

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2420 Session of 2024

INTRODUCED BY BURGOS, FRITZ, PASHINSKI, HILL-EVANS, JAMES, HANBIDGE, HOHENSTEIN, SCHLOSSBERG, KINSEY, OTTEN, FREEMAN, HOWARD, SANCHEZ, ZIMMERMAN, D. WILLIAMS, CURRY, BOYD, GREEN, WAXMAN, TAKAC, SIEGEL, PARKER, RABB, COOK, FRIEL, SAPPEY, KINKEAD, SHUSTERMAN, GIRAL, GALLAGHER, DELLOSO, BRENNAN, MULLINS, BRIGGS, MAYES AND ABNEY, JUNE 13, 2024

AS REPORTED FROM COMMITTEE ON AGRICULTURE AND RURAL AFFAIRS, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 25, 2024

AN ACT

1 Establishing the Keystone Fresh Program; providing for the Fresh
2 Schools Grant Program, for the Keystone Producer Grant
3 Program, for the Keystone Assistance Grant Program and for
4 the administration of the Keystone Fresh Program by the
5 Department of Education and the Department of Agriculture;
6 and establishing the Keystone Fresh Fund.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Short title.

10 This act shall be known and may be cited as the Keystone
11 Fresh Act.

12 Section 2. Findings and declarations.

13 The General Assembly finds and declares as follows:

14 (1) Schools across Pennsylvania serve more than 157
15 million lunches per year, providing critical nutrients to
16 children across this Commonwealth. Due to the large volume of
17 food purchased to support nutrition programs, schools have

1 the potential to be one of the largest markets for
2 agricultural producers across this Commonwealth. Farm to
3 School (FTS) programs encourage schools to purchase, promote
4 and serve local foods. Nationally, FTS programs have shown to
5 be an innovative strategy to improve child nutrition, with
6 research indicating students eat 37% more vegetables and 11%
7 more fruit. Pennsylvania has a long history of interest in
8 FTS programs, with 268 districts (44%) currently
9 participating in some level of farm-to-school activity.
10 According to the United States Department of Agriculture's
11 2019 Farm to School Census, more than 57% of Pennsylvania's
12 schools reported purchasing some Pennsylvania products, yet
13 those local food sales, excluding liquid milk, were only 8%
14 of their total lunch program budget.

15 (2) The purpose of this program is to meet Statewide
16 interest in increasing the amount of local food served in
17 school meals by helping to change school food procurement
18 practices, provide technical assistance and training for how
19 to integrate local foods in school meals and help
20 Pennsylvania producers access the school food market.

21 (3) Enacting the Keystone Fresh Act will provide State-
22 level investment to expand farm-to-school efforts and provide
23 economic, public health and community benefits for
24 Pennsylvanians.

25 Section 3. Definitions.

26 The following words and phrases when used in this act shall
27 have the meanings given to them in this section unless the
28 context clearly indicates otherwise:

29 "Department." The Department of Education of the
30 Commonwealth.

1 "Eligible costs." The actual, documented costs of local
2 food, which are reimbursable with program grant funds, as
3 provided under sections 5, 6, 7 and 8.

4 "Eligible school district." A kindergarten through grade 12
5 school district or school in this Commonwealth with at least 100
6 students, operating the National School Lunch Program.

7 "Fund." The Keystone Fresh Fund established under section 9.

8 "Ineligible costs." Any costs that do not constitute
9 eligible costs for the purposes of the program, including, but
10 not limited to, any costs incurred by a school or school
11 district in the sourcing or purchasing of fluid dairy milk or in
12 association with the district's ordinary, unexpanded sourcing
13 and procurement of local food products at or below the baseline
14 levels identified in the district's grant application submitted
15 under section 5.

16 "Local food." Any fruits, vegetables, grains, meats, fish,
17 beans, yogurt and cheese that are grown, harvested or raised and
18 minimally processed products in this Commonwealth.

19 "Minimally processed products." Food products processed in a
20 manner that does not fundamentally alter the product and where
21 the product retains its inherent character and the primary item
22 can still be identified. The term includes, but is not limited
23 to, freezing, pasteurizing milk for use in yogurt or cheese,
24 butchering livestock and poultry, cleaning fish, dicing and
25 slicing produce, forming ground food products into patties,
26 grinding meats, grinding grains, drying grains or beans or
27 dehydrating food products and washing and cutting produce. Fully
28 cooked or canned items are not considered minimally processed
29 products.

30 "National School Lunch Program." The federally funded school

1 lunch meal program operating in this Commonwealth's public and
2 nonprofit private schools.

3 "New and beginning farmer or rancher." A farmer or rancher
4 who has operated a farm or ranch for 10 years or less either as
5 a sole operator or with others who have operated a farm or ranch
6 for 10 years or less.

7 "Program." The Keystone Fresh Program established under
8 section 4.

9 "School food authority." The governing body responsible for
10 the administration of one or more schools that has the legal
11 authority to operate the National School Lunch Program.

12 "Socially disadvantaged group." A population group whose
13 members have been subjected to prejudice or discrimination on
14 the basis of race, color, national origin, age, disability or,
15 where applicable, sex, marital status, familial status, parental
16 status, religion, sexual orientation, genetic information,
17 political beliefs or participation in any public assistance
18 program, because of their membership in the group or the shared
19 characteristics of the group and without regard to their
20 individual qualities.

21 "Sustainable agriculture techniques." Agriculture practices
22 that include no-till and/or use of a cover crop system,
23 certified organic, regenerative organic practices, pastured
24 poultry and/or grass-fed meat.

25 "Value-added processed products." Food products altered from
26 their unprocessed or minimally processed state through
27 preservation techniques, including cooking, baking or canning.

28 "Veteran farmer or rancher."

29 ~~(1) A producer who:~~

30 ~~(i) served in the United States Army, Navy, Marine~~

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1 ~~Corps, Air Force or Coast Guard, including the reserve~~
2 ~~component thereof;~~

3 ~~(ii) was released from service under conditions~~
4 ~~other than dishonorable; and~~

5 ~~(iii) (A) has not operated a farm or ranch;~~

6 ~~(B) has operated a farm or ranch for not more~~
7 ~~than 10 years; or~~

8 ~~(C) who first obtained status as a veteran~~
9 ~~during the most recent 10 year period.~~

10 (1) A PRODUCER WHO SERVED IN THE UNITED STATES ARMED <--
11 FORCES, INCLUDING A RESERVE COMPONENT OR THE NATIONAL GUARD,
12 AND WHO WAS DISCHARGED OR RELEASED FROM SERVICE UNDER
13 CONDITIONS OTHER THAN DISHONORABLE.

14 (2) A legal entity or joint operation can be a veteran
15 farmer or rancher only if all individual members
16 independently qualify.

17 Section 4. Establishment.

18 The Keystone Fresh Program is established within the
19 department in consultation with the Department of Agriculture.

20 Section 5. Fresh Schools Grant Program.

21 (a) Authorization.--The department, in consultation with the
22 Department of Agriculture, shall establish ~~The~~ THE Fresh Schools <--
23 Grant Program to award grants for the purpose of reimbursing
24 school food authorities for the purchase of local food to be
25 used in school meals.

26 (b) Eligibility.--An eligible school district may submit an
27 application to the department for grant funding.

28 (c) Evaluation of applicants.--The department shall develop
29 an application and evaluate applicants based on the readiness
30 level of a school food authority to purchase and serve local

1 food in school meals by considering:

2 (1) The applicant's local foods purchasing plan in the
3 grant application.

4 (2) The applicant's ability to demonstrate a commitment
5 to local purchasing or food and agricultural education.

6 (3) The applicant's access to a kitchen with the ability
7 to store, prepare and serve local food products.

8 (4) That preference shall be given to applicants
9 sourcing from veteran farmers or ranchers, farmers or
10 ranchers who are from socially disadvantaged groups, new and
11 beginning farmers or ranchers or farmers or ranchers that use
12 sustainable agriculture techniques.

13 (d) Grant amounts.--The department shall award grants based
14 on student enrollment, as identified by the applicant in the
15 following amounts on an annual basis:

16 (1) Applicants with a student enrollment from 100 to
17 1,000 are eligible for an award from \$16,500 to \$45,000.

18 (2) Applicants with a student enrollment from 1,001 to
19 5,000 are eligible for an award from \$35,000 to \$120,000.

20 (3) Applicants with a student enrollment from 5,001 to
21 10,000 are eligible for an award from \$85,000 to \$200,000.

22 (4) Applicants with a student enrollment from 10,001 to
23 32,000 are eligible for an award from \$100,000 to \$275,000.

24 (5) Applicants with a student enrollment above 32,000
25 are eligible for an award from \$200,000 to \$650,000.

26 (e) Eligible use of grants.--A school district may use grant
27 awards for the following purposes:

28 (1) To purchase whole and minimally processed fruits,
29 vegetables, herbs, meat, seafood, yogurt, cheese, legumes and
30 grains that are 100% grown, raised or caught and processed in

1 this Commonwealth.

2 (2) To purchase products that are 100% Pennsylvania
3 grown but processed in a neighboring state.

4 (3) No more than 20% of the total amounts awarded to the
5 school district may be used to support equipment upgrades,
6 materials, training and staff time directly related to
7 supporting the increased amount of local Pennsylvania
8 products served in school meals.

9 (4) Grant awards may only be used for school lunch,
10 breakfast or Seamless Summer Option program meals in school
11 settings.

12 (f) Ineligible use of grant awards.--School districts shall
13 not use grant awards to purchase fluid dairy milk for the
14 purposes of this program or any other ineligible costs.

15 (g) Reimbursement of eligible costs.--The department shall
16 reimburse school food authorities for eligible costs on an
17 annual basis with the following conditions:

18 (1) School food authorities shall submit invoices on a
19 timeline set by the department in order to be reimbursed for
20 their eligible costs under this section.

21 (2) The department may allow the school food authority
22 to apply for an extension to spend down unused money in the
23 following year.

24 (h) Reporting on use of grant awards.--The department shall
25 monitor the Fresh Schools Grant Program to ensure program
26 integrity. Grantees shall be required to include the following
27 information to request reimbursement:

28 (1) Products purchased.

29 (2) The name, location and total amount spent per farm,
30 either through receipts or uploading procurement details.

1 Section 6. Keystone Producer Grant Program and Keystone
2 Assistance Grant Program.

3 (a) Authorization.--The Department of Agriculture, in
4 consultation with the department, shall establish the following
5 grant programs:

6 (1) The Keystone Producer Grant Program to award grants
7 for the purposes of providing funding to participating farms,
8 food hubs and local food aggregators for equipment and
9 marketing needed to participate in the program. Eligible
10 entities shall include individual farms, food hubs and local
11 food aggregators participating in the program.

12 (2) The Keystone Assistance Grant Program to award
13 technical assistance grants to assist school food authorities
14 with incorporating additional unprocessed products into their
15 lunch programs, including scratch cooking. Eligible entities
16 shall include nonprofits and institutions of higher education
17 located in this Commonwealth participating in the program.

18 (b) Eligible use of money.--The Department of Agriculture
19 shall allow grant awards outlined in this section for the
20 following purposes:

21 (1) Keystone Producer Grant Program awards may be used
22 for equipment or marketing needed by producers to meet the
23 school food institutional standards.

24 (2) Keystone Assistance Grant Program awards may be used
25 by awardees to assist school food authorities to incorporate
26 additional unprocessed products into their lunch programs,
27 including scratch cooking.

28 (c) Grant awards.--The Department of Agriculture, in
29 consultation with the department, shall develop an application
30 and process for awarding grants outlined in this section that

1 includes the following requirements and considerations:

2 (1) Preference shall be given to applicants sourcing
3 from or working with veteran farmers or ranchers, farmers or
4 ranchers who are from socially disadvantaged groups, new and
5 beginning farmers or ranchers or farmers or ranchers that use
6 sustainable agriculture techniques.

7 (2) Grantees shall be eligible to apply for one of the
8 grants outlined in this section per grant cycle.

9 (d) Grant amounts.--Subject to the availability of money
10 under section 9, the Department of Agriculture shall determine
11 the amount of each grant in this section with the maximum award
12 amount not to exceed \$150,000 per grantee.

13 Section 7. Administration.

14 (a) Department administration.--For the purposes of carrying
15 out this act and subject to the availability of money under
16 section 9, the department shall receive necessary money from the
17 fund to cover administrative costs incurred in establishing the
18 program and commencing initial program operations under this
19 act, including, but not limited to, the costs associated with:

20 (1) Hiring and employing of at least one full-time staff
21 person and other personnel necessary for the administration
22 and management of the programs established in this act and
23 providing relevant program-related information and assistance
24 to eligible school districts.

25 (2) Developing requests for proposals, reviewing
26 applications and administering disbursements to grant
27 recipients.

28 (3) Acquiring, maintaining and repairing relevant
29 technology, equipment and computer programs needed to
30 establish, implement and successfully operate this act and

1 facilitate the annual pro rata allocation, awarding and
2 periodic disbursement of program grant funding available.

3 (4) Monitoring and developing reports related to the
4 Fresh Schools Grant Program, including, but not limited to,
5 program implementation and operations, program funding and
6 program-related activities and outcomes.

7 (b) Department of Agriculture administration.--For the
8 purposes of carrying out this act and subject to the
9 availability of money under section 9, the Department of
10 Agriculture shall receive necessary money from the fund to cover
11 administrative costs incurred in establishing the program and
12 commencing initial program operations under this act, including,
13 but not limited to, the costs associated with:

14 (1) Hiring and employing at least one full-time staff
15 person and other personnel, as may be necessary to administer
16 and manage the grants in section 6 and provide relevant
17 program-related information to producers, farmers and
18 entities providing technical assistance.

19 (2) Developing requests for proposals, reviewing
20 applications and administering disbursements to grant
21 recipients.

22 (3) Conducting outreach and providing appropriate
23 training to farmers who are engaged or who plan to engage in
24 the sale or donation of local food products to schools and
25 school districts for program purposes.

26 (4) Developing a resource-rich farm-to-school Internet
27 website that includes, at a minimum, the following
28 information:

29 (i) A list of farms that have served an eligible
30 school district.

1 (ii) Materials listed below, divided into sections:

2 (A) School meal operators. The following
3 information shall be included:

4 (I) Buying local foods.

5 (II) Preparing local foods.

6 (III) Promoting local school meals.

7 (B) Agricultural producers. The following
8 information shall be included:

9 (I) Understanding school market channels.

10 (II) Best practices for selling to eligible
11 school districts.

12 (III) Promoting local foods to eligible
13 school districts.

14 (C) School and community members. The following
15 information shall be included:

16 (I) Insights into school meal programs.

17 (II) Engaging with school meal programs.

18 (D) Sample menus incorporating local products.

19 (E) Recipes using local products.

20 (F) Marketing materials for local food in
21 cafeterias.

22 (5) Monitoring and developing reports related to the
23 grants established in section 6, including, but not limited
24 to, program implementation and operations, program funding
25 and program-related activities and outcomes.

26 Section 8. External evaluations.

27 (a) External review.--The department, in consultation with
28 the Department of Agriculture, shall biennially contract with an
29 eligible entity to conduct an external review to evaluate the
30 effectiveness and efficacy of the components of this act.

1 (b) Reviewers.--Eligible entities to conduct external
2 reviews shall include nonprofit organizations and academic
3 institutions as determined by the department.

4 (c) Report.--External evaluations shall include, at a
5 minimum:

6 (1) Outcomes of the overall grant program, including the
7 dollar amount spent on local products, the purchasing impact
8 on various agricultural sectors as determined by the
9 Department of Agriculture and changes in values-based
10 purchasing behavior.

11 (2) Guidance to the department and the Department of
12 Agriculture on areas of success and areas in need of
13 improvement to increase local food procurement.

14 (3) A report to be transmitted to the members of the
15 General Assembly and made available to the public on a
16 publicly accessible Internet website.

17 Section 9. Establishment of Keystone Fresh Fund.

18 (a) Fund established.--The Keystone Fresh Fund is
19 established, which shall be an interest-bearing restricted
20 revenue account, in which shall be deposited money as it is
21 appropriated, given, granted or donated to the Fresh Schools
22 Grant Program, the Keystone Producer Grant Program and the
23 Keystone Assistance Grant Program, by the Federal Government,
24 the Commonwealth or any other governmental or private agency or
25 person.

26 (b) Use of fund.--Money deposited into the fund and interest
27 earned on the money deposited into the fund shall be used solely
28 for the purpose of carrying out the provisions of this act, with
29 the following requirements:

30 (1) No less than 60% of money deposited into the fund

1 shall be appropriated for the grants established in section
2 5.

3 (2) No less than 25% of money deposited into the fund
4 shall be appropriated to cover the costs incurred by the
5 department and the Department of Agriculture in carrying out
6 the provisions of sections 6 and 7.

7 (3) No less than \$250,000 of money deposited into the
8 fund shall be reserved every two years for the purpose of
9 carrying out the biennial external evaluations provided for
10 in section 8.

11 Section 10. Effective date.

12 This act shall take effect as follows:

13 (1) Sections 5, 6 and 8 shall take effect in 245 days.

14 (2) This section shall take effect immediately.

15 (3) The remainder of this act shall take effect in 180
16 days.