REVIEW OF THE NUTRITION PROGRAM FOR CHILDREN OF MIGRATORY WORKERS AT DAY CARE CENTERS

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September 11, 1972

Senator George R. Moscone
State Capitol, Room 408
Sacramento, California 95814

Dear George,

Enclosed is a report in response to your request of July 24,1972 for information concerning the operation of nutrition services provided for the day care programs administered by the Department of Education, Bureau of Migrant Education.

The Department of Education administers the day care program through six regional organizations with each region responsible for the management of its own day care centers. For the 1971-72 fiscal year, $167,051 was allocated for food services for migrant preschool children.

Three regions were reviewed and it was found that each of them uses a different method for providing food services to its centers. The recorded cost per meal served during the months of May and June 1972 were 76¢, $1.02, and 63¢ for Regions I, II, and III, respectively. The variance in the cost per meal in part is the result of the Department of Education not requiring the regions to include all food service cost in their accounting records as prescribed in the California School Accounting Manual. Also the period coyered is too short to obtain accurate comparative figures. Better cost information could be obtained by a review and analysis of the costs for the entire seven-month harvesting season which ends in October or November of 1972.

The Department does not require that the preschool program be reimbursed for the full cost of meals furnished to infants and school-age children, which are separately funded.

Reimbursements received by the Department of Education from the Federal Special Food Service Program amounting to $92,280 for 1971-72 have not been allocated to the migrant day care program.

The Department's policy against serving meals to visitors is not being followed by the regions. This has resulted in the cost of visitor meals being included as program costs.

Sincerely,

Vince

VINCENT THOMAS

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INTRODUCTION

The State Department of Education administers a day care program for preschool children and infants of migratory agricultural workers. The program is operated through 26 migrant day care centers formed into six regions which encompass the major agricultural areas of the state. During fiscal year 1971-72, 24 migrant preschool day care centers and two infant day care centers were in operation within the six regions. All of the day care centers provide meals to the children attending.

Each region is administered by a county superintendent of schools of one of the counties within the region through his Office of Migrant Education. The designation of the regions, the administering county superintendents, and the counties served by the region are shown in Table 1.

Table 1

Migrant Day Care Program
Regional Designations

Region	Administering County Superintendent	Counties Included in Region
I	Santa Clara County - San Jose	Santa Clara, Santa Barbara, Santa Cruz, Ventura, San Benito, Monterey, San Luis Obispo
II	Butte County - Oroville	Mendocino, Tehama, Glenn, Butte, Lake, Colusa, Sutter, Yuba, Sonoma, Napa, Yolo, Solano, Sacramento
III	Merced County - Merced	Contra Costa, San Joaquin, Stanislaus, Merced
IV	Fresno County - Fresno	Fresno
V	Kern County - Bakersfield	Kern, Tulare, Kings
VI	Imperial County - El Centro	San Bernardino, Riverside, San Diego, Imperial

The Department of Education's Guidelines for the Education of Migrant Children states that the department is responsible for state level policy determination and coordination, and that the county superintendents of schools are responsible for management and supervision at the operational level.

The migrant day care centers are operated in conjunction with public housing made available to migrant families during harvesting seasons. The centers and housing are open for a six or seven month period which corresponds to the harvesting season of the particular locale of the center.

The migrant day care centers provide day care for children of parents who are employed in temporary or seasonal agricultural work. In order to be classed as migratory, such worker must have moved at least once within the past year from one state to another or from one school district to another for the purpose of seeking employment in or being employed in temporary or seasonal agricultural work.

The children to be served by the preschool day care program must be between the ages of two to five years and reside in a public agricultural housing unit during the harvesting season. We were told that the program serves only about 20 percent of the children of migratory parents since additional local matching funds have not been made available to expand the program.

Funds for the migrant day care program for preschool children are provided from the sources listed in Table 2.

Table 2

Source of Funds for the Migrant Day Care Program
for Preschool Children
Fiscal Year 1971-72

State Funds:		
General Fund of the State of California	$ 97,500	
Rental from Public Migrant Housing	251,500	
Total State Funds to be Matched by Federal Funds ($3 for $1)		$ 349,000
Federal Funds:		
Social Security Act Title IV A To Match State Contribution		1,047,000
Elementary and Secondary Education Act Title I		250,000
Total Funds Available		$1,646,000

Of the above amount, funds allocated for food services for the migrant day care program for preschool children amounted to $167,051 for the 1971-72 fiscal year.

SCOPE OF REVIEW

We were requested by the Senate Subcommittee on Nutrition and Human Needs to investigate the nutrition (food service) program of the migrant day care centers. Specifically, we were requested to examine the operations of Regions I San Jose, II Oroville, and III Merced since these regions have contrasting methods of operating their food services program.

We reviewed the 1971-72 fiscal year funding of the migrant day care program for preschool children at the state level and the accounting records and purchasing procedures of the food services of the three regions for the months of May and June 1972.

The centers in these three regions have an operating season that begins in May and continues until November. The accounting records, on the other hand, are on a fiscal year basis from July 1 to June 30; so that costs and expenditures for a harvesting season are recorded in two separate fiscal years. For instance, the 1971-72 fiscal year financial statements include expenditures for five months (July to November 1971) of the 1971 harvesting season and for the first two months (May and June 1972) of the 1972 harvesting season. This split in accounting periods makes it difficult to obtain accurate comparative cost of the programs for the several regions.

FINDINGS AND RECOMMENDATIONS

INADEQUATE ACCOUNTING RECORDS

The accounting records of the migrant day care program are not adequate to make a meaningful analysis of food service costs. The costs included in the regions' accounting records vary so that the costs are not comparable. None of the three regions reviewed by us had all applicable costs recorded in its food service accounts.

The food service accounts of Regions I and III include only the cost of kitchen help, food, and food supplies. Region II accounts, in addition, include some administrative costs, including dietition services. None of the regions charge the costs of items such as utilities or clerical services to the food service accounts.

Adjustments were not made for food inventories on hand as of June 30, 1972. These items would be used in meals in the next fiscal year. Inventory information and food costs by category are not available from region records. Food cost by category was obtained for Region II from the firm providing contracted food services.

Food service accounts are not maintained according to the California School Accounting Manual although the program is supervised by the State Department of Education and county superintendents of schools act as state agents in the various regions. If the manual were followed the accounts would better show the cost of providing food services.

Table 3 shows the recorded costs of food services for Regions I, II, and III for the months of May and June 1972. As stated previously, these costs are not complete and, therefore, no definite conclusions can be drawn as to comparative costs.

TABLE 3

MIGRANT DAY CARE PROGRAM
RECORDED COST OF FOOD SERVICES
MAY AND JUNE, 1972

Item	Regions I San Jose	II Oroville	III Merced
Expenditures			
Labor Costs:			
Cooks and aides	$3,276	$ 4,331	$10,330
Supervision		1,930	3,134
Total Labor Cost	3,276	6,261	13,464
Food Costs:			
Composite food cost	1,668		10,246
Itemized food cost:			
Bakery		184	
Meat		701	
Fresh fruit and vegetables		321	
Eggs		126	
Dairy products	465	741	
Staples		2,381	
Frozen fruit and vegetables		129	
Fish		128	
Poultry		86	
Total Food Cost	2,133	4,797	10,246
Other Costs:			
Supplies	137	281	
Incidentals		105	
Total Other Cost	137	386	
Management Fee		2,577	
TOTAL RECORDED COST OF FOOD SERVICES	$5,546	$14,021	$23,710

We calculated the recorded cost per meal served by dividing the recorded costs by the recorded number of meals served. The results which appear in Table 4, were based on meal count instead of average daily attendance which is normally used for budgeting purposes by the Department of Education.

Table 4

Recorded Cost per Meal Served by Region
May and June 1972

	Food Services Expenditure	Total Meals Served	Cost per Meal
Region I	$ 5,546	7,316	$ .76
Region II	14,021	13,774	1.02
Region III	23,710	37,748	.63

It should be noted that these costs represent only the costs for the short period that the centers were in operation during May and June 1972. This period is not long enough to determine accurately the comparative food service costs even if the accounts were properly maintained. It addition, the centers operated for varying periods of time during May and June. If a more accurate analysis of food service costs is desired, then a review and analysis of the costs should be made in November or December 1972 when the costs for the entire harvesting season can be accumulated and compared.

RECOMMENDATIONS

1. Account for food service costs as shown in the California School Accounting Manual so that accurate and comparable costs are available.

2. If a more accurate analysis of food service costs is required, review these costs upon completion of the current harvesting season.

REIMBURSEMENT FOR FOOD SERVICES

The migrant day care program is eligible for reimbursements from the Federal Special Food Service Program for Children. The reimbursements are claimed by the State Department of Education and are not returned to the regions. During the 1971-72 fiscal year reimbursements of $92,280 were claimed but were not made available for expenditure for the migrant day care program. Since the program is operated under an interagency agreement effective July 1, 1971, through June 30, 1972, the reimbursements are probably not available in later periods.

RECOMMENDATION

3. Department of Education utilize all available funds in the program to provide needed services.

MEALS SERVED

We reviewed the food service records for the months of May and June 1972 at Regions I, II and III.

The participants in the migrant day care program for preschool children are served the following meals during the day:

- Breakfast
- Morning supplement
- Lunch
- Afternoon supplement.

In addition to the preschool children, other persons also served meals at the day care centers are:

- Infants enrolled in the Infant Day Care Centers
- School-age children enrolled in the Migrant Education Program
- Adult employees and adult visitors.

During the months of May and June 1972, the three regions that we reviewed reported serving 58,838 meals at the migrant day care centers as indicated in Table 5.

Table 5

Migrant Day Care Program
Meals Served by Region during
May and June 1972

Group Served	Total Meals Served				Percent of Total
	Region I	Region II	Region III	Total	
Preschool children	6,108	8,224	22,962	37,294	63.4%
Infants	-	2,667	1,099	3,766	6.4
School-age children	-	-	6,837	6,837	11.6
Adults	1,208	2,883	6,850	10,941	18.6
Totals	7,316	13,774	37,748	58,838	100.0%

Practices utilized by the three regions in providing meals to persons other than preschool children and recovering their costs are described in the ensuing sections.

Arbitrary Method of Determining
the Reimbursement Rate for Infant Meals

Regions II and III have used different methods for determining the amount charged the infant program for meals served to infants by the preschool program. We found that the rates to be charged were arbitrarily developed and did not provide for recovering all of the costs of providing the meals served to infants.

The reimbursement rate developed by Region II was based on the assumption that the infants eat 2/3rds as much as preschool children.

Region III used a flat rate of 65¢ per infant day which is the same as the reimbursement rate used by the Federal Special Food Service Program for Children. This rate does not reimburse the preschool program for the cost of providing meals.

RECOMMENDATION

4. Develop an equitable method of determining the cost of infant meals.

Methods of Claiming
Reimbursement for Infant Meals

Infant day care centers are entitled to reimbursements from the Federal Special Food Service Program for Children. In Region II the funds have been claimed by the Department of Education without giving the infant program credit for the reimbursements. In Region III the nutritionist reported that the reimbursements were not yet claimed for the months of May and June 1972.

RECOMMENDATION

5. Claim reimbursements due to the infant program and credit such reimbursements to the infant program.

Partial Reimbursements for Meals Provided to School-Age Children

The preschool program has not been fully reimbursed for meals served to school-aged children.

The Department of Education has indicated that the Migrant Education Program is required to reimburse the preschool program only for the cost of consumable items since labor costs would be incurred whether meals were or were not served to the school-age children.

We believe that the preschool children's program should be fully reimbursed for services provided to others, such as the school-age children's program.

We estimated that the cost of providing meals to school-age children exceeds the reimbursement by $1,830 for the months of May and June 1972, as indicated in Table 6.

Table 6

Estimated Cost and Reimbursements Claimed
For School-Age Children Meals
May and June 1972

Estimated Cost of Meals	$3,790
Reimbursement Claimed from the Federal Special Food Services Program for Children	1,960
Cost of Meals in Excess of Reimbursements	$1,830

RECOMMENDATION

6. Require the Migrant Education Program to fully reimburse the preschool program for meals served to the school-age children.

Providing Adult Meals

Meals are provided by migrant day care centers to both adult employees and adult visitors. Region III is the only region which has tabulated visitors' meals.

Employee Meals

The regions are presently including the cost of employee meals in their costs for the preschool program. A review of the Guideline for Compensatory Preschool Educational Program indicates that this is an acceptable practice.

> "Mealtimes are valuable learning experiences in addition to providing nutrition. All instructional staff members should be expected to sit with the children at meals or snacks. This helps: (1) to build more mature language patterns, (2) to lead discussions on the sources of various foods, (3) to encourage the children to broaden their food tastes, (4) to make children more perceptually aware of shapes, colors, flavors and odors of foods served, (5) to promote mathematical concepts when serving children, and (6) to set standards for acceptable behavior at the table."

The Federal Health, Education and Welfare Agency has interpreted this statement to mean that the participation of staff employees at meals is a program requirement. Therefore, the cost of providing meals to staff employees is considered to be an appropriate program cost.

Visitors' Meals

We were told by representatives of the Department of Education that the state's policy is that no meals are to be furnished to visitors. We requested a copy of this policy, and were told that the policy is not in writing; the centers were orally informed of the state's policy.

We found that visitors in Region I could eat meals with the children after permission was obtained from the regional office. Reimbursements for these meals were not requested from authorized visitors. They did not distinguish between employee and visitors on their adult meal counts.

In Region III, visitors were charged 75¢ a meal. During May and June 1972, there were 226 visitor meals served and $169 collected.

Since the regions are serving meals to visitors in conflict with state policy, it appears that the regions are not aware of this policy.

RECOMMENDATIONS

7. Establish a written policy for providing meals to visitors.

8. Inform the regions of this policy and require that the policy be followed.

9. Require a separate accounting of the number of meals served to visitors in all regions.

Methods of Providing Food Services

The three regions that we visited used three contrasting methods of providing food services for the migrant day care program. These three methods of providing food services are summarized in Table 7.

Table 7

Migrant Day Care Program
Comparison of Food Service Practices by Region
May and June 1972

	Region I (San Jose)	Region II (Oroville)	Region III (Merced)
Method of operation	Each of the four centers manages its own operations.	The six centers are operated by an independent food management service firm under contract.	A nutritionist employed by the region oversees the food services operations of the twelve centers.
Planning of meals	The head teacher and cook of each center prepare menus for their center.	A standarized menu for all centers in the region is prepared by a dietition from the food management firm's main office.	The head teacher and cook of each center prepare menus which are approved by the region's nutritionist before the food is purchased.
Nutritionists' services	A nutritionist from the University of California at Berkeley, or from Santa Clara County is available for consultation with a center's head teacher or cook upon request.	A staff consisting of four dietitions from the food management firm's main office is available for consultation upon request.	A nutritionist manages the food services operation for all centers in the region.
Delivery of food	The head teacher and cook obtain grocery items on a weekly basis from local neighborhood stores; dairy products, supplies and bulk goods are delivered by the suppliers to the centers.	A supervisor, hired by the food management firm, picks up all food and supplies from 11 local vendors and delivers those items to the centers.	All food and supplies are delivered to the centers by local vendors.
Competitive bidding practices	None	None	None

	Region I (San Jose)	Region II (Oroville)	Region III (Merced)
Hiring of cooks and cooks' aides	By the County Superintendent of Schools' Office of Migrant Education subject to the concurrence of the center's head teacher and a representative from the camp counsel.	By the County Superintendent of Schools' Office of Migrant Education, subject to the concurrence of a representative from the food management services firm.	By the County Superintendent of Schools' Office of Migrant Education, subject to the concurrence of its nutritionist and the center's head teacher.
Training of cooks and cooks' aides	On-the-job training is provided by the nutritionist from the University of California, the nutritionist from Santa Clara County, or the center's head teacher.	On-the-job training is provided by the manpower planning and development staff of the food management services firm.	On-the-job training is provided by the nutritionist employed by the region, and by the center's head teacher.
Supervision of kitchen staff	Center's head teacher.	Contractor	Region's nutritionist and center's head teacher
Administrative services, e.g., accounting, purchasing, etc.	Provided by the region's Office of Migrant Education.	Provided by the contractor	Provided by the region's Office of Migrant Education.
Condition of kitchen equipment	Good condition; heavy duty, late models	Poorly equipped, lacking both refrigeration and storage space.	Standard equipment is available in all centers; however, two of the centers lack storage space.
Use of federal surplus commodities	No surplus foods were received by Region I during the period reviewed.	Surplus foods having a fair value of $1022 were received during the period reviewed.	Surplus foods having a fair value of $1319 were received during the period reviewed.

The methods of providing food services differed among the three regions that we reviewed for various reasons, including:

- Size of the area administered by a region, and the number of centers within the region.
- Remoteness of centers within a region.
- Adequacy of storage space and refrigeration equipment at a given center.
- Use of a food management services firm by Region II.
- Variances in the quantity of individual purchases made by each center.
- Availability of food suppliers who would extend credit to the regions' centers.

In Region II, where standardized menus are prepared by dietitions from the food management firm, food commodities are purchased in larger quantities from fewer vendors. Competitive bidding was not practiced in any of the three regions reviewed, although, two individual suppliers offered ten percent discounts to the centers.

Officials interviewed in each region informed us that federal surplus commodities were difficult to obtain. Higher priorities for surplus commodities are given to school districts and hospitals. In Region I, no surplus foods were received during May and June 1972. The fair values of surplus food received in Regions II and III were $1,022 and $1,319, respectively.

RECOMMENDATIONS

10. Standardize menus, using standardized recipes, for all centers within a region.

11. Maintain records of the value of federal surplus foods received.

Cost Comparison of Items Purchased

As previously stated, we were not able to make any meaningful cost comparisons of the three regions' food service operations because of the inadequacies of their cost records and the variation in their methods for recording expenditures.

The costs of specific items of food purchased in Region I could not be identified since only grocery cash register tapes were available for review and these tapes did not identify the specific items purchased.

The costs of identified items of food purchased in Regions II and III during the months of May and June 1972 are compared in Table 8.

Table 8

Comparison of Prices of Items Purchased by
Regions II and III during
May and June 1972

Item	Region II (Purchasing Done by Food Service Contractor) Prices Paid	Region II Average Price	Region III (Purchasing Done by Each Center) Prices Paid	Region III Average Price
Milk, Half-gallon	52.7¢	52.7¢	52.7¢	52.7¢
Ground Beef, lb.	63¢	63¢	65¢ to 79¢	70¢
Eggs, doz.	37¢ to 42¢	40¢	39¢ to 48¢	42¢
Chorizo, lb.	75¢ to 89¢	79¢	69¢ to 89¢	79¢
Sliced Bacon, lb.	75¢ to 79¢	78¢	76¢ to 89¢	81¢
Cheese (American), 5 lb.	$3.90 to $3.95	$3.93	$3.65 to $3.80	$3.75
Margarine, lb.	38¢	38¢	55¢	55¢
Carrots, lb.	15¢	15¢	10¢ to 25¢	15¢
Fryer Legs, lb.	59.3¢	59.3¢	41.6¢	41.6¢
Sausage, lb.	59¢	59¢	59¢ to 79¢	68¢
Potatoes, lb.	39¢	39¢	12¢ to 80¢	45¢
Cantaloupe, lb.	33¢	33¢	25¢ to 39¢	29¢
Tortillas, doz.	17¢ to 25¢	23¢	17¢ to 20¢	19¢
Tomatoes, lb.	40¢ to 45¢	44¢	15¢ to 49¢	30¢
Spinach, lb.	17¢	17¢	19¢	19¢
Bananas, lb.	15¢	15¢	15¢ to 17¢	15¢

As can be seen, the two regions paid the same price for four items; Region II paid a lower price for seven items and Region III paid a lower price for five items.

The differences in prices paid by Regions II and III for these selected items of food varied between 2¢ and 18¢ per unit.

William H. Merrifield
Auditor General

September 7, 1972