Points (HACCP) for the preparation and service of meals. Written Standard Operating Procedures were available for review.

Each school preparing and/or serving meals is required to have at least one Certified Food Protection Manager on staff. The Lisbon School Nutrition Program currently meets this requirement.

**Civil Rights**- Non-discrimination posters were posted in both cafeterias as required and staff have participated in the required annual training. During the on-site review, the Kitchen Manager was observed sharing the eligibility status of a student with a school employee who does not work for the school nutrition program. This is a serious breach in confidentiality as student eligibility cannot be shared without parental consent to an unauthorized person.

**Monitoring**- An on-site monitoring review is required by February 1 of each year. A suggested form is available on our website so adequate documentation can be maintained. These had been completed on time.

**Wellness Policy**- Each local educational agency that participates in the National School Lunch Program or other federal Child Nutrition programs is required by federal law to establish a local school wellness policy for all schools under its jurisdiction. The Lisbon School Department's wellness policy was reviewed and the following required element was not included:

- Nutrition guidelines for all foods and beverages available during the school day to students (both sold and not sold)

**Training/Professional Development** – The professional development standards took effect July 1, 2015. Annual training is required and documentation of continuing education hours for all food service employees need to be maintained. The required annual professional development hours are as follows:

**SY 2017**

School Nutrition Director	12 Hours
Kitchen Manager	10 Hours
Staff (20+ hours/week)	6 Hours
Part time Staff (<20 hours/week)	4 Hours

School Nutrition Program staff are on track to meet the professional standard training hours.

**Corrective Action-** Corrective action is required as a result of this Administrative Review. The enclosed form outlines what is required. A detailed response and documentation of the corrective action must be returned to our office by the date specified, along with the enclosed form signed by the Superintendent.

**Findings-** Findings from the review must be posted and made available to the public by federal law. This is part of the Healthy, Hunger Free Kids Act of 2010. They can be posted on the school website or made available at a public hearing or school board meeting.

### **Summary**

Overall, the Lisbon school nutrition program is running very well. This is Ms. Leavitt's second year as the Director of the program and she has done a great job learning the program regulations and managing the program. Program staff should be applauded for their efforts to comply with the complex program requirements. It was a pleasure to review this program.

Sincerely,

A handwritten signature in cursive script that reads "Sarah Platt".

Sarah Platt, RD, SNS  
Child Nutrition Consultant

## Official Notification of Review Findings and Required Corrective Action

**Local Education Agency:** Lisbon School Department

**Local Education Official:** Richard Green, Superintendent

*Instructions:* Please submit a detailed response for each of the review findings listed below. Responses must be attached to this document and must address the following:

- How the finding was corrected (include who, when & how)
- Documentation that the finding has been corrected district-wide
- How this action will ensure future compliance

**This review will remain open until this form has been signed and returned by the Local Education Agency Official, along with the requested documentation that the review finding(s) has been corrected. In accordance with §210.18(k), failure to return completed documentation within 30 days from the corrective action deadline date will result in the withholding of reimbursement payments.**

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### **Finding 1 – Meal Access and Reimbursement: Certification and Benefit Issuance**

*Two meal benefit application errors found.*

Corrective Action: Correct meal benefits, notify the families of the change and submit a copy of the notification letter to the reviewer.

Date Due: Complete

Estimated Fiscal Action: None

### **Finding 2 – Meal Access and Reimbursement: Meal Counting and Claiming**

*On the day of review at Lisbon High School, two lunch meals were claimed for reimbursement that did not meet meal pattern requirements.*

Corrective Action: Explain how the peanut butter and jelly sandwich choice will be modified to ensure it contributes to a reimbursable meal.

Date Due: Complete

Estimated Fiscal Action: None at this time

### **Finding 3 – Meal pattern and Nutritional Quality: Meal Components and Quantities**

*Insufficient meat/meat alternate and grain offered at Philip W. Sugg Middle School and Lisbon High School.*

Corrective Action: Submit documentation of how the meal pattern errors listed in the report have been corrected.

Date Due: June 16, 2017

Estimated Fiscal Action: None at this time



**Finding 4 – Resource Management: Indirect Costs**

*Process of charging the school nutrition account for trash removal is not compliant with Federal cost principals 2CFR200.430(8)(i)*

Corrective Action: Reimburse the School Nutrition Program for all indirect costs charged for SY 2017. Submit documentation of total amounts and a copy of the journal transfer.

Date Due: June 16, 2017

Estimated Fiscal Action: None

**Finding 5 – Civil Rights**

*The eligibility status of a student was shared with a school employee.*

Corrective Action: Submit documentation of how this has been corrected.

Date Due: June 16, 2017

Estimated Fiscal Action: None

Reviewer's Signature Sarah Platt Date 5/18/2017

**You may be subject to a revisit if the error tolerance level was exceeded.**

X 1<sup>st</sup> Review          Revisit

Date Mailed to School/Institution Official 5/19/17

Submit to: Maine Department of Education  
Child Nutrition  
23 State House Station  
Augusta, ME 04333-0023

Send Response no later than         June 16, 2017        

Superintendent

Signature of Local Education Agency Official

Title

Date