



The California School Nutrition Association (CSNA) supports school districts feeding every child a nutritious and delicious meal each school day to support a healthy child ready to learn. While many schools were physically closed for months during the 2019-20 and 2020-21 school years, school nutrition programs continued to provide meals to our most vulnerable students. In the past year, just 10% of districts alone served over 300,000,000 meals to children throughout the state.

Provide School Nutrition Programs with the Same Compounded COLA as Other Education-related Funding

Since 2007, the only increase in state funding school nutrition programs (SNPs) received was an annual cost-of-living-adjustment (COLA). Last year, due to low revenue projections for the 2020-21 fiscal year resulting from the COVID-19 Pandemic, many school programs which typically receive an annual COLA like SNPs and the Local Control Funding Formula (LCFF) did not. Instead, the state funded these programs in 2020-21 at their 2019-20 level.

However, the anticipated shortfall did not occur, and Proposition 98 for 2020-21 is actually projected to be \$11.9 billion higher than originally provided for in the 2020 Budget Act. Acknowledging this increase in funding, Governor Newsom's January Budget provides the LCFF with both a 1.5% COLA for 2021-22 and a 2.31% for 2020-21, for a compounded COLA of 3.84%. Despite not receiving a COLA in 2020-21, the Governor is only proposing to provide SNPs with the 1.5% COLA for 2021-22. The lack of a compounded COLA in 2021-22 amounts to a loss of over \$3 million in school nutrition funding.

CSNA would encourage the Administration and the Legislature to provide SNPs with the full 3.84% compounded COLA to help local educational agencies (LEAs) continue to meet their students' nutritional needs.

Ensure Proper Funding to Support Nutritious Meals for California's Children

School districts already struggle to cover their costs at their current level of funding. Recent legislation and the pandemic have only exacerbated these growing funding challenges for many school districts. Additionally, the state's approach to funding school meals does not adequately support these essential programs. To address this challenge, CSNA proposes the following:

Fully fund school meals every year by moving to a complete mandatory funding approach.

SNPs in California are currently funded using a "capped appropriation" approach, meaning schools are reimbursed for free and reduced-price meals served, but only until the state appropriation for meals has been fully expended. While this is an issue at all times, it is particularly problematic during unanticipated downturns in the economy.

School meals are counter-cyclical. That means that more households become eligible when the economy slows down, and more children participate in the school meal programs. Under a capped appropriation, the increase in participation draws down against the appropriation faster than projected, and, as has happened regularly over the years, the fund is fully expended before the school year is over.



There are two significant problems with this. First, the cost of serving meals to children does not decrease, but the revenue available to serve them drops when the state reimbursement is removed. This results in nutrition programs having to pull from their general fund to backfill these unreimbursed costs, which adversely impacts funding for other student services. The second is the impact on planning and budgeting. The uncertainty of if and when the financial shortfall will hit undermines effective planning. Schools plan their menus based on the projected revenue for the meals served. If the per-meal revenue suddenly and unanticipatedly drops, the menu plan may not be sustainable.

CSNA would urge the Administration and the Legislature to switch to funding SNPs under a "mandatory funding" approach. Under "mandatory funding," schools would be guaranteed to receive the established reimbursement for every eligible meal served. This certainty is critical for planning and budget. With mandatory funding, SNPs would plan and budget their menus without having to worry if they will have sufficient funding to sustain it throughout the year.

Additionally, while the federal government reimburses schools for free and reduced-price meals at a higher rate, it also reimburses roughly \$0.40 for every paid meal served. However, SNPs do not currently receive any paid meal reimbursement from the state. School meals are a nutrition program for all children, not a safety net program for low-income households. CSNA recommends that the formula be changed to provide reimbursement for all meals served.

Extend the added 0.75 per meal provided in the 2020-21 budget to cover meals served in the 2020-21 school year.

The 2020 Budget Act provided \$112.2 million in federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to provide up to \$0.75 per meal for local education agencies (LEAs) serving meals between March 2020 and August 2020 during physical school closures due to the COVID-19 pandemic. This supplemental per-meal payment helped already struggling SNPs across the state meet the increased costs of providing meals to students during a global pandemic. However, this \$0.75 increase is no longer in effect even though many schools remained physically closed beyond August and into the 2020-21 school year, and SNPs continued to serve meals.

With additional discretionary federal stimulus funding set to come to the state under the recently enacted American Rescue Plan Act, CSNA would encourage the Administration and the Legislature to use a portion of this federal relief funding to extend this additional \$0.75 per meal to meals served during the 2020-21 school year while an LEA was physically closed due to the ongoing COVID-19 pandemic.

Evaluate School Nutrition Legislation with Consideration to the Impact on School Nutrition Programs

CSNA recognizes that when legislation is introduced that impacts school nutrition, Legislators are doing so with the best intentions. However, while CSNA often supports these bills' intent, as the people on the ground operating SNPs, we also know there can be unintended consequences from legislation that fails to consider the current complexities and nuances of how SNPs operate and are funded. This year, many bills have been introduced that, while well-intentioned, do not seem to understand SNP requirements fully.

CSNA would encourage the legislators to look to CSNA as a partner and a resource on school nutrition and reach out with any questions as bills impacting SNPs come before you. We all share the same goal of ensuring every child is fed and ready to learn, and together we can work to achieve this goal.