

**B-Engrossed**  
**House Bill 2038**

Ordered by the House July 5  
Including House Amendments dated April 10 and July 5

Sponsored by Representatives CLEM, SMITH DB; Representatives ESQUIVEL, HOLVEY, KENNEMER, KENY-GUYER, MARSH, MCKEOWN, NOSSE, PARRISH, SMITH G, WHISNANT, WITT (Presession filed.)

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Modifies purposes for which school districts may receive grants to pay for costs incurred by school districts to purchase food produced or processed in state. Expands types of entities eligible to receive grants to assist in paying costs incurred to provide food-based, agriculture-based or garden-based educational activities in school districts.

Appropriates moneys to Department of Education for grant programs that allow school districts to purchase Oregon food products and to pay for costs related to food-based, agriculture-based and garden-based educational activities.

Declares emergency, effective July 1, 2017.

**A BILL FOR AN ACT**

1  
2 Relating to school food programs; creating new provisions; amending ORS 336.431; and declaring an  
3 emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 336.431 is amended to read:

6 336.431. (1) The Department of Education shall administer a Farm-to-School Grant Program as  
7 provided by this section.

8 (2) A school district may apply to the department for a grant as follows:

9 (a) As a noncompetitive grant to assist the school district with paying for costs incurred by the  
10 school district to purchase food produced or processed in this state; or

11 (b) As a competitive grant to fund food-based, agriculture-based and garden-based educational  
12 activities in the school district.

13 (3)(a) Based on a noncompetitive process, the department shall provide grants to school districts  
14 to assist in paying for costs incurred by the school district to purchase food produced or processed  
15 in this state. The amount of a grant awarded as provided by this subsection shall be determined by  
16 the department based on the number of lunches served by the school district during the previous  
17 school year under the United States Department of Agriculture's National School Lunch Program.

18 (b) A school district that receives a grant under this subsection shall use the moneys for the  
19 costs incurred by the school district to purchase food products that were:

20 (A) Purchased on or after the date the school district received notification from the Department  
21 of Education of the amount to be distributed to the school district as provided by this subsection;

22 (B) Produced or processed in this state; and

23 (C) Used for meals that are served as part of the United States Department of Agriculture's  
24 child nutrition programs.

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (c)(A) A school district may not use any moneys received under this subsection to  
2 supplant purchases of food produced or processed in this state that the school district had  
3 regularly purchased prior to the date the school district first received a grant as provided  
4 by this subsection.

5 (B) Notwithstanding subparagraph (A) of this paragraph, a school district may use mon-  
6 eys received under this subsection to supplant purchases of food produced or processed in  
7 this state that the school district had regularly purchased prior to the date the school dis-  
8 trict first received a grant as provided by this subsection if the food meets criteria estab-  
9 lished by the State Board of Education by rule.

10 (4)(a) Based on a competitive process, the department shall provide grants [*to school districts or*  
11 *nonprofit organizations, or commodity commissions or councils organized under ORS 576.051 to*  
12 *576.455 or ORS chapter 577 or 578,*] to assist in paying the costs incurred to provide food-based,  
13 agriculture-based or garden-based educational activities in the school district. **Grants may be**  
14 **provided to:**

15 (A) School districts;

16 (B) Education service districts;

17 (C) Federally recognized Indian tribes;

18 (D) Schools overseen by the Bureau of Indian Education;

19 (E) Nonprofit organizations;

20 (F) Commodity commissions or councils organized under ORS 576.051 to 576.455 or ORS  
21 chapter 577 or 578; or

22 (G) Soil and water conservation districts organized under ORS 568.210 to 568.808 and  
23 568.900 to 568.933.

24 (b) An entity identified in paragraph (a) of this subsection that receives a grant under this  
25 subsection shall use the moneys for costs directly associated with the educational activities, in-  
26 cluding staff time, travel costs and equipment purchased for the activities.

27 (c) When awarding grants under this subsection, preference shall be given to entities that pro-  
28 pose educational activities that:

29 (A) Are well designed;

30 (B) Promote healthy food activities;

31 (C) Have clear educational objectives;

32 (D) Involve parents or the community;

33 (E) Are connected to a school district's farm-to-school procurement activities; and

34 (F) Are culturally relevant to the students being served by the grant moneys.

35 (d) The department must ensure that the recipients of grants under this subsection:

36 (A) Represent a variety of school sizes and geographic locations; and

37 (B) Serve a high percentage of children who qualify for free or reduced price school meals under  
38 the United States Department of Agriculture's National School Lunch Program.

39 (5) The Department of Education shall consult with the State Department of Agriculture to:

40 (a) Develop rules and standards related to the grants awarded under this section.

41 (b) Determine the recipients and amounts of grants awarded under this section.

42 (6) The Department of Education may expend for the administrative costs incurred under this  
43 section no more than two percent of all moneys received by the department for the grant program.

44 **SECTION 2. The amendments to ORS 336.431 by section 1 of this 2017 Act apply to costs**  
45 **incurred by a school district on or after July 1, 2017.**

1        **SECTION 3.** In addition to and not in lieu of any other appropriation, there is appropri-  
2        ated to the Department of Education, for the biennium beginning July 1, 2017, out of the  
3        General Fund, the amount of \$4,500,000, which shall be expended for the Farm-to-School  
4        Grant Program under ORS 336.431.

5        **SECTION 4.** This 2017 Act being necessary for the immediate preservation of the public  
6        peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect  
7        July 1, 2017.

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