

Despite strong opposition from education groups concerned about the bill's impact on school meal programs, the Governor signed [Senate Bill 490 \(Caballero\)](#) last night. You may recall that SB 490 requires local education agencies (LEAs) that receive federal meal reimbursement funding to generally purchase only products that are domestically grown, packed, or processed. More particularly, federally funded LEAs that provide prepared meals and that solicit bids for the purchase of an agricultural food product, must specify in their solicitation for bids and contracts that only the purchase of a product grown, packed, or processed domestically is authorized unless any of the following applies:

1. The bid or price of the nondomestic agricultural food product is more than 25 percent lower than the bid or price of the domestic agricultural food product.
2. The quality of the domestic agricultural food product is inferior to the quality of the agricultural food product grown, packed, or produced nondomestically.
3. The agricultural food product is not produced or manufactured domestically in sufficient and reasonably available quantities of a satisfactory quality to meet the needs of the public institution.

Although we hoped the Governor might not sign the bill due to cost pressures on LEAs, the politics of this issue are linked to agricultural workers and interests that made a veto difficult. While we sought a different outcome, all is not lost.

The bill does not take effect until January 2024 and if there is an existing contract in place with a food supplier on January 1, 2024, the statute will only apply upon the next successive contract.

Most importantly, the Governor attached a [signing message](#) to the bill which contains these key lines: "This bill may result in additional costs beyond the funding for universal access to subsidized school meals provided in the budget. Any requests for additional resources to implement SB 490 will need to be reviewed and included in the annual budget process." This language recognizes the potential need for additional funds to cover the costs of SB 490 when implemented and opens the door for the inclusion of additional funds for our programs in the state budget.

We will be developing a plan to collect data on increased costs over next year and particularly in 2024 so that we can get any needed budget ask into the process as soon as possible. We will also need your help with feedback on capacity or supply chain issues.

Please know that even though SB 490 will become law, we aren't finished fighting.

If I can provide any additional information, please feel free to contact me.

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