

# Program Administration

This document is part of a resource series on Local Food Purchasing Incentives (LFPs), produced through collaboration between the Michigan State University Center for Regional Food Systems (CRFS) and the National Farm to School Network. This project aims to contribute to the growing body of knowledge on LFPs and provide more information for farm to school advocates and practitioners nationwide.

**Local Food Purchasing Incentives (LFPs) are programs that provide additional funding to child nutrition program (CNP) operators to directly offset or incentivize local food purchases. Typically funded and operated at the state level, these programs intend to increase purchasing of local foods in school and early care and education (ECE) settings.<sup>1</sup>**

LFPs across the nation exhibit diverse characteristics tailored to their specific state contexts. Amidst this diversity, common threads still emerge in LFPI administration. This resource:

- illustrates various aspects of LFPI administration,
- showcases examples of collaboration, and
- addresses common challenges faced by administrators.

**Our goal is to support and guide stakeholders involved in LFPs, enabling them to effectively plan for the implementation and management of these initiatives.**



Photo Credit: Sarah Rypma

<sup>1</sup> Each state sets its definition of “local” and outlines which foods will be reimbursed by the LFPI. For more information on this definition, see page 4 of [An Introduction to Incentives](#).

## WHO ADMINISTERS LOCAL FOOD PURCHASING INCENTIVES?

Typically, state departments of agriculture or departments of education administer LFPIs. Often, the administering department will receive support from the other department (agriculture will collaborate with education, or vice versa) on some aspects of program administration.

 See [Table 1](#) for more detail.

Ultimately, there is no clear “better option” for administration between state departments of agriculture and education; each department brings its own strengths and limitations to program administration. It can vary state to state, as well, depending on what state agency is responsible for administration of CNPs,<sup>2</sup> which staff are more receptive and supportive of the program, and many other factors. For example, if departments of education already oversee child nutrition programs in that state, they may be able to more seamlessly work with program participants during the reporting and reimbursement process. However, they may not have as much contact with farmers and food producers or understanding of local food systems. On the other hand, departments of agriculture may be able to better connect program participants with local farmers and food businesses. They may also be better poised to integrate values-based purchasing components because of directives from the state. However, working with a department of agriculture may create additional layers of burden for CNPs if they have to submit school food operational data to two different government departments.

## STAFF AND TEAM STRUCTURES

Although they are typically managed by a single state department or agency, collaboration is essential for the successful administration of LFPIs. Due to limited capacity and ongoing challenges, partnerships between state departments and nonprofit organizations become necessary. These public-private teams come together to support various aspects of LFPI administration and program improvement, resulting in stronger and more effective implementation. Examples of supportive services can be found later in this report in Table 1.

### ADMINISTERING AGENCIES

LFPIs usually require at least one dedicated full-time staff member at the administering agency to coordinate the program. However, some LFPIs have been administered by only one staff member that is also responsible for other department programs. Staffing is very contextual, and is often dictated by the budget for the program in legislation.

For larger, more established LFPIs, several staff members may work as a team to administer the LFPI. For example, The California Department of Food and Agriculture Office of Farm to Fork has adopted a regional coordinator model that establishes a robust team structure ready to support LFPI administration. They have a small team of centralized staff members who administer the program at the statewide level, with one or more staff members dedicated to specific regions throughout the state to address unique challenges and opportunities in each area. These staff members provide hands-on, hyperlocal technical assistance and networking support to program participants and farmers and food producers in their respective regions.

<sup>2</sup> Depending on the state, child nutrition programs are administered through departments of education, agriculture, or human services.

Several states, including New York and Oregon, also employ a regional technical assistance model. However, regional coordinators in these states are employed by nonprofit partners and are not directly employed by the administering department. In both of these examples, the nonprofit partners are funded by the state government to hire these coordinators. In Oregon, the Oregon Farm to School & School Garden Network coordinates the Farm to School Regional Hubs in Oregon to offer technical assistance, resources, and host networking opportunities for CNPs.<sup>3</sup> These contracts are mainly funded by the state's LFPI, with other sources of funding from foundation grants and other federal sources like Specialty Crop Block Grants. The Regional Education Hubs assist in farm and garden education, while the Regional Procurement Hubs support child nutrition staff and local producers.

## **PARTNER STATE AGENCIES**

State departments that are not directly responsible for administering an LFPI often provide support to the administering agency. These collaborations typically occur between departments of agriculture and departments of education but also may include departments of health. For example, multi-agency partnerships have developed because of synergistic programs offered to CNPs, such as general farm to school grants. Vermont's LFPI is administered by its Agency of Education and only takes into account local food purchases when providing reimbursement to CNPs. However, in addition to the LFPI, the Vermont Agency of Agriculture, Food, and Markets administers the Vermont Farm to School and Early Childhood Grant. This grant provides a combination of financial support and technical assistance to help schools and early care providers develop robust farm to school programs.

### **State departments can collaborate on aspects of LFPI administration such as:**

- Coordinating similar grant programs
- Administering local food branding programs
- Administering LFPs for their specific audiences

Several LFPs leveraged existing statewide agricultural branding programs that were established to increase awareness of that state's local agriculture. This includes programs such as the NY Grown & Certified program, Alaska Grown, or Colorado Proud. These branding programs can help in streamline the product verification process. They can also help schools more quickly and easily identify products that meet a state-wide definition of local. In the 30% New York State (NYS) Initiative, if a producer participates in the NY Grown & Certified program, they do not need to submit additional documentation to CNPs to prove that their products are local.

In addition to supporting schools, partner agencies in New Mexico provide similar LFPI programs for other kinds of institutions. For example, the New Mexico Aging & Long-Term Services Department operates an LFPI for senior centers and the New Mexico Early Childhood Education & Care Department operates an LFPI for ECE sites. In New Mexico, staff in partner agencies work with their colleagues to establish best practices and learn from each other's experiences.

<sup>3</sup> For more information about Oregon's regional hubs, visit <https://oregonfarmtoschool.org/regional-hubs/>.

## **PARTNER NONPROFITS**

Nonprofit partners are crucial for LFPI program implementation in all states. These partners include statewide farm to school networks and organizations focusing on health, food systems, and education. Additionally, universities and colleges, particularly land grant institutions with cooperative extension offices, provide technical assistance to applicants and producers and are sometimes contracted to conduct program evaluations. Land grant institutions are key partners for LFPIs in states such as California, Colorado, New York, Michigan, Minnesota, and Oregon.

### **Funding Nonprofit Partners**

Some states, including Michigan, Colorado, New York, and Oregon, offer financial assistance to partner organizations for providing technical assistance to program participants and/or overall program support. This funding is often stipulated in legislation and can be represented as a percentage of the LFPI program budget or a flat amount. The legislation for Michigan's 10 Cents a Meal program, to date, provides partners 1% of the budget, for supportive services including evaluation, outreach, and training. For the 2021-2023 biennium, Oregon's Farm to CNP grant allocated \$200,000 for program evaluation, and \$1.2 million for nonprofit partners to provide technical assistance. The Oregon Department of Education created a separate competitive technical assistance grant track to provide awards to partner nonprofits.

## **EXAMPLES OF ADMINISTRATIVE AND CAPACITY BUILDING ASSISTANCE PROVIDED BY STATE AGENCY AND NONPROFIT PARTNERS**

Depending on the state context, partner support for LFPIs is diverse and adaptable, taking on various forms. Some partners establish close and long-term relationships with the administering department and offer comprehensive assistance across multiple administrative aspects. However, other partners offer narrowed support and focus on specific components of program administration.

These partners provide program participants with an array of supportive services, including technical assistance to schools and/or farmers and capacity building aimed at enhancing their knowledge and skills. These services encompass building valuable connections between schools and farmers and local food vendors, collaborative menu planning, and engaging nutrition and food education. Additionally, partners can provide comprehensive program support, which can include evaluation, policy advocacy and education, effective communication strategies, and captivating storytelling. Further details on administrative support can be found in the table on the next page.



Photo Credit: Sarah Rypma

**Table 1. Supportive Services Provided by LFPI Administrators and Partners**

<b>Advocacy support</b> <i>(This support is not directly tied to administration, but ultimately supports LFPI implementation.)</i>	<input type="checkbox"/> Formulate statewide strategic plans to establish long-term food system goals
	<input type="checkbox"/> Draft and promote bill language to establish, codify or expand LFPI
	<input type="checkbox"/> Supply policy education to legislators and/or through issue briefs, meetings, and coordinating site visits to schools and/or farms
	<input type="checkbox"/> Advocate for specific additions or changes in bill language to support LFPI administration and engage community stakeholders to support this effort. Some partners can support this type of advocacy whereas other nonprofit partners may face limitations
<b>General farm to school movement building</b> <i>(This support is not directly tied to administration, but ultimately supports LFPI implementation.)</i>	<input type="checkbox"/> Secure additional grant funding for farm to school activities through philanthropic organizations and government agencies
	<input type="checkbox"/> Deliver culinary training for CNPs
	<input type="checkbox"/> Create farm to school recipes and support activities such as taste testing
	<input type="checkbox"/> Provide nutrition assistance or school garden education to build well-rounded farm to school programs <sup>4</sup>
<b>Support the development of program guidance</b>	<input type="checkbox"/> Participate in a working group to develop program guidance
	<input type="checkbox"/> Provide feedback on program guidance during implementation
<b>Develop communications strategy and momentum around the LFPI</b>	<input type="checkbox"/> Develop marketing materials about LFPis for different audiences
	<input type="checkbox"/> Leverage evaluations and/or conduct interviews to develop marketing materials or stories for continued outreach and advocacy
<b>Support application and review process</b> <i>(if applicable)</i>	<input type="checkbox"/> Recruit CNPs to participate (or apply to participate) in the program
	<input type="checkbox"/> Conduct pre-review of applications for CNPs prior to submission
	<input type="checkbox"/> Provide webinars or other guidance on how to submit strong grant applications
	<input type="checkbox"/> Assist in reviewing or scoring grant applications
<b>Technical Assistance and Education</b>	<input type="checkbox"/> Facilitate connections between farmers and food producers and CNPs through events, maps, producer lists, databases, etc.
	<input type="checkbox"/> Provide training to CNPs to understand program requirements, such as tracking and documentation, and best practices to support success
	<input type="checkbox"/> Provide training to CNPs to facilitate proper procurement of local foods
	<input type="checkbox"/> Share aggregated documentation of local food products with participating CNPs
	<input type="checkbox"/> Facilitate networking sessions, listservs, and events for CNPs and producers
<b>Producer Support</b>	<input type="checkbox"/> Support food safety through education, training, or certifications
	<input type="checkbox"/> Help producers understand LFPI documentation and eligibility requirements for products
	<input type="checkbox"/> Help producers understand how to sell their products to schools or ECEs and navigate procurement processes
	<input type="checkbox"/> Provide insight for producers looking to develop specific products that meet LFPI program requirements and fit best into their overall business plan
<b>Evaluation and Research</b>	<input type="checkbox"/> Develop evaluation plans and set research goals
	<input type="checkbox"/> Conduct or assist in research and evaluation to assess program effectiveness related to its goals
	<input type="checkbox"/> Document and share findings through various channels (reports, briefs, webinars, presentations, etc.)
	<input type="checkbox"/> Apply learnings from evaluation for ongoing program improvement

<sup>4</sup> National Farm to School Network shares more about the core Elements of Farm to School, which includes procurement, school gardens, and education: <https://www.farmtoschool.org/about/what-is-farm-to-school>

## HOW ARE LOCAL FOOD PURCHASING INCENTIVES ADMINISTERED?

LFPIs are typically administered in one of three ways: as grant programs, performance-based programs, or at-will reimbursement programs.

### 1

#### GRANT PROGRAMS

Depending on how they are designed and the overall funding level for the program, grant programs can be noncompetitive or competitive. In a noncompetitive grant, either all eligible CNPs are notified of their award without an application process, or all CNPs who apply for the grant are awarded funds. Typically, LFPI grant program awards are for a one-year period, but several states have two-year grant periods. In a grant program, CNPs must first apply for (in a competitive grant process) or acknowledge receipt of (for noncompetitive grants) an award and corresponding grant requirements.

This crucial step distinguishes grant programs from performance-based and at-will reimbursement models. Throughout the grant period, CNPs make allowable purchases and submit claims for reimbursement or other tracking information to the state agency. Grant programs can be designed to reimburse CNPs fully or partially (i.e. 50% of food costs) up to the maximum grant award.

Noncompetitive grant programs allow more CNPs to participate but may not be a realistic option in many states due to limited LFPI program budgets. Competitive grant programs provide structure for decision-making on which CNPs will receive funding but also may create an administrative burden of reviewing applications for state departments. Additionally the application process itself can be a barrier to CNPs with purchases that would otherwise qualify, and may create equity concerns if CNPs do not have capacity to apply for funding.

#### Two grant-based programs are below:

- **Minnesota's Farm to School Full Tray Grant Program** provides a 1:1 match for K-12 schools and ECE centers to purchase local Minnesota food products to serve as part of their CNP meals. Awards are calculated using a formula that multiplies the number of CNP meals served in one month the previous school year x 10 cents x 12 months. The funding range is \$2,000- 35,000. Schools may also apply for up to \$25,000 for kitchen equipment purchases to support preparation of local products. The Full Tray Grant is complemented by the First Bite grant program, which acts as an on-ramp by providing smaller awards to CNPs without a match requirement.
  - FY 2023 awards: \$3.5 million; FY 2022 awards: \$570,000
- **Washington State's Farm to School Purchasing Grant** supports schools and ECE centers with funds to purchase foods grown, raised, caught, or foraged in Washington State. Eligible applicants can apply for an award based on a previous per-meal count. If awarded, they are reimbursed for eligible food products as well as nonfood costs, such as equipment, staff time, professional development, promotion, and travel. These nonfood costs must directly support the development and sustainability of farm to school efforts to purchase and promote locally grown foods.
  - 21-23 Biennium budget: \$5 million; 22-23 biennium budget: \$4 million

## 2 PERFORMANCE-BASED PROGRAMS

In these types of programs, CNPs make purchases of local food products for an entire school year. At the end of the year, if the CNP has reached a certain percentage of local food purchasing, the CNP will receive additional reimbursement at that time. This reimbursement can be in the form of a lump-sum payment or integrated into the CNP's state reimbursement throughout the following year. Typically, CNPs submit purchasing information once a year during their application for reimbursement.

Performance-based programs eliminate the administrative burden of the application process for schools and state departments, but it may be challenging for schools to not have confirmation of their award amount or if they will receive any award until after the school year is finished.

### Some performance-based programs are below:

- **New York's 30% NYS Initiative** provides an increase to the state per-meal reimbursement of up to 25 cents for School Food Authorities (SFAs) that can demonstrate spending at least 30% of their food costs for lunch on qualifying NYS food products.
  - Annual program budget: \$10 million
- **Vermont's Farm to School Incentive Grant** provides qualifying SFAs a lump-sum grant award if they spent at least 15% of their food budget for all National School Lunch Program (NSLP) meals on qualifying local products the previous year (not including non-program meals or milk purchases). If SFAs reach 15% local purchasing after participating in a Baseline Year Grant, they are eligible for a 15 cent reimbursement multiplied by the number of lunches they served during that year. The incentive reimbursement increases incrementally up to 25 cents if the SFA reaches 25% local purchasing.
  - Budget: \$500,000 for both school years 21-22 and 22-23



Photo Credit: Sarah Rypma

### 3

## AT-WILL REIMBURSEMENT PROGRAMS

At-will reimbursement programs encompass LFPs in which the administering agency issues reimbursement to any CNP throughout the year as long as the CNP properly submits a request for reimbursement. This system of program administration is different from a grant program because CNPs do not have to first apply to participate in the program and are not required to submit additional materials (testimonials, photos, etc.) regarding their participation in the program.

At-will programs also eliminate the administrative burden of the application process, but they offer state departments less control over prioritizing where funding will be distributed. They also require more responsibility on the department to communicate how many funds are remaining to CNPs.

### Some examples of these at-will reimbursement models are described below.

- **Maine's Local Foods Fund** provides qualifying CNPs \$1 for every \$3 spent on local food up to a cap of \$5,500 per school per year. Participating CNPs submit invoices and requests for reimbursement on a monthly basis.
  - Budget: \$322,500 for both 2021-22 and 2022-23
- **Washington D.C.'s Local5 program** provides an additional \$0.05 per lunch meal to public and public charter schools when at least one component of a reimbursable lunch or breakfast meal is composed entirely of local ingredients. Qualifying CNPs request this additional reimbursement through their usual monthly claims process.
  - Budget: N/A
- **Alabama's Farm to School Incentive Program** provides all qualifying CNPs reimbursement of \$0.20 for each meal component they serve that features local food. A component can be any one of the five meal components that are part of USDA's MyPlate. This means that if a CNP in Alabama serves a meal where all five components are locally sourced, they would be reimbursed \$1 per meal. This program is available to all qualifying CNPs until funds are exhausted and qualifying CNPs can be reimbursed up to \$20,000 in reimbursement annually.
  - Budget: FY 20: \$120,000, FY 21: \$220,000, FY22: \$300,000

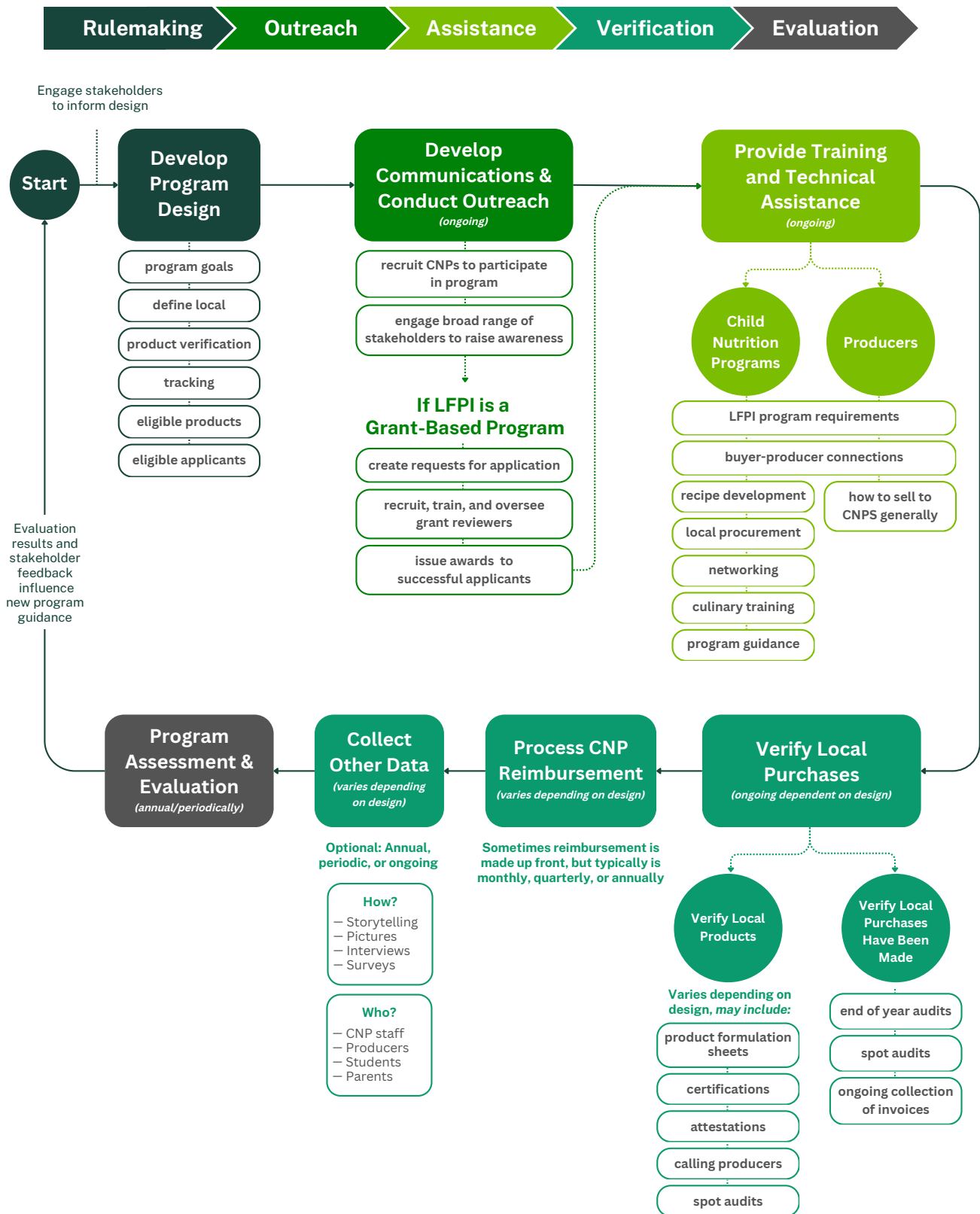


### RETHINKING LFPI DESIGN: FARMER-FOCUSED LFPs

In addition to the existing LFPI models, state governments can also directly subsidize local farmers, food hubs, and other producers to increase their sales to CNPs. Learn more about this innovative model and its potential benefits and challenges in our complementary resource [Farmer-Focused Local Food Purchasing Incentives](#).



Figure 1. Key Actions Involved in the Administration of LFPIs



## CHALLENGES WITH ADMINISTRATION

The effective administration of LFPIs can be accompanied by various challenges. From navigating strict legislation to addressing staff turnover, this section explores the hurdles that administrators commonly encounter in managing LFPIs.

- **Navigating strict or imperfect legislation**

Some aspects of LFPI programs prescribed by legislation may pose difficulties that only become evident during implementation. While making changes through technical amendments is possible in some cases, the technical amendment process may be challenging. Nonprofit partners may be able to advocate for changes to legislation to improve the program.

- **Developing administrative systems**

Developing new administrative systems can be time-consuming for administrators. Administering agencies often create many programmatic materials such as grant applications, requests for applications, tracking sheets, and protocols for verifying local purchases. They also develop processes for technical assistance and communication with program participants.

- **Reviewing grant applications**

For states with LFPIs that are administered as grant programs, recruiting qualified grant reviewers can be challenging. Some state agencies manage the grant review process in-house, while others face capacity constraints due to limited staff resources. This is another area where state agencies can rely on partners for support.

- **Conducting ongoing technical assistance for CNPs**

LFPIs require ongoing training and education for participating producers and CNPs. This is because many LFPIs expand in scale and scope over time. Additionally, high staff turnover at all levels within CNPs further adds to the challenge. Authorizing agencies address these common issues by presenting at annual conferences and business administration meetings and incorporating outreach during CNPs' annual review processes. Most authorizing agencies also rely on partners for technical assistance and program promotion.

- **Connecting CNPs with producers**

LFPI administrators often face difficulties when linking participating CNPs with local farmers and producers. This can be due to limited staff time or insufficient knowledge of producers and local and regional food systems. Partners often support authorizing agencies by organizing networking opportunities and creating resources like maps, lists, and databases to connect CNPs and producers.

- **Tracking expenditure**

Except for New Mexico and Michigan, most states with LFPIs rely on spreadsheets to track local purchases. State administrators are often dissatisfied with the spreadsheet model, finding the process inefficient and time-consuming. The Michigan Department of Education built an online tracking platform for 10 Cents a Meal grantees to track their purchases.

- **Program verification and integrity**

Nearly every state collects documentation for local products and/or verifies that program participants purchased local products. This process can be time-consuming and difficult for staff that have little food system experience. Additionally, some vendors may be unwilling to share necessary information to verify local products. Administering agencies can work with partners to support local product verification.

- **Program evaluation and data analysis**

Overall program reporting requirements for programs are often stipulated in legislation. However, limited time and funding may constrain states from conducting evaluations internally or outsourcing evaluation services. Some states collaborate with nonprofit partners, typically universities, to evaluate their programs, which can include qualitative data analysis through activities including surveys or interviews and quantitative analysis of purchasing information submitted by CNPs.

- **Staff turnover within the administering agency**

Staff turnover within the administering agency presents challenges, including a lack of institutional knowledge about the program and its operations.

## CONCLUSION

Effective administration of LFPIs involves collaboration among various stakeholders, including the administering state departments, nonprofit organizations, and partner agencies, that can grow and evolve over time. While state departments of agriculture or education are typically responsible for administering LFPIs, partnerships with other departments and nonprofits are crucial to increase capacity and overcome common challenges. These collaborations can also strengthen LFPI implementation by providing support in areas such as technical assistance, networking, marketing, and evaluation. The administration of LFPIs can take different forms, including grant programs, performance-based programs, and at-will reimbursements, each with its own requirements and processes. However, common challenges such as navigating legislation, developing administrative systems, reviewing grant applications, providing ongoing technical assistance, and tracking expenditures require careful consideration and support. Despite these challenges, effective LFPI administration is vital for ensuring the success and continued funding and support of these programs from stakeholders and legislators, as well as increasing the positive impacts of these programs on child nutrition, local producers, and communities as a whole.

## LEARN MORE

- Review the [Farm to School Incentives Toolkit](#), which includes a report of the national landscape of LFPI designs, a compendium of all statewide programs, and folders that include tracking sheets used by states and existing state program evaluations.
- Read [Local food incentive programs for K-12 school and ECE Settings: Stakeholder needs and values](#), a 2022 report by Michigan State University Center for Regional Food Systems. <https://foodsystems.msu.edu/resources/local-food-incentive-survey-2022>



See [National Farm to School Network's Webpage on Local Food Purchasing Incentives](#) for an up-to-date list of state programs.

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To find more resources on LFPIs, go to [foodsystems.msu.edu/local-food-purchasing-incentives](https://foodsystems.msu.edu/local-food-purchasing-incentives) and [farmtoschool.org/resources](https://farmtoschool.org/resources). Contact Cassandra Bull at [cassandra@farmtoschool.org](mailto:cassandra@farmtoschool.org) or Colleen Matts at [matts@msu.edu](mailto:matts@msu.edu) for more information.

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