

114TH CONGRESS  
1ST SESSION

# H. R. 3316

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.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 29, 2015

Mr. BARLETTA (for himself, Mr. DESAULNIER, Mr. THOMPSON of Pennsylvania, and Ms. PINGREE) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committees on Agriculture and Appropriations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## 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 para-  
8           graphs (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.

○