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To: School Food Authorities
From: Paula Tyner-Doyle, Coordinator
Date: December 7, 2018
Subject: Frequently Asked Questions Regarding the 30% NYS Initiative

This guidance was prepared jointly by the New York State Education Department and the New York State Department of Agriculture and Markets

The following is a compilation of frequently asked questions developed to provide more information and guidance on the **Additional State Subsidy for Purchasing New York State Food Products**, memorandum found [here](#). This guidance will be updated as necessary to assist School Food Authorities in implementing this initiative.

GENERAL

1. Is this initiative based only for lunch?

Yes. The additional reimbursement through this initiative is available only to SFAs that spend at least thirty percent of total food costs for the school lunch program on NYS food products in the preceding school year.

2. Can SFAs that contract with a Food Service Management Company participate in this initiative? What about SFAs that purchase vended meals?

SFAs that contract with a Food Service management Company to purchase food items and prepare school lunches on the SFA's behalf can participate in this initiative. Schools that purchase school lunches from a vendor are not eligible to participate in this initiative.

3. Will procurement regulations be relaxed for this initiative?

All purchases made by schools, whether funded wholly or in part with child nutrition program funds, must comply with all federal, state and local procurement requirements. Schools must follow the most prescriptive rules in their area.

DEFINING NYS PRODUCTS

4. What qualifies as a New York State food product?

For this initiative, a "New York State Food Product" is defined as:

A food item that is grown, harvested, or produced in New York State (NYS); or

A food item processed inside or outside NYS comprising over 51% agricultural raw materials grown, harvested, or produced in NYS, by weight or volume.

What qualifies as a New York farm product?

“Farm product” means any agricultural, dairy or horticultural product, or any product designed for food manufactured or prepared principally from an agricultural, dairy or horticultural product and the commercial raising, shearing, feeding and management of animals on a ranch. "Dairy products" means milk and products derived therefrom, and products of which milk or a portion thereof is a significant part.

5. What is the difference between produced and processed?

“Producing” means the producing of food grown upon and/or harvested from the farm or waters through agricultural, horticultural, aquacultural, or dairying processes.

“Processing” means any alteration of a food product from its raw or original state to enhance its value or render it suitable for consumption. Examples of processing include, but are not limited to, butchering of meat or poultry, and cooking, pasteurizing, and/or packaging food products

6. Who will certify that a processed item contains over 51% NYS Food Product?

For a processed product to contribute toward this initiative, the School Food Authority (SFA) must obtain a *Product Formulation Statement for Documenting processed New York State Food Products* found [here](#) from the product manufacturer to certify that the product comprises over 51% agricultural raw materials grown, harvested, or produced in NYS, by weight or volume. Processed products for which the SFA does not have a *Product Formulation Statement for Documenting processed New York State Food Products* from the product manufacturer, will not contribute toward this initiative.

WHERE TO FIND NEW YORK STATE FOOD PRODUCTS

7. Where can I find New York growers, producers, harvesters, processors, and dairy suppliers?

Please visit <https://www.agriculture.ny.gov/f2s/FoodServiceDirectors.html> to find a series of lists of NYS producers and processors. Continue to check back regularly for updates and improved lists.

8. Do we have a resource to find the farmers? We are looking for contacts/farmers – who is selling produce for the NSLP?

Please visit <https://www.agriculture.ny.gov/f2s/FoodServiceDirectors.html> to find a series of lists of NYS producers and processors. Continue to check back regularly for updates and improved lists.

9. Can SFAs use Office of General Services (OGS) centralized contracts to purchase NYS food products for this initiative?

As with all procurements for goods and services using an SFA’s nonprofit foodservice account, OGS centralized contracts may be one source of prices when using small purchase procedures, sealed bids or competitive proposals, as applicable. For information

on what these contracts are and how to use them, please visit <https://nyspro.ogs.ny.gov/content/using-ogs-centralized-contracts-0>.

10. How can I identify New York food products on Office of General Services Centralized Contracts?

Centralized Contracts for food products are available at https://www.ogs.ny.gov/purchase/spg/lists/gp_024.asp. Within each contract, you can navigate to a PDF link to a price guide, which are downloadable Excel files. Each price guide has a column labeled “NY Produced or Processed” which you can use to sort and identify available New York food products. Price guides are updated regularly.

NOTE: Products indicated as “NYS Produced or Processed” within Office of General Services Centralized Contracts follow **a more restrictive definition** than was developed for this initiative. As such, all products indicated as “NYS Produced or Processed” on an OGS food or fluid milk Centralized Contract qualify as New York State food products for the purposes of this initiative. However, vendors participating in the OGS food or fluid milk Centralized Contracts **must adhere to the original, more restrictive definition**, which can be found at <https://nyspro.ogs.ny.gov/content/food-guidelines>.

11. How can I identify New York dairy suppliers through the Office of General Services Centralized Contracts?

Centralized Contracts for fluid milk were awarded regionally; price information is updated annually and monthly, and updates are made available through the OGS price list at https://www.ogs.ny.gov/purchase/spg/lists/gp_016.asp. Federal requirements dictate that these contracts may be one source of prices when using small purchase procedures, sealed bids or competitive proposals, as applicable.

DETERMINING THE 30% THRESHOLD

12. How can SFAs determine what is 30% of lunch purchases?

SFAs can use the **30% Calculation Tool** found [here](#) to project the amount of eligible purchases needed to participate in this initiative. This same calculation will be incorporated into the application for SFAs to report data from the previous school year. The 30% calculation is as follows:

Step One: Calculate Total School Year Annual Food Cost Percentage:

$$\frac{\text{Total Food Cost of all food purchased (breakfast, lunch, snack, a la carte, etc.)}}{\text{(All Federal Reimbursement + All State Reimbursement+ All Sales)}} = \text{Total Food Cost Percentage}$$

Step Two: Report School Year Annual Income from Reimbursable Lunches:

Annual Lunch federal reimbursement	
Annual Lunch state reimbursement	
+ Annual Sales from reduced price and paid lunch meals	
<hr/>	
Total Income from Reimbursable Lunches	

Step Three: Calculate Food Cost for Lunch

Total Income from Reimbursable Lunches	
X Total Food Cost Percentage	
<hr/>	
Food Cost for Lunch	

Step Four: Calculate 30% of Lunch Costs

Food Cost for Lunch	
X .30	
<hr/>	
30% of Lunch Costs	

For further illustration, below is the calculation with the following numbers reported by an SFA:

- Total cost of all food purchased: \$720,177.93
- Total of all federal reimbursements: \$1,655,286.00
- Total of all state reimbursements: \$61,930.00
- Total from the sale of all food: \$474,365.00
- Total lunch federal reimbursement: \$1,255,617.00
- Total lunch state reimbursement: \$44,307.00
- Total reduced price and paid lunch meal sales: \$424,155.58

Step One: Calculate Total School Year Annual Food Cost Percentage:

$$\frac{720,177.93}{(1,655,286.00 + 61,930.00 + 474,365.00 = 2,191,581)} = .3286$$

Step Two: Report School Year Annual Income from Reimbursable Lunches:

1,255,617.00	
44,307.00	
+ 424,155.58	
<hr/>	
1,724,079.58	

Step Three: Calculate Food Cost for Lunch

$$\begin{array}{r}
 1,724,079.58 \\
 \times .3286 \\
 \hline
 566,532.55
 \end{array}$$

Step Four: Calculate 30% of Lunch Costs

$$\begin{array}{r}
 566,532.55 \\
 \times .30 \\
 \hline
 169,959.77
 \end{array}$$

In this example, the SFA would have to maintain documentation to support that at least \$169,959.77 was spent on NYS food products for the lunch program to be eligible for the additional reimbursement.

The *30% Calculation Tool* found [here](#) has been developed for SFAs to determine their 30% threshold for this initiative. The calculation shown here and in the 30% Calculation Tool is the only acceptable method to determine the 30% threshold for the purpose of this initiative.

15. Can it be “almost” 30%?

To participate in this initiative, SFAs are required to purchase *at least* 30 percent of their total food costs for lunches in the preceding school year on NYS food products.

QUALIFYING PURCHASES

16. If a product is donated from a local source/farm, how does this contribute toward the NYS 30%?

Since there is no cost incurred for donated food, it does not contribute toward the amount spent on food for this initiative.

17. If the nonprofit school food service account purchases items for the school garden such as fertilizer, watering cans, rakes, etc. can these school garden expenses be used toward meeting the 30%?

Only NYS food products purchased for the school lunch program may contribute toward the purchases for this initiative. Since items purchased for the school garden are not NYS food products, these school garden expenses do not contribute toward purchases for this initiative.

18. The school food service purchases produce from a school organization that maintains and manages the school garden. Would these purchases contribute to the 30%?

Yes, if the purchases are for NYS food products purchased for the school lunch program, they can contribute to the purchases for the initiative.

19. Does being in the USDA Pilot Program for the Procurement of Unprocessed Fruits and Vegetables count toward this initiative?

The Unprocessed Fruit and Vegetable Pilot Project allows schools to use USDA foods entitlement funding for these purchases. Since there is no expense to the school's nonprofit foodservice account for these products, the value of food products acquired through the Unprocessed Fruit and Vegetable Pilot Project entitlement funding does not contribute toward this initiative.

20. Can expenditures made for the Fresh Fruit and Vegetable Program be used toward the 30%?

Only purchases made for products used in the National School Lunch Program reimbursable meal may be counted for this initiative. Purchases made for use in other programs, such as the Fresh Fruit and Vegetable Program, School Breakfast Program, Afterschool Snack Program, Summer Food Service Program, or the cost of food products used at lunch that are not part of the reimbursable meal, for example bottled water, cannot be included in the cost of NYS food purchases for this initiative.

21. How will schools account for multi-use items such as cheese and milk that are used at both breakfast and lunch?

Each school must develop a system to track the use of NYS food products separately for lunch. Acceptable methods may include, but are not limited to, using a POS system, production records and standardized recipes to track purchases for lunch.

22. Does this initiative apply solely to the reimbursable meals or for all foods sold during the school year?

Any NYS food product purchased and used in the reimbursable meal for the school lunch program may contribute toward this initiative.

23. If a school orders NYS produce but the produce vendor supplies products from California and Florida, can these purchases still contribute to this initiative?

Only the cost of NYS food products for the lunch program can contribute toward this initiative. Products from other sources do not qualify. SFAs are required to maintain documentation of the purchase of NYS food products for lunch to participate in this initiative.

24. Will juices made from fruit grown in NYS but processed over state borders contribute to this initiative?

For a processed product to contribute toward this initiative, SFAs must obtain a *Product Formulation Statement for Documenting processed New York State Food Products* found [here](#) from the product manufacturer to certify that the product is comprised of over 51% agricultural raw materials grown, harvested, or produced in NYS, by weight or volume. Processed products for which the SFA does not have a *Product Formulation*

Statement for Documenting processed New York State Food Products from the product manufacturer, do not contribute toward this initiative.

25. Does the school garden have to be GAP certified to sell produce to the NSLP program for this initiative?

SFAs should always purchase food from reliable, reputable sources that follow Good Agricultural Practices (GAPs) and good handling practices. Although USDA and NYS do not require school nutrition programs to purchase from GAP certified farms, it may be a local requirement for some schools.

APPLYING FOR, RECEIVING AND SPENDING INITIATIVE FUNDS

26. How and when can SFAs apply to receive the additional reimbursement through this initiative?

SFAs are required to annually apply to receive the additional state reimbursement. The on-line application will be made available on SED's Child Nutrition Management System each July 1st.

27. Once an SFA is approved for additional reimbursement, when will the SFA receive the funds?

SFAs approved for the additional funding, will receive a total of \$.25 in state reimbursement for each reimbursable lunch meal claimed in the current school year. For example, if an SFA applies for the additional funding in July of 2019, it would use data from the 2018-2019 school year on its application. If approved, the SFA would receive \$.25 in state reimbursement for each reimbursable lunch meal claimed in the 2019-2020 school year.

28. How are 30 % reimbursement dollars allowed to be spent?

The additional reimbursement must be maintained in the School Food Authority's nonprofit food service account and must only be used for the operation and improvement of child nutrition programs and treated in the same manner as all other funds in the nonprofit foodservice account.

KOSHER

29. How can schools that keep kosher work toward meeting the 30% threshold?

Qualifying purchases made for products used in the National School Lunch Program may be counted for this initiative. Please refer to the guidance provided throughout this document and the **Additional State Subsidy for Purchasing New York State Food Products** memo containing the original guidelines found [here](#) to determine whether products meet eligibility criteria.

Please note: in order for any processed products to be counted, School Food Authorities must have a ***Product Formulation Statement for Documenting processed New York State Food Products*** found [here](#) from the product manufacturer to certify that the product comprises over 51% agricultural raw materials grown, harvested, or produced in NYS, by weight or volume.

30. What qualifying kosher products are grown or processed in New York?

In 2004, New York State passed the Kosher Protection Act (<https://www.agriculture.ny.gov/KO/kosherbrochure.pdf>) to provide increased oversight of kosher certified products produced in New York.

Fruits, vegetables and grains in their fresh, unprocessed state do not require a kosher certification. To verify whether dairy, select fresh produce, meat, fish and/or processed products are registered as kosher according to the guidelines established under New York's Kosher Protection Act, please visit the Kosher Food Registry at <https://foodregistration.agriculture.ny.gov/kosher/search.aspx>.

Any identified products SFAs wish to use in connection with the 30% NYS Initiative must comply with all other initiative guidelines, including verification that the product comprises over 51% agricultural raw materials grown, harvested, or produced in NYS, by weight or volume.

Please note: The Kosher Food Registry is subject to frequent revisions and updates.