

ACT 144

H.B. NO. 1568

A Bill for an Act Relating to Agriculture.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that supporting local businesses and encouraging the production and use of local agricultural products are a matter of statewide concern.

The legislature further finds that the department of education, department of health, department of public safety, department of defense, and University of Hawaii system are the state entities that purchase some of the greatest amounts of agricultural products. For example, according to the department of public safety, it consistently spent more than \$10,000,000 annually from 2007 to 2011 to feed Hawaii's inmate population. For the department of health, under section 11-174-3, Hawaii Administrative Rules, the inclusive rate for routine and ancillary services per patient of the Hawaii state hospital is \$133 per day. Routine and ancillary services include food and nutrition services, among other services and supplies.

The department of education operates the twelfth-largest school system in the United States. Prior to the coronavirus disease 2019 pandemic, the department of education served lunch to 103,786 students daily and an additional 32,352 breakfasts daily. During fiscal year 2017-2018, the department spent more than \$45,640,000 on food for school meals. In 2020, even during an abbreviated school year, the department spent about \$30,000,000 on food.

The legislature notes that the department of defense oversees the Hawaii national guard youth challenge academy and serves breakfast, lunch, and dinner to its residential students. The Hawaii national guard youth challenge academy is seventy-five per cent funded by a federal National Guard Bureau grant, with meal and food purchases for the year having a federal budget cap of \$25 a day for each cadet participating in the academy.

Therefore, the purpose of this Act is to require the department of education, department of health, department of public safety, department of defense, and University of Hawaii system to ensure that a certain percentage of food that is purchased is locally grown to ensure the continued growth of local food, support local farmers and ranchers, and guarantee that revenue derived from locally grown food remains in the State. This Act is not meant to capture departmental or University of Hawaii system staff travel expenses, office staff procurement, any other staff meals separate from each department's offered meal services or programs, or other staff meals separate from the University of Hawaii system's offered meal services or programs.

SECTION 2. Section 27-8, Hawaii Revised Statutes, is amended to read as follows:

“[§27-8] Contracts for ~~produce~~ food; percentage to be grown within the State. (a) ~~[Each principal department of the State, as established in section 26-4, that purchases produce]~~ The department of education, department of health, department of public safety, department of defense, and University of Hawaii system shall each ensure that a certain percentage of the ~~produce~~ food purchased ~~[by that department]~~ for public schools, youth campuses, public hospitals, public prisons, and any purchases made directly by the University of Hawaii for use in its academic programs, as applicable, is fresh local agricultural products and local value-added, processed, agricultural, or food products, as follows:

- (1) By January 1, 2025, fresh local agricultural products and local value-added, processed, agricultural, or food products shall constitute a minimum of ten per cent of the total ~~produce~~ food purchased ~~[by the department]~~ during each calendar year, as measured by the per cent of total food cost;
- (2) By January 1, 2030, fresh local agricultural products and local value-added, processed, agricultural, or food products shall constitute a minimum of eighteen per cent of the total ~~produce~~ food purchased

[by the department] during each calendar year, as measured by the per cent of total food cost;

- (3) By January 1, 2035, fresh local agricultural products and local value-added, processed, agricultural, or food products shall constitute a minimum of twenty-six per cent of the total ~~[produce]~~ food purchased [by the department] during each calendar year, as measured by the per cent of total food cost;
- (4) By January 1, 2040, fresh local agricultural products and local value-added, processed, agricultural, or food products shall constitute a minimum of thirty-four per cent of the total ~~[produce]~~ food purchased [by the department] during each calendar year, as measured by the per cent of total food cost;
- (5) By January 1, 2045, fresh local agricultural products and local value-added, processed, agricultural, or food products shall constitute a minimum of forty-two per cent of the total ~~[produce]~~ food purchased [by the department] during each calendar year, as measured by the per cent of total food cost; and
- (6) By January 1, 2050, fresh local agricultural products and local value-added, processed, agricultural, or food products shall constitute a minimum of fifty per cent of the total ~~[produce]~~ food purchased [by the department] during each calendar year, as measured by the per cent of total food cost.

(b) ~~[Each principal department of the State]~~ The department of education, department of health, department of public safety, department of defense, and University of Hawaii system shall each submit a report to the legislature no later than twenty days prior to the convening of each regular session on ~~[that department's]~~ progress made toward meeting the benchmarks described in subsection (a), including:

- (1) ~~The [amount of] total [produce] cost of food purchased [by the department] during the calendar year preceding that regular session[; as measured by the per cent of the total food cost]; or in the case of the department of education, during the school year preceding that regular session;~~
- (2) ~~The [amount of] percentage of the total cost of food purchased during the calendar year preceding that regular session, accounted for by the total cost of fresh local agricultural products and local value-added, processed, agricultural, or food products purchased [by the department during the calendar year preceding that regular session, as measured by the per cent of the total food cost]; or in the case of the department of education, during the school year preceding that regular session; and~~
- (3) ~~The percentage of fresh local agricultural products and local value-added, processed, agricultural, or food products purchased by the department during the year preceding that regular session; and~~
- (4) ~~(3) If the department or University of Hawaii system did not meet the relevant benchmark described in subsection (a), an explanation of why the department or University of Hawaii system did not meet that benchmark.~~

(c) ~~[For the purposes of]~~ As used in this section:

“Fresh local agricultural products” means fruits, vegetables, nuts, coffee, eggs, poultry[;] and poultry products, livestock[;] and livestock products, milk and milk products, aquacultural[;] and maricultural products, and horticultural products, that are one hundred per cent grown, raised, and harvested in Hawaii.

“Local value-added, processed, agricultural, or food products” means a product for which at least fifty-one per cent of [the product’s] its primary agricultural product is grown, raised, and harvested in Hawaii.

“Primary agricultural product” means the major agricultural product in a processed or value-added agricultural or food product.

[“Produce” means fruits, vegetables, staple starches, nuts, coffee, eggs, poultry and poultry products, livestock and livestock products, milk and milk products, aquacultural and maricultural products, and horticultural products.]”

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2022.

(Approved June 27, 2022.)