Is Eating Local Eating Smart?

BY: DUNCAN LEWIS



Is it worth it to incur unfunded liabilities to help support a feel-good initiative?

Just a month ago, Representative Polkadot48 authored SB-07-19: The Local Food In Sierra Schools Act, an Act that would provide schools and students with locally-sourced food for their daily lunches in publicly funded elementary, middle, and high schools within the state of Sierra.

While the Act seems pretty simple and common-sense on the surface, it really isn't when you get down to the nitty-gritty details. The first and most obvious strike against it would be to simply ask why? Why is the act necessary? Within the act, the fact that local school lunches provide a boost to the local economy is cited, but any sort of benefit to the local economy can be summarily dismissed due to the nature of the cases cited in the findings of the bill

Polkadot cites that New York had successes with local sourcing of school food, but this is simply due to the fact that the program was limited in scope. The benefits don't scale up.

Allow me to explain. Locally sourced foods are more likely to be significantly more expensive, mostly just due to the nature of supply and demand. It's how the market allocation of resources occurs and how prices are determined. Because there is a lower pool of suppliers and lesser supply available, prices tend to be higher. This would mean, in any other scenario, that schools would be paying more out of pocket for food and would have to raise taxes to keep up with the unfunded liability created by the program. In turn, the local governments raise property taxes to fund the extra costs incurred and the burden of the taxes falls squarely on farmers and food producers--the two types of people who use most of the land.

But that's okay, at least under the specific Act, since schools will be reimbursed by the state, right? Well, no. All this does is shift the financial burden of the Act from the local governments to the state government. This would be okay if the program's benefits were only being received by a few schools, as was the case in New York, since it would be the other local governments subsidizing the local governments who benefitted from the program, but now the cost is simply shifted from themselves to ... well ... themselves again--just on the state level. All this does is cause an increase in *state* property taxes, income taxes, gas taxes, or whatever tax they choose to use to fund the increased appropriations under the Act. Again, all it does is incur higher costs for the taxpayer.

Sure, you could attempt to shift the cost of the program down the line again to the Federal government, but what happens if *every* state implements a similar program? There will be no shortage of cost-sharing as the cost of school lunches skyrockets and food production becomes more localized. It's like watching the division of labor, but in reverse--a perverse outcome of a well-intentioned program.

Cost sharing works when you have someone else to shoulder the majority of the burden, but it doesn't work when everyone is forced to pay their fair share. All this Act will do is increase the cost of school lunches in the state of Sierra. Let's not mess around with unfunded liabilities, for the sake of our state.