

SENATE BILL REPORT

SB 6483

As Reported By Senate Committee On:
Agriculture & Rural Economic Development, February 04, 2008
Ways & Means, February 12, 2008

Title: An act relating to local food production.

Brief Description: Enacting the local farms-healthy kids and communities act.

Sponsors: Senators Hatfield, Honeyford, Rasmussen, Haugen, Swecker, Tom, Morton, Rockefeller, Fraser, Hargrove, Keiser, Kohl-Welles, Brandland, Kilmer, Shin, McDermott, Kauffman, Murray, Hobbs, Kastama, Fairley, Pridemore, Regala, McAuliffe, Jacobsen, Kline, Brown, Franklin, Hewitt, Spanel, Parlette, Oemig and Roach.

Brief History:

Committee Activity: Agriculture & Rural Economic Development: 1/24/08, 2/04/08 [DPS-WM].

Ways & Means: 2/11/08, 2/12/08 [DP2S].

SENATE COMMITTEE ON AGRICULTURE & RURAL ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 6483 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Rasmussen, Chair; Hatfield, Vice Chair; Jacobsen, Morton and Shin.

Staff: Sam Thompson (786-7413)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 6483 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Hatfield, Hobbs, Honeyford, Keiser, Kohl-Welles, Oemig, Parlette, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Tom.

Staff: Elise Greef (786-7708)

Background: The 2002 Federal farm bill created a pilot Fresh Fruit and Vegetable Program (USFFVP), implemented by the U.S. Department of Agriculture (USDA), to provide free fresh

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

fruit and vegetable snacks to students. Participating schools use federal funds to purchase their choice of snacks. In 2004, Congress expanded the program.

"Farm-to-School" programs encouraging consumption of fresh, locally-grown food at public schools and other institutions have been enacted or proposed in several states.

Within statutory parameters, the state Department of General Administration (GA) sets policy for purchasing by state agencies and institutions of higher education. These policies generally require formal competitive bidding procedures for major purchases. School districts are generally subject to competitive bidding requirements for purchases over \$50,000.

Summary of Bill (Recommended Second Substitute): The Local Farms-Healthy Kids Act (Act) is enacted. The Act creates four programs:

- a Farm-to-School Program administered by the state Department of Agriculture (WSDA);
- a Washington Grown Fresh Fruit and Vegetable Grant Program administered by the Office of the Superintendent of Public Instruction (OSPI);
- a Farmers Market Technology Improvement Pilot Program administered by the Department of Social and Health Services (DSHS); and
- a Farmers to Food Banks Pilot Program administered by the Department of Community, Trade and Economic Development (CTED).

The Act defines "Washington-grown" as "grown and packed or processed in Washington," sets standards for procurement of Washington-grown food, facilitates farm involvement in Women, Infant and Children (WIC) programs, and mandates tracking measures and reports to the Legislature.

Farm-to-School Program. A Farm-to-School Program is created in WSDA to facilitate increased procurement of Washington-grown foods by K-12 public schools. The program will, in order of priority:

- identify and develop policies and procedures, including proposed uniform procurement procedures, to implement and evaluate the program;
- assist food producers, distributors, and brokers to market Washington-grown food to schools by informing them of opportunities and requirements;
- assist school districts to connect with local producers by informing them of sources, availability and benefits of Washington-grown foods;
- identify and recommend ways to increase predictability of sales and adequacy of supply;
- identify and make available curricula, programs, and publications educating students on the benefits of preparing and consuming locally-grown food;
- support efforts to advance other farm-to-school connections such as farmers markets on school grounds, school gardens, and farm visits; and
- seek additional funds to leverage state expenditures.

Subject to funding, the WSU Center for Sustaining Agriculture and Natural Resources will report to the Legislature, by June 30, 2009, with recommended options for improving producers' ability to supply Washington-grown food to schools, state agencies and institutions of higher learning.

Washington-Grown Fresh Fruit and Vegetable Grant Program. A Washington-Grown Fresh Fruit and Vegetable Grant Program (WFFVGP) is created in OSPI to facilitate consumption of Washington-grown nutritious snacks to improve student health and expand the market for locally-grown fresh produce. "Fresh fruit and vegetables" includes perishable produce that is unprocessed, minimally processed, frozen, dried, or otherwise prepared, stored, and handled to maintain its fresh nature while providing convenience to the user. Producing "minimally processed" food involves cleaning, washing, cutting, or portioning.

The WFFVGP will increase the number of school children with access to Washington-grown fresh fruits and vegetables and be modeled after the USFFVP. Schools receiving USFFVP funds are not eligible for WFFVGP grants.

Subject to specific appropriation, OSPI will solicit applications, conduct a competitive process, and make one or two-year grants to urban and rural schools enabling them to provide free Washington-grown fresh fruits and vegetables throughout the school day. When evaluating applications and selecting grantees, OSPI must consider an applicant's plans for: ensuring use of Washington-grown fruits and vegetables; incorporating nutrition, agricultural stewardship education, and environmental education into the snack program; and establishing partnerships to further WFFVGP objectives.

OSPI must give funding priority to applicant schools with grades K-8 that participate in the national School Lunch Program and have 50 percent or more students eligible for free or reduced price meals under the Federal National School Lunch Act. If any funds remain after all eligible priority applicants have been awarded grants, OSPI may award grants to other applicants.

OSPI may adopt rules to carry out the WFFVGP and will develop and track outcome measures.

Farmers Market Technology Improvement Pilot Program. Subject to specific funding, a Farmers Market Technology Improvement Pilot Program (FMTIPP) is created in DSHS to assist farmers markets and farmers to develop capability to accept electronic payment cards. The program is intended to increase access to fresh fruits, vegetables, and quality meat and dairy for state residents and to increase the number of food stamp recipients using food stamp benefits through electronic benefits transfer at farmers markets.

DSHS must work with farmers markets and appropriate associations to determine criteria for participation, ensuring that the program serves a balance of rural and urban farmers markets. Criteria must prioritize an applicant farmers market's: ability to complete required paperwork and implement requirements; location regarding the number of area residents using food stamps; and ability to establish partnerships with local organizations to further local outreach and coordinate with existing programs through DSHS and Department of Health (DOH). The Joint Legislative Audit and Review Committee (JLARC) will report to the Legislature by November 15, 2009, on program outcomes and recommendations on whether to continue it. The program expires July 1, 2010.

Farmers to Food Banks Pilot Program. Subject to specific funding, a Farmers to Food Banks Pilot Program (FFBPP) is created in CTED. In implementing the FFBPP, WSDA must conduct a request for proposals to select pilot communities. Any nonprofit entity qualifying for federal tax exemption that delivers social services may submit a proposal. Pilot

communities will be selected based on: the percentage of the population suffering from hunger and food insecurity; the existence and success of the local emergency food system; the potential to engage and contract with local farmers; and the capacity to leverage private sector funding and in-kind contributions. Funds will be used for food bank systems to contract with local farmers to provide fruit, vegetables, dairy, and meat products for distribution to low-income people at local food banks. JLARC will report to the Legislature by November 15, 2009, on program outcomes and recommendations on whether to continue it. The program expires July 1, 2010.

State Procurement Standards. GA must, to the maximum extent practicable and consistent with international trade commitments, develop food procurement procedures and materials encouraging and facilitating purchase of Washington-grown food products by state agencies and institutions, and develop policies requiring all food contracts to include a plan to maximize the availability of Washington-grown food purchased through contract.

Formal competitive bidding is not required for off-contract purchases of Washington-grown food when this food is not available from Washington sources through an existing contract. However, the food must be of an equivalent or better quality than similar food available through the contract and be able to be purchased from the agency's existing budget. This requirement applies to purchases and contracts for purchases by GA and other state agencies, including institutions of higher education, under delegated authority.

School Districts. Purchases of Washington-grown food by school districts are exempted from certain competitive bidding requirements. At the discretion of its board, a school district may develop and implement policies and procedures to facilitate and maximize purchases of Washington-grown food, including local preferences.

School districts may operate school gardens or farms to grow fruit and vegetables for educational purposes and to be offered to students through district nutrition services meal and snack programs.

Department of Health Rulemaking. DOH must adopt rules authorizing individual farms to participate in either the WIC program, or the WIC Farmers Market Nutrition Program, to provide locally grown, nutritious, unprepared fruits and vegetables to eligible participants. Rules must meet Federal requirements for grants and cooperative agreements to state and local governments.

OFM Tracking and Reporting Requirements. Beginning with fiscal year 2009, OFM must work with GA, WSDA, and OSPI to develop measures for reporting on changes and trends in purchasing of Washington-grown food by state agencies and institutions, institutions of higher education, and schools, and report biennially to the Legislature.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Second Substitute): Makes technical changes, including the reference to DOH authorizing statutes and an addition of a clause to protect federal funding in the event of a conflict.

EFFECT OF CHANGES MADE BY AGRICULTURE & RURAL ECONOMIC DEVELOPMENT COMMITTEE (Recommended First Substitute): Changes include:

- adding a definition of "Washington grown": "grown and packed or processed in Washington;"

- specifying that the WGFFVGP includes dried fruit and vegetables;
- moving the FMTIPP from WSDA to DSHS and providing that the program will be created subject to specific funding;
- moving the FFBPP from WSDA to CTED and providing that the program will be created subject to specific funding;
- clarifying procurement policies and providing that food procurement must be consistent with international trade agreements;
- requiring DOH to adopt rules authorizing farms to participate in the WIC Program and the WIC Farmers Market Program
- authorizing school districts to operate school gardens or farms to grow fruit and vegetables for educational purposes and to be offered to students through meal and snack programs;
- modifying tracking and reporting requirements;
- removing appropriations; and
- technical corrections.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill (Agriculture & Rural Economic Development): PRO: This legislation, one of four priority bills for a broad coalition of environmental groups, helps break down barriers between farmers and environmentalists. It appropriately establishes incentive-based programs, not mandates. The OSPI enthusiastically supports this bill. More than two dozen schools now participate in the federal FFVP and several dozen more wish to participate. If enacted, this legislation could serve as model state legislation. The healthy food promoted by this legislation helps to address concerns regarding obesity and unhealthy food. The FMTIPP and FFBPP will help get healthy food to low-income people. Many stakeholders worked for many months to craft this legislation which, if enacted, may allow Washington to take advantage of programs currently being considered in the Federal farm bill.

Persons Testifying (Agriculture & Rural Economic Development): PRO: Cliff Traisman, Mo McBroom, Washington Environmental Council; John Stuhlmiller, Washington State Farm Bureau; Peggy Brown, OSPI; Susie Kyle, Winlock Meadows Farm; Clayton Burrows, Growing Washington; Andrew Stout, Full Circle Farm; Tim Bruce, La Conner School District; Mitch Denning, Alliance of Education Associates; Gayelynn McDonald, Washington School Nutrition Association; Kim Howard, Washington State Parent-Teacher Association; Carrie Pfab, Washington Association of Local WIC Agencies; Robert Coit, Thurston County Food Bank; Ellen Gray, Washington Sustainable Food and Farming Network; Paul Benz, Lutheran Public Policy and Religious Coalition for the Common Good.

Staff Summary of Public Testimony on Recommended First Substitute (Ways & Means): PRO: This bill is an investment with strong returns. Schools spend over \$300 million on food per year and this will keep more of those dollars in the state. It is the results of

months of coordinated effort with a broad group of stakeholders. It has been vetted to ensure it is compliant with federal laws and regulations. The costs are highly scalable. Each dollar has a double benefit: improving children's health and improving markets for farmers' products. The bill would give more schools a chance to be involved with the fresh fruit and vegetable programs. Frozen and dried foods are included in the grant program, which the federal program does not include.

CON: Northwest Food Processors are opposed to the bill. Just because food is fresh, doesn't mean it is healthy. The bill does not help the agriculture industry. The Washington State grant program would eliminate two (oranges and bananas) of the top three consumed fresh fruits. Locally-grown doesn't necessarily mean lower carbon emissions because of the need for greenhouses to meet increasing demand for local produce. The bill is costly. The cost of wages and benefits for the first three years of the program total \$1.3 million.

Persons Testifying (Ways & Means): PRO: Senator Brian Hatfield, prime sponsor; Mo McBroom, Washington Environmental Council; Mitch Denning, Alliance of Educational Association.

CON: T. K. Bentler, Northwest Food Processors.