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September 14, 2009

Dr. Kathleen P. Farrell
Superintendent of Schools
Catskill Central School District
343 West Main Street
Catskill, New York 12414

Report Number: S9-9-38

Dear Dr. Farrell and Members of the Board of Education:

A top priority of the Office of the State Comptroller is to help school district officials manage their districts efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support district operations. The Comptroller oversees the fiscal affairs of districts statewide, as well as districts' compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished through our audits, which identify opportunities for improving district operations and Board of Education governance. Audits also can identify strategies to reduce district costs and to strengthen controls intended to safeguard district assets.

In accordance with these goals, we conducted an audit of 20 school districts throughout New York State to determine whether school districts are ensuring that all food available to students during the school day and at school activities meets established nutritional guidelines to promote healthy eating habits and proper nutritional goals. We included the Catskill Central School District (District) in our audit. The audit period was from September 1, 2007 to October 31, 2008.

This report of examination letter contains our audit results specific to the District. We discussed the findings and recommendations with District officials and considered their comments, which appear in Appendix A, in preparing this report. District officials generally agreed with our findings and recommendations and indicated they would initiate corrective action. At the completion of our audit of the 20 school districts, we prepared a global report that summarizes the significant issues identified at the districts audited.

Summary of Findings

While District officials have taken some steps to ensure that students may purchase healthy food and beverages items, the District still offers food and beverages that do not meet established

nutritional guidelines and compete with the healthier choices offered. The District has adopted a wellness policy, established a school wellness advisory committee, and the most recent State Education Department (SED) review, in 2006, found that the District did not fully comply with Federal guidelines and subsequent to the review, steps were taken to bring the school lunch program into compliance. In addition, no foods or beverages were sold in school stores, however the high school store was stocked with some food items, and interviews of District personnel that conduct school events indicate that they are aware of the District's wellness policy.

We found that the District could improve its efforts to promote healthy eating habits. The wellness policy lacks guidelines for officials to use as criteria for its vending and à la carte items. Although the policy states that guidelines will be developed, there was currently none available. Additionally, the policy is not specific to a monitoring function to ensure compliance with the policy. District officials told us they use comprehensive nutritional standards (i.e., Choose Sensibly) to guide food and beverage choices for students.

There are no prescribed standards in the State regarding competitive foods available in school districts. Based on the lack of guidance, the Comptroller's Office met with various health professionals from NYSHEPA, American Cancer Society, American Heart Association, New York State Nutrition Association and Department of Health. After these meetings, we decided to compare district offerings to the Institute of Medicine (IOM) guidelines. Currently, school districts are not required to follow these guidelines, which were used during our audit for comparison purposes.

An IOM report,¹ conducted with the Center for Disease Control at the direction of Congress, concluded that federally reimbursable school nutrition programs should be the main source of nutrition at schools, and that opportunities during the school day for competitive foods (e.g., snacks and beverages) should be limited. In contrast, the District provides its students with a variety of snacks and beverages in its à la carte and vending machine choices. Specifically, three of the 10 items tested did not comply with the District's own standards. Further, none of the 10 items would have met the IOM standards.

Finally, District officials adequately prevented students from accessing prohibited foods and beverages before the end of the last scheduled meal period, as required by Education Law and SED guidelines. However, foods and beverages restricted per IOM standards, such as a variety of sports beverages, flavored water, chips and cookies were available for purchase during lunch periods. By making such products available to students, District officials are limiting the impact of their efforts to encourage healthy food choices.

Background and Methodology

The District is located in Greene County. There are three schools in operation within the District, with approximately 1,760 students attending during the 2008-09 school year. The District's budgeted expenditures for 2008-09 are approximately \$37.5 million for the general fund and \$645,000 for the cafeteria fund. During 2007-08, 38 percent of the District's students

¹ A 2007 report entitled, "Nutrition Standards for Healthy Schools: Leading the Way Toward Healthier Youth" authored by the IOM and the Food and Nutrition Board organizations.

qualified for Free and Reduced Meals and the District had a 22 percent minority student population.

The New York State Department of Health (DOH) has declared childhood obesity a major health problem. The DOH estimates that one in four New Yorkers under the age of 18, or approximately 1.1 million young people, are obese. Over the past 30 years, the obesity rate has nearly tripled for children ages 2 to 5 and youth ages 12 to 19, and it has quadrupled for children ages 6 to 11. According to the United States Centers for Disease Control and Prevention, 28 percent of New York high school students are overweight or at risk of becoming overweight. Further, New York ranks second in the United States in adult obesity medical expenditures, with annual spending estimates at nearly \$6.1 billion. The childhood obesity crisis is fueling a health care cost crisis. Estimated annual health care costs attributed to obese children total \$242 million, which is putting an even greater strain on the New York State budget.

District officials have the responsibility to provide a safe and healthy learning environment for children. That responsibility requires District officials to ensure that all food available to students during the school day and at school activities meets established nutritional guidelines to promote healthy eating habits and proper nutritional goals.

The District has a Food Service Director who oversees the food service program and vending operations, which include 14 employees working in two of the three school buildings. There is an elementary school, a middle school and a high school. The middle and high schools share a common cafeteria.

- The elementary school is composed of students in grades K through 6. Lunch periods run for 20 minutes starting at 11:00 am and ending at 1:10 pm.
- The middle school is composed of students in grades 7 through 8. The high school is composed of students in grades 9 through 12. The shared lunch periods run for 42 minutes starting at 10:35 am and ending at 1:32 pm.

The District has two cafeterias for student use, which serve approximately 980 lunches per day. The daily lunch menu options include an entrée, or an alternative choice of a tuna salad, bologna and cheese, sliced turkey, ham and cheese, or peanut butter and jelly sandwich or prepackaged chef salad, all served with fruit, vegetable and milk.

The District has four vending machines for student use located at the high school. The District owns two machines and an outside vendor owns two machines. The food service department personnel orders and stocks all the machines with food and beverage items. To ensure compliance, food service personnel review food choices to be stocked with outside vendors to ensure items will meet District standards (choose sensibly) prior to ordering.

We interviewed District officials to determine if the District had adopted a local school wellness policy and had established a child nutrition committee. We reviewed the District's most recent School Meals Initiative report from the State Education Department, compared the wellness policy to the school's chosen external guidelines and/or other standards, and assessed whether

the food and beverage choices available to students complied with the District’s policies and SED requirements, where applicable.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Audit Results

Local School Wellness Policy

The Child Nutrition and WIC Reauthorization Act of 2004 (Reauthorization Act of 2004) provides that not later than the first day of the school year beginning after June 30, 2006, each school district participating in a National School Lunch Program (NSLP) must establish a local school wellness policy that, at a minimum:

- Includes goals for nutrition education, physical activity and other school-based activities that are designed to promote student wellness in a manner that the local educational agency determines is appropriate
- Includes nutrition guidelines selected by the local educational agency for all foods available on each school campus under the local educational agency during the school day with the objectives of promoting student health and reducing childhood obesity
- Provides assurance that nutrition guidelines for the NSLP are met
- Establishes a plan for measuring implementation of the policy
- Involves parents, students, and representatives of the school food authority, school board, and school administrators in the development of the policy.²

The District has adopted a local school wellness policy. However, the policy lacks guidelines for officials to use as criteria for its vending and à la carte items. In addition, the policy states that “the School Wellness Committee will develop and recommend to the administration guidelines on nutrition standards for food and beverages offered through parties, celebrations, social events, and any school functions,” however this was unavailable. Further, the policy is not specific to a monitoring function to ensure compliance with the policy. For example, the District officials use the “Choose Sensibly” guidelines for vending and à la carte items in practice, the guidelines are not specifically referenced in the policy. In addition, while we recognize that the Reauthorization Act of 2004 does not establish nutritional standards for District officials to use when adopting their policy,³ we believe that the more stringent guidelines promoted by the IOM should be considered by District officials to promote healthier eating habits.

² Section 204 of Public Law 108-265—June 30, 2004 Child Nutrition and WIC Reauthorization Act of 2004

³ Section 204 of Public Law 108-265—June 30, 2004 Child Nutrition and WIC Reauthorization Act of 2004

The lack of a comprehensive local school wellness policy increases the risk that the food and beverages available to students will not meet established nutritional guidelines to promote healthy eating habits and proper nutritional goals.

Child Nutrition Advisory Committee

Every school district is authorized and encouraged to establish a child nutrition advisory committee.⁴ Committee members, who represent all aspects of school nutrition, are encouraged to meet at least quarterly to review topics that relate to the current nutritional policies of the district. The law encourages parents of students to be notified of the committees' existence, ability to participate, and scheduled meeting dates. Lastly, the Committee is encouraged to formally update the Board of Education once a year to give the status of the District's programs to improve student's nutritional awareness and to promote healthy diets.

The District has established a school wellness advisory committee, which is composed of 17 members including nurses, food service director, athletic director, director of physical education, health educators, physical education teachers, food sciences educators and business faculty. The committee meets approximately four times per year to discuss topics related to nutrition, health, and physical activity. This includes creating the wellness policy, review of the cafeteria program, vending, availability of water during the school day in classrooms, education in the classroom, updating of the fitness equipment and facility and coordination of the annual employee wellness day events.

School Lunch Program

Schools that participate in the NSLP must meet Federal nutrition guidelines as outlined in the Department of Health and Human Services' "Dietary Guidelines for Americans."⁵ In March 2008, the State Education Department (SED) issued a memo "Incorporating the 2005 Dietary Guidelines for Americans into School Meals", which instructs school districts to implement the 2005 guidelines within the current meal pattern requirements and nutritional standards. The memo further outlines the promotion of "increased consumption of whole grains, fruits and vegetables, fat-free or low-fat milk, and dairy products."

The SED conducts School Meals Initiative (SMI) reviews for each school district on a five-year rotating basis to determine if the lunch program complies with Federal nutrition guidelines. For these reviews, SED conducts a nutrient analysis test, for at least five menu days, using supporting documentation including menus, production reports, standard recipes and nutritional labels. In addition, an on-site observation is performed to confirm that the reported ingredients and recipes are used, and tests are conducted using nutrition analysis software to compare food products to requirements.

⁴ Section 918 of NYS Education Law Article 19, Section 918 – School District Nutrition Advisory Committee

⁵ For example, the guidelines recommend that no more than 30 percent of calories come from fat, with less than 10 percent from saturated fats. In addition, school lunches should provide one-third of the recommended dietary allowances of protein, vitamins A and C, iron, calcium and calories.

The last SMI review was conducted for the Catskill Elementary School for the period April 24 through 28, 2006. The review findings, dated September 27, 2007, are summarized into two areas — “Menus, production records and standardized recipes require no improvement” and “Nutritional Analysis.” The report has two recommended improvements, it states:

1. “Increase the amount of calories served in the menu to meet the recommended standard (4-12 grade group)(without increasing fat)”
2. “Decrease the amount of saturated fat in the menu to meet the recommended standard for all children”

The District responded to the recommended improvements listed above, with the following plan:

1. “Serve larger portion sizes of fruits, vegetables, breads, grains. Serve crackers daily. Use nonfat dry milk or skim milk when recipe calls for water or milk. Add croutons, low or non-fat cheese, red or black beans to salad. Add or increase amount of pasta, rice, potatoes, corn, peas to stews, soups and casseroles. Top fruits with non-fat yogurt or whipped topping. Add low or non-fat sour cream.”
2. “Reduce amount of cheese used in each sandwich. Offer salad plate each day. Offer hot sauce with greens instead of seasoning with butter. Use light mayonnaise. Sell only skim or low-fat milk.”

Vending

In addition to the foods and beverages provided by the School Lunch Program, “competitive foods”⁶ (snacks and beverages) are available to students during the school day from four vending machines for student use and à la carte items in the cafeteria. While such foods and beverages are allowed by the District’s wellness policy, IOM guidance would suggest that federally reimbursable school nutrition programs should be the main source of nutrition at schools, and that opportunities for competitive foods (e.g., snacks and beverages) be limited.⁷

Competitive foods are not included in the basic school lunch program and there are no Federal nutrition guidelines for these items. However, in New York State, a District may not serve soda or candy before the last lunch period ends. Education Law, Article 19, Section 915 provides that “from the beginning of the school day until the end of the last scheduled meal period; no sweetened soda water, no chewing gum, no candy including hard candy, jellies, gums, marshmallow candies, fondant, licorice, spun candy and candy coated popcorn, and no water ices except those which contain fruit or fruit juices, shall be sold in any public school within the state.” SED guidelines also provide that beverages labeled as, “aerated” or that bubble and fizz for several minutes after opening are to be categorized as “Soda Water.” However, other than this clarification, the SED has not published or endorsed criteria for competitive foods. An SED

⁶ Child Nutrition and WIC Reauthorization Act of 2004 section 210.11

⁷ A 2007 report entitled, “Nutrition Standards for Healthy Schools: Leading the Way Toward Healthier Youth” authored by the IOM and the Food and Nutrition Board organizations.

official told us “we do not provide an approved listing because it would be too extensive and would change everyday as new products come on to the market.”

The New York State School Nutrition Association has created the “Choose Sensibly” guidelines for snacks and beverages. According to the guidelines, sensible snack choices should have no more than:

- 7 grams of fat
- 2 grams of saturated fat
- 360 milligrams of sodium
- 15 grams of sugar.

Beverage choices include low-fat milk and low-fat flavored milk, juice with 25 percent or more fruit juice, water or flavored water with no added sugar, artificial sweeteners or caffeine, and beverages with 10 milligrams or less of caffeine per serving

Based on the lack of competitive food guidance in New York State, the Comptroller’s Office met with various health professionals from NYSHEPA, American Cancer Society, American Heart Association, New York State Nutrition Association and Department of Health. After these meetings, we decided to compare district offerings to the Institute of Medicine (IOM) guidelines. The IOM standards were not required to be adopted and followed by school districts as part of our audit. The IOM report entitled “Nutritional Standards for Foods in Schools” also establishes standards for nutritive food components. The report concludes that if competitive foods are made available, they should consist of nutritious fruits, vegetables, whole grains, and combination products⁸ and non-fat or low-fat milk and dairy products. It also recommends imposing restrictions on the sale of foods and beverages with high fat, saturated fat, sodium, etc. According to the report, snack choices should have no more than 200 calories, and no more than 35 percent of the calories should be from fat while no more than 10 percent of the calories should be from saturated fat. Further, snack choices should have no more than 200 mg of sodium or 480 milligrams of sodium if served à la carte as an entrée portion. They also should be trans-fat-free, and have no more than 35 percent of total calories from sugars. Acceptable beverage choices include water without flavoring, additives or carbonation; low-fat and non-fat milk; portion sized 100 percent fruit juice; and, beverages that are caffeine-free with the exception of trace amounts of naturally occurring caffeine substances. Sports drinks should not be available except when provided for student athletes participating in sports programs that involve vigorous activity of more than one-hour’s duration.

Compliance with Policy and IOM Standards

District officials indicated that vending and à la carte items were subject to the “Choose Sensibly” guidelines, although the District’s local school wellness plan did not clearly specify

⁸ Combination products must contain a total of one or more servings as packaged of fruit, vegetables or whole grain products as portioned.

this was the case. We judgmentally selected 10 snack items to test for compliance with the District’s own nutritional standards and comparisons to the more stringent IOM standards. We found that three items did not meet the District’s own standards for fat, saturated fat, sodium and sugar. Further, had the District adopted the IOM standards, none of the items tested met the IOM standards, as detailed in the following table:

VENDING AND À LA CARTE ITEMS		
Snack Item	Meets District Standards	Meets IOM Standards
Chocolate covered granola bar	Yes	No
Cheddar and Bacon flavored Potato	No	No
Cheddar flavored Snack Mix	Yes	No
Fig cookie	Yes	No
Sandwich Cookies	Yes	No
Cheese flavored potato sticks	Yes	No
Reduced Fat Potato Chips	Yes	No
Potato Sticks	No	No
Potato Crisps	No	No
Fruit flavored drink	Yes	No

Compliance with Education Law and SED Guidelines

We also found that District officials adequately limited access to prohibited foods and beverages until the end of the last lunch period as required by Education Law and SED guidelines. Specifically:

- À La Carte Items — Per the Food Service Director, the District’s point of sale software used by the school food service department allows parents of elementary, middle and high school students to place restrictions on the à la carte items their child can purchase. The selection of à la carte items available included chips, cookies, popcorn, cheese and crackers, fruit snacks, frozen yogurt and a variety of ice cream novelties.
- Vending Machines — We found that all vending machines were operated in accordance with Education Law and SED guidelines (during the lunch period). However, foods and beverages restricted per IOM standards, such as sports drinks, flavored waters, chips, snack mix, cereal bars and cookies, were available to middle and high school students for purchase during lunch periods.

The District offers food and beverage choices that provide minimal nutritional value and compete with healthy school meal options. For example, students can purchase items such as chips, cookies, popcorn, cheese and crackers, fruit snacks, frozen yogurt and a variety of ice cream novelties during lunch period rather than eat the meal that the District is serving. Further,

these items generally do not comply with the District's local school wellness policy, the "Choose Sensibly" guidelines, or the IOM guidelines.

We asked District officials why such products were offered on school grounds. District officials indicated for longer school days the District needs to offer food and beverages outside of the normal cafeteria hours and that vending items generate small commissions, which are used to offset cafeteria expenses. The revenues from vending for the scope period were approximately \$71,300 and the 2008-09 cafeteria budget was \$645,000. While we recognize the District has a need to offer products outside the normal school day, by making such products available to students, District officials are limiting the impact of their efforts to encourage healthy food choices.

School Stores and Events

District personnel that sell or serve food and beverages on school grounds or at school events must be aware of, and comply with, the District's local school wellness policy to ensure that students are offered nutritious food and beverage choices.

The District has two stores, located in the elementary school and the high school. The elementary school store is open from 8:30 am to 8:45 am daily and after school until 3:15 pm on Tuesday, and is run by students in the Business Club. Items for sale include rulers, erasers, pencils, key rings, t-shirts and folders. District officials stated that no food or beverages are sold in the store and we observed that no food was sold in the store. At the high school, District officials stated that the store has not opened for business since the beginning of the year, due to staffing and inventory issues. We observed that the store had an assortment of items with the school logo such as seat cushions, t-shirts, hats, sweatshirts, sweatpants. In addition, there was an assortment of cough drops, trail mix, honey roasted peanuts, salted peanuts and bottled water. We observed no sale activity at the store location.

In addition, the District conducted school events, such as in-class activities and fundraisers. We judgmentally selected and interviewed two teachers and two principals to determine awareness of, and compliance with the local school wellness policy. Each individual stated that he or she was aware of the policy. The policy states "the school Wellness Committee will develop and recommend to the administration guidelines on nutrition standards for food and beverages offered through parties, celebrations, social events, and any school functions (including concession stands at sporting and academic events)." However, District officials we interviewed stated that the elementary and high school teachers could decide if snacks were allowed in the classroom and what kind. Those interviewed who allowed snacks stated that they encourage nutritious foods. The middle school allowed no snacks in the classroom. Celebration and snack item examples offered included fruit, vegetables, cookies, cupcakes, pretzels, cheese, and granola bars. Positively, the wellness policy states "Organizations shall only use non-food items or food designed for delivery and consumption after school hours as fundraisers." Fundraiser examples included wreaths, gloves, magazines, candles, chicken dinners, cookie dough sales and wrapping paper sales. While such food items would generally comply with the District's wellness policy, they would not always comply with the more stringent IOM guidelines. By

making such products available to students, District officials are limiting the impact of their efforts to encourage healthy food choices.

Recommendations

1. District officials should amend the local school wellness policy to establish a plan for measuring implementation of the policy.
2. District officials should amend the local wellness policy to specify which standards should be used to guide food and beverage choices offered to students.
3. District officials should consider adopting the IOM standards for the local school wellness policy.
4. District officials should ensure that the traditional school lunch always meet the SED requirements.
5. District officials should ensure that all foods and beverages that are served to students are authorized by the local school wellness policy.
6. District officials should consider limiting the competitive foods available to students.
7. District officials should consider providing only healthy snacks to students for in-classroom activities.

The Board has the responsibility to initiate corrective action. Pursuant to Section 35 of the GML, Section 2116-a (3)(c) of the Education Law and Section 170.12 of the Regulations of the Commissioner of Education, a written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and provided to our office within 90 days, with a copy forwarded to the Commissioner of Education. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. The Board should make the CAP available for public review in the District Clerk's office.

Sincerely,

Steven J. Hancox
Deputy Comptroller
Office of the State Comptroller
Division of Local Government and
School Accountability

APPENDIX A

RESPONSE FROM DISTRICT OFFICIALS

The District officials' response to this audit can be found on the following pages.



June 10, 2009

Steven J. Hancox
Deputy Comptroller
Office of the State Comptroller
110 State Street
Albany, NY 12236

**RE: Catskill Central School District Corrective Action Plan To State Comptroller
Food Nutrition Audit Report**

Dear Mr. Hancox,

Please find our Corrective Action Plan recommendations for your review.

Recommendations

1. District officials should amend the local school wellness policy to establish a plan for measuring implementation of the policy.

- The Food Service employees along w/ the Wellness Committee members will meet monthly to review and discuss the implementation of the wellness policy. We will discuss procedures put in place to measure proper implementation of the policy and the fact that the District and community as a whole are aware of the District Wellness Program. In addition efforts will be made to establish a guideline for those ordering items for sale...vending, a'la carte, school functions/fundraisers. The Food Service Director will work with the food suppliers in establishing a customized snack/a'la carte program which adheres to the Choose sensibly guidelines. In addition, food suppliers will be encouraged to bring in products that meet the IOM guidelines.

2. District officials should amend the local wellness policy to specify which standards should be used to guide food and beverage choices offered to students.

- The District Wellness Policy will be amended to reflect the District's practice of adhering to the Choose Sensibly guidelines and in addition we will post the guidelines on the District vending machines, website, and in the cafeteria along side the a'la carte items.

The New York State School Nutrition Association "Choose Sensibly" guidelines... snack choices should have no more than:

3. District officials should consider adopting the IOM standards for the local school wellness policy.

- The District will consider adopting the IOM standards. However, if not actually selected as the District's nutrition guidelines, efforts will be made to incorporate guidelines from the Institute of Medicine guidelines. As we are currently using "Choose Sensibly" we will incorporate the IOM guidelines as well and strive to meet the IOM guidelines.

4. District officials should ensure that the traditional school lunch always meet the SED requirements.

- The District contends that its traditional school lunch is in compliance with the NYS Education Department's requirement, as evidenced by the attached letter of compliance.

5. District officials should ensure that all foods and beverages that are served to students are authorized by the local school wellness policy.

- All District food suppliers will be mandated to follow the districts "Choose Sensibly" guidelines. Food items that do not meet the current guidelines will not be accepted. Food Service Director will spot check items periodically to ensure the food suppliers are following the mandated Choose Sensibly guidelines

6. District officials should consider limiting the competitive foods available to students

- The Wellness Policy will outline the fact that organizations within the district that sell or serve food and beverages on school grounds are aware of and comply with the District's wellness policy. In addition we will make available to organizations within the District that sell food or beverages an outline of the choose sensibly guidelines as well encourage them to move forward and try to adhere to the IOM guidelines.

Sincerely,



Kimberly M. Lewis,
Assistant Superintendent for Business

/pc

cc: Dr. Kathleen Farrell, Superintendent
Bill Muirhead, Director of Food Services