



## **Second Harvest Food Bank of Northwest North Carolina 2025 Federal Policy Priorities**

### **Farm Bill 2025 Priorities: Protect and Strengthen SNAP, TEFAP and Other Anti-Hunger Programs:**

The Farm Bill is a comprehensive piece of legislation that authorizes most federal policies governing food and agriculture programs. Approximately every five years, Congress reauthorizes the Farm Bill. This reauthorization process offers policy makers an opportunity to review programs included in the legislation and consider programmatic changes. Title IV, the “nutrition title”, authorizes several federal nutrition programs and comprises approximately 80% of the funding in the Farm Bill.

- Supplemental Nutrition Assistance Program (SNAP, formerly known as “food stamps”) is the nation’s first line of defense against hunger. [In North Carolina, SNAP is known as FNS or Food & Nutrition Services.]
  - Ensure SNAP’s purchasing power aligns with rising grocery prices and provides adequate support during tough economic times.
    - This will decrease the need for charitable food assistance, helping to reduce the strain on food banks.
  - Simplify SNAP eligibility and enrollment for older adults, college students, veterans, working families, immigrants and other people facing challenges to accessing the program.
  - Protect SNAP choice and focus on ensuring affordable access to nutritious foods.
  - Improve assistance to individuals seeking employment by supporting effective state employment and training programs and ensuring people have access to SNAP benefits as they find work.
  - Allow Puerto Rico and other U.S. territories to participate fully in SNAP.
  - Improve access by allowing the eligible households to receive both Food Distribution Program on Indian Reservations (FDPIR) and SNAP.
- The Emergency Food Assistance Program (TEFAP) is the cornerstone of the emergency food assistance program and 23% of the product Second Harvest has distributed in FY2023/2024. The Storage and Distribution reimbursement for receiving, storing, and distributing TEFAP product only covers 29% of actual Second Harvest’s costs. From July 1, 2024 through September 30, 2024, TEFAP poundage received totaled approximately 3.2 million lbs., compared to 2.2 million lbs. in the same period in 2023 due to actions taken by the United States Department of Agriculture (USDA) to support food banks.

- Reauthorize and double annual mandatory funding for TEFAP food purchases, adjusted for inflation.
- Reauthorize and increase to \$200 million per year discretionary funding for TEFAP Storage and Distribution.
- Reauthorize \$15 million per year in discretionary funding for TEFAP infrastructure grants.
- Commodity Supplemental Food Program (CSFP) provides nutritious food boxes to seniors aged 60 and above each month.
  - Maintain current level of funding (\$375 million).

**Anticipated Timeline:** Due to being a Presidential election year and not having the FY2025 budget passed, the Farm Bill might not be reauthorized until 2025. Federal nutrition programs have been funded through December 20, 2024 when the Continuing Appropriations and Extensions Act, 2025 will expire. Continued advocacy required.

**Child Nutrition Reauthorization (CNR): Protect and strengthen child nutrition programs by improving program access, ensuring nutrition quality, and streamlining program administration and operation:**

The Child Nutrition Reauthorization is the process used to update child nutrition programs, including the School Breakfast Program (SBP), National School Lunch Program (NSLP), summer and afterschool nutrition programs, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). CNR generally occurs every 5 years, but Congress has not passed a CNR since 2010 – leaving programs without significant improvements.

- Summer Food Service Program (SFSP) is a federally-funded, state-administered program that was established to ensure that children continue to receive nutritious meals when school is not in session. When school is out, SFSP provides free meals to kids and teens in low-income areas. Strengthen summer feeding sites by:
  - Streamlining regulations for community-based providers so they can feed children year-round.
    - Support USDA’s efforts to examine ways to streamline the application process for SFSP and CACFP.
  - Aligning the area eligibility requirement for summer feeding and educational programs allows more learning programs to offer meals in the summer.
    - Reduce the area eligibility threshold to allow:
      - More community providers to offer meals in the summer.
      - More children to receive meals closer to home.
- Child and Adult Care Food Program (CACFP) provides healthy meals and snacks that support good nutrition, helps children fully develop, and prepares them to be ready to learn at school. CACFP also provides high-quality, affordable childcare that supports parents’ ability to work.
  - Allow for reimbursement of up to two meals and two snacks, or three meals and one snack, per child per day for children in care for at least eight hours per day.
- National School Lunch Program (NSLP) and School Breakfast Program (SBP) both guarantee that millions of children receive a healthy breakfast and lunch during their

school day. High-need schools can offer meals at no charge to all students primarily through the Community Eligibility Provision (CEP). CEP allows the nation's highest poverty schools and districts to serve breakfast and lunch at no cost to all enrolled students without collecting household applications.

- Expand community eligibility by lowering the CEP threshold from 40% to 25% to increase the number of high-poverty schools that offer free breakfast and lunch to all students.

**Anticipated Timeline:** The last Child Nutrition Reauthorization expired on September 30, 2015. Since then, the programs have continued at the funding levels authorized in the annual budgets. Without a new child nutrition reauthorization being passed, improvements to the programs are not possible. Continued advocacy required.

### **Child Tax Credit:**

The American Rescue Plan (ARP) of 2021 expanded the Child Tax Credit and increased the number of families able to participate who were negatively impacted by the immediate and ongoing impact of the pandemic. Studies showed the strengthened tax credit helped reduce child poverty to a record low in 2021. The legislation also fixed a flaw in the design of the benefit – families with the lowest incomes received only a partial credit or no credit at all, while families with higher incomes received the full credit.

- The Tax Relief for American Families and Workers Act of 2024 was passed in the House on January 31, 2024. The Senate has not acted on this bill.
  - Increases the maximum refundable amount per child to \$1,800 in 2023, \$1,900 in tax year 2024 and \$2,000 in tax year 2025.
  - Giving eligible families the option to use their earned income from the prior year to calculate their credit.
  - Modifying the refundability calculation to be on a per-child basis.
  - Adjusting the credit for inflation to keep pace with the cost of living.

**Anticipated Timeline:** Due to being a Presidential election year and not having the FY2025 budget passed, this bill will probably not be brought up for vote in the Senate. Continued advocacy required.

### **Charitable Donations:**

Tax policy plays a key role in the fight against hunger. Individual and corporate giving are critical to helping food banks meet the need and maintain services.

- Support S 566/HR 3435, Charitable Act that was introduced by a bipartisan group from both houses of Congress in 2023 to reinstate the non-itemizer, universal charitable deduction permanently and increase the benefit.

**Anticipated Timeline:** Due to being a Presidential election year and not having the FY2025 budget passed, neither Chamber will probably address these bills this year. Continued advocacy required.

**Benefits Cliff:**

People face a benefits “cliff” as they secure promotions or new opportunities that raise their wages to support their families. Existing rules for many benefit programs dis-incentivize individuals from seeking improved incomes by eliminating this support as they are making strides to improve their situation for themselves and their families. The result maintains generational poverty, prevents company growth by discouraging impactful worker’s growth, and suppressing economic mobility.

- Support changes to government support programs (such as SNAP, housing, childcare, and health insurance) that allow benefit amounts to taper off (creating a “slope” versus a “cliff”) as individuals receive promotions or secure new opportunities in their careers to improve the quality of life for themselves and their families.

**Anticipated Timeline:** This will be a long-term policy focus. Will discuss with policymakers when appropriate; no other action necessary.



## Second Harvest Food Bank of Northwest North Carolina 2025 State Policy Priorities

### **State Funding for Food Banks:**

The North Carolina Food Banks have received funding that is authorized by the General Assembly in the annual state budget. This funding is used to purchase and distribute locally sourced foods to provide to our neighbors seeking food assistance. With the end of the pandemic waivers and programs, North Carolina food banks have experienced a dramatic increase in households requesting assistance:

- Reauthorize and make recurring \$6 million in funding for the Feeding the Carolinas food banks in the annual state budget.

**Anticipated Timeline:** The 2025 legislative session is scheduled to begin on January 8, 2025. Continued advocacy required.

### **Protect and Strengthen SNAP (FNS) Benefits:**

SNAP is proven to be one of the most effective anti-hunger programs in the United States. Congress made many temporary improvements to SNAP during the COVID-19 pandemic to take advantage of the program's ability to deliver benefits quickly in response to job and income losses, including authorizing emergency allotments and certain eligibility and administrative changes. With the end of COVID waivers, North Carolina has significant opportunity to improve the reach and impact of the program.

- Protect and expand SNAP (FNS) to support individuals and families most at risk for being food insecure.

**Anticipated Timeline:** The 2025 legislative session is scheduled to begin on January 8, 2025. Continued advocacy required.

### **School Meals for All NC:**

Providing school meals for all is positively associated with students' academic performance, attendance, and participation in the school meal programs. School meals for all also eliminates the stigma that arises from school meal debt. Meals served in school have been shown to be of higher nutritional quality than those brought from home. As **1 in 5** children in North Carolina is food insecure, school meals for all can improve food security for those students.

- Provide school meals at no cost for all students in North Carolina schools.

**Anticipated Timeline:** The 2025 legislative session is scheduled to begin on January 8, 2025. Continued advocacy required.

**Exempt Nonprofits from Paying Sales Tax:**

Under current law, 501(c)(3) nonprofits pay sales tax when they purchase goods and services in North Carolina and are eligible to apply to the N.C. Department of Revenue (DOR) for semi-annual refunds of the sales and use taxes they have paid. North Carolina is one of two states with a sales tax refund system for nonprofits (Utah is the other). In most other states, 501(c)(3) nonprofits receive sales tax exemption certificates and vendors do not charge them sales tax at the point of sale.

- Simplify nonprofit sales tax refund process by replacing the nonprofit sales tax refund system with sales tax exemption for most 501(c)(3) nonprofits.

**Anticipated Timeline:** The 2025 legislative session is scheduled to begin on January 8, 2025. Continued advocacy required.