



Office of P-20 Education Policy
Child Nutrition Program Administration
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To: School Food Authorities
From: Paula Tyner-Doyle, Coordinator
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Subject: Additional State Subsidy For Purchasing New York State Food Products

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

Introduction

When schools use food products from local sources, it supports local farmers and provides healthy choices for children in the school meal programs while supporting the local economy.

Chapter 56 of the Laws of 2018 provides school food authorities (SFAs) with increased State reimbursement for the purchase of New York State (NYS) food products for school lunch programs. Specifically, 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 are eligible for additional State reimbursement that, combined with any existing State reimbursement, will not exceed twenty-five cents for any school lunch meal. Hereinafter, this initiative will be referred to as the “30% NYS Initiative.”

SFAs that purchase food items and prepare their own school lunches or SFAs that contract with a Food Service Management Company to purchase food items and prepare school lunches are eligible to participate in this initiative. SFAs that procure school lunches from a vendor* are not eligible to participate. SFAs must apply to the New York State Education Department (SED) annually to receive this additional reimbursement.

The guidelines provided in this document are established jointly by SED and the New York State Department of Agriculture and Markets (DAM) pursuant to the 2018 legislation and are intended to define the requirements and explain the procedure to apply for this optional funding initiative as well as provide guidance for SFAs to ensure that purchases made with child nutrition program funds are appropriately procured in accordance with federal, state and local procurement requirements.

** A vendor is a company (commercial enterprise, nonprofit organization, or public entity) that prepares, cooks, and packages unitized or bulk-form meals, with or without milk, off-site at their own facilities and delivers them ready-to-eat or heat to the site or location requested by the participating institution or makes them available for pickup. Vendors provide meals only and do not manage any aspect of the school food service.*

Definitions: New York State Food Products

Any New York State (NYS) Food Product purchased and used in the reimbursable meal for the school lunch program may contribute toward the 30% NYS Initiative. A “NYS Food Product” is defined as:

- A food item that is grown, harvested, or produced in 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.

“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.

Procurement of NYS Food Products

SFAs are required to follow all applicable federal, state and local procurement rules in purchasing products for the 30% NYS Initiative. SFAs may apply a geographic preference in the procurement of unprocessed, locally grown or raised products as prescribed by the United States Department of Agriculture. Specific guidance on using a geographic preference and other methods to procure local food for child nutrition programs can be accessed through the following links:

Federal and State procurement requirements and guidance:

<http://www.cn.nysed.gov/content/procurement-information>

Federal and State procurement thresholds:

<http://www.cn.nysed.gov/content/guidance-procurement-methods>

Purchasing local food for use in schools including how to apply geographic preference:

<http://www.cn.nysed.gov/farmtoschool>

<https://www.fns.usda.gov/farmtoschool/procuring-local-foods>

To find New York State products, please visit:

<https://www.agriculture.ny.gov/f2s/FoodServiceDirectors.html>

Determining the amount of NYS Food Products to purchase

To participate in the 30% NYS 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. The cost of reimbursable lunches will be used as the base to determine the minimum amount of NYS product purchases each SFA is required to incur to receive the additional reimbursement. To determine the minimum amount of NYS food product purchases for school lunch required to qualify for the additional reimbursement use the **30% Calculation Tool** found [here](#).

SFAs will not include the value of USDA (commodity) foods as a revenue, expense or in the amount purchased on NYS food products for this initiative. The value of USDA foods is excluded from this initiative as these food items are made available through entitlement funding and not at a cost to the SFA.

Application

SFAs will apply for the additional reimbursement annually through SED's Child Nutrition Management System. All Child Nutrition reimbursement claims from the previous school year must be submitted prior to completing the application. Through the application, SFAs will report the following information from the previous school year, excluding the value of any USDA (commodity) foods:

- Total cost of all food purchased (breakfast, lunch, snack, a la carte, etc.)
- Total amount of revenue from federal and state reimbursement for all child nutrition programs
- Total amount of revenue from the sale of all food
- Total amount of revenue from reduced price and paid lunch meal sales
- Total cost of NYS food products purchased for the school lunch program

These figures will be used in to determine whether the SFA purchased enough NYS food products to qualify for the additional reimbursement.

The application will require an attestation from the SFA Superintendent, Executive Director, Chief School Officer, or their duly authorized designee that the SFA made the disclosed amount in purchases and maintains documentation to support the SFA's eligibility for the additional reimbursement.

Required Documentation

SFAs that receive additional State reimbursement through this initiative are required to maintain documentation on file to demonstrate that the procurement and use of NYS food products for lunch meals was at least 30 percent of the SFAs school lunch food costs in the preceding school year. Typical documents used to support this initiative and justify the additional reimbursement may include, but is not limited to, solicitations, contracts, purchase orders, price lists, labels, invoices, receipts, production records and NYS Product lists.

For processed products, SFAs must require that product manufacturers complete the **Product Formulation Statement for Documenting *processed* New York State Food Products** found [here](#) to certify qualifying products. Processed products for which a Product Formulation Statement for Documenting *processed* New York State Food Products has not been certified by the manufacturer and maintained by the SFA cannot be counted toward this initiative. SFAs must maintain these signed statements for documentation.

Upon request, SFAs are required to make all accounts and records pertaining to its school food service immediately available to USDA, SED or any other authorized entity, for audit or review. These records must be maintained for a period of three years after the date of the final claim for reimbursement for the fiscal year to which they pertain, except that if audit findings have not

been resolved, the records shall be retained beyond the three year period as long as required for the resolution of the issues raised by the audit. Therefore, notwithstanding records pertaining to an unresolved audit, records supporting this initiative are to be kept for a three year period commencing after the date of the final claim for reimbursement in the following school year.

Payments

SFAs will apply and be approved annually to receive the additional State reimbursement. Approved SFAs will receive the additional reimbursement based on monthly lunch meals claimed in the Child Nutrition Management System in the following school year. Payments will be made in the same manner as current State reimbursements are made for school meals.

Timeline

The chart below demonstrates the implementation of this initiative in the first year.

SY 18/19	SFAs track lunch purchases and maintain documents
July 1, 2019 – August 15, 2019	SFAs apply for reimbursement using SY18/19 data
July 1, 2019 – September 1, 2019	SED processes applications
SY 19/20	Approved SFAs receive a total of \$.25 in State reimbursement for lunches claimed each month SFAs track lunch purchases and maintain documents to apply to receive reimbursement for SY20/21

Questions?

A compilation of frequently asked questions has been developed and will continually be updated to provide more information and guidance relative to this initiative. [Click here to access the FAQ.](#)

SFAs can contact SED via email at cn@nysed.gov

Farmers, processors, and other vendors can contact DAM via email at farm2school@agriculture.ny.gov.