

Ancillary Services Management

North Dakota School Business Manager Certification Program

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Jamestown Public School District

Course Objectives

- Through this course, you will demonstrate a basic understanding of:
 - School facility planning and financing/budgeting.
 - Transportation services and budgetary impact.
 - Operating a food service program.
 - Student Activities and their possible budget impact.
 - Joint powers agreements and when a school district may enter into them under law.

Presentation and Resources

- This session is designed to be as much a resource as it is a presentation.
- There is a lot of information to cover so some information will be covered in-depth and others will be skimmed. As I want to be sure to meet your needs, please let me know if you would need greater clarification or if you would like to discuss a topic more. There are resources attached to both the PowerPoint and the syllabus that I believe you may find useful.
- Much of the value of this course, however, will be based on your willingness to share your perspective.
 - Your examples and experiences are the most relevant learning experiences we have and we need to leverage those to learn from each other. I would much rather that we engage in discussions around the content that I share.
 - I will provide my own experiences (i.e. Jamestown's capital projects planning and a partnership for a shared sports complex) to support the learning in the class and to provide an example.

Facilitation of the Course

- I am a firm believer that you are all the experts here and I would be doing you a disservice by not facilitating discussions for you to learn from each other.
- Throughout the session, group discussion is crucial to building your collective capacity. As such, your participation is a key piece of this class.
- I will be using a number of different engagement strategies that, hopefully, keep your interest and encourage you to share your knowledge.
 - Turn and Talks: Talk to the people near you and discuss the question and be ready to share.
 - Pair/Share: Just like a turn and talk, but you need to find a new partner each time.
 - Two Truths and a Lie: You will get a question and three responses. Identify the untrue statement and explain why it is untrue.
 - Guided Questions: These are multiple choice questions. Stand to signify your answer.

Assignments

- The assignments are designed in a way that you could create something of value that could benefit you and your school district. I fully realize that you all have jobs and families and the assignments are designed to provide options with varied levels of rigor to accommodate you.
- My preference is you look to the assignments that best fill a gap in your district. These can be a bit time intensive, but are better for you and your district in the long run. There are some options, however, that will provide less of a time commitment up front. These will have a more limited long-term value. I do encourage you, though, to spend the time, if you can.
- While we will go over the assignment list more in-depth at the end of this session. Beyond the listed assignments, I also want you to think about other potential options, within Ancillary Services, that could support your district right now. I am open to other projects beyond what is listed in the syllabus. These could include documents that you are working on right now for your district. If you have a suggestion for consideration, please visit with me today or via email at Robert.Lech@k12.nd.us.
- In a perfect world, I want you to walk away from this course with documents that you will find useful as a business manager and that could positively impact your school district.

Q1: TURN AND TALK: WHAT AREA(S)
OF ANCILLARY SERVICES ARE YOU
MOST CONCERNED WITH AS A
BUSINESS MANAGER?

Q2 PAIR/SHARE: HOW DID YOUR
DISTRICT PLANNING USE ESSER
FUNDS?

Q3: PAIR/SHARE: HOW INVOLVED ARE YOU, AS A BUSINESS MANAGER, IN BUILDING PROJECTS? WHAT ARE THE EXPECTATIONS IN YOUR DISTRICT?

FACILITY PLANNING

School Facility Planning

- Your role as a business manager may, or may not, include many aspects of school facility planning. In some districts, you will only serve a role on financial matters, while in others, you are asked to be more involved in planning. In any case, it is helpful to understand proper facility planning so you understand the process and can serve whatever role is necessary in your district.
- Regardless of your particular role, however, it is important to understand the process involved. The needs of your facilities could have a significant impact on your budget. Additionally, any project requiring school construction is going to be a labor-intensive time burden. You want to be sure to conduct the process effectively so you don't need to do it again!

Facility Planning

- A successful facility plan will typically include seven components: Facility Needs Assessment, Educational Adequacy Study, Demographic Study, Values, Feasibility Study, Determination (Assessment to Decision), and Implementation Plan.
- Depending on the scope of your potential project, you may want to consider contracting with an architectural firm to assist in the assessment and planning of your project. In this instance, you may want to consider drafting and publishing a Request for Qualifications (RFQ) in which you outline your proposal, scope of project, timeline and requirements and to build a potential pool of applicants.

Facility Planning (cont)

- Prior to the creation of a school facility plan, it is strongly advised that your district would have first targeted the potential need through a strategic planning committee. This would be completed early in the discussion process and would involve all stakeholders (staff, parents, community members, school board members, administrators).
- Whether this facility is a school addition, new building, or remodel, your community is rightfully going to want to be involved in the process. Without your community support, you will struggle to get any significant facility updates completed.
- Community Capacity Building for Facility Planning, when done well, should continually consider three components:
 - Educational Adequacy (How will this help our students?)
 - Facility Needs (How will this update current structures/infrastructures?)
 - Community Support (Will 60% of voters vote for it)
- **Consider 20/60/20 and vested voters.**
- Once a strategic planning committee has targeted new construction/remodel as a goal, you will need to develop a communications plan. Receiving support from those on the committee is only the first step. You need to be transparent and provide multiple opportunities to share the information. The more comfortable the community feels with the plan and the rationale for its need, the more likely it will be approved.

RFI, RFQ and RFP

- **Request for Information (RFI)** is used when you need more information from the vendors. It is usually followed by an RFP or RFQ.
- **Request for Qualifications (RFQ)** is used when you know what you want, but need information on how vendors would meet your requirements and how much it would cost.
- **Request for Proposals (RFP)** is when you know you have a problem, but don't know how you want to solve it. This is the most formal of the three processes and has strict procurement regulations.

Q4: TURN AND TALK: HOW DOES YOUR
DISTRICT DETERMINE AND
PRIORITIZE FACILITY NEEDS?

Preventative vs Deferred Maintenance

- Preventative Maintenance is maintenance that is conducted through regular/systematic inspection that precedes a major inefficiency or system failure.
- Deferred Maintenance is maintenance that is necessary to maintain an effective and efficient facility, but has not yet been completed due to organizational or financial constraints.
- **There is an expected life-cycle to buildings and your district needs to have a plan for maintenance, but also for system replacement.**
- Methods to track and prioritize preventative and deferred maintenance varies on school. In some districts, a facility director tracks and reports these needs, while in others it becomes the responsibility of an administrator to prioritize these needs.

Facility Maintenance Planning

- I think it is important for districts to maintain a formalized plan for facility maintenance. I believe that many districts do a poor job in creating and adhering to a plan to address facility needs. Start with a simple facility breakdown and keep building worksheets to help your district manage facilities.
- In many districts, it is an unscientific process in which building administrators and potentially building/grounds personnel work to prioritize needs that will be conducted in the short-term. It is usually a very reactive process. The benefit would be that you are able to address timely issues by gathering building-level perspective.
- A capital projects plan outlines a few important criteria. It outlines present conditions, project needs, expected timeline, annual allocated amount along various schedules. From a facility and a budgeting standpoint, a maintenance plan will provide a proactive process to addressing a district's needs in the short and long-term.

Capital Projects Planning

- It is important to not be simply reactive to facility needs. School districts should have a long-term plan, across various schedules, for facility needs.
- In my experiences, larger schools are able to do this more easily because they have the professional capital and resource to devote to the creation and maintenance of a capital projects plan. It is equally important, however, for smaller schools to make this commitment.
- The benefits of a capital projects plan include:
 - The breakdown allows staff to coordinate better when projects are coming.
 - Agnostic of changing leadership
 - Helps to better communicate facility needs to stakeholders
 - Makes for better long-term decision-making for facility needs.

Capital Projects Plan Exemplar

- While there are many different ways that a Capital Projects Plan can be designed, review the [Jamestown Public Schools Capital Projects Plan](#), and consider the following questions:
 - How might this plan better articulate the facility needs of the district to stakeholders?
 - How could this benefit a school district in facility planning?
 - Is this an example that could be used in your school district? How would it look different to meet your own individual needs?

Facility Needs Assessment

- Regardless if you have used a formal or informal process of facility assessment, there are seven things that should be explored in a facility assessment:
 - Physical conditions of current buildings
 - Conditions of mechanical/electrical systems
 - Deferred Maintenance
 - Compliance Issues (ADA/OCR)
 - Comfort Issues (HVAC)
 - Possible Savings (Efficiencies)
 - Other deficiencies

Q5 PAIR/SHARE: WHAT IS
EDUCATIONAL ADEQUACY AS IT
RELATES TO FACILITY PLANNING?

Educational Adequacy

- Educational Adequacy can be a tough area to communicate because some of it is very tangible (i.e. safety, capacity, etc.), but other areas are much more difficult to articulate to external publics (teaming, flexible learning spaces, etc.) due to professional jargon and lack of familiarity with current educational trends.
- There are five areas to study when considering the educational adequacy of your facilities. Conducting a walkthrough and overall site plan with architects will assist in these areas. Also, you will want to consult and have cohesion and support through your strategic plan.
 - Safety and security
 - Building capacity
 - Space capacity (classroom size, cafeteria, support services, labs, gymnasium space, etc.)
 - Current educational trends (i.e. teaming/collaboration space)
 - Technology infrastructure

Guided Question #1

- Has your school district conducted an enrollment study?
- A. Yes
- B. No

Demographics Study

- The purpose of the enrollment/demographics study is to explore enrollment trends in your district to ensure you plan for adequate student numbers.
- In some districts, and with some projects, this may prove unnecessary, but in others it is a crucial step in the process.
- This can be as simple as an enrollment study and basic projections using cohort groups or as complicated as hiring a demographer to study your community (economic development, housing, school boundaries, etc.).
- If you are going to contract for a demographer, it is important that you plan for the right type of demography study. There are formal micro-level demography studies that focus on school enrollments. The demography studies that are conducted by cities, for example, could provide you with some information, but they generally focus on number of homes for infrastructure planning. Unless it includes a yield rate for students per home, it will have limited value to your school district.

Values

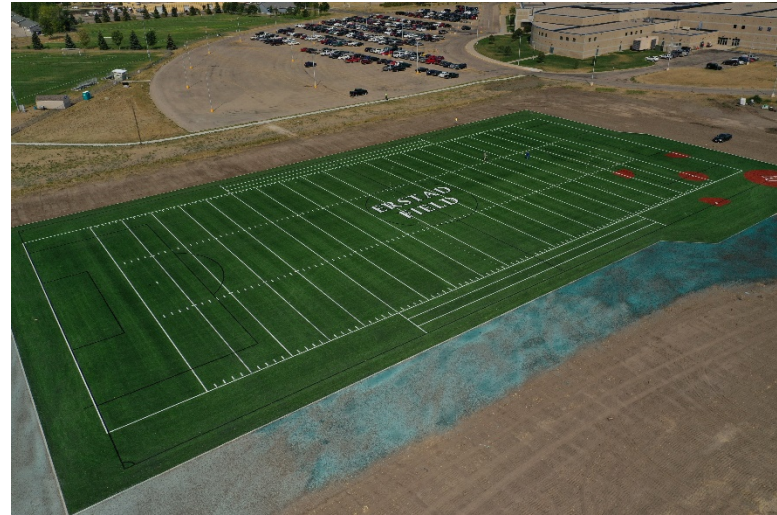
- The values of the school district must be congruent with the values of the community. If they are not, you will struggle with finding support for even the smallest projects.
- There is a critical balance between stakeholder input and decision-making. If your feedback loops are not representative of your community, you will get the wrong plan. The wrong plan won't be supported and it also will hurt future projects and asks.
- In many of our communities, we get one chance to take on a big project. We need to make sure it is done right and is congruent. It is critical in developing stakeholder support to conduct a needs/wants assessment. This likely would include staff, community and possibly students.

Jamestown Public Schools/UJ Shared Facilities

Hansen Stadium



Erstad Field



Feasibility Study

- Once your district's leadership committee has determined your needs, you will need to determine what you can afford and how it will be paid for.
 - You will also need to consider the timing in bringing the issue before the public if you are pursuing a bond referendum.
 - Areas that can positively impact a move towards a referendum:
 - Retiring Debt
 - Various Studies (enrollment, efficiency, facility assessment, etc)
 - School Construction Loan/Low Interest Rates
 - Special Funding Opportunities (Fundraising, ESSER, Other Opportunities)
- *Fundraising is an area that schools are going to need to consider with more frequency.

Who are the people/businesses in your community that may provide opportunities for giving?

Rule of Thumb: Naming opportunities are often the most utilized fundraising for capital projects. Consider 35%-50% of the cost of construction for naming rights. For example, a new health and wellness center is built costing \$1 million. You'd be requesting \$350,000 - \$500,000 to call it the Patty Verdouw Health and Wellness Center.

Two Truths and a Lie

- Consider the following 3 statements and determine which are the two truths and which is the lie
 - Schools are not allowed to stuff backpacks with referendum information.
 - Schools are not allowed to put Vote Yes posts on social media.
 - School officials can attend Vote Yes committee meetings to provide resource information.

Determination (Assessment to Decision)

- Seek input through committees (design and facility) – It continues to be important to gather community support through transparency and communication. Again, however, you will want to ensure that proper hierarchy is in place so all understand if they are making a decision or a recommendation.
- I would recommend creating some type of Citizen's Advisory Committee that is tasked with analyzing the various resources, prioritize needs, and ultimately bringing a recommendation to the board. This would need to be representative of the community and staff, inclusive of board members and central office staff, and involve experts like your Construction Manager and/or architect.
- Determine what is needed through prioritization of needs/wants. There are tools to help to prioritize among different variables. Forced Choice is a tool I use frequently, in many different areas, to come to consensus.
- Review cost estimates.
- Review benefits (costs savings, health issues, efficiencies, educational impact, etc.)
- This may include visits to recently built facilities that are similar in scope to your proposed plans.

Forced Choice

- Spend a few minutes and walk through the Forced Choice exercise. I have found this to be a helpful tool in prioritization.
- A few valuable aspects of the forced choice are:
 - It reduces the focus on the loudest voice or most influential member of the team.
 - Limits the impact of “pet projects” because each variable needs to be prioritized and scaled.
 - Leads to a good discussion around each variable.
 - Ultimately helps to make the best decision for all perspectives.

Implementation

- Any bond issue, or proposal to use school funds for building or enhancing facilities is going to require sufficient communication. The focus needs to be on how the community needs to hear the information and not on how the school provides it.
- If moving forward with a bond referendum, I would suggest a “Yes” committee is established. A Citizen’s Advisory Committee could serve this role if you implemented that model. This group, not led by the district, will get the word out and share subjective information that the district is not able to provide.
- Additionally, the school administration, and potentially business managers, should be willing/able to present whenever and wherever possible. It is your responsibility to communicate this project to the public with strictly objective.

Determining Funding Sources

- The business manager is likely going to play a critical role in determining the best options for funding sources.
- Sources include bonds, state loans, federal funding, and potentially building fund depending on the scope of the program and funding capacity.
- It is advisable to work with a financial manager, such as Myron Knutson at Public Funds Management (PFM), to help determine your funding capability and all potential options.
- Sample Referendum Resolution Language

State Approval Process for Construction

- If a project is proposed to reach certain financial thresholds, you may be required to receive approval from the Department of Public Instruction prior to beginning the construction process ([Construction Approval Application](#) or [Facility Plan](#)). You need to be familiar with these thresholds to ensure that you are in compliance with these regulations.
- If the project is expected to be under \$150,000 you will not need to submit paperwork to DPI, but you should proceed with caution. If the project ends up over \$150,000, you will be out of compliance with these requirements. I would suggest that unless you are sure it will be less than \$150,000, you submit the appropriate forms just to be safe.
- A Facility Plan is triggered by a cost of \$350,000 or more and/or new square footage.

Construction Approval Form

- You will need to complete the construction approval form if the project is under \$350,000 and does not add new square footage to the facilities.
- This form does require school board approval so plan appropriately.

Facility Plan

- If the proposed construction will cost more than \$350,000 and/or creates additional square footage, you are required to complete a Facility Plan ([Exemplar](#))
- If you have completed a Facility Plan within the last three years, you only need to complete the necessary pages that address the change and the Construction Approval Form. If you have not completed a Facility Plan within the last three years, you will need to complete the entire form and the Construction Approval Form.
- The approval process may take up to 60 days, so plan appropriately.

Construction Bidding Process

- When doing a major project (i.e. any project in which you are required to bid) you likely will be working with an architect on the facility plan.
- The architect will assist your district in the drafting and submission of a construction bid.
- You would also likely be working with a financial manager to assist with the bond.
- An example of a bid for construction is from a project at Gussner Elementary in Jamestown. In this case, it was drafted by Zerr Berg, who were the architects for the project.

School Construction Loan Program

- If pursuing a building project, your district may be eligible for a 2% loan from the Bank of North Dakota amounting to 70%, 80%, or 90% of the project.
- This requires DPI approval through the School Construction Loan form and a Facility Plan.
- Requires that a district has been stable or increased within the last five years and is projected to be stable or increasing in the next five years.

Q6 TURN AND TALK: WHAT IS THE
PRESENT BUILDING FUND LEVY IN
YOUR DISTRICT?

Guided Question #3

- What is the most common number of building fund mills levied?
- A. 5
- B. 8
- C. 10
- D. 20

Building Levy

- The building fund, along with special assessments, makes up Fund Group 3.
- A school district reorganization plan may have allowed your district to levy up to 10 mills, but the majority of districts are governed through NDCC 57-15-16 which gives districts the ability to levy up to 20 mills in the building fund if given voter authority through 60% voter approval.
- While there are a handful of school districts that do not levy for a building fund, the most common levy is 10 (followed by 5).

Two Truths and a Lie

- Consider the following 3 statements and determine which are the two truths and which is the lie
 - Schools can utilize the building fund to pay for a lease agreement for a facility.
 - Schools can expense architectural fees through the building fund.
 - Schools can utilize the building fund to pay for the facility director's salary.

Q7 PAIR/SHARE: WHAT DO YOU
EXPENSE THROUGH THE BUILDING
FUND?

Use of Building Levy

NDCC 57-15-17 - Disposition of building fund tax.

- The funds may only be used for the following purposes:
 - (1) The construction of school district buildings and facilities;
 - (2) The renovation, repair, or expansion of school district buildings and facilities.
 - (3) The improvement of school district buildings, facilities, and real property;
 - (4) The leasing of buildings and facilities;
 - (5) The payment of rentals upon contracts with the state board of public school education;
 - (6) The payment of rentals upon contracts with municipalities for career and technical education facilities financed pursuant to chapter 40-57; and
 - (7) The payment of principal, premiums, and interest on bonds issued in accordance with subsection 7 of section 21-03-07.
- In very limited circumstances, there are options to transfer building fund moneys into the general fund. Be sure to check NDCC 57-15-17 subsections 2-4 carefully, as the options to do so are listed explicitly.

TRANSPORTATION

Requirements for Transporting Students

- NDCC 15.1-30-01 outlines a school district's option for the ability to transport students. Your district should have a policy specifically related student transportation. Note: You may have reorganization plan or local policy that requires transportation.
- You may have a legal obligation to transport special education students, depending on their needs and Individualized Education Plan (IEP).

15.1-30-01. Transportation or meals and lodging - Options of school board.

1. The board of a school district may:
 - a. Provide for the transportation of a student to and from school; or
 - b. If acceptable to the student's parent, reimburse the parent for expenses incurred in providing meals and lodging to the student outside the student's home.
2. A parent receiving payments under section 15.1-30-02 is not eligible to receive payments under this section.
3. If the board elects to provide for the transportation of students by public transit, the board shall establish eligibility criteria based on a minimum distance between a student's residence and the school. Except as otherwise provided by law, the board shall apply the criteria equally to all students in the district.
4. If the board closes one of several schools in the district, nothing in this section precludes the board from agreeing to provide transportation to those students who were placed in another school in the district because of the closure.
5. Benefits under this section are available even if a student is transported to another school district in or outside this state, provided the student's attendance meets all other conditions established by law.

Transportation Funding

- A portion of transportation funding is provided through the state aid formula. Miles driven are paid at varying rates for large and small buses, rides are also paid at varying rates, and family travel (to school and to the bus) is also provided.
- The rates are as follows:
 - Small Bus Miles - \$.52
 - Large Bus Miles - \$1.10
 - Small In-City Miles - \$.52
 - Large In-City Mils - \$1.10
 - Rural Rides - \$.30
 - In-City Rides - \$.30
 - Family Payment to School (Per Mile) - \$.25
 - Family Payment to Bus (Per Mile) - \$.25
- Transportation, in most districts, has been funded only around 40% - 45% by state funds. The remainder needs to be picked up by the school district. This will have trended down in the current biennium with a reduction of \$1.6 million in transportation funding this biennium.
- North Dakota, in 2015/2016, provided about \$27.8 million to school districts while total transportation expenses were \$60.7 million.
- Separate levy authority no longer exists for transportation, as it was rolled into the miscellaneous fund.

Guided Question #4

- Do you own or contract for transportation?
- A. Own
- B. Contract
- C. Both

Own vs Contract

- Depending on your school district, you may own and operate a fleet of buses or you may contract with a bus service.
- A typical agreement for contracted bus service would include: Length of the Contract, Insurance/Liability/Indemnity, Routes, Equipment/Vehicles, Driver Responsibility/Requirements, and Compensation.
- Simply, you are going to expend more dollars to contract, but you will have less responsibilities (drivers, maintenance, fleet upkeep, etc.).
- It will be important to follow the trend of 3-pt seatbelts in buses. Some districts are already including them in their bid specs and there is concern they will be mandated by the Department of Transportation in the near future.

Renewal of Transportation Contract

- If you are a district that contracts for bus service, you are allowed to renew your contract, however NDCC is fairly specific about the process that should be followed.

15.1-30-11. Transportation contract - Direct negotiation.

1. Notwithstanding sections 15.1-30-06 and 15.1-30-12, a contract for the transportation of students, originally bid by and let to a contractor, may be renewed:
 - a. Through direct negotiation between the board of a school district and the contractor; or
 - b. Upon sealed bids.
2. If a contract is to be renewed through direct negotiation, the school board shall publish notice in the official newspaper of the district, at least thirty days before the date of renewal, and shall make a good-faith effort to obtain at least two written quotations for the contract. The board shall maintain all quotations received on file for at least one year after their receipt. The quotations are public information.
3. If any written quotations are received, the board may directly negotiate a contract, provided:
 - a. The board shall conduct a public meeting regarding the contract;
 - b. The board provides at least seven days' notice of the public meeting regarding the contract by publication in the official newspaper of the district; and
 - c. The public is given an opportunity to appear and comment at the public meeting.
4. All terms of the contract must be negotiated and agreed to in the public meeting.
5. If a contract is to be made upon the receipt of sealed bids, the board shall follow the procedure set forth in section 15.1-30-06 for advertising and awarding the bids.

Q8 TURN AND TALK: HAS YOUR
DISTRICT TRIED ANYTHING CREATIVE
TO ADDRESS RISING TRANSPORTATION
COSTS?

Transportation Options

- If you are struggling with budget constraints and looking for creative busing solutions, there are options to consider.
- If you have a smaller route, it may be most advantageous to utilize a vehicle, such as a suburban, rather than a bus. Please note that you are not able to utilize the 14-passenger vans to transport students.
- You are allowed to pay parents to transport their students. If the family lives in a secluded rural area, it may be more cost effective to pay the family rather than incur transportation costs.
- While there are always “outside the box” concepts to transportation, the best ideas come when you recognize first the dynamics of your district. What is effective in one district may run into obstacles in another. An example that was effective in one district was eliminating most routes and paying families greater than the family transportation payments to transport their children. The district eliminated all but one bus route and paid the majority of riders dependent on zones.
 - This worked in that district because the rural riders were clustered together with many students involved in activities and many parents working in town. The district was able to implement the idea very easily and it provided a significant savings in the first year.

Determination of Bus Routes

- For districts that own their own buses, this is a decision that is done at the local level. There is no set way to determine bus routes. Methods vary from the superintendent, or transportation director, determining bus routes to a committee (bus drivers, board members, administrators, etc.).
- There is no legal guidance on how to determine bus routes, but there are some implications that should be considered. These include route efficiency, bus travel time for students, and workload burden.
- For districts that contract bus service, that is typically done in coordination with the contractor. You have the right to ensure that it is done as efficiently as possible.

Training Requirements and Driver Qualifications

- To qualify for driving a bus, you must meet the following criteria:
 - You must be 21 years of age unless mandated in district policy (DOT regulations allow 18).
 - Attend an annual training workshop. This can be put on by the school district, REA, or county superintendent. Forms must be submitted to DPI for annual training.
 - You must pass a physical examination every two years and provide a medical certificate of physical fitness and medical card prior to signing a work agreement.
 - Federal regulations mandate that drug/alcohol testing is a part of this examination and that each school district must set up random drug/alcohol testing.
 - The random testing is typically done through a consortium, such as the REA.
 - In addition to a commercial driver's license (CDL), you will also need a passenger endorsement.
 - Class A license qualifies also for Classes B, C, and D, but not Class M.
 - Class B license qualifies also for Class C and D, but not Class M
 - Class C license qualifies also for Class D, but not Class M
 - "P" endorsement is required if transporting 16 or more passengers including driver (Class A, B, C). "P" endorsement includes written knowledge and skill tests.

Bus Purchasing

- With any purchase over \$25,000, a school district is required to bid.
- I would suggest that you make the bid as specific as possible and clearly outline the terms for the process that you are using. It would also be helpful to utilize your **bid** to create criteria that will aid in the selection process.
- The attached [bid example](#) may be a real-world example that is helpful. Additionally, the ND OMB has a [website](#) that includes numerous topics, including bid guidance, sample templates, evaluation samples, and communication templates
- Note: If purchasing a used vehicle, you will have different rules to follow. You are exempt from bidding if the vehicle is used and over 18,000 mile.

Bus Maintenance

- Again, this depends on your district. If you own your buses, you may work with a local mechanic or even employ a transportation director. You may work with a company, such as Harlows, to provide service and general maintenance.
- Like facility maintenance, a system for preventative maintenance needs to be in place.
- Districts should also formalize a long-range replacement plan for all school vehicles.

FOOD SERVICE PROGRAM

Q9 TURN AND TALK: WHAT
CHALLENGES HAVE YOU SEEN IN YOUR
DISTRICT RELATED TO FOOD SERVICE
PROCUREMENT

Food Service Opportunities

- Your school district may be involved in numerous food service opportunities. Depending on the role you serve in your district, you may be responsible for various aspects of some or all of these programs.
- National School Lunch Program (NSLP)
- School Breakfast Program
 - May be eligible for Severe Need Breakfast if in the past year you meet certain F&R % requirements (40%)
- After School Snack Program – Must coincide with an after school program – 50% F&R qualify for at-risk reimbursement
- Special Milk Program – available to Pre-K and Kindergarten students that do not have access to a breakfast program. Must offer the milk for no more than 2.5 cents higher than the average distributor costs.
- Summer Food Service Program – lunches that are provided outside of the school calendar
- Food Distribution Program – Commodities
- Fresh Fruit and Vegetable Program – Geared towards elementary schools with the highest percentage of F&R with 50% being the standard. Per student allocation ranges from \$50 - \$75.
- There are many rules to follow and depending on your role, I encourage you to become familiar with the [Administrative Manual for Food Service](#).

Financial Management Requirements

- Your food service ledger should be designed to identify revenue and expenditure object codes from the ND School District Financial Report, Fund Group 5. This includes:
 - Revenue: Interest Earned, Food Service, Other Revenue from Local Sources, Child Nutrition Programs, and Interfund Transfers
 - Food Service Expenditures: Salaries, Employee Benefits, Purchased Services, Supplies, Equipment, Other Objects, and Transfer to Other Funds.
- Allowable Costs: Accounting Payroll Preparation, Compensation for Personnel, Administration, Personal Services, Printing and Reproduction, Legal Expenses, Maintenance and Repair, Depreciation, Procurement Service, Equipment, Training and Education, Employee Fringe Benefits, Transportation, Exhibits, Audit Services, Materials and Supplies, Bonding, Memberships, Subscriptions, Advertising and Professional Activities, Travel, Communication
- Unallowable Costs: Bad Debt, Entertainment, Gratuities, Rent or Usage Fees for District-Owned Facilities, Contingencies, Fines and Penalties, Contributions and Donations, Interest and Other Financial Costs, Land Purchases, Building Construction and Acquisition.
 - Source on Costs – [General Requirements for Federal Programs](#) (Pages 17-18)

Independent vs Coop Bids

- School Districts are required to conduct a bid for food products each year. That requirement may be waived for up to five years if you rollover with the same bidder.
- Your options are to bid independently or through a cooperative, such as NDESC. The benefits of bidding independently are that you can receive better pricing and more choice. The benefit of the cooperative is that the cooperative takes on all of the work burden of the bid process.

Commodities

- Commodities through the state program, are one of the most important drivers to keeping costs as low as possible for your food service program.
- The USDA offers each state a dollar limit (entitlement) to can be used to order certain USDA foods. Your district receives an allocation of entitlement (Planned Assistance Level – PAL) for purchase of commodities. It is determined by calculating your October Average Daily Participation (ADP) times the per meal value times 180 days.
- You should become familiar with the entitlement in your district to ensure the most efficient use of commodities.

Claiming Reimbursement/State Matching Funds

- Claims for reimbursement are filed through the ND Foods website. You should be making separate claims for each site.
- You are strongly encouraged to make these claims by the 10th of the month for the preceding month to expedite those claims.

Guided Question #6

- Have you sent unpaid lunch accounts to collections?
- A. Yes
- B. No

Q10 PAIR SHARE: HOW DOES YOUR
DISTRICT DEAL WITH UNPAID LUNCH
ACCOUNTS?

Unpaid Lunch Accounts

- Recent communication from the Department of Education has condemned districts that deny access to food service based on unpaid lunch bills. I would also personally discourage that tactic. It punishes children for actions outside of their control and may limit the best meal (potentially only) they get each day.
- I would also encourage you to create a practice in which the stigma is minimized to the degree possible.
- If you are going to deny or limit access to food service, you are highly recommended to have a policy in place that outlines your practice. It is critical to communicate the process with families and allow them adequate time to prepare. Often times, this is a habitual problem and can be effectively changed if done properly. The trend in recent years has been to eliminate even the alternative meal as it may shame the student.
- It is likely best practice to not provide alternative meals. Create protocols in place to communicate with parents, ensure free and reduced meals are completed, or find other means to support those neediest families. In Jamestown, we have a fund supported by local businesses and patrons that support counseling needs, unpaid lunch accounts, and our food pantries.

Training Guidelines

- The lead worker of each sponsor food preparation/service site must undergo initial and continuing training regarding the safe handling, preparation, and service of food. The Superintendent of Public Instruction shall by rule prescribe the nature, scope, and frequency of the training. Certain agencies, because of the nature of meal service provided or the education/training background of the lead worker, may be exempt from this requirement. In such case, a waiver must be submitted by the sponsor and approved by the Department.

Q11 PAIR/SHARE: HOW DO YOU
ENCOURAGE/ENTICE FAMILIES TO
COMPLETE FREE AND REDUCED
APPLICATIONS?

Free and Reduced Meals

- As you are likely aware, free and reduced meal percentages have a much greater impact on your district than just free and reduced meals for needy families. It is the standard that is used to determine your “poverty level”.
 - Title I determination
 - E-Rate
 - Numerous grant opportunities
 - Present state funding formula uses a .025 Factor
- In my experiences, I have found that people are not always aware of: 1) the above impact that free and reduced meals have on the school district, and 2) the eligibility requirements. In most districts, there are more F&R-eligible students than there are applicants.
- It is important to note that the qualification is done for October 1 – September 30, but the federal government uses the October 1 count.

Direct Certification

- Students who meet certain criteria are considered “Categorically Eligible” for free and reduced meals. Students who receive benefits under the Special Nutrition Assistance Program (SNAP), Temporary Assistance to Needy Families (TANF), student who receive benefits under the Food Distribution program on Indian Reservations (FDPIRO and students who are foster children are categorically eligible and thus eligible for free meals.
- The STARS system provide a direct certification list for students that are eligible for the SNAP program. Other eligible students can be accounted for on the direct certification list.

Wellness Policy

- Many business managers have a responsibility to track and maintain district policies.
- The Child Nutrition and Reauthorization Act of 2004 mandated that schools develop and implement a wellness policy, which is in place at your district. The new focus for your wellness policy will be revision with a greater focus on system implementation.
- Expectation moving forward with Wellness Policies will focus less on “having a policy” and more on how a district is “implementing the policy”.

ACTIVITIES

Extracurricular Activities

- Extracurricular activities, from a financial perspective, are going to differ greatly from school to school.
- In some districts, the activities director is appropriated an amount from the general fund to create and manage his/her own budget. In other districts, the activities director has no direct budgetary responsibility.
- The most typical setup is for the activity fund to collect appropriate revenue (fees, gate, concessions) and pay all expenses (uniforms, equipment, fees, officials, transportation, etc.) with the exception of salaries. Salaries typically flow through the general fund.
- In most instances, a general fund expenditure is designated to support the activity fund expenses. This will vary greatly depending on the district (number of activities, travel needs, etc.)

Financial Management Requirements

- Your student activities ledger should be designed to identify revenue and expenditure object codes from the ND School District Financial Report, Fund Group 6. This includes:
 - Revenue: Interest Earned, Student Activities Revenue, Other Revenue from Local Sources, and Interfund Transfers.
 - Extracurricular Student Transportation Service Expenditures: Salaries, Employee Benefits, Purchased Services, Supplies, Equipment, Other Objects, and Transfer to Other Funds.
 - Extracurricular Student Activities Expenditures: Salaries, Employee Benefits, Purchased Services, Supplies, Equipment, Other Objects, and Transfer to Other Funds.

Guided Question #7

- Does your school district allow the activities director to create/manage his/her own budget?
- A. Yes
- B. No
- C. They have input, but not decision-making.
- D. Are you kidding me! Have you met our AD?

Q12 PAIR/SHARE: WHAT WOULD BE THE BENEFITS AND CHALLENGES OF THE ACTIVITIES DIRECTOR, IN YOUR DISTRICT, CREATING AND MANAGING HIS/HER OWN BUDGET?

UTILIZING JOINT POWERS AGREEMENTS

Joint Powers Agreements (JPA)

- Joint Powers Agreements are a special category of contracts in which a state agency enters into a binding agreement with another state agency or political sub-division.
- Joint Powers Agreements may be used for a number of purposes including: acquiring, constructing, and maintaining any building for the joint use of the agencies; the use of buildings; and the joint exercise of any power or function that any of the parties to the agreement is authorized to perform. The Office of the Attorney General has a [checklist](#) on JPAs that helps you to assess and draft agreements so they meet all statutory requirements.
- An [exemplar](#) for a JPA is included from Jamestown. It is the Joint Powers Agreement between the City of Jamestown and the School District regarding construction of the Jamestown High School. It outlines an agreement through which a \$.01 sales tax is issued to pay for 75% of the JHS project with 21.4 mills levied by the school district to cover the remaining 25%. Don't get excited about this concept! After the Jamestown High School was built, the legislature changed the law so this would not be allowable in the future.
- I have included a helpful document on [contracts](#) from the Office of the Attorney General. It includes information on JPAs, including the checklist, as well as other contract resources.

Contact Information

- If you have questions, about ancillary services or any other topic, please do not hesitate to reach out to me.
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