FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Curtis Creek Elementary School District

Food Service Review

April 17, 2020

Michael H. Fine
Chief Executive Officer

FCMAT

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Terri Bell, Superintendent
Curtis Creek Elementary School District
18755 Standard Road
Sonora, CA 95370

Dear Superintendent Bell:

In January 2020, the Curtis Creek Elementary School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for FCMAT to conduct a review of the district's Food Services Department. The agreement stated that FCMAT would perform the following:

1. Examine the Food Service Department's operations including, but not limited to, food preparation, meal service, student participation, staffing, federal and state compliance, menu planning, purchasing, warehousing and food storage, inventory, and facilities, and make recommendations for improved efficiency, if any.
2. Evaluate the department's workflow and distribution of functions, and make recommendations for improved efficiency, if any.
3. Review training and professional development programs for the department's employees and managers, and make recommendations for improvements, if any.

This final report contains the study team's findings and recommendations. FCMAT appreciates the opportunity to serve the Curtis Creek Elementary School District and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,

Michael H. Fine
Chief Executive Officer

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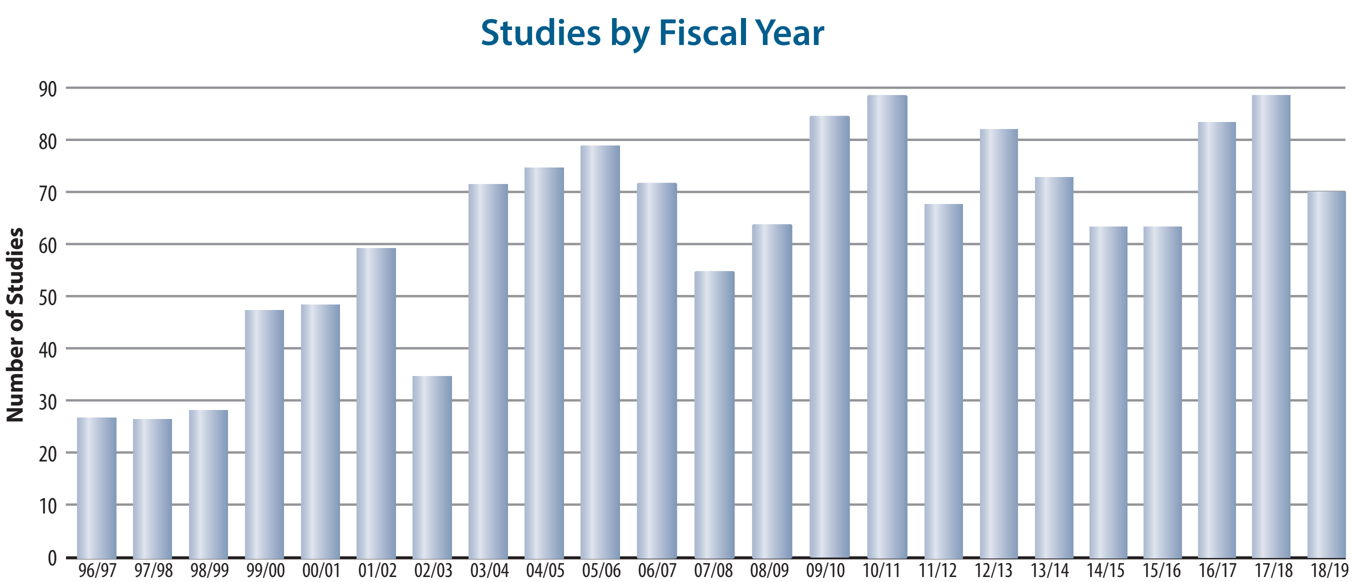
About FCMAT

FCMAT's primary mission is to assist California's local K-14 educational agencies to identify, prevent, and resolve financial, human resources and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related school business and data services. FCMAT's fiscal and management assistance services are used not just to help avert fiscal crisis, but to promote sound financial practices, support the training and development of chief business officials and help to create efficient organizational operations. FCMAT's data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and inform instructional program decisions.

FCMAT may be requested to provide fiscal crisis or management assistance by a school district, charter school, community college, county office of education, the state Superintendent of Public Instruction, or the Legislature.

When a request or assignment is received, FCMAT assembles a study team that works closely with the LEA to define the scope of work, conduct on-site fieldwork and provide a written report with findings and recommendations to help resolve issues, overcome challenges and plan for the future.



FCMAT has continued to make adjustments in the types of support provided based on the changing dynamics of K-14 LEAs and the implementation of major educational reforms.FCMAT also develops and provides numerous publications, software tools, workshops and professional learning opportunities to help LEAs operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) division of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS). CSIS also hosts and maintains the Ed-Data website (www.ed-data.org) and provides technical expertise to the Ed-Data partnership: the California Department of Education, EdSource and FCMAT.

FCMAT was created by Assembly Bill (AB) 1200 in 1992 to assist LEAs to meet and sustain their financial obligations. AB 107 in 1997 charged FCMAT with responsibility for CSIS and its statewide data management work. AB 1115 in 1999 codified CSIS' mission.

AB 1200 is also a statewide plan for county offices of education and school districts to work together locally to improve fiscal procedures and accountability standards. AB 2756 (2004) provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans.

In January 2006, Senate Bill 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT's services to those types of LEAs.

On September 17, 2018 AB 1840 was signed into law. This legislation changed how fiscally insolvent districts are administered once an emergency appropriation has been made, shifting the former state-centric system to be more consistent with the principles of local control, and providing new responsibilities to FCMAT associated with the process.

Since 1992, FCMAT has been engaged to perform more than 1,000 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Michael H. Fine, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

Introduction

Background

The Curtis Creek Elementary School District is located in Tuolumne County in the city of Sonora and, according to 2018-19 census day enrollment, serves approximately 454 students at a single school site. The free and reduced meal eligibility for the district was 55.1% for the 2018-19 school year.

The district has been deficit spending in cafeteria operations over the past several years and requested FCMAT to conduct a study of the district's Food Services Department.

Study and Report Guidelines

In January 2020, the Curtis Creek Elementary School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for FCMAT to conduct a review of the district's Food Services Department.

FCMAT visited the district on February 11, 2020 to conduct interviews with district and school site staff, collect data and review documents. Following fieldwork, FCMAT continued to review and analyze documents. This report is the result of those activities.

FCMAT's reports focus on systems and processes that may need improvement. Those that may be functioning well are generally not commented on in FCMAT's reports. In writing its reports, FCMAT uses the Associated Press Stylebook, a comprehensive guide to usage and accepted style that emphasizes conciseness and clarity. In addition, this guide emphasizes plain language, discourages the use of jargon and capitalizes relatively few terms.

Study Team

The study team was composed of the following members:

Scott Sexsmith
FCMAT Intervention Specialist

Roy Rico
FCMAT Consultant

Laura Haywood
FCMAT Technical Writer

Each team member reviewed the draft report to confirm accuracy and achieve consensus on the final recommendations.

Executive Summary

Budget

One of the district's primary concerns with the Food Service Department is ongoing deficit spending and the contributions from the unrestricted general fund. A review of the district's cafeteria fund budget 2017-18 through 2019-20 shows that expenses have exceeded revenues in each year, and indirect costs have not been charged to the fund.

The district's unaudited actuals reports indicate that the cafeteria fund deficit spent $39,837 in 2017-18 and $40,045 in 2018-19 and, based on the first interim report, is projected to deficit spend $71,274 in 2019-20. The unrestricted general fund contributed $34,500 to the cafeteria fund in 2017-18 and $50,000 in 2018-19, and an additional contribution of $71,269 is projected in 2019-20.

Based on FCMAT's experience, labor costs and the costs for food and supplies should each be no greater than 40%-45% of revenue. The district's costs for food and supplies is within the industry standard of 34% to 38% of revenue. The district's annual labor costs from 2017-18 through the 2019-20 first interim report are much higher. The department has average labor costs of 80%-97% of annual revenue. To address deficit spending and the unrestricted general fund contribution, the district needs to identify areas of cost reductions and/or revenue increases.

Staffing, Meals per Labor Hour, Participation and Eligibility

The Food Service Department has four employees, including a full-time food service manager. At the time of FCMAT's fieldwork, one food service assistant position was open. The job descriptions for food service positions need to be reviewed and updated to ensure that duties and job requirements are current.

Meals per labor hour (MPLH) is an industry-standard formula used to measure labor efficiency and help determine appropriate staffing levels in a food service operation. In school food service, the best practice standard is 30 MPLH. FCMAT's analysis shows 16 MPLH, which indicates overstaffing for the number of meals served. Even though the district has a low free and reduced-price eligibility percentage, the small campus with an accessible cafeteria should make it relatively easy for the district to have a higher participation percentage. Breakfast in the classroom, second chance breakfast, menu changes and food bars should all be explored.

The food service manager needs to be the leader in menu planning to ensure compliance with regulations. Input from site food service staff should be obtained for menus, and a variety of foods should be offered without excessive repetition. Implementing a cycle menu would simplify this task. All menus need to be properly analyzed and recipes created. A user-friendly, easy-to-read menu should be developed and posted on the district website and in the school cafeteria.

Meal Program Compliance and Menus

Based on the limited number of documents provided by the district in this review area and FCMAT's meal service observations, it appears that the district offers the correct amount of fruits and vegetables, including the subgroups. However, some of the fruits are repeated rather than giving students a variety of choices. National School Lunch participants must maintain meal production records that document the amounts and types of foods used to comply with federal and state regulations. To further review compliance in this area, the FCMAT study team requested two weeks of production records that were not provided; therefore, this area was reviewed as if the documents were never created or recorded.

The district's monthly menus are incomplete. Only the main entrée is listed on each day of the month, with a vague list of possible side items listed in a separate section. It is difficult for students and parents to determine the complete menu being offered on any given day. The food service manager writes the menus, and district administration approves them. The menus consist of a combination of partial scratch and ready-made packaged items.

Personnel Activity Reports

The district needs to ensure that all multifunded positions are documented by personnel activity reports (PARs) as required by the CDE and federal regulations. Alternative documents such as a predetermined work schedule may be acceptable instead of a PAR to document the time an individual works on multiple activities or cost objectives on a predetermined or fixed schedule. This alternative method must be preapproved by the state before it is used.

Training and Professional Development

Food service staff members need to receive regular training to be able to understand and perform their jobs and follow regulations. The USDA has established minimum training requirements for food service personnel. An annual staff training plan is needed to ensure that specific topics, such as required food components and portions for meal service, are explained and understood. It is essential for the food service manager to thoroughly understand and implement program regulations, stay current with and train all staff in the necessary program requirements, and routinely evaluate the program to ensure compliance and efficient program operation.

State Administrative Review

The district's last review was in 2018-19. The review cited several areas of noncompliance, and the district was informed of required corrective action. Some issues were corrected at time of review, some required corrective action, and some resulted in technical assistance.

Purchasing and Inventory

The function of inventory is to help a food service department identify the items in stock, their related costs and how best to manage and control them. The FCMAT study team requested inventory records but none were provided; therefore, this area was reviewed as if these documents were not recorded or created.

The district does not publish bids or request proposals for any of the products used in the food service program. Although Education Code and district regulations allow for products to be purchased without a bid, districts often find they can obtain the best price and service by issuing a bid, obtaining quotes, or piggybacking on the bids of other districts.

Facilities and Equipment

The FCMAT study team visited the district's food preparation kitchen and storage areas. For the size of the district, the facilities are adequate. The replacement of outdated kitchen equipment could be a significant improvement. Two equipment items require immediate replacement. The double-stack oven has a hole in the bottom section and the salad bar has a crack in the sneeze guard. According to district staff, quotes were being obtained to replace both items.

Findings and Recommendations

Budget

A district food service program should ideally be self-sustaining. Revenues generated by a program should be able to fund all department expenses, including indirect costs, with appropriate reserves maintained.

FCMAT reviewed the district's cafeteria fund budgets for the current and preceding two fiscal years and found that since fiscal year 2017-18 program expenditures have exceeded revenues (also known as deficit spending), which indicates an ongoing structural budget deficit. The unaudited actuals report for the district's cafeteria fund indicate that the food service program deficit spent $39,837 in 2017-18 and $40,045 in 2018-19. The district's 2019-20 first interim report projects that the program will deficit spend $71,274.

The district does not charge indirect costs to the cafeteria fund. Indirect costs are business and administrative expenses for services provided to all programs, such as budget, payroll, accounts payable, human resources and data processing. The true program cost is not shown if indirect costs are not budgeted and charged to the cafeteria fund. The California School Accounting Manual (CSAM) provides guidelines for allowable indirect cost amounts and how to calculate them. Even in a deficit spending situation, the district should charge indirect costs to the cafeteria fund because they are legitimate responsibilities of the program.

The district's 2017-18 unaudited actuals report and its audited financial statements for the fiscal year ended June 30, 2018 indicate a fund balance of $6,746; however, $34,500 was transferred in from the unrestricted general fund. The 2018-19 unaudited actuals report indicates a cafeteria fund balance of $16,701, and $50,000 transferred in.

Food and labor costs are the majority of any food service expense budget. Based on the study team's experience, to manage the program effectively the goal for these expenses should be 40%-45% each as a percentage of revenue. The district's labor expenses are much higher throughout the period reviewed. Labor costs were 80% of revenue for fiscal years 2017-18 and 2018-19. Food costs for the period reviewed are within the industry standard of 34% to 38% of revenue.

The district's first interim report indicates that the program will deficit spend in the amount of $71,274 in 2019-20, with a projected transfer in of $71,269 from the general fund. An analysis of the report indicates that labor is projected to be 97% of revenue, well above the standard of 40%-45%. In addition, the district does have uncollected student meal charges. At the time of FCMAT's review, the total amount was not available.

Cafeteria Fund Budget Trends

	2017-18	2018-19	2019-20
	Unaudited Actuals	Unaudited Actuals	First Interim
Beginning Fund Balance	$12,083	$6,746	$16,701
Total Revenues	167,527	171,626	177,642
Salaries	93,701	90,862	117,314
Benefits	40,822	45,662	55,266
Total Salaries and Benefits	134,523	136,524	172,580
Salaries/Benefits% of Revenue	80%	80%	97%
Food and Supplies	59,102	65,936	60,366
Food/Supplies % of Revenue	35%	38%	34%
Services and Other Operating	13,739	9,211	16,000
Indirect Costs	0	0	0
Total Expenditures	207,364	211,671	248,916
Excess (Deficiency)	(39,837)	(40,045)	(71,274)
Transfers In	34,500	50,000	71,269
Ending Fund Balance	$6,746	$16,701	$16,696

Source: District financial reports

Rounding used in calculations

To address deficit spending and the unrestricted general fund contribution, the district needs to identify areas of cost reductions and/or revenue increases. As discussed in other sections of this report, revenue may be increased and/or costs reduced by increasing student participation, standardizing menus, collecting outstanding student meal debt, changing procurement and ordering practices, and operating offer versus serve correctly (a meal planning option that is discussed further in the meal program compliance and menus section of this report).

Food costs will vary depending on the type of services offered. Districts that offer only meals cooked from scratch have lower food costs but higher labor costs than those that buy premade meals. For example, food costs for meals prepared from scratch should be approximately 35% of revenue, while premade meals are usually 40%-45% of revenue. Because the district offers both premade meals and meals made from scratch, its average food cost should be approximately 40% of revenue. The district's food costs for the period reviewed are within the industry standard of between 34% and 38% of revenue.

A review of the district's annual labor costs from 2017-18 through the 2019-20 first interim report indicates they are much higher than the expected standard. The department has average labor costs of 80% to 97% of annual revenue. It is important to keep a balance of revenue to expenditures; to accomplish this, labor costs should be within the recommended guidelines of 40%-45% of total revenue. A portion of the increased cost for labor has been imposed on the food service program because of increases in the California Public Retirement System (PERS) employer contribution rates. It would benefit the district to review the program's hourly labor and benefit rates and compare them to other programs in similar regions. High labor costs can also be an indicator of excess staffing, which is further analyzed in the staffing and meals per labor hour section of this report.

Recommendations

The district should:

1. Eliminate deficit spending in the cafeteria fund by developing and implementing a plan to reduce expenditures and/or increase revenues.
2. Charge the full allowable indirect cost rate to the cafeteria fund.
3. Reduce its labor costs to align with industry standards and best practices.
4. Review the hourly labor and benefit rates for the Food Services Department and compare them to other programs in similar regions.
5. Review department staffing levels to identify labor efficiency, review each open position against efficiency ratios before filling the position, and reduce labor hours.

Staffing and Meals per Labor Hour

Staffing

Because labor costs are generally one of the largest expenses in a food service operation, it is important for the department to operate efficiently and to ensure that staffing ratios are adequate to meet the needs of the program without being excessive. Best practice for labor costs is approximately 40%-45% of revenue. As discussed in the budget section of this report, labor costs in the prior two years reviewed have been 80% of revenue. Current year projections are 97%. This is excessive and often indicates overstaffing.

The Food Service Staff Department consists of the following:

- Food Service Manager 8 hours
- Food Service Assistant 4 hours
- Food Service Assistant 3 hours (position currently vacant with a substitute when available)
- Food Service Assistant 2 hours
- Total Hours 17 hours

The district consists of one K-8 school campus. Students have staggered lunch periods grouped by grade level. A program with one kitchen and one cafeteria should provide for an efficient meal service. All employees are in one place and all food deliveries, storage, preparation, service and cleanup happen centrally. This should require fewer employees and fewer labor hours than a district of many sites with staff and food to transport.

The study team observed both breakfast and lunch service during its site visit. The food service manager reports at 6 am to prepare breakfast and works until 2:30 pm. The 4-hour food service assistant reports at 7:15 am and works until 11:15 am. The food service assistant manages breakfast meal setup and service on the serving line and the food service manager records meals served at the Mosaic point-of-service (POS) computer. The other two food service assistants report at 10:30 am and 11:30 am respectively and work until 1:30 pm to assist with lunch meal service and cleanup. The food service manager also operates the POS at lunch.

The food service assistant job description is outdated. It has an approval date of December 6, 2001. The job description includes tasks that are not relevant to the food service program. It also lists duties related to food delivery to another school site; however, the district has only one school. In addition, the job description does not list the mandatory requirement of a food safety certificate.

The food service manager job description lists a combination of administrative and food preparation duties. The job description has an approval date of September 12, 2006. Most of the job duties and requirements are still relevant; however, the responsibility of operating a POS system to account for reimbursable meals is not listed. During the study team's breakfast and lunch meal observation, the food service manager is the employee that certifies that students are being served a reimbursable meal by utilizing the POS. This is an important function of a food service program because most of the department's revenue is generated from student reimbursable meals participation.

Reviewing and revising job descriptions to ensure that duties and job requirements are correctly identified is essential.

Meals per Labor Hour

Meals per labor hour (MPLH) is an industry standard used to assess labor efficiency and help determine appropriate staffing levels. Usually only labor hours for food service staff at schools are used in the calculation. Labor hours for management, clerical and warehouse staff are not included because the calculation is a measure of the labor it takes to prepare and serve the meals at schools. However, many duties are shared in this food service program so there is no clear separation of duties and all food service hours are included in the calculation.

An MPLH analysis was completed for the district that analyzed the meals served in September 2019. Typically, the month of October is used for the analysis, but the district could not provide accurate free and reduced-price meal eligibility information for October due to an error in the student eligibility accounting system. October is the cutoff month for prior year student eligibility and new meal applications processing, so the month normally provides an accurate snapshot of student participation.

MPLH is calculated in many ways, and it is important to be consistent in the method used. Breakfast is sometimes counted as a fraction of a meal equivalent because it is simpler to prepare and serve. The district's breakfast menus are a combination of ready-to-serve items, and some are prepared and cooked on site. Therefore, breakfasts were each counted as one meal equivalent in this analysis. The district does not serve snacks or a la carte items.

It is best practice to maintain an MPLH of approximately 30. The district has an average of 16 MPLH, indicating overstaffing.

Meals per Labor Hour - September 2019

Breakfasts per Month	1,743
Breakfasts per Day	87
Lunches per Month	3,780
Lunches per Day	189
Total Meals for Month	5,523
Total Meals per Day	276
Total Meal Equivalents	276
Labor Hours	17
Meals per Labor Hour (MLPH)	16

Source: September 2019 reimbursement claim. Rounding used in calculations.

At the time of FCMAT's fieldwork, a three-hour food service assistant position was vacant, and a substitute was covering the position. Based on the current MPLH calculation, the district should consider not filling this position. The other food service assistants could split the duties.

Food service employees have worked for the department for many years and are accustomed to performing tasks as they have in the past. Changes such as eliminating positions, reducing hours or changing duties to require more crossover of responsibilities may be difficult for some staff. The best method of dealing with a staffing reduction is often by eliminating vacant positions. Staff should be informed about the department's financial issues, such as deficit spending and the contribution from the unrestricted general fund, so they understand why changes are necessary. A team effort will be necessary to improve the food service program, and staff are more likely to accept changes if they understand the reasons.

Recommendations

The district should:

1. Review and revise the Food Services Department job descriptions to reflect current job duties and requirements of positions.
2. Establish a procedure to regularly reconcile the food service software system and the student information system to ensure that the food system includes accurate information.
3. Consider not filling the vacant 3-hour position.
4. Reduce labor hours if student participation is not significantly increased.
5. Review all vacancies as they occur to determine if they can be eliminated or reduced in hours.

Participation and Eligibility

Participation

The average number of meals served per day in September 2019-20 was also compared to participation in school years 2017-18 through 2018-19. There was a significant reduction in the average number of lunches served in 2018-19 compared to the other two fiscal years. As discussed later in this report, changes in meal counts and participation should be closely monitored to determine if menu changes have a significant impact.

Meal Comparisons - September of Each Year

	2017-18	2018-19	2019-20
Daily Averages			
Breakfast	78	76	87
Lunch	193	171	189
Source: September reimbursement claims. Rounding used in calculations.			

MPLH ratios can be improved in two basic ways: increase student participation or reduce staff, and it often requires some of each. The most positive way to improve MPLH is to increase participation. Even though the district has a low free and reduced-price eligibility percentage, the small campus with an accessible cafeteria should make it relatively easy for the district to have a higher participation rate.

Making sure students have breakfast provides them with nutritional benefits, helps increase academic achievement, and could increase cafeteria revenue and be part of the solution to balance the food service budget. Because of the district's current low participation, any increase in breakfast participation would be a significant increase in revenue. Although food costs would increase, labor costs should not because the current number of labor hours could accommodate an increase in student participation.

The district should consider other alternatives to capture the maximum participation. Many districts offer a midmorning breakfast or second chance breakfast during a nutrition break or passing time. This may help increase breakfast participation and thus improve MPLH results. This often works well because many students either arrive late or are not hungry before school but are much more interested in eating later in the morning.

A method that may ensure that 100% of students in attendance participate is serving breakfast in the classroom. The main complaints about this method of service are messes in the classroom and time taken away from teaching. These concerns have been overcome in districts that have successfully implemented this type of service. Ready-to-eat entrées such as cereal bars, muffins, and breakfast sandwiches could be served along with fruit, juice, and milk. Students can eat at their desks while teachers make morning announcements and take attendance. Reimbursable breakfast meal counts can be completed when taking attendance. Some teachers use this time to give nutrition or health lessons, which can help fulfill the wellness requirements for nutrition in the classroom.

Another breakfast alternative for middle school students is to offer a second chance breakfast at the morning break. The Food Services Department could consider serving grab-and-go breakfasts in the quad area rather than having the students come in the cafeteria. This is often a better alternative for this age group because they frequently are not hungry first thing in the morning. This may not be a viable option for elementary students because their lunch periods are much earlier and scheduling a midmorning breakfast would be difficult. However, this option could also be considered if the bell schedules can be arranged to accommodate this type of service.

Eligibility

Eligibility is an important factor in meal participation. Forty-four percent of the district's students are eligible for free or reduced-price meals, and only an average of 62% of eligible students participate in the lunch program. An average of 29% of free or reduced-price eligible students participate for breakfast. Total district participation (students eligible for free or reduced-price meals and those who pay) at breakfast is just 18%, and at lunch 38%. It is not uncommon for before-school breakfast participation to be low, but participation should be higher at lunch. Ways to improve lunch participation are discussed in another section of this report.

Student Enrollment and Meal Eligibility

	2017-18	2018-19	2019-20
Enrollment	457	450	494
Free and Reduced-Price Meal Eligible Students	249	240	219
Percent of Enrollment	54%	53%	44%

Source: September reimbursement claims. Rounding used in calculations.

The district uses the standard method of claiming federal and state reimbursement for breakfast and lunch served to students. With this method, the district receives reimbursement based on each participating student's meal eligibility of free, reduced, or paid. For students who qualify for free lunch, the district can claim the highest reimbursement of $3.67 for each served meal; the reduced-priced per-meal reimbursement rate is $3.27; and the district gets 34 cents for each paid meal. The rates of reimbursement typically increase slightly each school year. Aside from these reimbursement rates, the district receives an additional seven cents per meal for all lunches served (free, reduced, and paid).

The district receives reimbursement by reporting daily counts of meals served by eligibility category using Mosaic, an automated meal counting system. The district's internal audit report dated June 30, 2019 for fiscal year 2018-19 indicates an audit finding of $5,176. The error is the result of 10 student records having the incorrect eligibility status. The district has implemented a three-step process for reviewing and certifying student meal application forms to verify and confirm that applications are correctly certified. As discussed in the meals per labor hour section of this report, the eligibility data reporting system for the district is also an issue.

Recommendations

The district should:

1. Make increased student participation a priority, and consider the following options:
   - Provide breakfast alternatives such as grab-and-go meals, breakfast in the classroom and/or a second chance breakfast.
   - Encourage students to participate in the program.
   - Educate staff in the importance of student participation in the food service program.
2. Closely monitor changes in meal counts and student participation and adjust menus as necessary.
3. Ensure that the food service manager monitors student eligibility monthly. Compare to participation to identify issues or trends and adjust menus, meal service times, and/or location as necessary.
4. Ensure that each student's meal application eligibility is correctly certified in all district student data systems.

Meal Program Compliance and Menus

Meal Pattern Requirements

The district participates in the National School Lunch and School Breakfast programs, which are regulated by USDA and the CDE. During federal reauthorization in 2010, regulations were updated with the most comprehensive changes to the program in 15 years. Initial guidelines became effective in the 2012-13 school year and have continued to become stricter.

Section 9(a)(4) of the Richard B. Russell National School Lunch Act (NSLA) requires that school meals adhere to the latest Dietary Guidelines for Americans (Title 42 United States Code Section 1758(a)(4)). In addition, Section 201 of the Healthy, Hunger-Free Kids Act of 2010 amended Section 4(b) of the NSLA to require the USDA to issue regulations to update meal patterns and nutrition standards for school lunches and breakfasts based on recommendations issued by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences. These websites contain additional information regarding the regulations:

www.fns.usda.gov/school-meals/healthy-hunger-free-kids-act

www.cde.ca.gov/ls/nu/sn/nslp.asp

The regulations seek to increase the fruits, vegetables, whole grains, and fat-free and low-fat fluid milk on school menus; reduce the levels of sodium, saturated fat and trans-fat in school meals; and meet the nutritional needs of schoolchildren within specified calorie requirements. The intent is to provide meals that are high in nutrients and low in calories, which better meets students' dietary needs and protects their health.

In addition to higher fruit and vegetable requirements, districts must offer a wider variety of vegetables, including specified weekly amounts of vegetable subgroups. These subgroups include dark green, red/orange, starchy, and legumes. Although this is nutritionally sound, it has complicated menu planning and, to some extent, student acceptance. A full cup of fruit must be offered at breakfast for all grade levels. At lunch, one-half cup of fruit and three-fourths cup of vegetables must be offered to K-8 students, and one cup of both fruit and vegetables must be offered to high school students. Students must take at least one-half cup of fruit or vegetable with both breakfast and lunch, regardless of whether they want it. Districts have experienced an increase in waste because of this requirement.

Based on the limited number of documents provided by the district in this review area and FCMAT's meal service observations, it appears that the district offers the correct amount of fruits and vegetables, including the subgroups. However, some fruits are repeated rather than giving students a variety of choices per the intent of the regulations. For example, during the study team's meal service observations, a fresh apple served for breakfast was also served for lunch. National School Lunch participants must maintain meal production records that document the amounts and types of foods used to comply with federal and state regulations.

To further review compliance in this area, the FCMAT study team requested two weeks of production records from the district. The district did not provide the documents; therefore, FCMAT has reviewed this area as if the documents were never created or recorded.

Menus

The district's monthly menus are incomplete. They follow the K-8 meal pattern but there is no apparent pattern in how they are written. Only the main entrée is listed on each day of the month, with a vague list of possible side items listed in a separate section. It is difficult for students and parents to determine the complete menu being offered on any given day. The food service manager writes the menus, and district administration approves them. The menus consist of a combination of partial scratch and ready-made packaged items.

Most school districts use a system in which menus are repeated within a specific time frame, such as every four weeks. In a cycle menu the same items often appear on the same day of the week or the same week in the month so students can anticipate favorite menu days. Because some days are more popular with students than others, a cycle menu helps food service staff and the manager establish a product usage history, which in turn makes it easier to order the correct quantities in advance.

During interviews there was some discussion of a desire to go back to all scratch cooking. Due to labor concerns, and the fact that there are many good quality ready-made products available, a combination of “speed-scratch” or partial scratch cooking could be utilized, along with ready-made packaged items. Speed scratch is when precooked products, such as pre-cooked ground beef, are used for tacos, nachos, and spaghetti. For food quality and more appeal, all menu possibilities should be considered.

Many districts have had success offering two or more entrées at lunch for middle school students. Food bars such Italian, Mexican, or Asian are also popular with this grade level. These food bars can be a little more time consuming for food service staff and more challenging to fit within regulations, but they are often popular with students and provide them with more flexibility to mix and match food components that suit their preferences. The same foods are used for other menu items so inventory isn’t increased, but ingredients can be mixed and matched to tailor to student preferences and promote more participation.

Meal Service

Offer versus serve (OVS) is a meal planning option that allows students to decline some of the food offered in a reimbursable meal. The goal is to reduce food waste and extra expense while letting students choose the foods they want to eat. At least five items must be offered at lunch and four at breakfast. Students may take all the items offered; however, they are only required to take three items at each meal. Other than the requirement that one of the items be a fruit or vegetable, students may choose or refuse whatever they want. Regulations require OVS at high schools, and it is highly encouraged at other grade levels.

The district does not follow the OVS concept correctly. Students do not select the required number of items for a reimbursable meal. During the study team’s breakfast and lunch meal observation, several students left the serving line without a complete meal. The meals were still recorded as reimbursable in the Mosaic point-of service system. In a state administrative meal program review, these meals would be disallowed, and fiscal action potentially taken against the program.

On the day that FCMAT visited the district, students were offered a choice of entrée for breakfast, either a breakfast burrito or cereal, and cranberries, yogurt, apple, graham crackers, and milk as other side options. The burrito was prepared on site, but neither the production record nor the recipe were available at time of meal service. The district also provides breakfast daily in a classroom before school for a group of approximately 30 students known as the M & M club.

For lunch, the students were offered nachos for the main entrée, but the menu noted that it was Taco Tuesday. The side items offered were corn, apples, cherries, salad mix, and choice of milk. The main entrée was served on the main serving line, and all other items on the salad bar. The milk was in crates on the floor in front of the salad bar. The food trays were being stacked with nacho chips on the serving line prior to students picking up their tray. This is an unsanitary practice as the nacho chips came into contact with the bottom of the trays. The corn was a hot entrée, so it could be offered on the regular serving line along with the main entrée. The salad bar was not equipped with ice or reusable portable ice packs to maintain the items offered at the proper temperature. FCMAT requested temperature logs from the district for a one-week period, but the district was unable to provide the requested documents. FCMAT has reviewed this area as if these documents were never created or recorded.

Recipes

The district lacks recipes for menu items and products being served. FCMAT was provided with several generic USDA recipes rather than standardized recipes used for the district's menu items. Regulations require recipes for all items served even if they are convenience products. FCMAT requested the recipes for two main entrée items offered during the month of January 2020 and none were provided. To analyze menus in a nutritional analysis software program, recipes must first be created that include the product name, yield per case, portion size, cooking instructions, and required temperatures for heating and holding.

Recipes should be created for all items served, including salad items that change throughout the week. A basic recipe could be written, along with a weekly rotation guideline stating what fruits and vegetables are served each day of the week. Such a guideline is necessary to ensure that the program is following guidelines and the intended menus are complete and compliant. It would also assist staff with not offering the same items for both meal services.

Recommendations

The district should:

1. Offer a variety of fruits and vegetables, ensure that the varieties listed on the menu are what is served, and ensure that guidelines regarding the day's items to be served are provided to food service staff.

2. Create a written menu format for public use (cafeteria posting and website) that is easy to read and is complete, with all daily menu items listed.

3. Implement a four-week menu cycle to make nutritional analysis, production records, ordering and inventory more efficient.

4. Consider offering two or three entrée choices and/or themed food bars for middle school students.

5. Ensure that the food service manager oversees the entire menu process and ensures that regulations are met, appropriate variety is offered without repetition, and staff follow the menu.

6. Create recipes in the Mosaic nutrient analysis software program for all items used on the menus, including convenience foods. Assemble a recipe book based on current menus, and update recipes with all menu changes.

7. Ensure that all staff are trained in food safety procedures when preparing meal trays; ensure that milk is offered in a holding container at the proper temperature.

8. Ensure that all food service staff are trained in offer versus serve requirements.

9. Ensure that the food service manager is knowledgeable about the regulations regarding recipes and nutrient analysis.

10. Ensure that the food service manager attends training provided by Mosaic regarding the nutrient analysis software program.

Personnel Activity Reports

Personnel Activity Reports (PARs) are detailed documents that support the salary and benefit distribution of employees who work on multiple activities or cost objectives. These reports identify the employees' daily activity by hours or percentage of hours spent in each program. The federal requirements for PARs (Code of Federal Regulations Title 2, Part 225, Appendix B 8. h.) state that the documents must:

- Reflect an after-the-fact distribution of the actual activity of each employee.
- Account for the total activity for which each employee is compensated.
- Be prepared at least monthly and coincide with one or more pay periods.
- Be signed by the employee.
- Not represent budget estimates or distribution percentages determined before the services were performed.

In September 2012, the United States Department of Education (USDE) approved a new system, called the Substitute System Based on Employee's Predetermined Schedule, that can be used as a substitute for the usual PARs reporting and that simplifies recordkeeping. Districts must meet specific criteria to qualify for this option. Alternative documents such as a predetermined work schedule may be acceptable instead of PARs to document the time of an individual who works on multiple activities or cost objectives on a predetermined or fixed schedule. An employee who documents time under this system is permitted to certify time periodically (at least semiannually) rather than monthly. This alternate method must be preapproved by the state before it is used. More information about this option and the Substitute System Based on Sampling Method may be found in the CSAM and on the CDE website at http://www.cde.ca.gov/fg/ac/co/timeaccounting2013.asp.

The district's Food Services Department has one custodian who works two hours a day for the food service program to take out trash and clean the cafeteria after lunch. The district provided the FCMAT team with a labor and benefits history report from 7-1-2019 through 1-31-2020 for this employee; however, no PAR form was provided for this position.

FCMAT also learned from interviews with staff that a bus driver is also assigned to clean the cafeteria daily after the breakfast meal service. It was indicated that a PAR has not been completed for this employee. Because these positions do not work solely for food service, the district needs to keep documents to assess the actual time spent in various activities and make budget adjustments for salary and benefit charges accordingly.

Recommendations

The district should:

1. Complete PARs for the positions that are funded from multiple sources and ensure that salaries and benefits are charged to the appropriate accounts.
2. Ensure that all positions funded from multiple sources are properly documented by PARs as required by the CDE and federal regulations. Maintain all documents for the state administrative review.
3. If a substitute time accounting method is selected and used, ensure that the method is approved by the CDE as needed and that federal regulations and procedures described in the CSAM are followed.

Training and Professional Development

All food service personnel need to receive regular, ongoing training to understand and perform their jobs. Training is essential, and it is now mandatory. The USDA established minimum training requirements for school food service personnel that became effective July 1, 2015. The requirements mandate professional standards and annual training requirements for child nutrition directors, managers, and staff. The annual training hours required vary depending on each position and/or the number of hours worked. Training needs to be documented and will be evaluated during state administrative reviews. Information about this mandate, as well as training resources, can be found at http://www.fns.usda.gov/school-meals/professional-standards.

Interviews with staff and observations by the study team indicated that regularly scheduled food service training is not provided. Some staff members are not knowledgeable about the required food components and portions for meal service to comply with the OVS concept. This concept applies to menu planning and the meal service and is explained in the meal service section of this report. Because students may choose fewer selections under OVS, guidance must be provided on what constitutes a reimbursable lunch and breakfast.

During the study team's breakfast and lunch meal service observation, staff members and students seemed unclear about portion control and what constitutes a complete reimbursable meal. There were frequent incidents in which students left the serving area with too little food on their trays or were missing the required fruit or vegetable item.

It is essential for a food service manager to thoroughly understand and implement program regulations and stay current with and train all staff in the requirements. The district needs an annual food service staff training plan to ensure that specific food service topics are explained and understood, and the food services manager needs to monitor compliance, observe serving lines, and remind staff of requirements as needed. This type of hands-on interaction and training is effective. The food service manager does not conduct regularly scheduled meetings with food service assistants or annual meetings. These meetings are needed to discuss food service topics such as new regulations, procedural changes, and menu planning.

The food service manager and the food service staff would also benefit from visiting other school districts' food service departments and observing their meal service. Networking like this can help provide new ideas as well as information about efficiencies and cost-saving measures. When staff work in only one environment, they often cannot visualize other ways to perform their duties. Observing other food service operations can help stimulate new ideas for menu planning, food production methods and other services.

Recommendations

The district should:

1. Identify areas in which the food service manager and food service staff need training and ensure that it is provided. Urgently needed training topics include food service safety practices, and program requirements such as portion sizes and meal components.

2. Ensure that the USDA's training requirements are met.

3. Assign the food service manager to develop and implement an annual training plan and to schedule regular training sessions for food service staff. Training can be provided in the department, through online webinars, and at conferences.

4. Ensure that the food service manager provides staff members with information regarding regulations and changes to regulations, and that staff are held accountable for following them.
5. Document all trainings and retain these training records for each staff member.
6. Ensure that the food service manager regularly monitors the program and provides immediate staff training on any practices that need improvement.
7. Send the food service manager and food service staff members to other school districts to observe food service operations.

State Administrative Review

Child nutrition programs undergo a state administrative review every three years to assess program compliance. On February 5, 2019 the CDE Nutrition Services Division (NSD) submitted a waiver to the U.S. Department of Agriculture (USDA) to extend the current School Nutrition Programs administrative three-year review cycle to a five-year cycle. On May 28, 2019, the NSD received notification from the USDA that the waiver request was approved to extend administrative reviews to a five-year cycle.

The CDE School Nutrition Programs administrative review includes all aspects of the program such as menu compliance, meal counting and claiming, eligibility determination, food safety, financial compliance and the wellness policy. The CDE's review objectives are below. (Note: a school food authority is the governing body responsible for food services in a district.)

> The CDE and the school food authority (SFA) collaborate to complete the administrative review to ensure program integrity and increase overall compliance, with the following objectives:
>
> - Determine if the SFA is meeting all federal and state School Nutrition Program requirements
> - Provide focused technical assistance to assist the SFA with correcting any findings
> - Secure necessary corrective action documentation demonstrating the SFA's permanent corrections
> - Assess fiscal action and, when applicable, recover improperly paid funds

The district's last administrative review was in 2018-19. The review cited several areas of noncompliance, and the district was informed of required corrective actions. Some issues were minor and were corrected at the time of the review, some required follow-up corrective actions by the district, and some resulted in technical assistance. A summary of the review's findings is as follows:

- A review of agricultural food components indicated a violation of the Buy American Provision. The provision requires school food service programs to purchase domestic commodities or products, to the maximum extent possible. However, the CDE has developed a Buy American Provision Exception Worksheet to assist school districts with documenting exceptions to the provision requirements. Exception documentation must be kept on file for at least three years including the current school year and must be available during a state administrative review. Additional information and guidelines on the Buy American Provision can be found at: https://www.cde.ca.gov/ls/nu/sn/fsmcproc.asp#buyamerican.
- The food safety requirements were not met. The most recent food safety inspection was not posted in a publicly visible location. Schools participating in a child nutrition program are required to post a report of the most recent health department inspection and provide a copy of the inspection report to a member of the public upon request.
- The verification selection process requirements were not met. The letters sent to participants of the program to notify them of the selection process were not dated. Households selected for verification must be notified in writing that their application was selected for verification.
- Civil rights requirements were not met. The district did not have a civil rights procedures system. The purpose of this system is to inform food service program applicants and par-

ticipants of program rights and responsibilities, and the procedure for filing a complaint. In addition, the M & M program did not have the USDA "And Justice for All" poster displayed. On July 8, 2019 the USDA notified child nutrition sponsors to cease distribution of the poster because it was being updated. As a result, missing posters would not be a finding during an administrative review until new posters were available.

On January 24, 2020 the CDE notified sponsors that the updated posters are now available. Information regarding this communication and the appropriate non-discrimination statement sponsors should use is available on the CDE's civil rights web page at http://cde.ca.gov/ls/nu/cr/.

Also, the district did not have its most recent civil rights annual training required for staff that interact with program applicants and participants. The district conducted the training on May 31, 2019 and submitted documentation to the CDE to satisfy this requirement. Training of department staff is addressed in more detail in the Professional Development section of this report.

- The district's meal counting and claiming procedure requirements were also found to be out of compliance. The district used a 95% attendance factor to edit check its meal counts without backup documentation to support the percentage. The national attendance factor average is 93.8%. The district is required to compare daily meal counts of free, reduced-price and paid meals against students eligible in each category, times an attendance factor. Districts may use their actual attendance factor instead of the national average; however, attendance records are required to support the option.

The state provided technical assistance in several other areas of the program that did not reach the level of a review finding.

Ongoing staff training needs to be provided to ensure all food service staff understand and follow program regulations. Issues like those listed above would normally be discovered by food service management staff when conducting regular reviews of the program, thus ensuring that program compliance becomes a habit for staff members, so the district is always prepared for state reviews.

Recommendations

The district should:

1. Ensure that food service management is knowledgeable about program requirements and all aspects of the administrative review process, and trains staff on program requirements.
2. Ensure that all technical assistance guidance items are implemented to ensure ongoing compliance.
3. Ensure that food service management routinely monitors the program for compliance.

Purchasing and Inventory

Purchasing

Purchasing is an extremely important function in a food service program. Goals of purchasing should be to acquire the best price for needed items and to utilize vendors that provide quality service. The best way to accomplish these goals is through implementation of best practices and procedures for bids and quotes. Some districts have found it advantageous to form food service purchasing cooperatives with other districts to increase purchasing power and decrease the administrative burden of duplicated paperwork.

Education Code Section 38083 allows districts to purchase perishable foodstuffs and seasonal commodities needed to operate cafeterias in accordance with the rules and regulations adopted by the governing board, as long as they do not conflict with any provisions of the Education Code.

The district does not publish bids or request proposals for any of the products used in the food service program. Sysco of Central California is the food vendor that provides most of the food and supplies used in the program, including fresh fruits and vegetables. Producers Dairy is the district's vendor for all dairy products. Although the Education Code and district regulations allow for these items to be purchased without a bid, districts often find they can obtain the best price and service by issuing a bid or obtaining quotes.

Another purchasing option for the district is to piggyback on the bids of other districts. Piggybacking is authorized in Public Contract Code Section 20118 and allows school districts to make purchases using the bid awarded by another public agency or corporation if the board determines it is in the district's best interest.

According to the financial records provided to FCMAT by the district, in fiscal year 2018-19 the district had $18,000 in entitlement funds to purchase USDA products and commodity processed food items. The district utilized $13,751 of that amount. In the current school year, the district has projected the same amount in entitlement funds available. The total amount used will not be known until the end of the school year. A school district's entitlement is the dollar value of USDA foods each recipient agency is eligible to receive. An agency's donated food entitlement is calculated by the number of reimbursable lunches served during the previous fiscal year multiplied by the current per-meal value. The per-meal value for USDA foods is established annually in July by the United States Congress. For school year 2019-20 the per-meal value was .3625 cents. Therefore, it is advantageous for districts to serve as many reimbursable lunches to students as possible. Additional information and guidance on food commodity processing and use of entitlement funds can be found at https:www.cde.ca.gov/ls/nu/fd/offeringinfo.asp.

Inventory

The function of inventory is to help a food service department identify the items in stock and their costs and determine how best to manage and control them. Some districts complete a periodic physical inventory monthly, which helps to control monthly food and supply costs, compare their costs to revenue, and produce a profit and loss statement to determine if financial goals have been met. Other districts operate a perpetual or continuous inventory system that helps to more readily monitor financial goals, determine replenishment needs, and identify losses due to product failure or theft. This type of inventory system typically involves the use of a computerized inventory software to increase accuracy and efficiency.

The FCMAT study team requested inventory records from the district, but none were provided. Therefore, FCMAT has reviewed this area as if these documents were not recorded or created.

Recommendations

The district should:

1. Consider membership in a local school food service purchasing cooperative group to increase purchasing power.
2. Solicit bids or proposals from vendors to obtain best pricing.
3. Consider piggybacking with other larger districts to make certain the district is securing the best pricing available for the food service program.
4. Ensure that the Food Services Department uses its entire annual USDA commodities entitlement.
5. Ensure that the food service manager develops an inventory tracking system for all products used in the Food Services Department, to include pricing information for each item.

Facilities and Equipment

During fieldwork, the FCMAT study team visited the district's food preparation kitchen and storage areas for dry and perishable foods. FCMAT observed the condition and functioning of the kitchen, serving area and multipurpose room. The cleanliness of the facilities was satisfactory. For the size of the district, the kitchen is adequate with enough workspace and enough space for dry and perishable foods. The cafeteria eating area is large and can accommodate many students.

The serving line area is well designed for easy student access and an organized and efficient flow. The main entrée is offered on the serving line, and the fruits and vegetables are served at a salad bar located between the serving line and the point of service.

Storage space is adequate. FCMAT learned that the district will be remodeling the dry storage area by removing the wood shelving and replacing with food grade storage racks. The walk-in freezer is large enough for the facility. Reach-in refrigerator and freezer storage units are also adequate.

The replacement of the outdated kitchen equipment could be a significant improvement. Except for a food holding cabinet, all the equipment has been in place since the 2001-02 school year. The district recently applied for $55,000 in USDA equipment replacement grant funding to replace most of the kitchen equipment, but it was not granted. These grants fund capital equipment and priority is given to districts with high free and reduced-price meal eligibility. The CDE also offers expansion grants for districts that plan to expand breakfast.

Additional information can be found at http://cde.ca.gov/fg/fo/r9/sbpsfsp1920instructions.asp.

During FCMAT's visit, two equipment items were found to require immediate replacement. The double-stack oven has a hole in the bottom section and the salad bar has a crack in the sneeze guard. According to district staff, quotes were being requested to replace both items.

Recommendations

The district should:

1. Carefully assess the equipment needs of the Food Services Department and continue to pursue equipment replacement grant funds to replace outdated kitchen equipment.
2. Immediately replace the double-stack oven and salad bar.
3. Apply for breakfast expansion grant funding if the district plans to implement any of the breakfast meal service options.

Appendix

Study Agreement

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
January 7, 2020

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Curtis Creek Elementary School District, hereinafter referred to as the district, mutually agree as follows:

1. BASIS OF AGREEMENT

The team provides a variety of services to local education agencies (LEAs). The district has requested that the team assign professionals to study specific aspects of the district's operations. These professionals may include staff of the team, county offices of education, the California Department of Education, school districts, or private contractors. All work shall be performed in accordance with the terms and conditions of this agreement.

In keeping with the provisions of Assembly Bill 1200, the county superintendent will be notified of this agreement between the district and FCMAT and will receive a copy of the final report. The final report will also be published on the FCMAT website.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

1. Examine the Food Service Department's operations including, but not limited to, food preparation, meal service, student participation, staffing, federal and state compliance, menu planning, purchasing, warehousing and food storage, inventory, and facilities, and make recommendations for improved efficiency, if any.

2. Evaluate the department's workflow and distribution of functions, and make recommendations for improved efficiency, if any.

3. Review training and professional development programs for the department's employees and managers, and make recommendations for improvements, if any.

B. Services and Products to be Provided

1. Orientation Meeting - The team will conduct an orientation session at the district to brief district management and supervisory personnel on the team's procedures and the purpose and schedule of the study.

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2. On-site Review - The team will conduct an on-site review at the district office and at school sites if necessary.
3. Exit Meeting - The team will hold an exit meeting at the conclusion of the on-site review to inform the district of significant findings and recommendations to that point.
4. Exit Letter – Approximately 10 days after the exit meeting, the team will issue an exit letter briefly memorializing the topics discussed in the exit meeting.
5. Draft Report - Electronic copies of a preliminary draft report will be delivered to the district's administration for review and comment.
6. Final Report - Electronic copies of the final report will be delivered to the district's administration and to the county superintendent following completion of the review. Printed copies are available from FCMAT upon request.
7. Follow-Up Support – If requested by the district within six to 12 months after completion of the study, FCMAT will return to the district at no cost to assess the district's progress in implementing the recommendations included in the report. Progress in implementing the recommendations will be documented to the district in a FCMAT management letter. FCMAT will work with the district on a mutually convenient time to return for follow-up support that is no sooner than eight months and no later than 18 months after completion of the study.

3. **PROJECT PERSONNEL**

The FCMAT study team may include:

A. To be determined — *FCMAT Staff*
B. To be determined — *FCMAT Consultant*

4. **PROJECT COSTS**

The cost for studies requested pursuant to Education Code (EC) 42127.8(d)(1) shall be as follows:

A. $800 per day for each staff member while on site, conducting fieldwork at other locations, preparing or presenting reports and participating in meetings. The cost of independent FCMAT consultants will be billed at their actual daily rate for all work performed.

B. All out-of-pocket expenses, including travel, meals and lodging.

C. The district will be invoiced at actual costs, with 50% of the estimated cost due following the completion of the on-site review and the remaining amount due upon the district's acceptance of the final report.

Based on the elements noted in section 2A, the total not-to-exceed cost of the study will be $9,600.

D. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT's services are payable to Kern County Superintendent of Schools - Administrative Agent located at 1300 17th Street, City Centre, Bakersfield, CA 93301.

5. RESPONSIBILITIES OF THE DISTRICT

A. The district will provide office and conference room space during on-site reviews.

B. The district will provide the following if requested:

1. Policies, regulations and prior reports that address the study scope.
2. Current or proposed organizational charts.
3. Current and two prior years' audit reports.
4. Any documents requested on a supplemental list. Documents requested on the supplemental list should be provided to FCMAT only in electronic format; if only hard copies are available, they should be scanned by the district and sent to FCMAT in electronic format.
5. Documents should be provided in advance of fieldwork; any delay in the receipt of the requested documents may affect the start date and/or completion date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's online SharePoint document repository, where the district will upload all requested documents.

C. The district's administration will review a draft copy of the report resulting from the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the team prior to completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAT will have limited contact with pupils. The district shall take appropriate steps to comply with EC 45125.1(c).

6. PROJECT SCHEDULE

The following schedule outlines the planned completion dates for different phases of the study and will be established upon the receipt of a signed study agreement:

Orientation:	to be determined
Staff Interviews:	to be determined
Exit Meeting:	to be determined

Draft Report Submitted:	to be determined
Final Report Submitted:	to be determined
Board Presentation:	to be determined, if requested
Follow-Up Support:	if requested

7. **COMMENCEMENT, TERMINATION AND COMPLETION OF WORK**

FCMAT will begin work as soon as it has assembled an available and appropriate study team consisting of FCMAT staff and independent consultants, taking into consideration other jobs FCMAT has previously undertaken and assignments from the state. The team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the district and any other parties from which, in the team's judgment, it must obtain information. Once the team has completed its fieldwork, it will proceed to prepare a draft report and a final report. Prior to completion of fieldwork, the district may terminate its request for service and will be responsible for all costs incurred by FCMAT to the date of termination under Section 4 (Project Costs). If the district does not provide written notice of termination prior to completion of fieldwork, the team will complete its work and deliver its report and the district will be responsible for the full costs. The district understands and agrees that FCMAT is a state agency and all FCMAT reports are published on the FCMAT website and made available to interested parties in state government. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a report once fieldwork has been completed, and the district shall not request that it do so.

8. **INDEPENDENT CONTRACTOR**

FCMAT is an independent contractor and is not an employee or engaged in any manner with the district. The manner in which FCMAT's services are rendered shall be within its sole control and discretion. FCMAT representatives are not authorized to speak for, represent, or obligate the district in any manner without prior express written authorization from an officer of the district.

9. **INSURANCE**

During the term of this agreement, FCMAT shall maintain liability insurance of not less than $1 million unless otherwise agreed upon in writing by the district, automobile liability insurance in the amount required under California state law, and workers' compensation as required under California state law. FCMAT shall provide certificates of insurance, with Curtis Creek Elementary School District named as additional insured, indicating applicable insurance coverages upon request prior to the commencement of on-site work.

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10. HOLD HARMLESS

FCMAT shall hold the district, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement. Conversely, the district shall hold FCMAT, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement.

11. CONTACT PERSON

Name: Kristin Barajas, Director of Business
Telephone: (209) 533-1083
E-mail: kbarajas@ccreekmustangs.com

1-15-2020

Terri Bell, Superintendent
Curtis Creek Elementary School District

Date

January 7, 2020

Michael H. Fine,
Chief Executive Officer
Fiscal Crisis and Management Assistance Team

Date