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(Original Signature of Member)

114TH CONGRESS
1ST SESSION

H. R.

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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “School Food Mod-
5 ernization Act”.

1 **SEC. 2. LOAN GUARANTEES AND GRANTS TO FINANCE CER-**
2 **TAIN IMPROVEMENTS TO SCHOOL LUNCH FA-**
3 **CILITIES.**

4 The Richard B. Russell National School Lunch Act
5 is amended by inserting after section 26 (42 U.S.C.
6 1769g) the following:

7 **“SEC. 27. LOAN GUARANTEES AND GRANTS TO FINANCE**
8 **CERTAIN IMPROVEMENTS TO SCHOOL**
9 **LUNCH FACILITIES.**

10 “(a) DEFINITIONS.—In this section:

11 “(1) DURABLE EQUIPMENT.—The term ‘dura-
12 ble equipment’ means durable food preparation, han-
13 dling, cooking, serving, and storage equipment great-
14 er than \$500 in value.

15 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
16 tity’ means—

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

20 “(B) a tribal organization; or

21 “(C) a consortium that includes a local
22 educational agency or school food authority de-
23 scribed in subparagraph (A), a tribal organiza-
24 tion, or both.

25 “(3) INFRASTRUCTURE.—The term ‘infrastruc-
26 ture’ means a food storage facility, kitchen, food

1 service facility, cafeteria, dining room, or food prepara-
2 tion facility.

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

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

11 “(6) TRIBAL ORGANIZATION.—The term ‘tribal
12 organization’ has the meaning given the term in sec-
13 tion 4 of the Indian Self-Determination and Edu-
14 cation Assistance Act (25 U.S.C. 450b).

15 “(b) LOAN GUARANTEES FOR ASSISTANCE TO
16 SCHOOLS FOR INFRASTRUCTURE IMPROVEMENTS AND
17 DURABLE EQUIPMENT NECESSARY TO PROVIDE
18 HEALTHY MEALS THROUGH SCHOOL LUNCH PRO-
19 GRAMS.—

20 “(1) AUTHORITY TO GUARANTEE LOANS.—The
21 Secretary shall issue a loan guarantee to an eligible
22 entity for purposes of financing the construction, re-
23 modeling, or expansion of infrastructure or the pur-
24 chase of durable equipment that the Secretary deter-

1 mines will assist the eligible entity in providing
2 healthy meals through a school lunch program.

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

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

13 “(A) need for infrastructure improvement;

14 or

15 “(B) durable equipment need or impair-
16 ment.

17 “(4) OVERSIGHT.—The Secretary shall estab-
18 lish procedures to enable the Secretary to oversee
19 the construction, remodeling, or expansion of infra-
20 structure or the purchase of durable equipment for
21 which a loan guarantee is issued under this sub-
22 section.

23 “(5) GUARANTEE AMOUNT.—A loan guarantee
24 issued under this subsection may not guarantee

1 more than 80 percent of the principal amount of the
2 loan.

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

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

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

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

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

17 “(ii) prevailing market conditions;

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

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

23 “(7) FUNDING.—

24 “(A) IN GENERAL.—To provide loan guar-
25 antees under this subsection, the Secretary

1 shall reserve \$300,000,000 of the loan guar-
2 antee authority remaining and unobligated as of
3 the date of enactment of the School Food Mod-
4 ernization Act under the program of community
5 facility guaranteed loans under section 306(a)
6 of the Consolidated Farm and Rural Develop-
7 ment Act (7 U.S.C. 1926(a)).

8 “(B) TECHNICAL ASSISTANCE.—The Sec-
9 retary may use not more than 5 percent of the
10 amount made available to carry out this sub-
11 section for each fiscal year to provide technical
12 assistance to applicants and prospective appli-
13 cants in preparing applications and creating fi-
14 nancing packages that leverage a mix of public
15 and private funding sources.

16 “(c) EQUIPMENT GRANTS.—

17 “(1) AUTHORITY TO MAKE GRANTS.—Begin-
18 ning in fiscal year 2016 and subject to the avail-
19 ability of appropriations, the Secretary shall make
20 grants, on a competitive basis, to eligible entities to
21 assist the eligible entities in purchasing the durable
22 equipment and infrastructure needed to serve
23 healthier meals and improve food safety.

24 “(2) PRIORITY.—In awarding grants under this
25 subsection, the Secretary shall give priority to—

1 “(A) eligible entities in States that have
2 enacted comparable statutory grant funding
3 mechanisms or that have otherwise appro-
4 priated funds to assist eligible entities in pur-
5 chasing the durable equipment and infrastruc-
6 ture needed to serve healthier meals and im-
7 prove food safety, as determined by the Sec-
8 retary; and

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

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

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

18 “(3) FEDERAL SHARE.—

19 “(A) IN GENERAL.—The Federal share of
20 costs for assistance funded through a grant
21 awarded under this subsection shall not exceed
22 80 percent of the total cost of the durable
23 equipment or infrastructure.

24 “(B) MATCHING.—As a condition on re-
25 ceiving a grant under this subsection, an eligi-

1 ble entity shall provide matching support in the
2 form of cash or in-kind contributions.

3 “(C) WAIVER.—The Secretary may waive
4 or vary the requirements of subparagraphs (A)
5 and (B) if the Secretary determines that undue
6 hardship or effective exclusion from participa-
7 tion in the grant program under this subsection
8 would otherwise result.

9 “(4) AUTHORIZATION OF APPROPRIATIONS.—

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

14 “(B) TECHNICAL ASSISTANCE.—The Sec-
15 retary may use not more than 5 percent of the
16 amount made available to carry out this sub-
17 section for each fiscal year to provide technical
18 assistance to applicants and prospective appli-
19 cants in preparing applications and creating fi-
20 nancing packages that leverage a mix of public
21 and private funding sources.”.

1 **SEC. 3. TRAINING AND TECHNICAL ASSISTANCE FOR**
2 **SCHOOL FOOD SERVICE PERSONNEL.**

3 The Richard B. Russell National School Lunch Act
4 is amended by inserting after section 21 (42 U.S.C.
5 1769b-1) the following:

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

8 “(a) IN GENERAL.—The Secretary shall carry out a
9 grant program under which the Secretary shall award
10 grants, on a competitive basis, to provide support to eligi-
11 ble third-party training institutions described in sub-
12 section (b) to develop and administer training and tech-
13 nical assistance for school food service personnel to meet
14 nutrition standards under section 4(b)(3) and improve ef-
15 ficacy and efficiency of the school lunch program under
16 this Act and the school breakfast program established by
17 section 4 of the Child Nutrition Act of 1966 (42 U.S.C.
18 1773).

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

22 “(1) a nonprofit organization with dem-
23 onstrated experience in food or nutrition services
24 training and technical assistance;

1 “(2) an institution of higher education as de-
2 fined in section 102 of the Higher Education Oppor-
3 tunity Act of 2008;

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

7 “(4) a consortium of entities described in sub-
8 paragraphs (1), (2), and (3).

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

14 “(1) a demonstrated capacity to administer ef-
15 fective training and technical assistance program-
16 ming to school food service personnel;

17 “(2) prior, successful experience in providing or
18 engaging in training and technical assistance pro-
19 gramming or applied research activities involving eli-
20 gible entities, school food service administrators, or
21 directors;

22 “(3) prior, successful experience in developing
23 relevant educational training tools or course mate-
24 rials or curricula on topics addressing child and

1 school nutrition or the updated nutrition standards
2 under section 4(b)(3); and

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

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

9 “(B) through an online training and assist-
10 ance program on topics that do not require in-
11 person attendance.

12 “(d) PROGRAM ASSISTANCE.—The Secretary shall
13 assist the institutions receiving grants under this section
14 in publicizing and disseminating training and other project
15 materials and online tools to the maximum extent prac-
16 ticable.

17 “(e) FEDERAL SHARE.—

18 “(1) IN GENERAL.—The Federal share of costs
19 for training and technical assistance funded through
20 a grant awarded under this section shall not exceed
21 80 percent of the total cost of the training and tech-
22 nical assistance.

23 “(2) MATCHING.—As a condition of receiving a
24 grant under this section, the eligible third-party

1 training institution shall provide matching support
2 in the form of cash or in-kind contributions.

3 “(f) OVERSIGHT.—The Secretary shall establish pro-
4 cedures to enable the Secretary—

5 “(1) to oversee the administration and oper-
6 ation of training and technical assistance funded
7 through grants awarded under this section; and

8 “(2) to ensure that the training and assistance
9 is operated consistent with the goals and require-
10 ments of this Act.

11 “(g) AUTHORIZATION OF APPROPRIATIONS.—

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

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

22 **SEC. 4. REPORT TO CONGRESS.**

23 Not later than 1 year after funds are made available
24 to carry out sections 21A and 27 of the Richard B. Russell
25 National School Lunch Act (as added by this Act), and

1 annually thereafter, the Secretary of Agriculture shall sub-
2 mit to Congress a report on the progress of the Secretary
3 in implementing such sections.

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

6 (a) STUDY.—The Secretary of Agriculture shall con-
7 duct a study on—

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

10 (2) innovative, effective, replicable, model poli-
11 cies, practices, and training methods that may be
12 implemented using State administrative expense
13 funds;

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

17 (4) how State administrative expense funds
18 may be used to encourage the implementation of ef-
19 fective and consistent school nutrition workforce
20 training, with particular emphasis on training and
21 technical assistance to improve the implementation
22 of nutrition standards for all foods sold in schools
23 including—

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

1 Child Nutrition Act of 1966 and the Richard B.
2 Russell National School Lunch Act;
3 (B) local school wellness policies;
4 (C) updated professional standards for
5 school nutrition professionals; and
6 (D) other school food service practices,
7 standards, and operational requirements as the
8 Secretary may identify as requiring additional
9 assistance.

10 (b) DEVELOPMENT AND USE OF ASSESSMENT
11 TOOL.—

12 (1) IN GENERAL.—The Secretary of Agriculture
13 shall develop an assessment tool for the purpose of
14 carrying out the study under subsection (a). Such
15 tool shall include a general methodology for evalu-
16 ating effectiveness of State agencies in providing
17 training and technical assistance using State admin-
18 istrative expense funds.

19 (2) COORDINATION WITH OTHER ENTITIES.—In
20 developing the assessment tool under paragraph (1),
21 the Secretary shall consider public research, stake-
22 holder input, and direct feedback from school nutri-
23 tion personnel.

24 (c) REPORT TO CONGRESS.—Not later than 18
25 months after the date of enactment of this Act, the Sec-

1 retary shall prepare and submit to the Committee on Agri-
2 culture of the Senate and the Committee on Education
3 and the Workforce of the House of Representatives a re-
4 port containing—

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

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

9 (3) a plan for disseminating to State agencies
10 best practices on the use of State administrative ex-
11 pense funds for training and technical assistance;
12 and

13 (4) recommendations, if any, for the ongoing
14 monitoring and improvement of training and tech-
15 nical assistance carried out by State agencies using
16 State administrative expense funds.

17 (d) DEFINITIONS.—In this section:

18 (1) STATE ADMINISTRATIVE EXPENSE
19 FUNDS.—The term “State administrative expense
20 funds” means the State administrative expense
21 funds described in part 235 of title 7, Code of Fed-
22 eral Regulations.

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

1 **SEC. 6. OFFSET.**

2 Of the unobligated balance available for administra-
3 tive expenses of the Department of Education,
4 \$35,000,000 is rescinded.