

116TH CONGRESS
1ST SESSION

H. R. 3444

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

JUNE 24, 2019

Mr. DESAULNIER (for himself, Mr. THOMPSON of Pennsylvania, Ms. KUSTER of New Hampshire, and Mr. KELLY of Pennsylvania) introduced the following bill; which was referred to the Committee on Education and Labor, 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

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 meal 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 prepa-
2 ration facility.

3 “(4) LOCAL EDUCATIONAL AGENCY.—The term
4 ‘local educational agency’ has the meaning given the
5 term in section 8101 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 any 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. 5304).

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

20 “(1) AUTHORITY TO GUARANTEE LOANS.—The
21 Secretary shall issue a loan guarantee to an eligible
22 lender 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-
25 mines will assist the eligible entity in providing

1 healthy meals through a school meal program au-
2 thorized under this Act.

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

9 “(A) need for infrastructure improvement;
10 or

11 “(B) durable equipment need or impair-
12 ment.

13 “(3) OVERSIGHT.—The Secretary, acting
14 through the Under Secretary for Rural Develop-
15 ment, shall establish procedures to oversee any
16 project or purchase for which a loan guarantee is
17 issued under this subsection.

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

22 “(5) FEES AND COSTS.—

23 “(A) IN GENERAL.—The Secretary shall
24 establish fees for loan guarantees under this
25 subsection that are, to the maximum extent

1 practicable, equal to all costs of the loan guar-
2 antees as determined under the Federal Credit
3 Reform Act of 1990 (2 U.S.C. 661 et seq.), as
4 determined by the Secretary.

5 “(B) FEE SHORTFALL.—To the extent
6 that the Secretary determines that fees de-
7 scribed in subparagraph (A) are not sufficient
8 to pay for all of the costs for the loan guaran-
9 tees pursuant to the Federal Credit Reform Act
10 of 1990 (2 U.S.C. 661 et seq.), the Secretary
11 may use funds described in paragraph (6) to
12 pay for the costs of loan guarantees not paid
13 for by the fees.

14 “(6) FUNDING.—

15 “(A) IN GENERAL.—To provide loan guar-
16 antees under this subsection, the Secretary
17 shall reserve \$300,000,000 of the loan guar-
18 antee authority remaining and unobligated as of
19 the date of enactment of the School Food Mod-
20 ernization Act under the program of community
21 facility guaranteed loans under section 306(a)
22 of the Consolidated Farm and Rural Develop-
23 ment Act (7 U.S.C. 1926(a)).

24 “(B) TECHNICAL ASSISTANCE.—The Sec-
25 retary may use not more than 5 percent of the

1 amount made available to carry out this sub-
2 section for each fiscal year to provide technical
3 assistance to applicants and prospective appli-
4 cants in preparing applications and creating fi-
5 nancing packages that leverage a mix of public
6 and private funding sources.

7 “(c) EQUIPMENT GRANTS.—

8 “(1) AUTHORITY TO MAKE GRANTS.—Begin-
9 ning in fiscal year 2020 and subject to the avail-
10 ability of appropriations, provide grants to State
11 agencies for competitive subgrants to local edu-
12 cational agencies and schools (tribes) to purchase
13 the equipment needed to serve healthy meals, im-
14 prove food safety, and to help support the establish-
15 ment, maintenance and expansion of the school.

16 “(2) PREFERENCES.—In issuing a grant under
17 this subsection, the State agency shall give a pref-
18 erence to an eligible entity that, as compared with
19 other eligible entities seeking a loan guarantee under
20 this subsection, the State agency determines dem-
21 onstrates substantial or disproportionate—

22 “(A) need for infrastructure improvement;

23 or

24 “(B) durable equipment need or impair-
25 ment.

1 “(3) AUTHORIZATION OF APPROPRIATIONS.—

2 “(A) IN GENERAL.—There are authorized
3 to be appropriated \$35,000,000 as may be nec-
4 essary to carry out this subsection for each of
5 fiscal years 2020 through 2025.

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

14 **SEC. 3. TRAINING AND TECHNICAL ASSISTANCE FOR**
15 **SCHOOL FOOD SERVICE PERSONNEL.**

16 The Richard B. Russell National School Lunch Act
17 is amended by inserting after section 21 (42 U.S.C.
18 1769b–1) the following:

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

21 “(a) IN GENERAL.—The Secretary shall carry out a
22 grant program under which the Secretary shall award
23 grants, on a competitive basis, to provide support to eligi-
24 ble third-party training institutions described in sub-
25 section (b) to develop and administer training and tech-

1 nical assistance for school food service personnel to meet
2 or exceed nutrition standards under section 4(b)(3) and
3 improve efficacy and efficiency of the school lunch pro-
4 gram under this Act and the school breakfast program es-
5 tablished by section 4 of the Child Nutrition Act of 1966
6 (42 U.S.C. 1773).

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

10 “(1) a nonprofit organization with dem-
11 onstrated experience in food or nutrition services
12 training and technical assistance;

13 “(2) an institution of higher education as de-
14 fined in section 102 of the Higher Education Act of
15 1965 (20 U.S.C. 1002);

16 “(3) an area career and technical education
17 school as defined in section 3 of the Carl D. Perkins
18 Career and Technical Education Act of 2006 (20
19 U.S.C. 2302); or

20 “(4) a consortium of entities described in para-
21 graphs (1), (2), and (3).

22 “(c) CRITERIA FOR ELIGIBLE THIRD-PARTY INSTI-
23 TUTIONS.—The Secretary shall establish specific criteria
24 that eligible third-party training institutions shall meet to

1 qualify to receive grants under this section, which shall
2 include—

3 “(1) a demonstrated capacity to administer ef-
4 fective training and technical assistance program-
5 ming to school food service personnel;

6 “(2) prior, successful experience in providing or
7 engaging in training and technical assistance pro-
8 gramming or applied research activities involving eli-
9 gible entities, school food service administrators, or
10 directors;

11 “(3) prior, successful experience in developing
12 relevant educational training tools or course mate-
13 rials or curricula on topics addressing child and
14 school nutrition or the updated nutrition standards
15 under section 4(b)(3); and

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

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

22 “(B) through an online training and assist-
23 ance program on topics that do not require in-
24 person attendance.

1 “(d) PROGRAM ASSISTANCE.—The Secretary shall
2 assist the institutions receiving grants under this section
3 in publicizing and disseminating training and other project
4 materials and online tools to the maximum extent prac-
5 ticable.

6 “(e) FEDERAL SHARE.—

7 “(1) IN GENERAL.—The Federal share of costs
8 for training and technical assistance funded through
9 a grant awarded under this section shall not exceed
10 80 percent of the total cost of the training and tech-
11 nical assistance.

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

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

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

21 “(2) to ensure that the training and assistance
22 is operated consistent with the goals and require-
23 ments of this Act.

24 “(g) AUTHORIZATION OF APPROPRIATIONS.—

1 “(1) IN GENERAL.—There are authorized to be
2 appropriated \$10,000,000 to carry out this section
3 for each of fiscal years 2020 through 2025.

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

11 **SEC. 4. REPORT TO CONGRESS.**

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

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

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

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

24 (2) innovative, effective, replicable, model poli-
25 cies, practices, and training methods that may be

1 implemented using State administrative expense
2 funds;

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

6 (4) how State administrative expense funds
7 may be used to encourage the implementation of ef-
8 fective and consistent school nutrition workforce
9 training, with particular emphasis on training and
10 technical assistance to improve the implementation
11 of nutrition standards for all foods sold in schools
12 including—

13 (A) nutrition standards for foods sold in
14 schools other than foods provided under the
15 Child Nutrition Act of 1966 and the Richard B.
16 Russell National School Lunch Act;

17 (B) local school wellness policies;

18 (C) professional standards for school nutri-
19 tion professionals; and

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

24 (b) DEVELOPMENT AND USE OF ASSESSMENT
25 TOOL.—

1 (1) IN GENERAL.—The Secretary of Agriculture
2 shall develop an assessment tool for the purpose of
3 carrying out the study under subsection (a). Such
4 tool shall include a general methodology for evalu-
5 ating effectiveness of State agencies in providing
6 training and technical assistance using State admin-
7 istrative expense funds.

8 (2) COORDINATION WITH OTHER ENTITIES.—In
9 developing the assessment tool under paragraph (1),
10 the Secretary shall consider public research, stake-
11 holder input, and direct feedback from school nutri-
12 tion personnel.

13 (c) REPORT TO CONGRESS.—Not later than 18
14 months after the date of enactment of this Act, the Sec-
15 retary shall prepare and submit to the Committee on Agri-
16 culture, Nutrition, and Forestry of the Senate and the
17 Committee on Education and Labor of the House of Rep-
18 resentatives a report containing—

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

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

23 (3) a plan for disseminating to State agencies
24 best practices on the use of State administrative ex-

1 pense funds for training and technical assistance;
 2 and

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

7 (d) DEFINITIONS.—In this section:

8 (1) STATE ADMINISTRATIVE EXPENSE
 9 FUNDS.—The term “State administrative expense
 10 funds” means the State administrative expense
 11 funds described in part 235 of title 7, Code of Fed-
 12 eral Regulations (or any successor regulation).

13 (2) STATE AGENCY.—The term “State agency”
 14 has the meaning given the term in section 235.2 of
 15 title 7, Code of Federal Regulations (or any suc-
 16 cessor regulation).

17 **SEC. 6. OFFSET.**

18 Of the unobligated balance available for administra-
 19 tive expenses of the Department of Education,
 20 \$45,000,000 is rescinded.

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