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## **An Act To Support School Nutrition and Expand the Local Foods Economy**

**Preamble.** Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14 to authorize the issuance of bonds on behalf of the State of Maine to provide funds as described in this Act,

**Emergency preamble. Whereas,** acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** in order to take advantage of locally grown food supplies in school food service programs, this legislation should take effect immediately in order to take maximum advantage of this year's growing season; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

**Be it enacted by the People of the State of Maine as follows:**

### **PART A**

**Sec. A-1. 7 MRSA §306-A, sub-§2,** as enacted by PL 1999, c. 72, §5, is amended to read:

**2. Fund operation.** The commissioner shall utilize the agricultural development fund to:

A. Provide grants to individuals, firms or organizations to conduct market research or to undertake market promotion activities for the purpose of expanding existing markets and developing new markets for state agricultural products; and

B. Test and demonstrate new technologies related to the production, storage and processing of state agricultural commodities; and

C. Provide phase-1 local foods grants under section 310, subsection 1 to up to 12 applicants to conduct market feasibility studies in different regions of the State to identify the availability of fresh, minimally processed foods. Grant applicants must demonstrate expertise related to the subject of the study and the capacity to create a local food hub plan and to implement such a plan if selected for a phase-2 local food hub grant; and

D. Provide phase-2 local food hub grants under section 310, subsection 2 to up to 10 applicants for the purpose of establishing local food hubs.

**Sec. A-2. 7 MRSA §310** is enacted to read:

### **§ 310. Local food hub grants**

The commissioner shall issue grants for the purpose of marketing studies and the development and operation of food hubs to connect and enhance relationships between food producers in the State and public school food service programs.

**1. Phase-1 local foods grants.** The commissioner shall award up to 12 grants of between \$20,000 and \$30,000 to applicants who demonstrate the capacity to conduct market feasibility studies in different regions of the State to identify the availability or potential availability of fresh, minimally processed locally produced foods. Applicants must demonstrate expertise related to the subject of the study and the capacity to create and implement a local food hub plan if selected for a phase-2 local food hub grant. Applicants must demonstrate a commitment to recognition of the requirements of the federal Department of Agriculture with regard to meals provided in schools and a willingness to participate in training programs developed by the Department of Education under Title 20-A, section 6602, subsection 13.

**2. Phase-2 local food hub grants.** The commissioner shall award up to 10 phase-2 local food hub grants to applicants for the purpose of establishing local food hubs. Proposals for grants under this subsection must include plans based on the market studies completed under subsection 1. A proposal must demonstrate:

- A. That the proposal is based on sound business and financial principles;
- B. That the state funds awarded under the grant will be matched by funds from nonstate sources in an amount equal to at least the amount of the grant award under this subsection;
- C. That the applicant has the capacity to perform the functions of locating and obtaining food from local growers and fisheries and the capacity to handle the logistics of supplying and delivering local foods as ordered by local schools;
- D. That the applicant has the capacity to provide minimal food processing of locally sourced food, including washing, preparing for storage and storage of food, including cold storage and freezer storage;
- E. That the applicant has knowledge of health-oriented food production methods to maintain nutritional value and minimize food contaminants;
- F. That the applicant will exercise sustainable waste management practices, including composting of food waste and minimal use of disposable nonreusable packaging materials; and
- G. That the applicant has the ability to plan and engage food producers to plant or otherwise scale capacity to meet anticipated food service demand.

**3. Consultation.** The commissioner shall consult with the Department of Marine Resources and the Department of Education regarding the awarding of grants under this section.

**4. Exception.** Grants awarded under this section are not subject to the requirements of section 306-A, subsection 3, paragraph B.

**Sec. A-3. 20-A MRSA §6602, sub-§12**, as enacted by PL 2001, c. 447, §1, is amended to read:

**12. Local Produce Fund.** The Local Produce Fund is established within the Department of Education. The fund is authorized to receive revenue from public and private sources. The fund must be held separate and apart from all other money, funds and accounts. Any balance remaining in the fund at the end of the fiscal year must be carried forward to the next fiscal year. The fund must be used to match \$1 for every \$3 a school administrative unit pays for produce or minimally processed foods purchased directly from a farmer or farmers' cooperative in the State, to a maximum state contribution of \$1,000 or \$2,000 if the school administrative unit sends a food service employee to local foods training administered by the department under subsection 13. At the end of the fiscal year, the school administrative unit may provide the department with receipts documenting purchases pursuant to this subsection during that year. For purposes of this subsection, "minimally processed" means only the washing, cleaning, trimming, drying, sorting and packaging of food items or a combination of those activities. Reimbursement or partial reimbursement to school administrative units may only be made up to the amount available in the fund. Failure to reimburse does not constitute an obligation on behalf of the State to a school administrative unit.

**Sec. A-4. 20-A MRSA §6602, sub-§13** is enacted to read:

**13. Local foods training.** The department shall administer a program to encourage and expand the use of local foods in school food service programs. The program must:

A. Provide competitive grants for 6 regional training programs to provide training without cost for local school food service program providers to encourage and expand the use of local foods in school food service programs. The training programs must emphasize practical training for food preparers, including creative and effective cooking skills using local fresh foods and local food procurement skills;

B. Foster collaboration between school food service personnel throughout the State;

C. Facilitate and encourage the use of local food hubs developed by the Department of Agriculture under Title 7, section 310;

D. Provide guidance to schools in the use of local food products and the nutritional attributes of local foods and provide strategies for encouraging maximum knowledge and acceptance of the nutritional value of locally produced food by students and communities; and

E. Provide for the development of an annual competitive skill-oriented food service award based on criteria developed by the department emphasizing creative and effective use of local food products.

**Sec. A-5. Appropriations and allocations.** The following appropriations and allocations are made.

**AGRICULTURE, CONSERVATION AND FORESTRY, DEPARTMENT OF**

**Division of Agricultural Resource Development 0833**

Initiative: Provides one-time funding for awards to up to 12 applicants to conduct market feasibility studies related to availability of locally produced and minimally processed food.

<b>GENERAL FUND</b>	<b>2013-14</b>	<b>2014-15</b>
All Other	\$250,000	\$0
<b>GENERAL FUND TOTAL</b>	<b>\$250,000</b>	<b>\$0</b>

<b>AGRICULTURE, CONSERVATION AND FORESTRY, DEPARTMENT OF</b>		
<b>DEPARTMENT TOTALS</b>	<b>2013-14</b>	<b>2014-15</b>
<b>GENERAL FUND</b>	<b>\$250,000</b>	<b>\$0</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$250,000</b>	<b>\$0</b>

**EDUCATION, DEPARTMENT OF**

**Local Produce Fund N148**

Initiative: Provides ongoing funds to increase the cap on the amount that the State matches for the acquisition of local foods by a school administrative district if the district sends a food service employee for training in the acquisition and use of local foods.

<b>GENERAL FUND</b>	<b>2013-14</b>	<b>2014-15</b>
All Other	\$120,000	\$120,000
<b>GENERAL FUND TOTAL</b>	<b>\$120,000</b>	<b>\$120,000</b>

<b>EDUCATION, DEPARTMENT OF</b>		
<b>DEPARTMENT TOTALS</b>	<b>2013-14</b>	<b>2014-15</b>
<b>GENERAL FUND</b>	<b>\$120,000</b>	<b>\$120,000</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$120,000</b>	<b>\$120,000</b>

<b>SECTION TOTALS</b>	<b>2013-14</b>	<b>2014-15</b>
<b>GENERAL FUND</b>	<b>\$370,000</b>	<b>\$120,000</b>
<b>SECTION TOTAL - ALL FUNDS</b>	<b>\$370,000</b>	<b>\$120,000</b>

## PART B

**Sec. B-1. Authorization of bonds.** The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$12,000,000 for the purposes described in section 5 of this Part. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds.

**Sec. B-2. Records of bonds issued; Treasurer of State.** The Treasurer of State shall ensure that an account of each bond is kept showing the number of the bond, the name of the successful bidder to whom sold, the amount received for the bond, the date of sale and the date when payable.

**Sec. B-3. Sale; how negotiated; proceeds appropriated.** The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Part. Any unencumbered balances remaining at the completion of the project in this Part lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds.

**Sec. B-4. Interest and debt retirement.** The Treasurer of State shall pay interest due or accruing on any bonds issued under this Part and all sums coming due for payment of bonds at maturity.

**Sec. B-5. Disbursement of bond proceeds from General Fund bond issue.** The proceeds of the sale of the bonds authorized under this Part must be expended as designated in the following schedule under the direction and supervision of the agencies and entities set forth in this section.

**AGRICULTURE, CONSERVATION AND  
FORESTRY, DEPARTMENT OF  
Agricultural Development Fund**

Provides funds to establish and support local food hub programs to connect local food producers with school food service providers and encourage the use of local farm products in the public schools.

Total \$12,000,000

**Sec. B-6. Contingent upon ratification of bond issue.** Sections 1 to 5 do not become effective unless the people of the State ratify the issuance of the bonds as set forth in this Part.

**Sec. B-7. Appropriation balances at year-end.** At the end of each fiscal year, all unencumbered appropriation balances representing state money carry forward. Bond proceeds that have not been expended within 10 years after the date of the sale of the bonds lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds.

**Sec. B-8. Bonds authorized but not issued.** Any bonds authorized but not issued within 5 years of ratification of this Part are deauthorized and may not be issued, except that the Legislature may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds for an additional amount of time not to exceed 5 years.

**Sec. B-9. Referendum for ratification; submission at election; form of question; effective date.** This Part must be submitted to the legal voters of the State at a statewide election held in the month of November following passage of this Act. The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Part by voting on the following question:

"Do you favor a \$12,000,000 bond issue to provide funding to the Agricultural Development Fund to establish and support local food hub programs to connect local food producers with school food service providers and encourage the use of local farm products in the public schools?"

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns. If a majority of the legal votes are cast in favor of this Part, the Governor shall proclaim the result without delay and this Part becomes effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Part necessary to carry out the purposes of this referendum.

**Emergency clause.** In view of the emergency cited in the preamble, this legislation takes effect when approved, except as otherwise indicated.

## SUMMARY

This bill requires the Department of Agriculture, Conservation and Forestry and the Department of Education to administer programs to support the expansion and coordination of the use of fresh local foods in public school food service programs. The Department of Agriculture, Conservation and Forestry is directed to provide grants in 2 phases for the identification of local food suppliers and the establishment of local food hubs to connect local food producers with public school food service programs and facilitate the operation of local food programs in schools. The bill also directs the Department of Education to develop and support local food training programs for public school food service personnel and facilitate the use of local food hubs to expand the use of local foods in schools.

The bill also provides a bond issue in the amount of \$12,000,000 to be used to develop up to 10 local food hubs.