

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009**

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**SENATE BILL 1152\*  
House Committee Substitute Favorable 7/1/10**

Short Title: Study Child Nutrition Program.

(Public)

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Sponsors:

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Referred to:

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May 17, 2010

A BILL TO BE ENTITLED

1 AN ACT AUTHORIZING THE JOINT LEGISLATIVE PROGRAM EVALUATION  
2 OVERSIGHT COMMITTEE TO DIRECT THE PROGRAM EVALUATION DIVISION  
3 TO STUDY INDIRECT COSTS UNDER CHILD NUTRITION PROGRAMS.  
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5 The General Assembly of North Carolina enacts:

6 **SECTION 1.(a)** The Joint Legislative Program Evaluation Oversight Committee  
7 shall include in the 2010 Work Plan for the Program Evaluation Division of the General  
8 Assembly a study of the operation of the Child Nutrition Program. The Division shall examine  
9 (i) the guidelines for assessing direct and indirect operating costs to local child nutrition  
10 programs in local school administrative units, including rent, costs assessed on a square footage  
11 basis, maintenance, utilities, and any other costs charged or allocated to food services; (ii)  
12 discrepancies in how local school administrative units calculate and report indirect costs for  
13 child nutrition programs, the impact of these discrepancies on child nutrition programs, and  
14 whether local school administrative units are charging these indirect costs to incorrect budget  
15 items; (iii) federal guidelines on minimum fund balances for child nutrition programs and  
16 whether all local child nutrition programs in local school administrative units are in compliance  
17 with these guidelines; (iv) practices in other states regarding the operation of child nutrition  
18 programs, including procedures for assessment of indirect costs and guidelines for fund  
19 balances; (v) funding requirements necessary for elementary, middle, and high schools to  
20 implement the nutrition standards implemented by S.L. 2005-457, as amended by Section  
21 7.36A of S.L. 2007-323 and Section 7.25 of S.L. 2008-107; and (vi) any other issues the  
22 Division deems relevant to this study.

23 **SECTION 1.(b)** The Program Evaluation Division shall submit its findings and  
24 recommendations to the Joint Legislative Program Evaluation Oversight Committee, the Joint  
25 Legislative Commission on Governmental Operations, the Legislative Task Force on  
26 Childhood Obesity, and the Fiscal Research Division at a date to be determined by the Joint  
27 Legislative Program Evaluation Oversight Committee.

28 **SECTION 2.** This act is effective when it becomes law.

