

## ANALYSIS

### Item 7: Department of Education Food Service Equipment

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**Analyst:** Julie Neburka

**Request:** Approve, retroactively, the submission of a federal grant application to the U.S. Department of Agriculture (USDA), Food and Nutrition Service, in the amount of \$269,737 over a period of two years to make competitive grants to school districts for purchase of food service equipment.

**Analysis:** On August 3, 2023, the USDA Food and Nutrition service made \$30 million available nationwide through its Equipment Assistance Grants for School Food Authorities program. This two-year noncompetitive federal award is intended for states to make competitive grants available to school districts that participate in the National School Lunch Program. The program is particularly intended to support school districts that have experienced supply chain disruptions or other challenges to school food service during the COVID-19 pandemic, and to enable local school districts to purchase equipment that will allow them to prepare more meals from scratch, improve food safety, and serve healthier school meals.

Oregon's 2023 allocation is \$269,737. No state match is required. The Oregon Department of Education (ODE) may retain no more than five percent of the award for administration. Since this grant program's inception in 2009, ODE has granted funds to more than 160 school districts and nonprofits for equipment in more than 225 school facilities and has made from 10 to 24 awards per year. Starting with the 2023 grant cycle, the USDA began requiring states to apply for this formula-driven grant. USDA notified the agency of the new process on August 3, 2023, and required an application deadline of August 16, 2023. ODE was not aware of the application process change prior to August 3, and did not have agency processes in place to provide at least 10-day advance notification to the Legislature prior to submitting an application. Process improvements have been made, and ODE is requesting retroactive approval to apply for the FY 2023 grant cycle. If approved, the Department will return to the Legislature or Emergency Board to request Federal Funds expenditure limitation for expenditure of the grant funds.

**Recommendation:** The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means approve the request.

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Oregon Department of Education  
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**Request:** Retroactive authorization to apply for a \$269,737 grant from the United States Department of Agriculture to support school district purchasing of food service equipment.

**Recommendation:** Approve the request.

**Discussion:** The Consolidated Appropriations Act (2023) included \$30 million for states to competitively award Equipment Assistance Grants to eligible School Food Authorities (SFAs) participating in the National School Lunch Program. Oregon's share of the total is \$269,737, which will be distributed through a competitive process managed by the Oregon Department of Education's (ODE's) Office of Child Nutrition Programs (CNP). The grant application deadline was August 16, 2023, and the Department is requesting retroactive authorization to apply for the funding.

There is no state match required for the grant. There is a five percent administrative cap on the costs associated with awarding grants to eligible SFAs, and ODE anticipates utilizing \$13,487 to help fund administrative expenses. The work will be performed by existing staff within CNP. The grant funding will be awarded with an effective date of September 30, 2023, and the grant period will run through September 9, 2025. SFAs that are unable to fully obligate their grant amounts, must return any unobligated funds to ODE no later than January 15, 2025, whereby the funds may be reallocated.

ODE will have a request for applications from SFA's and will award the grants on a competitive basis. The funding will help purchase equipment with a value of \$1,000-\$50,000. The purpose is to support equipment needed to serve healthier meals, support scratch cooking, improve food safety, food storage, and maintenance or expansion of a school breakfast program. ODE has awarded funding through this grant program for a number of years, with 2023 being the first year the Department was required to apply for the funding from the United State Department of Agriculture (USDA), Food Nutrition Services. Grant award selection criteria recommended by USDA include the following:

- Age of food service equipment or lack of appropriate items;
- Ability of food service equipment to increase the efficiency of SFA procurement, food storage, and distribution/service;
- The availability of existing state and local funding for equipment purchases;
- Strategies for adopting lunchroom changes that provide more convenience and appeal to the student; and,
- Opportunities to realize meaningful impacts on nutrition and quality of meals.

Similar to other areas of the economy, COVID-related supply chain disruptions have impacted the food equipment and agricultural sector. This grant is intended to support supply chain resiliency, by funding equipment that can be used to support a wider variety of food purchases.



# Oregon

Tina Kotek, Governor



OREGON  
DEPARTMENT OF  
EDUCATION

*Oregon achieves... together!*

**Dr. Charlene Williams**

Director of the Department of Education

**August 21, 2023**

The Honorable Senator Elizabeth Steiner, Co-Chair  
The Honorable Representative Tawna Sanchez, Co-Chair  
Interim Joint Committee on Ways and Means  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301-4048

Dear Co-Chairpersons:

### **Nature of the Request**

The Oregon Department of Education, on the behalf of the Office of Child Nutrition Programs (ODE CNP) and the Pupil Transportation and Fingerprinting Unit, is putting forth this request for retroactive permission to apply for the National School Lunch Program (NSLP) Equipment Grant.

The source of the grant opportunity is the United States Department of Agriculture (USDA). The amount requested is \$269,737. The purpose of the grant is to support school districts in procuring vital food service equipment that supports them in offering healthy and appealing meals. Schools can use this funding to purchase equipment for a variety of important improvements for the food service such as purchasing tools that support scratch cooking, storing fresh food from local producers, and receiving food deliveries in a more efficient manner. These improvements will be used to maintain and improve food and agricultural supply chain resiliency by increasing the efficiency of SFA procurement, for example by enabling a wider variety of food purchases through scratch cooking. This will support ODE CNP's mission to administer and provide leadership and assistance to sponsors of USDA food and nutrition programs to support the growth and development of Oregon's children so they will reach their highest potential for life-long learning, health, and well-being.

The grant application deadline was August 16<sup>th</sup>, 2023. There is no state match required for this grant.

Until this year, ODE was not required to apply for these funds. This year, ODE was made aware of the opportunity on August 3<sup>rd</sup>. The program did not realize that a 10-day notice of intent to apply was needed 10 days prior to the application deadline and is now asking for retroactive approval to apply for these funds.

### **Action Requested**

ODE requests the retroactive approval to apply for the above grant in the amount of \$269,737 from the USDA.

### **Legislation Affected**

If approved and funds are received, ODE will be seeking FF limitation.

Sincerely,

A handwritten signature in black ink, appearing to read "Charlene Williams", is positioned above the typed name.

Dr. Charlene Williams,  
Director Oregon Department of Education