

OFFICE OF POLICY AND LEGAL ANALYSIS

Date: April 1, 2021

To: Committee on Innovation, Development, Economic Advancement and Commerce

From: Samuel Senft, Legislative Analyst

LD 636 “An Act To Encourage the Purchase of Local Foods for Public Schools” (Vitelli)

SUMMARY

This bill does the following:

1. Changes the name of the Local Produce Fund within the Department of Education to the Local Foods Fund;
2. Increases the fund's maximum state match for the purchase of produce or minimally processed foods to \$7,500 (from \$1,500) per school administrative unit in fiscal year 2021-22 and subsequent years or \$10,000 (from \$2,000) per school administrative unit if the school administrative unit sends a food service employee to local foods training administered by the Department of Education;
3. Adds to the types of eligible foods value-added dairy and protein;
4. Adds foods that are peeled, sliced, refrigerated or frozen to the types of allowable “minimally processed” foods;
5. Makes clear that all foods purchased using the fund must be grown or purchased in Maine; and
6. Allows for food to be purchased from local food processors and food service distributors.

TESTIMONY

Proponents:

- School nutrition programs struggle to buy local food due to costs and the staff time to arrange for procurement.
- The Local Produce Fund was established almost a decade ago, but was never fully funded until the 129th.
- A survey of Maine school nutrition programs indicated that they would spend more on local products with increased reimbursements, if allowed to buy dairy and meat, if allowed to buy peeled, chopped, and frozen food, and if allowed to use a distributor.
- Schools nutrition programs don’t have capacity to work with multiple local farms; allowing use of distributors will be a great benefit.
- In 1997, the USDA began a comprehensive effort to connect farms to schools.
- When locally grown food is available and advertised on the school lunch menu, the perception of school meals is improved, and participation is increased
- This program benefits local farmers who have been hard hit by the pandemic.
- Maine Farm to School Network consists of 20 statewide farm to school leaders such as school nutrition directors, producer grounds, Dept. of Ag, Dept. of Ed., Cooperative Extension, and

<p>more</p> <ul style="list-style-type: none"> • Right now, the majority of the local produce fund dollars are left unspent, and those spent are mostly used on apples, when schools could be using the funds to purchase other local products such as fish, tofu, and yogurt • The bill expands the buying power of schools, provides financing to make the purchases happen long term, and increases access to the food produced in the State. • Farm to School programs translate to positive behaviors outside of the school system. Parent surveys show that after exposure to Farm to School programs, children are more likely to request fruits and vegetables at home Public school food service budgets are extremely tight and depend on participation from students • In 2017 the Wild Blueberry Commission instituted a School Nutrition Program to educate school food purchasers across the country about the benefits of Maine wild blueberries. This program has been a major success, doubling the volume of Maine wild blueberries purchased by school institutions
<p>Opponents:</p> <ul style="list-style-type: none"> • None
<p>Neither For Nor Against</p> <ul style="list-style-type: none"> • Currently, there are 31 districts submitting reimbursement requests for the produce fund with two reaching the annual cap • The Department of Education's Child Nutrition team has contracted for new claiming software that will include the "Produce Fund" into the monthly claiming process. All claims will be submitted using a separate form, which will streamline the monthly claim reimbursement process and remind the SAUs that this is available to them. The software will be launched by July 1, 2021 • Raising the funding cap will cause the available funds for the purchase of local foods to dissipate more quickly • Amending the existing statute will impact local farmers who are not working with major distributors but depend on local co-op or farm stand sales • The Department recommends including language regarding protein that is minimally processed.

INFORMATION REQUESTS:

- It was asked what food safety measures would be required if the program were expanded to include meats and dairy.
 - Food purchased from local farms for consumption in schools is subject to Maine's food laws and regulations. A compilation of Maine food laws and rules, including the Maine Food Code, can be found on the Maine Department of Agriculture, Conservation and Forestry [website](#). There are specific rules for different categories of foods.

ADDITIONAL INFORMATION:

- The bill can be found [here](#).
- The current statute can be found at [20-A MRSA §6602, sub-§12](#):

12. Local Produce Fund. The Local Produce Fund is established within the department. 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, farmers' cooperative or local food hub in the State, to a maximum state contribution of \$1,000 per school administrative unit in fiscal year 2019-20 and \$1,500 per school administrative unit in fiscal year 2020-21 and subsequent years or \$2,000 per school administrative unit if funding is received and 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. The department shall apply for federal grant funding to provide state contributions in excess of \$1,000 per school administrative unit in fiscal year 2019-20 and \$1,500 per school administrative unit in fiscal year 2020-21 and subsequent years pursuant to this subsection if applicable grant funding is available. The department may accept grant funding from hospitals and other sources to provide state contributions in excess of \$1,000 per school administrative unit in fiscal year 2019-20 and \$1,500 per school administrative unit in fiscal year 2020-21 and subsequent years pursuant to this subsection.

- [LD 454](#) (129th) as amended and passed by the Legislature, raised the maximum state contribution in FY 19-29 from \$1,000 to \$1,500
- An article¹ on farm to school programs published by County Health Rankings can be found [here](#).
- A State Farm to School Policy Handbook² published by the National Farm to School Network and Vermont Law School can be found [here](#). The Handbook includes a nationwide survey of legislation related to farm to school programs.
- The USDA's Office of Community Food Systems website is [here](#). The Office "helps child nutrition program operators incorporate local food in the national School Lunch Program and its associated programs."
- The website of the National Farm to School Network, an organization working to build farm and school partnerships, can be found [here](#).

FISCAL IMPACT: The fiscal impact has not yet been determined.

¹ County Health Rankings. *Farm to School Programs*. Available online at: <https://www.countyhealthrankings.org/take-action-to-improve-health/what-works-for-health/strategies/farm-to-school-programs>

² State Farm to School Policy Handbook 2002-2018. June 2019. Available online at: <http://www.farmtoschool.org/Resources/State%20Farm%20to%20School%20Policy%20Handbook.pdf>