

TEXAS DEPARTMENT OF AGRICULTURE

TODD STAPLES
COMMISSIONER

TO: Superintendents

CC: Principals, ESCs, Food Service Directors

FROM: Texas Department of Agriculture Food and Nutrition Division

DATE: March 27, 2009

RE: American Recovery and Reinvestment Act of 2009 (ARRA) Equipment Grants

We have to act quickly to take advantage of an important, exciting opportunity to boost the American economy while advancing the service we provide to Texas schoolchildren.

On February 17, 2009, President Obama signed Public Law 111-5, the American Recovery and Reinvestment Act of 2009 (ARRA) into law. The ARRA provides a one-time appropriation of \$100 million for equipment assistance to school food authorities (SFAs) participating in the National School Lunch Program (NSLP). Texas will distribute an allocation of \$11.5 million among SFAs that competitively apply for these equipment assistance grants.

The primary effect of the equipment assistance grants authorized by the ARRA will be to improve the infrastructure in the NSLP. Consideration will be given to how the purchase

- improves the quality of the school foodservice meals that meet dietary guidelines,
- improves the safety of food served in the school meals programs,
- improves the overall energy efficiency of the school foodservice operations and/or
- allows the SFAs to support expanded participation in the school meals programs.

The award may be used to purchase new equipment, renovate existing equipment or replace existing equipment. The funds may not be used for past expenditures. Each SFA participating in the NSLP – public and charter schools, private non-profit schools, and residential childcare institutions – is eligible to apply for the grant. Priority for awarding an equipment assistance grant will be given to SFAs for schools in which at least 50 percent of the students are eligible for free or reduced-priced meals.

Equipment for the equipment assistance grants is defined as articles of nonexpendable, tangible personal property with a useful life of more than one year and a per unit acquisition cost of \$5,000. Equipment must be reasonable, necessary, allocable and allowable in order to be a permissible cost.



In order to obligate and expend the funds as quickly as is feasible, TDA will reimburse SFAs upon receipt of the district's invoices received from vendors. This procedure will allow us to ensure funds are expended and mitigate the need for SFAs to use other funds.

As required by the ARRA, these grants must be distributed to local SFAs via a competitive grant process that is fair and equitable. The timeline for the award process follows:

April 1, 2009 – Application available at www.SquareMeals.org

April 30, 2009 – Applications due

June 8, 2009 – Notification of awards

September 30, 2009 – Deadline to procure and purchase equipment

With so much activity called for in such a short timeframe, TDA will not accept paper applications for this grant. By requiring applications to be submitted online, we will take advantage of the fastest and most accurate method for gathering the data to make the awards. Details about the application procedure will be available on the “ARRA – Equipment Assistance Grant” page under “What’s New” and “Resources and to Order Materials” on www.SquareMeals.org. Check the page often for the most current information about the grants. There is a Q&A document from USDA and links to resources to help SFAs with their plans. The application will be available on that page after April 1.

The “ARRA – Equipment Assistance Grants” page on www.SquareMeals.org also provides links to resources to plan your equipment purchases. The National Food Service Management Institute (NFSMI) has recently developed a resource for SFAs entitled “Equipment Purchasing and Facility Design for School Nutrition Programs,” which may help you make the most of this opportunity. It includes information on decision making for purchase of school foodservice equipment. This resource is available on NFSMI’s Web site at <http://nfsmi.org>. The School Nutrition Association (SNA) is also hosting a webinar called “Equipment Solutions: Plug Into Profitability” on April 15, which may be useful for SFAs planning to apply. You can get details and register at www.schoolnutrition.org/equipment.

It will require the coordinated efforts of the state agency and local authorities to utilize such a large amount of money in such a short time. Please consider this opportunity carefully and act promptly to ensure that your SFA is considered.