# **Virginia Department of Education**

## **School Year 2023–2024 Supply Chain Assistance and Centralized Local Procurement Pilot Project Funding**

### Supply Chain Assistance Funding Background

The U.S Department of Agriculture, Food and Nutrition Service (USDA-FNS) allocated $27,213,679 to the Virginia Department of Education, Office of School and Community Nutrition Programs (VDOE-SCNP). The VDOE-SCNP will disperse funds on April 5, 2024, to School Food Authorities (SFAs) that have completed the School Year 2023­*–2024 Supply Chain Assistance Funding and CLPPP Participation Attestation Form (Attachment C).*

Supply Chain Assistance (SCA) funds must be used to purchase unprocessed or minimally processed domestic foods. SFAs must take steps to ensure the domesticity of the products purchased with SCA funds and follow the Buy American provision without exception. Unallowable uses of SCA funds include labor, supplies, and administrative expenses, as well as foods that are processed or prepared. SFAs with food service management company contracts may use SCA funds to pay applicable invoices. SFAs must ensure that such payments include charges for minimally processed domestic foods at least equal to the amount of SCA funds used to pay the invoices. SCA funds must be deposited into the nonprofit school food service account and are not required to be tracked separately. SCA expenditures will be reviewed during federal program administrative reviews.

For general SCA funds, each SFA will receive a base payment of $5,000 plus proportional funding based on the SFA’s student enrollment. This formula is intended to provide all SFAs with meaningful funding. SCA payments will be disbursed via electronic data interchange. The fund code SFAs should report to their finance departments is 10150.

### Centralized Local Procurement Pilot Program Background

The VDOE-SCNP plans to utilize 10 percent ($2,721,367.90) of its total SCA funds allocation to extend its pilot of a centralized procurement program involving regional food hubs.

Based on proximity and regional food hub capacity, the VDOE-SCNP has identified a select number of SFAs as eligible to participate in the program.

The purpose of the CLPPP is to alleviate immediate supply chain disruptions in school meal programs, provide schools with easy access to local food, and strengthen regional food systems to withstand potential future disruptions. This funding will help SFAs establish relationships with regional food hubs and provide an opportunity to obtain local food for use in school meal service. For SFAs with established food hub relationships, this funding will help expand local food offerings above and beyond current farm to school activities.

Through this program, the VDOE-SCNP will provide each identified public SFA with a $10,000 base allocation and an additional allocation based on its proportion of total statewide enrollment. Each identified private SFA will receive a $2,000 base payment. The list of identified SFAs and allocations is included in Attachment B to this memo. Each SFA that opts to participate will use its allocated CLPPP funds to order unprocessed and minimally processed local food directly from the assigned food hubs. The food hubs will deliver local food to the SFAs and invoice the VDOE-SCNP. No funds will transfer between participating SFAs and the regional food hubs for this program. Allocated funds must be spent by September 30, 2024.

SFAs must use the local food received through the CLPPP within creditable meals served in the NSLP, SBP, and/or SSO of the NSLP. SFAs must track these funds to ensure funds are being utilized and not overspent. Contracted food hubs will also track each assigned SFA’s allocated amount and provide monthly and quarterly reports to the VDOE-SCNP.