

HOUSE BILL REPORT

HB 2709

As Reported by House Committee On:
Education
Appropriations Subcommittee on Education

Title: An act relating to locally grown foods.

Brief Description: Authorizing school districts to establish a price preference to purchase locally grown food.

Sponsors: Representatives Hurst, Pettigrew, Appleton, Sells, Green, Conway, Morrell, Anderson, Sullivan, Kenney, Schual-Berke, McIntire, Wood, Hudgins, Simpson, Goodman, VanDeWege, Ormsby and Rolfes.

Brief History:

Committee Activity:

Education: 2/1/08, 2/5/08 [DPS];

Appropriations Subcommittee on Education: 2/7/08 [DP2S(w/o sub ED)].

Brief Summary of Second Substitute Bill

- Allows school districts to establish a 25 percent price preference for the purpose of increasing procurement of locally grown food.

HOUSE COMMITTEE ON EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Quall, Chair; Barlow, Vice Chair; Priest, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Haigh, Lias, Roach, Santos and Sullivan.

Staff: Cece Clynch (786-7195).

Background:

Washington Agriculture Industry. Washington is a major agricultural state with 34,000 farms operating on more than 15 million acres, producing at least 300 commercial crops and livestock products valued at \$6.4 billion. Washington ranks first in the United States for

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production of 11 commodities, including apples, sweet cherries, pears, and red raspberries. Growers' production ranks second in the United States for an additional eight commodities, including potatoes, grapes, and onions.

School Meal Programs. The United States Department of Agriculture (USDA) administers the National School Lunch Program (NSLP) and the School Breakfast Program (SBP). These programs provide low-cost or free meals to students in grades K-12. Participating school districts are given cash subsidies for the meals they serve as long as eligible children receive reduced price or free meals and the meals meet federal nutritional requirements.

Currently, there are 277 public school districts in the state that participate in the NSLP and the SBP. School districts also participate in other feeding programs administered by the USDA, such as the Summer Food Service Program, the Special Milk Program, and the Seamless Summer Feeding Program.

The USDA rules, which govern these entitlement programs, specifically prohibit the use of statutorily or administratively imposed in-state or local geographic preferences in the procurement process. The prohibition may be removed by Congress in the 2007 farm bill.

Summary of Substitute Bill:

School districts may establish a percentage price preference of up to 25 percent for the purpose of increasing procurement of locally grown food. "Locally grown food" includes food and drink which is planted, cultivated, harvested, raised, processed, or collected within Washington.

"Percentage price preference" means the percent by which a responsive bid from a responsible bidder whose product is a locally grown food may exceed the lowest responsive bid submitted by a responsible bidder whose product is not a locally grown food.

The bill specifically provides that it does not apply to procurement of food by a school if it is determined that compliance with this subsection would cause denial of federal monies or be inconsistent with federal law.

Substitute Bill Compared to Original Bill:

The substitute bill changes the original definition of locally grown food in two ways. The inclusion of the Pacific Northwest Economic Region (PNWER) is removed and only food or drink from Washington is considered locally grown. The definition is expanded to include food or drink which is processed in Washington.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) This bill has two purposes, to preserve farmland and to provide nutritious food to school children. Much farmland is being lost in Washington. This will help local farmers to compete with food from overseas. The way it has been structured, it will not be contested as contrary to trade agreements and will not run afoul of provisions which require that the lowest bid be taken. This is not mandatory, but merely voluntary. Many school nutrition directors have asked for something like this. Until there is federal legislation which will permit local preferences such as are contemplated by this bill, it is helpful to have the provision which specifically states that it does not apply to procurement of food by a school if it is determined that compliance would not comport with federal law. The inclusion of the PNWER in the definition of "locally grown food" may pose a problem since federal law pertaining to these meal programs also has a "Buy American" component.

(Opposed) None.

Persons Testifying: Representative Hurst, prime sponsor; and George Sneller, Office of the Superintendent of Public Instruction.

Persons Signed In To Testify But Not Testifying: (In support with amendments) T.K. Bentler, Northwest Food Processors Association.

HOUSE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Education. Signed by 17 members: Representatives Haigh, Chair; Sullivan, Vice Chair; Priest, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Barlow, Crouse, Fromhold, Haler, Herrera, Jarrett, Kagi, Kenney, Ormsby, Quall, Seaquist, Springer and Wallace.

Staff: Ben Rarick (786-7349).

Summary of Recommendation of Committee On Appropriations Subcommittee on Education Compared to Recommendation of Committee On Education:

A null and void clause was added, making the bill null and void unless funded in the budget.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) The Northwest Food Processors Association (NWFPA) supports this bill. It is actually House Bill 2798, a bill that has a very similar subject matter, which the NWFPA is concerned about. That bill includes a \$5 million appropriation on it.

Persons Testifying: (In support) T.K. Bentler, Northwest Food Processors Association.

Persons Signed In To Testify But Not Testifying: None.