

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

2 § 1262a. AWARD OF GRANTS

3 * * *

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

9 * * *

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

11 * * *

12 ~~(d) It is a goal of the State that by the year 2022 school boards operating a~~
13 ~~school lunch, breakfast, or summer meals program shall purchase at least~~
14 ~~20 percent of all food for those programs from local producers. [Repealed.]~~

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

19 ~~(2) On or before January 31, 2021 and annually thereafter, the Agency~~
20 ~~of Education shall submit to the Senate Committees on Agriculture and on~~
21 ~~Education and the House Committees on Agriculture and Forestry and on~~

1 ~~Education in an aggregated form the information received from school boards~~
2 ~~regarding the percentage of locally produced foods that are purchased as part~~
3 ~~of a school lunch, breakfast, or summer meals program. The provisions of~~
4 ~~2 V.S.A. § 20(d) regarding expiration of required reports shall not apply to the~~
5 ~~report required by this subdivision. [Repealed.]~~

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

7 § 1264a. LOCALLY PRODUCED FOODS

8 (a) It is a goal of the State that by the year 2023, at least 20 percent of all
9 foods purchased by supervisory unions and supervisory districts, together
10 referred to in this section as “supervisory unions,” be locally produced foods.
11 School boards have the discretion to define what foods are included within the
12 definition of “locally produced foods” for the purposes of this subsection and
13 subsection (b) of this section.

14 (b) On or before December 31, 2021 and annually thereafter, a school
15 board operating a school lunch, breakfast, or summer meals program shall
16 report to the Agency of Education an estimate of the percentage of the cost of
17 all foods purchased by the school board for those programs that were locally
18 produced foods during the one-year period ending on June 30 of that year.

19 (c)(1) Beginning with the 2021–22 school year and thereafter, supervisory
20 unions shall be eligible for a local foods incentive grant (grant) from funds
21 appropriated to the Agency of Education for this purpose.

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

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

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

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

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

12 (3) A supervisory union that has satisfied the conditions under
13 subdivision (2) of this subsection may, on or before January 15, 2022 or on or
14 before January 15 of any year thereafter, apply to the Agency for the grant by
15 submitting a certification, signed by the business manager for the supervisory
16 union, that the supervisory union satisfies the conditions under subdivision (2)
17 of this subsection.

18 (4) If a supervisory union is eligible for a grant under subdivision (3) of
19 this subsection, then the Agency shall make the grant payment, subject to
20 appropriation, on or before the following March 31 after submission of the
21 supervisory union’s application (that is due on or before January 15 of that

1 year), which shall be equal to 15 cents per reimbursable school lunch served by
2 the supervisory union in the prior school year through the National School
3 Lunch Program. A supervisory union may apply for this grant and receive this
4 grant funding only once.

5 (5)(A) A supervisory union that has received a grant under
6 subdivision (4) of this subsection (c) may, on or before January 15, 2023 or on
7 or before January 15 of any year thereafter, apply for a further grant by
8 submitting to the Agency of Education information that demonstrates that at
9 least 15 percent of the cost of all foods purchased or grown, raised, or
10 produced by the supervisory union during the one-year period ending on June
11 30 of the previous year were local to Vermont as defined in 9 V.S.A.
12 § 2465a(b), excluding:

13 (i) foods purchased or grown, raised, or produced by the
14 supervisory union that were used to provide catering services for which the
15 supervisory union received compensation; and

16 (ii) fluid milk.

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

19 (C) A vendor that contracts with a supervisory union to supply food
20 products shall certify to the supervisory union which of the food products

1 supplied meet the definition of local to Vermont, taking into account the
2 exclusions under subdivision 5(A) of this subsection (c).

3 (6) If a supervisory union is eligible for a grant under subdivision (5) of
4 this subsection, the Agency shall, on or before the following April 30 after
5 submission of the supervisory union’s application (that is due on or before
6 January 15 of that year), make the grant payment, subject to appropriation,
7 which shall be determined as follows:

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

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

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

17 (7) A supervisory union may apply for and receive grant funding under
18 subdivisions (5) and (6) of this subsection for each year that it qualifies for this
19 grant funding. For applications covering the 2020–2021 school year, meals
20 served through the Summer Food Service Program shall also be counted for
21 this grant payment.

1 (8) The Agency of Education may perform sample audits for any year
2 that grant funds are paid to supervisory unions under subdivision (6) of this
3 subsection to verify that information provided to the Agency under
4 subdivision (5) of this subsection is accurate. If the Agency makes a grant
5 payment under subdivision (6) of this subsection to a supervisory union that
6 was based on inaccurate information reported by the supervisory union, the
7 Agency may seek reimbursement from the supervisory union for an
8 overpayment or reimburse the supervisory union for an underpayment or may
9 adjust future grant amounts under this section to reflect the over- or
10 underpayment.

11 (d)(1) On or before January 31, 2022 and annually thereafter, the Agency
12 of Education shall submit to the Senate Committees on Agriculture and on
13 Education and the House Committees on Agriculture and Forestry and on
14 Education in an aggregated form:

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

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

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

3 Sec. 4. ADMINISTRATIVE SUPPORT

4 The Agency of Education shall collaborate with the Agency of Agriculture,
5 Food and Markets to promote the local foods program under 16 V.S.A.
6 § 1264a to supervisory unions and supervisory districts, farmers, food
7 processors, and distributors.

8 Sec. 5. APPROPRIATIONS FOR FOOD PROGRAMS

9 (a) There is appropriated to the Agency of Education from the General
10 Fund for fiscal year 2022 the amount of \$500,000.00 for local foods incentive
11 grants under 16 V.S.A. § 1264a (locally produced foods) as added by this act.
12 From this appropriation, the Agency of Education may use up to \$60,000.00 to
13 retain a contractor, or otherwise fund costs associated with the implementation
14 of the grant program, to assist with developing and establishing the local foods
15 incentive grants for fiscal year 2022.

16 (b) There is appropriated to the Vermont Agency of Agriculture, Food and
17 Markets from the General Fund for fiscal year 2022 the annual base
18 appropriation of \$500,000.00 for the Farm-to-School and Early Childhood
19 Grant Program.

20 Sec. 6. EFFECTIVE DATE

21 This act shall take effect on July 1, 2021.