

Public Policy &
Legislative (PP&L)
Update

March 27, 2023



SCHOOL
NUTRITION
ASSOCIATION
OF NORTH CAROLINA

Objectives

1

Provide State
Legislative
Updates

2

Provide Federal
Legislative
Updates

3

Review ways
YOU can help

SNA-NC Legislative Agenda

[https://www.schoolnutrition-nc.org/Downloads/FINAL%20SNA-NC%20Legislative%20Agenda%202324%20\(1\).pdf](https://www.schoolnutrition-nc.org/Downloads/FINAL%20SNA-NC%20Legislative%20Agenda%202324%20(1).pdf)

[f](https://www.schoolnutrition-nc.org/Downloads/FINAL%20SNA-NC%20Legislative%20Agenda%202324%20(1).pdf)



Legislative Agenda 2023-24

THANK YOU FOR YOUR CONTINUED SUPPORT IN FEEDING NC CHILDREN HEALTHY MEALS!

The 12,000 dedicated School Nutrition Personnel and the 1.5 million school children we serve are eternally grateful for the \$85 Million that you provided for these essential programs during the pandemic to help ensure that the most vulnerable children received nutritious meals. We could not have met this critical need without your help.

Also, your 2021 enactment of Indirect Cost Relief (N.C. Gen. Stat. §115C-450 (Session Law 2021-180, s. 7.31)) has allowed many of the School Nutrition Programs (SNPs) to achieve a better level of financial viability. You accomplished this by capping the Indirect Cost rate at eight percent (8%) (versus the old 18%) and requiring two (2) months' operating balance prior to a SNP having to pay Indirect Costs to its local board of education. Thank you!

NC STUDENTS NEED YOUR HELP AGAIN and, on their behalf, we respectfully request the following:

1. Appropriate \$5 Million in recurring funds to eliminate the student co-pay for reduced-priced meals. Thank you for permanently offsetting the breakfast co-pay in SY 2010-2011. This new \$5M request will cover both breakfast and lunch co-pays for all students on reduced-price meals. We support the NC Department of Public Instruction and the State Board of Education in their request to fully eliminate the student co-pay for reduced price meals, thereby ensuring nutritious meals to these economically vulnerable students.
 - a. Without this funding, the students who are socioeconomically disadvantaged will find themselves with school meal debt or without access to meals at school.
 - b. If we want all children to be ready to learn – and not hungry at school – then this funding is mission critical for the reduced-price student.
2. Appropriate \$3.75 Million as an investment in recurring funds to support the significant increased costs of providing healthy meals to students every day. This reflects a \$2.50 investment per student (\$2.50 x 1.5 million students = \$3.75M) to help School Nutrition accomplish the following in a more effective and efficient manner:
 - a. Expand healthy meal options through scratch cooking and the purchase of minimally processed local agricultural products;
 - b. Afford the increased costs of required equipment (e.g., ovens, steamers, coolers, efficiency kiosks, etc.); and
 - c. Afford the increased costs to train and retain qualified staff who prepare students' meals every day.
3. Appropriate \$23,925,000 in recurring funds to help offset ever-increasing program costs associated with each **reimbursable** breakfast and lunch served to students. The **reimbursable** meals are based on USDA requirements;¹ however, the federal reimbursement rate does not cover the full cost to produce a meal.² School Nutrition Programs will be facing a *financial cliff* in 2024 due to the persistent increase of costs in food, fuel, supplies, and equipment along with state-mandated increases in salaries and benefits for School Nutrition personnel (please see below #5). These increased "costs of doing business" are **not** fully reimbursed by the federal government; therefore, many states are adding state funding to help feed students. Here is the math:

a. 400,000 daily breakfasts in NC x 165 school days x 10¢ of state help=	\$ 6,600,000R
b. 700,000 daily lunches in NC x 165 school days x 15¢ of state help =	\$17,325,000R
TOTAL REQUEST =	\$23,925,000R
4. Please contact your Congressional delegation today to request their support of federal legislation that will increase the Community Eligibility Provision (CEP) multiplier from 1.6% to 2.5%, which will result in more students receiving a meal at no cost and an increase of federal reimbursement provided to districts in North Carolina.
5. Appropriate specific state funds to ensure that our local SNPs can pay the increased minimum of \$15/hour (effective 2022-23) to our non-certified employees. State funding was **not** appropriated for our non-certified School Nutrition employees; we ask that you please remedy this as soon as possible as we are facing staffing vacancies like never before in our lifetimes.

¹<https://www.dpi.nc.gov/media/15452/download?attachment>

² For more information on how NC School Meals are funded, please see: <https://www.ednc.org/school-meals-finance/>

State Legislative Asks

1

Reduced-Price
Student
Copays

2

Funds for
Program
Investment

3

Funds for Per
Meal
Reimbursement

4

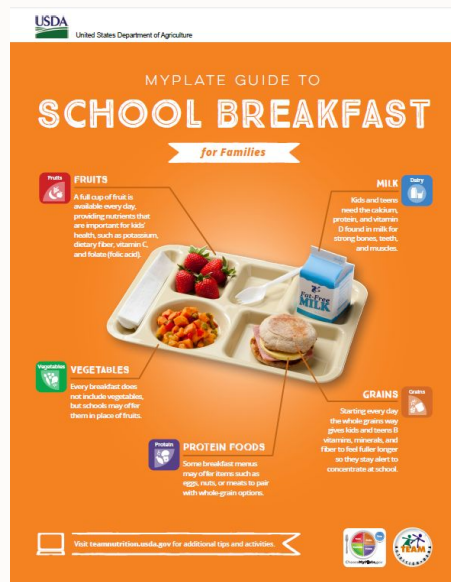
Support to
increase CEP
multiplier

5

Assistance
with
legislated
pay increases

\$5 Million – Recurring Funds for Reduced-Price Meal Copays

Breakfast and Lunch



- These funds will help ensure that students who are economically disadvantaged do not face school meal debt or access to meals at school.
- These funds are mission critical to ensure that the reduced-price students receive nutritious meals, eliminate hunger at school and help them to be ready to learn.

\$2.50 per student



\$3.75 Million Recurring Funds for Program Investment

- Expand healthy meal options through scratch cooking and purchasing local agriculture products;
- Purchase of new equipment; and
- Cover increased costs to train and retain qualified staff.

Recurring Funds – Per Meal Reimbursement

- Breakfast - \$0.10 for each reimbursable meal served



- Lunch - \$0.15 for each reimbursable meal served



\$23,925,000

Community Eligibility Provision (CEP) Multiplier



Increase

- Contact Congressional Delegation and ask them for support to increase the multiplier from 1.6 to 2.5
- This increase will allow more students to receive meals at no costs.

Appropriate State Funds for Legislated Pay Increases for School Nutrition Professionals

- Provide additional state funds to help with the required \$15 per hour wages made effective July 1, 2022.

SNA-NC Needs YOU to....

- Contact your elected officials and ask them to support SNA-NC's Legislative Agenda.

- Find your representatives at:

<https://www.ncleg.gov/findyourlegislators>

SNA 2023 Position Paper

<https://schoolnutrition.org/wp-content/uploads/2023/01/2023-Position-Paper.pdf>



2023 Position Paper

Thanks to support from Congress and the U.S. Department of Agriculture (USDA), school meal programs provided students consistent access to nutritious meals and assisted families in need throughout the pandemic. While [The Keep Kids Fed Act](#) helped these programs transition to normal operations in Fall 2022, Congress must address long-term economic and regulatory challenges. Ensuring the sustainability of school meal programs is invaluable, as [research](#) shows school meals support student health and academic achievement by improving children's diets and combatting hunger. *The non-profit School Nutrition Association (SNA) urges Congress to:*

- **Make permanent the reimbursement rate increases for the National School Lunch and School Breakfast Program (NSLP/SBP), provided in the bipartisan Keep Kids Fed Act (PL 117-158).**
Acute supply chain disruptions, labor shortages and inflation have dramatically increased costs for school meal programs. In a recent [SNA survey](#) of school nutrition directors, increasing costs was the top challenge cited by nearly all respondents (99.8%). Despite additional Keep Kids Fed Act funds, 56.6% reported the higher reimbursement rate fails to cover the cost of producing school lunch; 54.7% cited the school breakfast rate as inadequate. *Nearly all respondents (99.2%) expressed concern about reimbursement adequacy when these additional funds expire in July 2023.* School meal programs will become financially unsustainable. Losses will cut into education budgets, impeding efforts to meet the needs of students and jeopardizing progress in school nutrition programs.
- **Expand NSLP/SBP to offer healthy school meals for all students at no charge.**
Providing equal access to free school meals during the pandemic ensured all students were fueled for success. In school districts that now must charge for meals, 66.8% of nutrition directors [reported](#) an increase in stigma for low-income students, 86.8% cited increased concerns from families and 96.3% reported an increase in unpaid meal charges or debt, a burden on families and school district budgets. SNA supports offering free school meals to all students and proposals to advance this goal, including expanding the Community Eligibility Provision (CEP), eliminating the reduced-price category and making permanent the Direct Certification with Medicaid pilot program.
- **Ensure USDA maintains current school nutrition standards, rather than implements additional, unachievable rules.**
[Research](#) shows students eat their healthiest meals at school, thanks to current [nutrition standards](#) requiring school meals to include fruits, vegetables, whole grains, lean protein and low-fat milk. In February, USDA proposed stricter, long-term nutrition rules. However, 88.8% of school nutrition directors [reported](#) challenges obtaining sufficient menu items (e.g. whole-grain, low-sodium, low-fat options) to meet *current* standards. Additionally, 97.8% are concerned about the availability of foods to meet the July 2023 transitional sodium limits. To keep students eating healthy school meals, USDA must support school nutrition professionals as they work to maintain current standards.
- **Reduce regulatory and administrative burdens.**
Overly complex federal regulations divert resources from the mission of serving students and impede efforts to quickly and creatively adapt meal services during emergencies. Congress should direct USDA to implement the recommendations of the congressionally-mandated [Child Nutrition Reporting Burden Analysis Study](#) and the forthcoming Government Accountability Office (GAO) study of [USDA Foods in Schools](#).

Federal Legislative Asks

1

Make
reimbursement
rate increase
permanent

2

Offer meals at no
cost to all
students

3

Maintain current
school nutrition
standards

4

Reduce
regulatory and
administrative
burden

SNA Needs YOU to.....

- Submit your comments on the *Proposed Nutrition Standards* before April 10, 2023 at:

<https://www.fns.usda.gov/cn/fr-020723>

- Contact Your elected officials – find your representatives at:

<https://www.usa.gov/elected-officials>

The PP&L Committee
wants to **THANK YOU**
for Attending



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