

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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SENATE BILL 1054

Short Title: No Child Left Unfed. (Public)

Sponsors: Senators Chaudhuri and Burgin (Primary Sponsors).

Referred to: Rules and Operations of the Senate

May 4, 2026

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO
EXTEND ACCESS TO THE FEDERAL CHILD AND ADULT CARE FOOD PROGRAM
TO CHILD CARE PROVIDERS OPERATING LICENSED CHILD CARE HOMES.

Whereas, family, friend, and neighbor (FFN) child care providers serve a critical role in the child care ecosystem of North Carolina, caring for a significant share of young children, particularly in low-income, rural, and underserved communities; and

Whereas, the Child and Adult Care Food Program (CACFP), administered by the United States Department of Agriculture (USDA) and the North Carolina Department of Health and Human Services, provides reimbursements for nutritious meals and snacks served to eligible children in qualifying child care settings; and

Whereas, legally operating FFN providers are currently excluded from or face significant barriers to participation in CACFP, limiting the nutritional resources available to the children they serve; and

Whereas, expanding CACFP access to legally operating FFN providers will improve child nutrition outcomes, support small and informal providers, and reduce child food insecurity in North Carolina; and

Whereas, it is the intent of the General Assembly to direct the North Carolina Department of Health and Human Services to take feasible administrative action to achieve this expansion without requiring a lengthy study period, consistent with applicable federal law and USDA requirements; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. Article 3 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 10D. Child and Adult Care Food Program (CACFP) for Child Care Providers.

§ 143B-168.40. CACFP Access for Family, Friend, and Neighbor Child Care Providers.

(a) Definitions. – The following definitions apply in this section:

(1) CACFP. – The Child and Adult Care Food Program, as authorized under Section 17 of the National School Lunch Act, 42 U.S.C. § 1766, and administered in this State by the Division of Child Development and Early Education (DCDEE) within the Department of Health and Human Services.

(2) Family, friend, and neighbor (FFN) child care provider. – An individual who is legally operating under applicable State law and provides child care, including child care in one of the following settings:

a. An operator-occupied private dwelling in which, at any one time, two or less children receive child care.



1 b. The home of any child receiving child care if all of the children in child
2 care are related to one another and no more than two additional
3 children are in child care.

4 The term includes individuals providing (i) child care that falls below the
5 threshold requiring licensure under G.S. 110-86(3)b., (ii) arrangements
6 excluded from the definition of child care under G.S. 110-86(2), and (iii) child
7 care holding a license-exempt status recognized by the Department.

8 (b) Requirements. – The Department shall take all feasible administrative action to
9 extend access to CACFP to legally operating FFN child care providers, which action may include,
10 but is not limited to, the following:

11 (1) Identifying and engaging or designating one or more sponsoring organizations
12 capable of administering CACFP reimbursements to FFN providers.

13 (2) Developing or modifying application procedures, training requirements, and
14 record-keeping protocols appropriate to the scale and nature of FFN care
15 settings.

16 (3) Applying for any available federal waivers, pilot programs, or flexibilities that
17 support FFN provider participation in CACFP.

18 (4) Establishing simplified or tiered compliance mechanisms to reduce
19 administrative burden on FFN providers while maintaining program integrity.

20 (c) Reporting. – No later than July 1 of each year, the Department shall submit a report
21 to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal
22 Research Division of the General Assembly detailing each of the following:

23 (1) The number of FFN providers enrolled in or newly accessing CACFP.

24 (2) The number of children served through FFN providers participating in
25 CACFP.

26 (3) Any barriers to participation identified and steps taken to address them.

27 (4) Recommendations for additional legislative or administrative action.

28 (d) Nothing in this section shall be construed to require any FFN provider to participate
29 in CACFP, to alter the licensure requirements of Chapter 110 of the General Statutes, or to
30 conflict with applicable federal law or USDA regulations governing CACFP."

31 **SECTION 2.** Implementation Plan. – No later than 180 days after this act becomes
32 effective, the Department of Health and Human Services, Division of Child Development and
33 Early Education, shall develop and publish an implementation plan detailing the administrative
34 approach selected pursuant to G.S. 143B-168.40(b), as enacted in Section 1 of this act, including
35 timelines, required rule changes, any necessary federal approvals, and resource requirements.

36 **SECTION 3.** Report. – The Division of Child Development and Early Education
37 shall submit its initial report required by G.S. 143B-168.40(c), as enacted by Section 1 of this
38 act, no later than 12 months from the date this act becomes effective.

39 **SECTION 4.(a)** Appropriations. – There is appropriated from the General Fund to
40 the Department of Health and Human Services, Division of Child Development and Early
41 Education, the following amounts for the 2025-2026 fiscal year, for the following purposes:

42 (1) The sum of one hundred fifty thousand dollars (\$150,000) in nonrecurring
43 funds for the 2025-2026 fiscal year to do each of the following:

44 a. Develop the implementation plan required by Section 2 of this act,
45 including identification of feasible administrative approaches to
46 extending Child and Adult Care Food Program (CACFP) access to
47 legally operating family, friend, and neighbor (FFN) child care
48 providers, assessment of required federal approvals or State plan
49 amendments, and determination of resource requirements necessary to
50 carry out the selected approach.

- 1 b. Conduct outreach to existing and potential CACFP sponsoring
2 organizations to assess capacity and willingness to administer CACFP
3 reimbursements on behalf of FFN providers, and to identify gaps in
4 sponsoring organization coverage across the State, with particular
5 attention to rural areas and communities with high concentrations of
6 FFN care arrangements.
- 7 c. Design and pilot FFN-appropriate application procedures, training
8 curricula, and record-keeping protocols that reduce administrative
9 burden on FFN providers while maintaining compliance with
10 applicable federal program integrity requirements.
- 11 d. Apply for any available federal waivers, pilot programs, or flexibilities
12 offered by the United States Department of Agriculture, Food and
13 Nutrition Service, that would support or accelerate FFN provider
14 participation in CACFP, including preparation of any required state
15 plan amendments.

- 16 (2) The sum of five hundred thousand dollars (\$500,000) in recurring funds
17 beginning in the 2025-2026 fiscal year to support the ongoing administrative
18 costs of coordinating FFN provider participation in CACFP in accordance
19 with this act, including the hiring of full-time staff to assist with processing
20 and outreach of applications, staff time dedicated to sponsoring organization
21 oversight, FFN provider support, data collection, and preparation of the annual
22 report required under G.S. 143B-168.40(c), as enacted in Section 1 of this act.
23 Funding shall continue until such time as federal CACFP administrative
24 reimbursements are sufficient to cover those costs, at which point the Division
25 of Child Development and Early Education shall notify the Office of State
26 Budget and Management and the Fiscal Research Division and the recurring
27 appropriation under this subdivision shall be reduced accordingly.

28 **SECTION 4.(b)** Funds appropriated under subsection (a) of this section shall not
29 revert to the General Fund at the end of the fiscal year but shall remain available for the purposes
30 of that subsection until expended or until June 30 of the second fiscal year following
31 appropriation, whichever occurs first.

32 **SECTION 5.** This act is effective when it becomes law.