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September 14, 2009

Dr. Patrick Michel
Superintendent of Schools
Monticello Central School District
237 Forestburgh Road
Monticello, New York 12701

Report Number: S9-9-42

Dear Dr. Michel 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 Monticello Central School District (District) in our audit. The audit period was from September 1, 2007 to December 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 planned to 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 wellness committee, and the most recent State Education Department (SED) review, in 2008, 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, 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 does not detail nutritional standards that guide the food and beverage choices provided or sold to students. For example, the policy provides specific guidance on the types of acceptable beverage offerings as well as snack portion sizes, however it does not provide guidance or establish limitations on calories, fats, trans fats, saturated fats, sodium or sugar content. District policy provides guidance on beverages and snack portion sizes.

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; however, we recommend that the District adopt the more stringent Institute of Medicine (IOM) standards.

An IOM report,¹ conducted with the Centers for Disease Control and Prevention 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 wide variety of snacks and beverages in its à la carte and vending machine choices. Specifically, all 10 items tested were in compliance with the District's standards. However, when compared to the IOM guidelines, none of the 10 items would have met those 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, teas, fruit flavored beverages in larger portion sizes and a variety of ice creams 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 Sullivan County. There are six schools in operation within the District, with approximately 3,500 students attending school during 2008-09 school year. The District's budgeted expenditures for 2008-09 are approximately \$74 million for the general fund and \$1.3

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.

million for the cafeteria fund. During 2007-08, 50 percent of the District's students qualified for Free and Reduced Meals and the District had a 46 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 School Lunch Manager who oversees the food service program and cafeteria vending operations, which include 28 employees working in six buildings. There are four elementary schools, one middle school and one high school:

- One elementary school is composed of students in grades K through 2. Lunch periods start as early as 11:00 am and end as late as 1:30 pm.
- Another elementary school is composed of students in grades 3 through 5. Lunch periods start as early as 10:55 am and end as late as 1:30 pm.
- The remaining two elementary schools are composed of students in grades K through 5. Lunch periods starting as early as 11:00 am and ending as late as 1:35 pm.
- The middle school is composed of students in grades 6 through 8. Lunch periods start as early as 10:29 am and end as late as 1:18 pm.
- The high school is composed of students in grades 9 through 12. Lunch periods start as early as 10:27 am and end as late as 12:35 pm.

The District has six cafeterias for student use, which serve approximately 1,555 lunches per day. The daily lunch option includes one serving of each of the following: meat/meat alternative, milk, grain/bread with two servings of each of vegetable/fruit. In addition, peanut butter and jelly sandwich and American cheese and lettuce sandwich are available daily. Lunch options include a choice of either the special of the day entrée, a substitute entrée with choice of fruits and vegetables and milk in low-fat varieties.

The District has 10 vending machines for student use, the majority of which are located in the middle and high school. The District uses an outside vendor to stock two of the machines available for student use and the school food service personnel stock four. The remaining four are stocked by associations and clubs located in each school. The Food service department personnel review and approve the food stocked in the machines located in the high school and the middle school cafeterias.

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

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

The District has adopted a local school wellness policy. The policy could be enhanced by including more direction. For example, the policy provides specific guidance on the types of acceptable beverage offerings as well as snack portion sizes, however it does not provide guidance or establish limitations on calories, fats, trans fats, saturated fats, sodium or sugar content. 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.

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 committee's 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 students' nutritional awareness and to promote healthy diets.

The District has established a school wellness committee, which is composed of 20 members including District administrators, faculty, students, public health services employee, the cafeteria manager, and the Director of Athletics, Health and Physical Education. The committee meets once a month whenever possible to discuss topics related to nutrition, health, and physical activity. This includes reviewing current nutrition related policies, creating and organizing wellness activities, and organizing the annual wellness fair.

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."

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

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 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.

The last SMI review was conducted for the Monticello Central School District High School (grades 9-12) for the period January 14 through 18, 2008. The review findings, dated March 26, 2008, are summarized into two areas. The first area states: “Menus and standardized recipes are used appropriately. Your production records lack specific information (i.e., portion sizes, reimbursable counts for non entrée items) needed to accurately reflect what your students are offered. Proper production records need to be kept in order to conduct an accurate nutrient analysis.” The second area, Nutritional Analysis, states: “Based on the analysis, Monticello CSD’s High School (grades 9-12) is meeting the needs of the students in all grades for cholesterol, sodium, fiber, iron, calcium, vitamins A & C, protein and total and saturated fat as a percentage of calories. All students are showing a deficiency in calories.”

The District responded to the recommended improvements listed above by filing a corrective action plan that included incorporating additional items to the menu that would increase calories.

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

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.

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 policy provides specific guidance on the types of acceptable beverage offerings as well as snack portion sizes. The wellness policy specifies that "the school food service program will approve and provide all food and beverage sales to students in elementary schools," while "in middle/junior high and high schools, all foods and beverages sold individually outside the reimbursable school meal programs during the school day will meet the following nutrition and portion size standards." Allowable beverages per the established guidelines include water or seltzer water without added caloric sweeteners; fruit and vegetable juices and fruit based drinks that contain at least 35 percent fruit juice and that do not contain additional caloric sweeteners, unflavored or flavored low-fat or fat-free fluid milk and nutritionally equivalent non-dairy beverages. Beverages that are not allowed include soft drinks, sports drinks, iced teas, fruit based drinks that contain less than 35 percent real fruit juice or that contain additional caloric sweeteners, beverages containing caffeine, excluding low-fat or fat-free chocolate milk. In regards to any foods sold outside of reimbursable school meals, the policy established set portion sizes based on snack item.

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 all 10

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

items met the District’s own snack guidelines. Conversely, had the District adopted the IOM standards, none of the items tested meet the IOM standards, as detailed in the following table:

VENDING AND À LA CARTE ITEMS		
Snack Item	Meets District Standards	Meets IOM Standards
100% Grape Juice Drink 11.5 oz	Yes	No
Strawberry Shortcake Ice Cream	Yes	No
Chocolate Granola Bar	Yes	No
Novelty Ice Cream Bar	Yes	No
Rice Treat	Yes	No
Novelty Ice Cream Sandwich	Yes	No
Blueberry Breakfast Snack	Yes	No
Strawberry Grain Bar	Yes	No
Reduced Fat Vanilla Ice Cream Bar	Yes	No
Ice Cream Bar	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 — All schools in the District offer à la carte items to the students. Students are not restricted in the number of à la carte items they are allowed to purchase; however, through the District’s point of sale system, restrictions can be placed at the request of the parents. The selection of à la carte items available in the District include a breakfast novelty pastry, sugar free cookies, granola and grain bars, marshmallow rice treats and a variety of ice creams.
- 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 a variety of sports beverages, teas, fruit flavored beverages in 16-ounce portions and a variety of ice creams where available 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, during lunch period, students can purchase cookies, marshmallow rice treats and a variety of ice creams, sports beverages, teas, and fruit flavored beverages in 16-ounce portions rather than eat the meal that the District is serving. Some of these items do not comply with the District’s own guidelines (e.g., sports beverages and teas). Further, these items generally do not comply with the IOM guidelines.

We asked District officials why such products were offered on school grounds. District officials indicated that the District offers vending for monetary reasons as well as to make other choices available to students. The revenues from vending for the scope period were approximately \$6,800 and the 2008-09 cafeteria budget is \$1.3 million. While we recognize that the District offers vending in order to provide students with choices as well as for monetary reasons, 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 does not have a school store.

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. A principal indicated that both students and teachers are encouraged to bring healthy snacks to school. A middle school teacher added that she advocates for healthy snacks during school activities as well as in her classroom. For fundraising, the District wellness policy indicates, "to support children's health and school nutrition-education efforts, school fundraising activities will not involve food or will use only foods that meet the (above) nutrition and portion size standards for foods and beverages sold individually." The District makes an exception for a weekly bagel sale, but provides restrictions such as requiring low-fat spreads and multi-grain bagels.

Recommendations

1. District officials should amend the local wellness policy to specify the standards that should be used to guide beverage choices offered to students.
2. District officials should consider adopting the IOM standards for the local school wellness policy.
3. District officials should ensure that the traditional school lunch always meet the SED requirements.
4. District officials should ensure that all foods and beverages that are served to students are authorized by the local school wellness policy.
5. District officials should consider limiting the competitive foods available to students.

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.



MONTICELLO CENTRAL SCHOOL DISTRICT

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DR. PATRICK MICHEL, SUPERINTENDENT
MR. ROBERT STEWART, PRESIDENT - BOARD OF EDUCATION

MS. GLADYS P. BAXTER,
ASSISTANT SUPERINTENDENT FOR BUSINESS
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Building Excellence Through Trust

June 5, 2009

[REDACTED]
Office of the State Comptroller
State Office Building, Room 1702
44 Hawley Street
Binghamton, NY 13901-4417

Dear [REDACTED]:

We would like to compliment the auditors that were here in the district for their professionalism. As auditors they have been given the daunting task of reviewing our district food service and Wellness Policy without formal knowledge or training on food nutrition. In reviewing the substance of the report the district has been effective in the implementation and application of the Wellness Policy. We agree as the report states, there are minor areas of improvement to our program.

As we had shared with the auditors, the Wellness Committee is in the process of reviewing and updating the Wellness Policy and will consider the two recommendations: monitoring compliance and detail nutritional standards, in the revision. The reports reliance and reference to Institute of Medicine (IOM) guidelines and the implication that the district has not met these is misleading to someone reading the report. The fact is that the report is the first time IOM standards were presented to the district. Implying that we have not met an arbitrary standard takes away from the fact that this is an audit of our food service and Wellness Policy, not district implementation of IOM standards.

In response to the findings, the district has adjusted the school lunch program to meet the guidelines. We have a new food service manager who is working closely with the N.Y.S. Child Nutrition and our local agencies to provide an efficient program consistent with State Education Department standards and our Wellness Policy. The district Wellness Committee will establish a plan to monitor implementation of our Wellness Policy. As part of our policy review and revision, we will also include more defined nutritional standards and guidelines with consideration of State Education Department requirements.

In terms of the recommendations, the district agrees that we are a main source of nutrition and nutrition education for our students. As such, we will continue to take steps to ensure that school lunch meets State Education Department requirements for nutritional guidelines and provide healthy food choices. The school Wellness Policy will be monitored to ensure that food and beverages are in alignment with our policy while limiting the competitive foods offered.

We appreciate the efforts of the auditors that visited the district. We strongly agree that we have a major role in the wellness of our students and staff who break bread with us on a daily basis. We will continue our efforts for healthy food experiences.

Sincerely,



Gladys P. Baxter
Assistant Superintendent for Business

GPB/cr

cc: Patrick Michel
Debra Donleavy
Doug Murphy