

**FARMS for School Meals Discussion Additional Information**  
**Justus-Warren Heart Disease and Stroke Prevention Task Force Meeting January 7, 2020**

**Is this funding included in the budget?**

No funding for FARMS for School Meals was included in the budget passed during the 2019 legislative long session for the procurement of local products by school nutrition programs. The budget did include \$3 million in nonrecurring funds to eliminate the \$.40 reduced-price lunch copay that some students pay.

**What is the amount of funds from SNAP spent at convenience stores?**

Many small convenience stores do not have point-of-sale systems sophisticated enough to track the percent of their sales that are from SNAP. We do know that there are 9,663 retailers qualified to receive SNAP in the state, and of those 4,438 (46%) are convenience stores. Nationally, 6% of SNAP benefits are used at convenience stores. However, we expect that number to be larger in North Carolina given that the percentage of SNAP retailers that are convenience stores is so high, and that the majority of SNAP customers live in rural areas with no or limited access to full-service grocery stores. See <https://www.cbpp.org/research/food-assistance/snap-boosts-retailers-and-local-economies>.

**Is this funding creating a new program?**

No. The NC Farm to School Program, run by NCDCA, has been a model program since its inception and is an important part of farm to school in this state. Although the NC Farm to School Program provides North Carolina-grown produce and vital agriculture education to our students, it does not provide funds for schools to purchase the products it distributes. Schools must use their current budgets to make those purchases. This proposal would provide funding for schools to make purchases from any distributor; it increases the schools' budgets.

Locally grown food is often more expensive than other options, but money spent on North Carolina-grown food does more for our state than purchases on food grown elsewhere. [Research](#) shows that every \$1 schools spend on locally purchased food generates up to \$2 in economic activity. But schools cannot spend funds on local food without help. Because of tight margins, schools are compelled to buy the least expensive product.

**Community Eligibility Provision**

The federal [Community Eligibility Provision \(CEP\)](#) allows schools in high-poverty areas to provide breakfast and lunch to all students at no cost to the students. The schools are reimbursed for meals based on the percentage of students categorically eligible for free meals based on their participation in SNAP. However, many schools do not qualify for CEP; and not all schools that qualify choose to participate.

**Is school lunch primarily a federal program?**

Yes. North Carolina does not currently provide substantial state funding for school nutrition programs. (NC must provide a match to get federal funding; this match is limited to the reduced-price meal copay for breakfast.) School nutrition programs receive funding via reimbursements from the USDA. Most

states, however, provide more funding than North Carolina provides; and state policies contribute to the cost of school meals. Child nutrition programs have to pay minimum wages required by the state, offer benefits to full-time employees, and more, and all of those costs come out of the federal reimbursement. This impacts what kind of food the programs can buy.

**It may be hard to work with individual, local farmers.**

For many products, specifically meats, schools already have contracts for purchase at rates that fit within their budgets. However, for many produce items, schools are paying for canned items from across the country when they could be purchasing fresh items from down the road.

**How do they track nutritious meals?**

School nutrition programs are heavily regulated; and costs, number of lunches served, etc. are already collected annually. A reimbursable school lunch consists of an entrée, a fruit or vegetable, and a milk, which is monitored at the point of sale. By federal policy, serving sizes, sodium levels, colors of fruits and vegetables, fat, saturated fat, and more are all regulated.

To ensure compliance with the nutrition standards, school nutrition directors must submit their menus, which include information on from where they will procure their ingredients, by October of each year. These programs also undergo periodic audits as a final layer of oversight.

**This is another program in the budget. Could it be simplified?**

This proposal does not create an additional program. The funding would go to DPI, which will disperse it to the school nutrition programs. School nutrition directors are already making food purchases to serve their meals. This provides them with additional funds to be able to procure local items rather than purchase products from across the country. This proposal is supported by both DPI and NCDA.

**How much money is spent on school meals?**

Schools spend about \$1 on the food per meal per day. Labor, benefits, indirect expenses, and other costs add about \$2.60 depending on the district. This proposal would provide schools with an additional \$10 per student per year which would increase the ability of school nutrition programs to purchase fresh, local items to provide to their students.

**It would be helpful to coordinate with a Committee such as Appropriations.**

The NC Alliance for Health and other coalition partners have been working with members of the appropriations committees in the House and Senate over the past year. The NC Alliance for Health would be happy to present on this proposal to those committees if requested.