

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 57*
PROPOSED COMMITTEE SUBSTITUTE H57-PCS30154-TM-3

Short Title: Child Nutrition Program Solvency and Support.

(Public)

Sponsors:

Referred to:

February 5, 2013

1 A BILL TO BE ENTITLED
2 AN ACT (1) TO PROHIBIT LOCAL SCHOOL ADMINISTRATIVE UNITS FROM
3 ASSESSING INDIRECT COSTS TO A CHILD NUTRITION PROGRAM UNLESS THE
4 PROGRAM IS FINANCIALLY SOLVENT AND (2) TO PROMOTE OPTIMAL
5 PRICING FOR CHILD NUTRITION PROGRAM FOODS AND SUPPLIES, AS
6 RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION
7 OVERSIGHT COMMITTEE BASED ON RECOMMENDATIONS FROM THE
8 PROGRAM EVALUATION DIVISION.

9 The General Assembly of North Carolina enacts:

10 SECTION 1. G.S. 115C-450 reads as rewritten:

11 "§ 115C-450. School food services.

12 (a) School food services shall be included in the budget of each local school
13 administrative unit and the State Board of Education shall provide for school food services in
14 the uniform budget format required by G.S. 115C-426.

15 (b) No local school administrative unit shall assess indirect costs to a child nutrition
16 program unless the child nutrition program's food services account balance is greater than an
17 average month's cost of operation for the child nutrition program. An average month's cost of
18 operation shall be calculated and published by the Department of Public Instruction for each
19 child nutrition program and shall be equal to the average of the three prior fiscal years' average
20 monthly cost of operation. When calculating the average month's cost of operation for each
21 child nutrition program, the Department of Public Instruction shall use the complete and final
22 audited figures from each child nutrition program's operation. If complete and final audited
23 figures for a given year are not yet available for a child nutrition program, the Department of
24 Public Instruction may use projected figures but shall update the published average month's
25 cost of operation once complete and final audited figures become available. As used in this
26 subsection, the term "indirect costs" is as defined in the United States Office of Budget and
27 Management Circular A-87, as revised, and the term "cost of operation" is as defined in
28 G.S. 115C-264(c)."

29 SECTION 2.(a) The North Carolina Procurement Alliance shall promote optimal
30 pricing for child nutrition program foods and supplies.

31 SECTION 2.(b) Beginning October 1, 2014, and each year thereafter on October
32 1, the Department of Public Instruction shall report to the Joint Legislative Education Oversight
33 Committee on the annual savings achieved through the participation of local school
34 administrative units in the North Carolina Procurement Alliance.

35 SECTION 3. This act becomes effective July 1, 2013.



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