

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1450 (Delegate Cain, *et al.*)
 Ways and Means

Education - Food Waste Grant Program - Established

This bill establishes a Food Waste Grant Program in the State to which a county board of education or a public school may apply for a grant. The Maryland State Department of Education (MSDE) must establish and administer the program, but the Maryland Association for Environmental and Outdoor Education (MAEOE) must review grant applications and select program awardees. Beginning in fiscal 2022, the Governor must include \$250,000 for the program in the annual State budget. MSDE and MAEOE may retain a portion of this funding for program administrative costs. Beginning with December 2022, MSDE must annually submit to specified individuals and entities an evaluation conducted by an independent contractor. **The bill takes effect July 1, 2020, and terminates June 30, 2027.**

Fiscal Summary

State Effect: General fund expenditures increase by \$250,000 annually in FY 2022 through 2027. This includes funding of grants through the program as well as administrative costs for MSDE and costs for the required independent program evaluation. **The bill establishes a mandated appropriation beginning in FY 2022 and terminating after FY 2027.**

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	250,000	250,000	250,000	250,000
Net Effect	\$0	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Beginning in FY 2022, local school systems statewide receive as much as \$180,500 in State grant funding and similar amounts of annual funding through FY 2027.

Small Business Effect: None.

Analysis

Bill Summary: The purpose of the program is to provide grants to county boards of education or public schools in the State to:

- reduce waste by providing methods for foods to be served during afterschool activities or the following day;
- support student environmental literacy around food waste;
- divert uneaten food to food banks or to families;
- assist with transportation to food donation centers or composting sites;
- compost food waste from meals at school;
- support professional development; and
- support school projects that incorporate specified environmental best practices.

The required evaluation must examine whether program funding has (1) reduced the amount of food waste in each school or school district; (2) increased student environmental literacy; (3) provided professional development to more teachers and school staff; and (4) covered the administrative costs of the program.

Current Law: Chapter 637 of 2016 authorizes a county board of education to develop and implement a food recovery program that reduces food waste by donating leftover or excess food in schools under its jurisdiction to a local food bank or other nonprofit organization. If a county board exercises this authority, it may apply for recognition of its food recovery program under any relevant certification program.

State Fiscal Effect: General fund expenditures increase by \$250,000 annually in fiscal 2022 through 2027. Administrative costs, to be shared between MAEOE and MSDE, increase by \$69,500 in fiscal 2022, including \$20,000 in contractual costs for the required independent evaluation and costs to hire the equivalent of a half-time education program specialist to implement and administer the program. This estimate assumes that because the annual State funding requirement begins in fiscal 2022, that associated expenditures commence at the beginning of fiscal 2022. As shown below, the estimate includes the equivalent of a salary and fringe benefits for the half position, one-time start-up costs, and other ongoing operating expenses.

Position	0.5
Salary and Fringe Benefits	\$44,248
One-time Start-up Costs	4,890
Other Ongoing Operating Expenses	318
Independent Contractor	<u>20,000</u>
Total FY 2022 MSDE Expenditures	\$69,456

Because MAEOE must review grant applications and select grant awardees, it is assumed that this does not constitute a half position within MSDE. Future year expenditures reflect annual increases, employee turnover, ongoing operating expenses, and elimination of one-time costs. Expenditure increases continue through fiscal 2027, after which the grant program terminates.

Local Fiscal Effect: In fiscal 2022 through 2027, some local school systems will receive grant funding for efforts to reduce food waste and for other stated program purposes. Given State administrative expenditures described above, and an overall program budget of \$250,000 annually, local school systems receive as much as \$180,500 in grant funding in fiscal 2022. By the last year of the program, fiscal 2027, statewide grant funding will total approximately \$177,800.

Though the bill does not require a local school system to use grant funding to supplement, and not supplant, its current expenditures, it is assumed that grants will generally not be provided or renewed in order to support current practices. Thus, it is assumed that local school system expenditures are not substantially relieved but will increase in amounts that are commensurate with State funding under the bill.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Baltimore City Public Schools; Baltimore County Public Schools; Montgomery County Public Schools; Maryland State Department of Education; Department of Budget and Management; Maryland Department of Health; Department of Legislative Services

Fiscal Note History: First Reader - March 4, 2020
an/hlb

Analysis by: Scott P. Gates

Direct Inquiries to:
(410) 946-5510
(301) 970-5510