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United States Senate

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AGRICULTURE, NUTRITION, AND FORESTRY

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October 21, 2021

The Honorable Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G Street, NW
Washington, D.C. 20548

Dear Comptroller Dodaro,

We respectfully request the Government Accountability Office (GAO) to conduct a review and analysis of the U.S. Department of Agriculture (USDA) Foods in Schools Program (<https://www.fns.usda.gov/usda-fis>). The USDA Foods Program is a complex program that allows schools to utilize entitlement and reimbursed school meal funds to procure food items through a variety of procurement and food delivery methods. While USDA Foods serves as an important resource for many schools to maximize their purchasing power and procure products that meet requirements of the School Breakfast and National School Lunch Programs, the implementation of the program varies from school to school and state to state. Some school districts are unable to maximize opportunities to order through USDA Foods, struggle with access to reliable deliveries, or are unaware of the various options and aspects of the program. The pandemic has highlighted many of these concerns among State agencies, schools and food suppliers and demonstrated a need for further review of how USDA Foods is being utilized in child nutrition programs.

As a result, we request that GAO explore opportunities to make the program more efficient, implementation clear and predictable in all states, and provide recommendations for how best to streamline processes and maximize the benefit of USDA Foods as a program resource.

An in-depth study and review of the various options and aspects related to the USDA Foods should be undertaken to assess the systems that allow school districts full access to entitlement funds, eliminate redundancy and streamline the various options for procurement and distribution to school nutrition programs, with a particular focus on the areas of procurement timelines, distribution, and maximum utilization of funds.

Accordingly, we request GAO consider and address the following:

1. Various procurement methods are used by USDA, State agencies and other groups such as consortiums, to obtain USDA Foods for school meals programs. Please evaluate the various procurement methods to determine if there are ways to improve or streamline the various options of ordering foods, eliminate paperwork duplication and maximize the use of USDA Foods allocated funds.
2. The USDA food supply program calendars and procurement timing for USDA and end users are not aligned, which some schools and states indicate leads to increased inventories, untimely product availability, missed purchasing opportunities, and added costs. What efficiencies could be gained by revising or adjusting the timing for USDA Foods ordering, published assistance rates, and inventory and fund balance reconciliation?
3. To gain maximum utilization of USDA Foods, USDA allows states to utilize a variety of processing options, known as “pass-through” methods, to process foods into school foodservice desired end products. Please review the various pass-through methods utilized by each state, the justification provided by states that do not choose to utilize some or any pass-throughs and any additional information that may provide for improved options and more efficient utilization of USDA Foods. (These pass-through methods would include the following for processed foods: rebates, fee for service, modified fee for service, and net off invoice (NOI)).
4. Please review long term data and emerging trends around where program funding is spent for the various options of foods offered to schools, such as regular directly available products (known as “brown box”), foods assigned for manufacturer processing, and foods available through the Department of Defense (DOD) program. Identify emerging trends and any potential positive and negative impacts of these trends on the supply chain. What trends have emerged for various subgroups (e.g. proteins by type: chicken, beef, pork, etc.; or fruits/vegetables by fresh, frozen, canned, dry).

Upon receipt, and your earliest convenience, please contact staff members Pam Miller (Pam_Miller@ag.senate.gov and (202) 213-4171) and Claire Borzner (Claire_Borzner@ag.senate.gov and (202) 224-5931) on the Senate Committee on Agriculture, Nutrition and Forestry to discuss this request and the scope and scale

of your analysis. We would also respectfully request periodic updates on your progress on this request as you move forward and before completion of the project.

We appreciate GAO's consideration of this request, and we look forward to working with you on this matter.

Sincerely yours,



Debbie Stabenow
Chairwoman



John Boozman
Ranking Member