

TO THE HONORABLE SENATE

The Committee on Agriculture to which was referred Senate Bill No. S. 273, entitled "An act relating to creating incentives for schools and establishing a goal for correctional facilities to purchase locally produced foods"

respectfully reports that it has considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 16 V.S.A. § 1262a is amended to read:

§ 1262a. AWARD OF GRANTS

* * *

(d) The Agency shall, from funds appropriated for this subsection to the Agency, award grants to supervisory unions and supervisory districts in accordance with section 1264a of this title (Locally Produced Foods). If the amount appropriated for this purpose is insufficient to fully fund the grants under that section, then the grant amounts that are awarded shall be prorated.

Sec. 2. 16 V.S.A. § 1264 is amended to read:

§ 1264. FOOD PROGRAM

* * *

~~(d) It is a goal of the State that by the year 2022 school boards operating a school lunch, breakfast, or summer meals program shall purchase at least 20 percent of all food for those programs from local producers.~~

~~(e)(1) On or before December 31, 2020, and annually thereafter, a school board operating a school lunch, breakfast, or summer meals program shall submit to the Agency of Education an estimate of the percentage of locally produced foods that were purchased by the school board for those programs.~~

~~(2) On or before January 31, 2021, and annually thereafter, the Agency of Education shall submit to the Senate Committees on Agriculture and on Education and the House Committees on Agriculture and Forestry and on Education in an aggregated form the information received from school boards regarding the percentage of locally produced foods that are purchased as part of a school lunch, breakfast, or summer meals program. The provisions of 2 V.S.A. § 20(d) regarding expiration of required reports shall not apply to the report required by this subdivision.~~

Sec. 3. 16 V.S.A. § 1264a is added to read:

§ 1264a. LOCALLY PRODUCED FOODS

(a) It is a goal of the State that by the year 2022 at least 20 percent of all foods purchased by supervisory unions and supervisory districts, together referred to in this section as “supervisory unions,” be locally produced foods. School boards have the discretion to define what foods are included within the definition of “locally produced foods” for the purposes of this subsection and subsection (b) of this section.

(b) On or before December 31, 2020 and annually thereafter, a school board operating a school lunch, breakfast, or summer meals program shall report to the Agency of Education an estimate of the percentage of the cost of all foods purchased by the school board for those programs that were locally produced foods during the one-year period ending on June 30 of that year.

(c)(1) Beginning with the 2020–21 school year and thereafter, supervisory unions shall be eligible for a local foods incentive grant (grant) from funds appropriated to the Agency of Education for this purpose.

(2) A supervisory union may apply for the grant if it has:

(A) developed a locally produced foods’ purchasing plan, which describes the supervisory union’s goals for purchasing locally produced foods and its plan to achieve those goals;

(B) designated an individual as the food coordinator for locally produced foods who shall be responsible for implementing the locally produced foods’ purchasing plan;

(C) developed a process for tracking the purchase of locally produced foods; and

(D) complied with the reporting requirement under subsection (b) of this section.

(3) A supervisory union that has satisfied the conditions under subdivision (2) of this subsection may, on or before January 15, 2021 or January 15 of any year thereafter, apply to the Agency for the grant by submitting a certification, signed by the business manager for the supervisory union, that the supervisory union satisfies the conditions under subdivision (2) of this subsection.

(4) If a supervisory union is eligible for a grant under subdivision (3) of this subsection, then the Agency shall make the grant payment, subject to appropriation, on or before the following March 31 after submission of the supervisory union’s application (which is due on or before January 15 of that year), which shall be equal to 15 cents per reimbursable school lunch served by the supervisory union in the prior school year through the National School

Lunch Program. A supervisory union may apply for this grant and receive this grant funding only once.

(5)(A) A supervisory union that has received a grant under subdivision (4) of this subsection (c) may, on or before January 15, 2022 or January 15 of any year thereafter, apply for a further grant by submitting to the Agency of Education information that demonstrates that at least 15 percent of the cost of all foods purchased or grown, raised, or produced by the supervisory union during the one year period ending on June 30 of the previous year, excluding foods purchased or grown, raised, or produced by the supervisory union that were used to provide catering services for which the supervisory union received compensation, was in aggregate:

(i) fruits, vegetables, meat, poultry, dairy (except fluid milk), maple syrup, honey, legumes, grains, or eggs that were grown, raised, or produced in Vermont or within 30 miles of the Vermont border; and

(ii) foods processed in Vermont with at least 75 percent Vermont-grown, Vermont-raised, or Vermont-produced ingredients, with fluid milk counted as a processed food.

(B) If a supervisory union grows, raises, or produces food, it shall assign a fair market value to that food for the purpose of reporting its cost.

(6) If a supervisory union is eligible for a grant under subdivision (5) of this subsection, the Agency shall, on or before the following March 31 after submission of the supervisory union's application (which is due on or before January 15 of that year), make the grant payment, subject to appropriation, which shall be determined as follows:

(A) 15 cents per reimbursable school lunch served in the prior school year through the National School Lunch Program for supervisory unions purchasing at least 15 percent or more locally produced foods;

(B) 20 cents per reimbursable school lunch served in the prior school year through the National School Lunch Program for supervisory unions purchasing at least 20 percent or more locally produced foods; or

(C) 25 cents per reimbursable school lunch served in the prior school year through the National School Lunch Program for supervisory unions purchasing at least 25 percent or more locally produced foods.

(7) A supervisory union may apply for and receive grant funding under subdivisions (5) and (6) under this subsection (c) for each year that it qualifies for this grant funding.

(8) The Agency of Education may perform sample audits for any year that grant funds are paid to supervisory unions under subdivision (6) under this subsection (c) to verify that information provided to the Agency under

subdivision (5) under this subsection (c) is accurate. If the Agency makes a grant payment under subdivision (6) to a supervisory union that was based on inaccurate information reported by the supervisory union, the Agency may seek reimbursement from the supervisory union for an overpayment or reimburse the supervisory union for an underpayment, or may adjust future grant amounts under this section to reflect the over- or underpayment.

(d)(1) On or before January 31, 2021 and annually thereafter, the Agency of Education shall submit to the Senate Committees on Agriculture and on Education and the House Committees on Agriculture and Forestry and on Education in an aggregated form:

(A) the information received from supervisory unions regarding the percentage of locally produced foods, as the supervisory unions define them, that were reported under subsection (b) of this section; and

(B) the percentage of locally produced foods, using the grant funding definition, that were reported under subdivision (c)(5) of this section, and the amount of grant funding paid to supervisory unions under subdivision (c)(6) in the prior school year.

(2) The provisions of 2 V.S.A. § 20(d) regarding expiration of required reports shall not apply to the reports required by this subsection.

Sec. 4. ADMINISTRATIVE SUPPORT

(a) The Agency of Education shall collaborate with the Agency of Agriculture, Food and Markets to promote the local foods program under 16 V.S.A. § 1264a to supervisory unions and supervisory districts, farmers, food processors, and distributors.

(b) The following position is created in the Agency of Education: one full-time, classified position specializing in the administration of federal child nutrition programs in order to expand access to these programs and to assist with the implementation of the local foods incentive grant under 16 V.S.A § 1264a created under this act. The position established in this subsection shall be transferred and converted from an existing vacant position in the Executive Branch of State government. There is appropriated to the Agency of Education from the General Fund for fiscal year 2021 the amount of \$125,000.00 for salary, benefits, and operating expenses.

Sec. 5. APPROPRIATIONS FOR FOOD PROGRAMS

(a) There is appropriated to the Agency of Education from the General Fund for fiscal year 2021 the amount of \$75,000.00 for the summer food service program under 16 V.S.A. § 1264(a)(2).

(b) There is appropriated to the Agency of Education from the General Fund for fiscal year 2021 the amount of \$500,000.00 for local foods incentive grants under 16 V.S.A. § 1264a (Locally Produced Foods) as added by this act.

Sec. 6. CORRECTIONAL FACILITIES

(a) It is a goal of the State that by the year 2023 at least 20 percent of all foods purchased for meals served in correctional facilities shall be locally produced foods, measured either by cost or volume, and that correctional facilities pay fair market value for food purchased from farmers. As used in this section, "locally produced foods" means:

(1) fruits, vegetables, meat, poultry, dairy (except fluid milk), maple syrup, honey, legumes, grains, or eggs that are grown, raised, or produced in Vermont or within 30 miles of the Vermont border; and

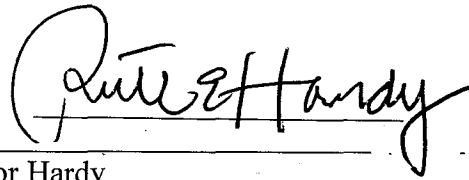
(2) foods processed in Vermont with at least 75 percent Vermont-grown, Vermont-raised, or Vermont-produced ingredients, with fluid milk counted as a processed food.

(b) On or before January 31, 2021 and annually thereafter, the Department of Corrections shall report to the House Committees on Agriculture and Forestry and on Corrections and Institutions and the Senate Committees on Agriculture and on Institutions the estimated percentage of locally produced foods purchased by correctional facilities during the previous fiscal year. If a correctional facility grows, raises, or produces food, it shall assign a fair market value to that food for purposes of reporting its cost if cost rather than volume is used to measure the percentage of locally produced foods.

Sec. 7. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)



Senator Hardy
FOR THE COMMITTEE