H. R. 11

To amend the Richard B. Russell National School Lunch Act to require the Secretary of Agriculture to make loan guarantees and grants to finance certain improvements to school lunch facilities, to train school food service personnel, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. BARLETTA introduced the following bill; which was referred to the Committee on

A BILL

To amend the Richard B. Russell National School Lunch Act to require the Secretary of Agriculture to make loan guarantees and grants to finance certain improvements to school lunch facilities, to train school food service personnel, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “School Food Modernization Act”.

SEC. 2. LOAN GUARANTEES AND GRANTS TO FINANCE CERTAIN IMPROVEMENTS TO SCHOOL LUNCH FACILITIES.

The Richard B. Russell National School Lunch Act is amended by inserting after section 26 (42 U.S.C. 1769g) the following:

“SEC. 27. LOAN GUARANTEES AND GRANTS TO FINANCE CERTAIN IMPROVEMENTS TO SCHOOL LUNCH FACILITIES.

“(a) DEFINITIONS.—In this section:

“(1) DURABLE EQUIPMENT.—The term ‘durable equipment’ means durable food preparation, handling, cooking, serving, and storage equipment greater than $500 in value.

“(2) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—

“(A) a local educational agency or a school food authority administering or operating a school lunch program;

“(B) a tribal organization; or

“(C) a consortium that includes a local educational agency or school food authority described in subparagraph (A), a tribal organization, or both.

“(3) INFRASTRUCTURE.—The term ‘infrastructure’ means a food storage facility, kitchen, food
service facility, cafeteria, dining room, or food preparation facility.

“(4) LOCAL EDUCATIONAL AGENCY.—The term ‘local educational agency’ has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

“(5) SCHOOL FOOD AUTHORITY.—The term ‘school food authority’ has the meaning given the term in section 210.2 of title 7, Code of Federal Regulations (or a successor regulation).

“(6) TRIBAL ORGANIZATION.—The term ‘tribal organization’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

“(b) LOAN GUARANTEES FOR ASSISTANCE TO SCHOOLS FOR INFRASTRUCTURE IMPROVEMENTS AND DURABLE EQUIPMENT NECESSARY TO PROVIDE HEALTHY MEALS THROUGH SCHOOL LUNCH PROGRAMS.—

“(1) AUTHORITY TO GUARANTEE LOANS.—The Secretary shall issue a loan guarantee to an eligible entity for purposes of financing the construction, remodeling, or expansion of infrastructure or the purchase of durable equipment that the Secretary deter-
mines will assist the eligible entity in providing healthy meals through a school lunch program.

“(2) COMPETITIVE BASIS.—Subject to paragraph (3), the Secretary shall select eligible entities to receive a loan guarantee under this subsection on a competitive basis.

“(3) PREFERENCES.—In issuing a loan guarantee under this subsection, the Secretary shall give a preference to an eligible entity that, as compared with other eligible entities seeking a loan guarantee under this subsection, the Secretary determines demonstrates substantial or disproportionate—

“(A) need for infrastructure improvement; or

“(B) durable equipment need or impairment.

“(4) OVERSIGHT.—The Secretary shall establish procedures to enable the Secretary to oversee the construction, remodeling, or expansion of infrastructure or the purchase of durable equipment for which a loan guarantee is issued under this subsection.

“(5) GUARANTEE AMOUNT.—A loan guarantee issued under this subsection may not guarantee
more than 80 percent of the principal amount of the
loan.

“(6) FEES.—The Secretary shall establish fees
with respect to loan guarantees under this sub-
section that, as determined by the Secretary—

“(A) are sufficient to cover all the adminis-
trative costs to the Federal Government for the
operation of the program;

“(B) may be in the form of an application
or transaction fee, or interest rate adjustment;
and

“(C) may be based on the risk premium
associated with the loan or loan guarantee, tak-
ing into consideration—

“(i) the price of Treasury obligations
of a similar maturity;

“(ii) prevailing market conditions;

“(iii) the ability of the eligible infra-
structure project to support the loan guar-
antee; and

“(iv) the total amount of the loan
guarantee.

“(7) FUNDING.—

“(A) IN GENERAL.—To provide loan guar-
antees under this subsection, the Secretary
shall reserve $300,000,000 of the loan guarantee authority remaining and unobligated as of
the date of enactment of the School Food Modernization Act under the program of community
facility guaranteed loans under section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)).

“(B) TECHNICAL ASSISTANCE.—The Secretary may use not more than 5 percent of the
amount made available to carry out this subsection for each fiscal year to provide technical assistance to applicants and prospective applicants in preparing applications and creating financing packages that leverage a mix of public and private funding sources.

“(c) EQUIPMENT GRANTS.—

“(1) AUTHORITY TO MAKE GRANTS.—Beginning in fiscal year 2016 and subject to the availability of appropriations, the Secretary shall make grants, on a competitive basis, to eligible entities to assist the eligible entities in purchasing the durable equipment and infrastructure needed to serve healthier meals and improve food safety.

“(2) PRIORITY.—In awarding grants under this subsection, the Secretary shall give priority to—
“(A) eligible entities in States that have enacted comparable statutory grant funding mechanisms or that have otherwise appropriated funds to assist eligible entities in purchasing the durable equipment and infrastructure needed to serve healthier meals and improve food safety, as determined by the Secretary; and

“(B) eligible entities that have identified and are reasonably expected to meet an unmet local or community need, including through—

“(i) a public-private partnership or partnership with a food pantry or other low-income assistance agency; or

“(ii) the provision for or allowance of kitchen or cafeteria usage by related or outside community organizations.

“(3) FEDERAL SHARE.—

“(A) IN GENERAL.—The Federal share of costs for assistance funded through a grant awarded under this subsection shall not exceed 80 percent of the total cost of the durable equipment or infrastructure.

“(B) MATCHING.—As a condition on receiving a grant under this subsection, an eli-
ble entity shall provide matching support in the form of cash or in-kind contributions.

“(C) WAIVER.—The Secretary may waive or vary the requirements of subparagraphs (A) and (B) if the Secretary determines that undue hardship or effective exclusion from participation in the grant program under this subsection would otherwise result.

“(4) AUTHORIZATION OF APPROPRIATIONS.—

“(A) IN GENERAL.—There are authorized to be appropriated $25,000,000 to carry out this subsection for each of fiscal years 2016 through 2021.

“(B) TECHNICAL ASSISTANCE.—The Secretary may use not more than 5 percent of the amount made available to carry out this subsection for each fiscal year to provide technical assistance to applicants and prospective applicants in preparing applications and creating financing packages that leverage a mix of public and private funding sources.”.
SEC. 3. TRAINING AND TECHNICAL ASSISTANCE FOR SCHOOL FOOD SERVICE PERSONNEL.

The Richard B. Russell National School Lunch Act is amended by inserting after section 21 (42 U.S.C. 1769b-1) the following:

“SEC. 21A. TRAINING AND TECHNICAL ASSISTANCE FOR SCHOOL FOOD SERVICE PERSONNEL.

“(a) IN GENERAL.—The Secretary shall carry out a grant program under which the Secretary shall award grants, on a competitive basis, to provide support to eligible third-party training institutions described in subsection (b) to develop and administer training and technical assistance for school food service personnel to meet nutrition standards under section 4(b)(3) and improve efficacy and efficiency of the school lunch program under this Act and the school breakfast program established by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

“(b) ELIGIBLE THIRD-PARTY INSTITUTIONS DEFINED.—For purposes of this section, the term ‘eligible third-party institution’ means—

“(1) a nonprofit organization with demonstrated experience in food or nutrition services training and technical assistance;
“(2) an institution of higher education as defined in section 102 of the Higher Education Opportunity Act of 2008;

“(3) an area career and technical education school as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006; or

“(4) a consortium of entities described in subparagraphs (1), (2), and (3).

“(c) CRITERIA FOR ELIGIBLE THIRD-PARTY INSTITUTIONS.—The Secretary shall establish specific criteria that eligible third-party training institutions shall meet to qualify to receive grants under this section, which shall include—

“(1) a demonstrated capacity to administer effective training and technical assistance programming to school food service personnel;

“(2) prior, successful experience in providing or engaging in training and technical assistance programming or applied research activities involving eligible entities, school food service administrators, or directors;

“(3) prior, successful experience in developing relevant educational training tools or course materials or curricula on topics addressing child and
school nutrition or the updated nutrition standards under section 4(b)(3); and

“(4) the ability to deliver effective and cost-efficient training and technical assistance programming to school food service personnel—

“(A) at training sites that are located within a proximate geographic distance to schools, central kitchens, or other worksites; or

“(B) through an online training and assistance program on topics that do not require in-person attendance.

“(d) PROGRAM ASSISTANCE.—The Secretary shall assist the institutions receiving grants under this section in publicizing and disseminating training and other project materials and online tools to the maximum extent practicable.

“(e) FEDERAL SHARE.—

“(1) IN GENERAL.—The Federal share of costs for training and technical assistance funded through a grant awarded under this section shall not exceed 80 percent of the total cost of the training and technical assistance.

“(2) MATCHING.—As a condition of receiving a grant under this section, the eligible third-party
training institution shall provide matching support in the form of cash or in-kind contributions.

“(f) OVERSIGHT.—The Secretary shall establish procedures to enable the Secretary—

“(1) to oversee the administration and operation of training and technical assistance funded through grants awarded under this section; and

“(2) to ensure that the training and assistance is operated consistent with the goals and requirements of this Act.

“(g) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—There are authorized to be appropriated $10,000,000 to carry out this section for each of fiscal years 2016 through 2021.

“(2) TECHNICAL ASSISTANCE.—The Secretary may use not more than 5 percent of the amount made available to carry out this section for each fiscal year to provide technical assistance to applicants and prospective applicants in preparing applications and creating financing packages that leverage a mix of public and private funding sources.”.

SEC. 4. REPORT TO CONGRESS.

Not later than 1 year after funds are made available to carry out sections 21A and 27 of the Richard B. Russell National School Lunch Act (as added by this Act), and
annually thereafter, the Secretary of Agriculture shall submit to Congress a report on the progress of the Secretary in implementing such sections.

SEC. 5. STUDY AND REPORT TO CONGRESS ON THE USE OF STATE ADMINISTRATIVE EXPENSE FUNDS.

(a) STUDY.—The Secretary of Agriculture shall conduct a study on—

(1) the use of State administrative expense funds by State agencies;

(2) innovative, effective, replicable, model policies, practices, and training methods that may be implemented using State administrative expense funds;

(3) factors that interfere with the ability of State agencies to use State administrative expense funds effectively; and

(4) how State administrative expense funds may be used to encourage the implementation of effective and consistent school nutrition workforce training, with particular emphasis on training and technical assistance to improve the implementation of nutrition standards for all foods sold in schools including—

(A) nutrition standards for foods sold in schools other than foods provided under the

(B) local school wellness policies;

(C) updated professional standards for school nutrition professionals; and

(D) other school food service practices, standards, and operational requirements as the Secretary may identify as requiring additional assistance.

(b) DEVELOPMENT AND USE OF ASSESSMENT TOOL.—

(1) IN GENERAL.—The Secretary of Agriculture shall develop an assessment tool for the purpose of carrying out the study under subsection (a). Such tool shall include a general methodology for evaluating effectiveness of State agencies in providing training and technical assistance using State administrative expense funds.

(2) COORDINATION WITH OTHER ENTITIES.—In developing the assessment tool under paragraph (1), the Secretary shall consider public research, stakeholder input, and direct feedback from school nutrition personnel.

(c) REPORT TO CONGRESS.—Not later than 18 months after the date of enactment of this Act, the Sec-
Secretary shall prepare and submit to the Committee on Agriculture of the Senate and the Committee on Education and the Workforce of the House of Representatives a report containing—

(1) a summary of the study conducted under subsection (a);

(2) any findings and recommendations resulting from such study;

(3) a plan for disseminating to State agencies best practices on the use of State administrative expense funds for training and technical assistance; and

(4) recommendations, if any, for the ongoing monitoring and improvement of training and technical assistance carried out by State agencies using State administrative expense funds.

(d) DEFINITIONS.—In this section:

(1) STATE ADMINISTRATIVE EXPENSE FUNDS.—The term “State administrative expense funds” means the State administrative expense funds described in part 235 of title 7, Code of Federal Regulations.

(2) STATE AGENCY.—The term “State agency” has the meaning given the term in section 235.2 of title 7, Code of Federal Regulations.
SEC. 6. OFFSET.

Of the unobligated balance available for administrative expenses of the Department of Education, $35,000,000 is rescinded.