

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H

D

HOUSE BILL 57*
Committee Substitute Favorable 3/13/13
PROPOSED SENATE COMMITTEE SUBSTITUTE H57-PCS80378-TL-34

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 program has a minimum of one month's operating balance. One month's
17 operating balance shall be derived from net cash resources divided by one month's operating
18 costs. "Net cash resources" means all monies, as determined in accordance with the State
19 agency's established accounting system, that are available to or have accrued to a school food
20 authority's nonprofit child nutrition account at any given time, less cash payables and other
21 liabilities. When calculating the average month's operating balance, the Department of Public
22 Instruction shall use the complete and final figures obtained from the annual financial report
23 from each child nutrition program's operation. An average month's operating balance shall be
24 calculated and published by the Department of Public Instruction for each child nutrition
25 program and shall be equal to the average of the three prior fiscal years' monthly operating
26 balances. If complete and final financial reports for a given year are not yet available for a child
27 nutrition program, the Department of Public Instruction may use projected figures but shall
28 update the published average month's operating balance once complete and final financial
29 reports become available. As used in this subsection, the term "indirect costs" is as defined in
30 the United States Office of Budget and Management Circular A-87, as revised, and the term
31 "net cash resources" is as defined in 7 C.F.R. § 210.2."

32 **SECTION 2.** The North Carolina Procurement Alliance shall promote optimal
33 pricing for child nutrition program foods and supplies.

34 **SECTION 3.** This act becomes effective July 1, 2013.



* H 5 7 - P C S 8 0 3 7 8 - T L - 3 4 *