

Date of Hearing: June 17, 2026

ASSEMBLY COMMITTEE ON EDUCATION
Darshana R. Patel, Chair
SB 1058 (McNerney) – As Introduced February 12, 2026

SENATE VOTE: 37-0

SUBJECT: School districts: contracting: purchases for child nutrition programs

SUMMARY: Removes price as the primary determining factor for school districts when receiving and awarding procurement bids related to federal nonprofit child nutrition programs, and corrects references to the Code of Federal Regulations. Specifically, **this bill**:

- 1) Authorizes school districts to let awards to the most responsive and responsible party, without having to consider price as the primary consideration.
- 2) Corrects the Code of Federal Regulations (CFR) sections that school districts must adhere to when making procurement bid solicitations and awards related to federal nonprofit child nutrition programs.

EXISTING LAW:

- 1) Federal law requires, as a condition of receipt of federal funds, that the recipient award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed contract. Consideration is to be given to such matters as contractor integrity, public policy compliance, past performance record, and financial and technical resources. Contracts are to be awarded to the responsible offeror whose proposal is most advantageous to the recipient or subrecipient considering price and other factors. (CFR, Title 2, Section 200.318 and 200.320)
- 2) Requires procurement bid solicitations and awards made by a school district operating a federal nonprofit child nutrition program to adhere to the following requirements:
 - a) Remain consistent with specified federal procurement sections in the CFR;
 - b) Award procurement bids to the most responsive and responsible party; and
 - c) Award procurement bids with price as the primary consideration, but not the only determining factor. (Public Contract Code (PCC) 20111)

FISCAL EFFECT: This bill has been keyed nonfiscal by the Office of Legislative Counsel.

COMMENTS:

Need for the bill. According to the author's office, "California was the first state to provide two free meals a day to all public schoolchildren and was one of the first to establish nutrition guidelines for healthy school meals for kids. SB 1058 updates CA's school meals procurement law to allow districts to provide more high-quality, locally grown and culturally appropriate foods for kids. SB 1058 helps schools to further support local farmers and small businesses."

Procurement types for school districts operating federal nonprofit nutrition programs. When school food authorities (SFAs) make purchases related to federal nonprofit child nutrition programs, they are required to conduct a procurement process. Small purchases may be facilitated through informal procurement methods, while larger purchases must go through formal procurement that allows for full and open competition. The two primary formal competitive procurement methods are Request for Proposals (RFPs) and Invitation for Bids (IFBs, also known as sealed bids).

According to the California Department of Education (CDE), this bill would remove the state requirement that SFAs use price as the primary consideration when making awards for all procurement processes under federal nonprofit nutrition programs. However, federal regulations still require IFBs to be awarded to the lowest priced bidder.

The role of price in school nutrition procurement processes. Current state law requires SFAs to follow three principles when conducting procurement bids and awards for federal nutrition programs:

- a) Remain consistent with specified federal procurement sections in the CFR;
- b) Award procurement bids to the most responsive and responsible party; and
- c) Award procurement bids with price as the primary consideration, but not the only determining factor.

This bill would strike the third provision from current law, thus removing price as the primary consideration. As summarized by the Senate Education Committee analysis of this bill, this provision was added through SB 544 (McGuire), Chapter 395, Statutes of 2017. At the time, federal guidance indicated that price was required to be the primary consideration for awarding contracts. However, in their 2022 *Procuring Local Foods for Child Nutrition Programs* guide, the USDA published updated guidance that stated explicitly that an RFP “allows for consideration of factors other than price.” The 2025 USDA Farm to School Procurement Guide also states, “While price is an important factor, other elements must also be considered when making an award.” Striking the reference to price in current state law is thus an attempt to align current state laws with federal recommendations.

Further, information provided by the author’s office indicates that prioritizing price over other factors can limit the ability of a school to acquire the most optimal nutrition program. A review article published in the *Journal of School Health* noted that incorporating more locally grown and organic foods into school-based meals is often associated with higher prices (Zuercher et. al., 2025). Thus, authorizing school districts to make awards based on factors other than price may allow schools to procure fresher, more local food.

Updated CFR references. This bill also expands the sections of the CFR that school districts must adhere to when making procurement bid solicitations and awards related to federal nonprofit child nutrition programs. According to information provided by the CDE, this change is necessary to align with federal updates to the CFR that went into effect in October, 2024.

Arguments in support. According to the California School Nutrition Association, “Since 2021, California has led the nation by providing two free meals a day to all public school students.

However, under current law, school meal programs must consider the price of food above all other elements in an RFP, which can severely limit or even prohibit other more palatable options.

SB 1058 provides a necessary solution for our schools by empowering districts with the clarity needed to ensure students receive the highest quality locally sourced, minimally processed, and sustainable food. By making price a secondary consideration, the bill allows schools to better support local farmers and small businesses while tailoring their programs to meet the specific needs of local communities. Ultimately, this allows for diverse criteria to be included in the RFP process beyond just the lowest bid, ensuring that meals are both culturally appropriate and highly nutritious.

By allowing schools to pick the most responsive and responsible partners, SB 1058 ensures that California's groundbreaking universal school meals program is implemented as intended. It also makes for happier and healthier students who are ready to learn.”

Related legislation. SB 544 (McGuire), Chapter 395, Statutes of 2017, requires school districts operating federal child nutrition programs to award contracts for these programs consistent with federal procurement standards. Requires that these contracts be awarded to the most responsive and responsible party, and that price shall be the primary, but not the only, consideration when awarding contracts.

REGISTERED SUPPORT / OPPOSITION:

Support

Alameda County Office of Education
California Association of School Business Officials
California School Nutrition Association
Los Angeles County Office of Education

Opposition

None on file

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