

GOV. MSG. NO. 1245

EXECUTIVE CHAMBERS

DAVID Y. IGE GOVERNOR

June 27, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on June 27, 2022, the following bill was signed into law:

HB1568 HD2 SD2 CD1

RELATING TO AGRICULTURE. **ACT 144**

Sincerely,

DAVID Y. IGE

Governor, State of Hawai'i

ORIGINAL

Approved by the Governor

On ______JUN 2 7 2022

HOUSE OF REPRESENTATIVES THIRTY-FIRST LEGISLATURE, 2022 STATE OF HAWAII **ACT** 1 4 4 H.B. NO. H.D. 2 S.D. 2

A BILL FOR AN ACT

RELATING TO AGRICULTURE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The legislature finds that supporting local
- 2 businesses and encouraging the production and use of local
- 3 agricultural products are a matter of statewide concern.
- 4 The legislature further finds that the department of
- 5 education, department of health, department of public safety,
- 6 department of defense, and University of Hawaii system are the
- 7 state entities that purchase some of the greatest amounts of
- 8 agricultural products. For example, according to the department
- 9 of public safety, it consistently spent more than \$10,000,000
- 10 annually from 2007 to 2011 to feed Hawaii's inmate population.
- 11 For the department of health, under section 11-174-3, Hawaii
- 12 Administrative Rules, the inclusive rate for routine and
- 13 ancillary services per patient of the Hawaii state hospital is
- 14 \$133 per day. Routine and ancillary services include food and
- 15 nutrition services, among other services and supplies.
- 16 The department of education operates the twelfth-largest
- 17 school system in the United States. Prior to the coronavirus

H.B. NO. H.D.: S.D.: S.D.: C.D.

- 1 disease 2019 pandemic, the department of education served lunch
- 2 to 103,786 students daily and an additional 32,352 breakfasts
- 3 daily. During fiscal year 2017-2018, the department spent more
- 4 than \$45,640,000 on food for school meals. In 2020, even during
- 5 an abbreviated school year, the department spent about
- 6 \$30,000,000 on food.
- 7 The legislature notes that the department of defense
- 8 oversees the Hawaii national guard youth challenge academy and
- 9 serves breakfast, lunch, and dinner to its residential students.
- 10 The Hawaii national guard youth challenge academy is seventy-
- 11 five per cent funded by a federal National Guard Bureau grant,
- 12 with meal and food purchases for the year having a federal
- 13 budget cap of \$25 a day for each cadet participating in the
- 14 academy.
- 15 Therefore, the purpose of this Act is to require the
- 16 department of education, department of health, department of
- 17 public safety, department of defense, and University of Hawaii
- 18 system to ensure that a certain percentage of food that is
- 19 purchased is locally grown to ensure the continued growth of
- 20 local food, support local farmers and ranchers, and guarantee
- 21 that revenue derived from locally grown food remains in the

H.B. NO. H.D. 2 S.D. 2 C.D. 2

- 1 State. This Act is not meant to capture departmental or
- 2 University of Hawaii system staff travel expenses, office staff
- 3 procurement, any other staff meals separate from each
- 4 department's offered meal services or programs, or other staff
- 5 meals separate from the University of Hawaii system's offered
- 6 meal services or programs.
- 7 SECTION 2. Section 27-8, Hawaii Revised Statutes, is
- 8 amended to read as follows:
- 9 "[\{\}\\$27-8[\{\}\] Contracts for [\frac{produce}{}\{\}\] food; percentage to
- 10 be grown within the State. (a) [Each principal department of
- 11 the State, as established in section 26-4, that purchases
- 12 produce] The department of education, department of health,
- 13 department of public safety, department of defense, and
- 14 University of Hawaii system shall each ensure that a certain
- 15 percentage of the [produce] food purchased [by that department]
- 16 for public schools, youth campuses, public hospitals, public
- 17 prisons, and any purchases made directly by the University of
- 18 Hawaii for use in its academic programs, as applicable, is fresh
- 19 local agricultural products and local value-added, processed,
- 20 agricultural, or food products, as follows:

H.B. NO. H.D. 2 S.D. 2 C.D. 1

1	(1)	By January 1, 2025, fresh local agricultural products
2		and local value-added, processed, agricultural, or
3		food products shall constitute a minimum of ten per
4		cent of the total [produce] food purchased [by the
5		department] during each calendar year, as measured by
6		the per cent of total food cost;
7	(2)	By January 1, 2030, fresh local agricultural products
8		and local value-added, processed, agricultural, or
9		food products shall constitute a minimum of eighteen
10		per cent of the total [produce] food purchased [by the
11		department] during each calendar year, as measured by
12		the per cent of total food cost;
13	(3)	By January 1, 2035, fresh local agricultural products
14		and local value-added, processed, agricultural, or
15		food products shall constitute a minimum of twenty-six
16		per cent of the total [produce] food purchased [by the
17		department] during each calendar year, as measured by
18		the per cent of total food cost;
19	(4)	By January 1, 2040, fresh local agricultural products
20		and local value-added, processed, agricultural, or
21		food products shall constitute a minimum of

H.B. NO. 1568 H.D. 2 S.D. 2 C.D. 1

1		thirty-four per cent of the total (produce) food
2		purchased [by the department] during each calendar
3		year, as measured by the per cent of total food cost;
4	(5)	By January 1, 2045, fresh local agricultural products
5		and local value-added, processed, agricultural, or
6		food products shall constitute a minimum of forty-two
7		per cent of the total [produce] food purchased [by the
8		department] during each calendar year, as measured by
9		the per cent of total food cost; and
10	(6)	By January 1, 2050, fresh local agricultural products
11		and local value-added, processed, agricultural, or
12		food products shall constitute a minimum of fifty per
13		cent of the total [produce] food purchased [by the
14		department] during each calendar year, as measured by
15		the per cent of total food cost.
16	(b)	[Each principal department of the State] The
17	departmen	t of education, department of health, department of
18	public sa	fety, department of defense, and University of Hawaii
19	system sh	all <u>each</u> submit a report to the legislature no later
20	than twen	ty days prior to the convening of each regular session

H.B. NO. H.D. 2 S.D. 2 C.D. 1

1	on [that (department's] progress made toward meeting the
2	benchmarks	s described in subsection (a), including:
3	(1)	The [amount of] total [produce] cost of food purchased
4		[by the department] during the calendar year preceding
5		that regular session[, as measured by the per cent of
6		the total food cost;], or in the case of the
7		department of education, during the school year
8		preceding that regular session;
9	(2)	The [amount of] percentage of the total cost of food
10		purchased during the calendar year preceding that
11		regular session, accounted for by the total cost of
12		fresh local agricultural products and local value-
13		added, processed, agricultural, or food products
14		purchased [by the department during the calendar year
15		preceding that regular session, as measured by the per
16		eent of the total food cost;], or in the case of the
17		department of education, during the school year
18		preceding that regular session; and
19	[(3)	The percentage of fresh local agricultural products
20		and local value-added, processed, agricultural, or

H.B. NO. 1568 H.D. 2 S.D. 2 C.D. 1

1	iood products purchased by the department during the
2	year preceding that regular session; and
3	(4) [3] If the department or University of Hawaii system
4	did not meet the relevant benchmark described in
5	subsection (a), an explanation of why the department
6	or University of Hawaii system did not meet that
7	benchmark.
8	(c) [For the purposes of] As used in this section:
9	"Fresh local agricultural products" means fruits,
10	vegetables, nuts, coffee, eggs, poultry $[\tau]$ and poultry products,
11	livestock[au] and $livestock$ products, milk and milk products,
12	aquacultural $[\tau]$ and maricultural products, and horticultural
13	products, that are one hundred per cent grown, raised, and
14	harvested in Hawaii.
15	"Local value-added, processed, agricultural, or food
16	products" means a product for which at least fifty-one per cent
17	of [the product's] its primary agricultural product is grown,
18	raised, and harvested in Hawaii.
19	"Primary agricultural product" means the major agricultural
20	product in a processed or value-added agricultural or food
21	product.

- 1 ["Produce" means fruits, vegetables, staple starches, nuts,
- 2 coffee, eggs, poultry and poultry products, livestock and
- 3 livestock products, milk and milk products, aquacultural and
- 4 maricultural products, and horticultural products.]"
- 5 SECTION 3. This Act does not affect rights and duties that
- 6 matured, penalties that were incurred, and proceedings that were
- 7 begun before its effective date.
- 8 SECTION 4. Statutory material to be repealed is bracketed
- 9 and stricken. New statutory material is underscored.
- 10 SECTION 5. This Act shall take effect on July 1, 2022.

APPROVED this 27th day of June

. 2022

Aprid y ly-GOVERNOR OF THE STATE OF HAWAII

HB No. 1568, HD 2, SD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 03, 2022 Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-First Legislature of the State of Hawaii, Regular Session of 2022.

Scott K. Saiki

Speaker

House of Representatives

The L. Telle

Brian L. Takeshita

Chief Clerk

House of Representatives

THE SENATE OF THE STATE OF HAWAI'I

Date: May 3, 2022 Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-First Legislature of the State of Hawai'i, Regular Session of 2022.

President of the Senate

Clubby

Clerk of the Senate