



## **Second Harvest Food Bank of Northwest North Carolina**

### **2025-2026 State Policy Priorities**

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

Historically, 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. Given the historic need being experienced across the state and shifts in federal policy, these funds are more critical than ever.

- Funding for food banks is not in the mini budget approved by the General Assembly and a full budget may not be approved by the General Assembly this year due to disagreements between the House and the Senate.
  - We will seek to restore funding in the budget and advocate for a total of \$9.1 million for the food banks, which includes \$1.5 million for six food banks (Food Bank of Central & Eastern NC shares their portion with Interfaith Food Shuttle) and \$100,000 for Feeding the Carolinas.

#### **Management of SNAP Cost Shift to the States**

SNAP is proven to be one of the most effective anti-hunger programs in the United States. With the federal budget approved shifting costs for SNAP (the amount is based on error rates of the program), we need to advocate with the General Assembly to ensure they will cover these cost shifts without damage to other critical family and community support programming.

- Protect against the elimination of SNAP (FNS) in the state in support of individuals and families most at risk for being food insecure.

#### **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.

## **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, but the only one without a point-of-sale exemption process in place. 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.

## **Healthy Opportunities/1115 Medicaid Waiver**

This permits the use of Medicaid funding for non-medical interventions such as healthy food assistance. Pilot programs in the state demonstrated positive results along with independent projects that Second Harvest completed in collaboration with Atrium/Wake Forest Baptist and others. Funding for continuation and expansion of the pilots was not provided in the mini budget approved by the General Assembly.

- We will work with our sister food banks and allies to communicate the positive impact of the pilots – health improvements and reduced health care costs – to members of the General Assembly for its inclusion in the future.
- It is anticipated that the food banks of North Carolina will receive private funding to create plans for developing this work and this will include advocacy plans.

## **Tracking & Assessing Impact of State Policy Changes**

- North Carolina Border Protection Act (which was passed after a Gubernatorial veto was overridden)
  - Lack of clarity on the impact of food assistance programming such as SNAP and funding we've historically received from the General Assembly to purchase and distribute food. Also, the impact of the passage of the federal bill and its requirements are unclear.
- Reintroduction of bills that would broaden the State Auditor's authority over any entity receiving state funding, including nonprofits.
- Reintroduction of bills that would require nonprofits to release their donor list to the Auditor's office.

For the above last two items, this type of language was removed from bills introduced during the most recent session, but monitoring these issues is vital.

Approved by Board of Directors  
September 18, 2025