

Department of Legislative Services
 Maryland General Assembly
 2021 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 723

(Senator Hester)

Education, Health, and Environmental Affairs

Environment and Transportation

Maryland Food System Resiliency Council

This emergency bill establishes the Maryland Food System Resiliency Council. The council must meet regularly for a period of at least two years to address food insecurity in the State. The bill establishes provisions governing the membership, procedures, and duties of the council and establishes related requirements for the Director of the Maryland Emergency Management Agency (MEMA). Council members may not receive compensation but are entitled to reimbursement for expenses. MEMA and the University of Maryland College of Agriculture and Natural Resources (UMCANR) must provide staff for the council, as deemed necessary by the council’s co-chairs.

Fiscal Summary

State Effect: It is assumed that there is no effect in FY 2021. General fund expenditures increase by \$93,000 in FY 2022; future year expenditures reflect ongoing costs. State revenues are not directly affected but could be indirectly affected to the extent the council is successful in leveraging additional federal funds to address food insecurity needs.

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	93,000	83,800	86,400	89,500	92,700
Net Effect	(\$93,000)	(\$83,800)	(\$86,400)	(\$89,500)	(\$92,700)

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

Local Effect: Any participation in the council by local governments can be handled with existing resources. Local revenues are not directly affected but could be indirectly affected to the extent the council is successful in leveraging additional grants to address food insecurity needs.

Small Business Effect: Minimal direct effect.

Analysis

Bill Summary: Among other entities, the council consists of representatives from several State agencies, one member of the Senate, one member of the House, and members appointed by the Director of MEMA (including a representative of a public school, specified food council organizations, specified experts, and one farmer, among others). The Director of MEMA must (1) ensure that all five geographic areas of the State are represented by the appointed members of the council and (2) appoint a successor in the event of a vacancy.

The council must be co-chaired by the Director of MEMA (or the director's designee) and a member representing a food council organization who is elected, as specified. The Secretary of Agriculture, the Secretary of Human Services, and the Dean of UMCANR (or their designees) must co-vice chair the council.

The council must meet regularly for a period of at least two years to address food insecurity in the State. The council may establish subcommittees, as specified. In addition, the council must work toward the following goals:

- to address the food insecurity crisis in the State resulting from the COVID-19 pandemic and resulting economic crisis by (1) coordinating State and local level food insecurity services to support State residents; (2) tracking and analyzing data to create a comprehensive map of food insecurity across the State and identify the gaps in service; (3) leveraging federal and private-sector grants and other resources in order to address food insecurity needs; (4) advising the State on how best to allocate resources and increase efficiency; and (5) exploring the role of and potential for the federal Community Eligibility Provision to ensure all students in the State are fed (and making related recommendations);
- to develop, by November 1, 2021, specified equity and sustainability policy recommendations to increase the long-term resiliency of the food system, as specified;
- to expand the impact of existing food council organizations by providing coordination and facilitation of knowledge exchange at the State level and supporting identification and application of grants to operating funds to support existing and new food council organizations as needed; and
- to develop, by November 1, 2021, a strategic plan to increase the production and procurement of Maryland certified food, as specified.

To advance the goals of the council, the council must engage and collaborate with interested stakeholders, including residents of the State with lived experience of food

insecurity and food council organizations and similar local level food system convening organizations.

By November 1, 2021, the council must submit an interim report to the General Assembly on key findings and activities undertaken by the council. By November 1, 2022, the council must submit a report to the General Assembly on the council's recommendations for a long-term structure for a statewide food policy council, including providing recommendations on (1) appropriate policy and legislative changes; (2) potential specified ways to restructure the council, as specified; and (3) any other recommendations of the council. By November 1, 2023, and annually thereafter, the council must submit a report to the General Assembly on key findings and activities undertaken by the council.

Current Law: Several programs in the State address food insecurity issues. Examples of such programs are described below.

Supplemental Nutrition Assistance Program

The Supplemental Nutrition Assistance Program (SNAP), administered by the Department of Human Services, assists low-income households to purchase food. A State supplemental benefit is provided to certain households with seniors, as specified. Chapters 635 and 636 of 2019 created a supplemental SNAP benefit for households with school-aged children called Summer SNAP. Traditional SNAP benefits are 100% federally funded; the supplemental benefit for seniors is 100% State funded; and the Summer SNAP benefit is provided through State funds and local funds.

School Nutrition Programs and the Federal Community Eligibility Provision

The School Breakfast Program and the National School Lunch Program are federally assisted meal programs for schools. The School Breakfast Program subsidizes public and participating nonprofit private schools of high school grade or lower and participating residential child care institutions for breakfast meals served to children. Similarly, the National School Lunch Program subsidizes public and participating nonprofit private schools of high school grade or lower and participating residential child care institutions for lunches served to children. In both programs, federal funds pass through the Maryland State Department of Education (MSDE) to participating schools and institutions.

The federal Community Eligibility Provision (CEP), part of the federal Healthy, Hunger-Free Kids Act of 2010, allows schools and local educational agencies with high poverty rates to provide free breakfast and lunch to all students. Under CEP, all students are served free lunches and breakfasts, and participating schools and school districts agree to cover with nonfederal funds any costs of providing free meals to all students above

amounts provided in federal assistance. Local educational agencies and schools must meet specified eligibility requirements in order to participate.

Famers' Market Nutrition Program

The Farmers' Market Nutrition Program (FMNP), which is funded with federal funds provided by the U.S. Department of Agriculture (USDA), is administered by the Maryland Department of Agriculture (MDA) in conjunction with the Maryland Department of Health (MDH) and the Maryland Department of Aging. USDA gives grants to State agencies to provide checks to those participating in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) or the Senior Farmers' Market Nutrition Program (SFMNP). Checks can be used to buy fresh fruits, vegetables, cut herbs, and honey (for seniors only) at Maryland farmers markets. Participants in WIC and SFMNP receive nutrition information and a participant brochure that includes details on the program and information to assist in the purchase of local, in-season produce.

Maryland Farms and Families Program

The stated purpose of the Maryland Farms and Families Program within MDA is to double the purchasing power of food-insecure Maryland residents with limited access to fresh fruits and vegetables and to increase revenue for farmers through redemption of federal nutrition benefits at Maryland famers markets. Under the program, the Maryland Farms and Families Fund provides grants to (1) nonprofit organizations that match purchases made with FMNP, SNAP, and WIC benefits at participating farmers markets; (2) nonprofit farmers markets to implement the program at the farmers markets; and (3) local nonprofit organizations to implement the program in partnership with one or more participating local farmers markets.

Jane Lawton Farm-to-School Program

The stated purpose of the Jane Lawton Farm-to-School Program within MDA is to (1) promote the sale of farm products grown in the State to schools in consultation with MSDE; (2) solicit farmers to sell their farm products to Maryland schools; (3) develop and regularly update a database containing specified information about famers interested in selling their farm products to Maryland schools; (4) facilitate purchases from farmers by interested Maryland schools in consultation with specified procurement requirements; and (5) provide outreach and guidance to farmers concerning the value of and procedure for selling their farm products to interested Maryland schools.

Interagency Food Desert Advisory Committee

The Interagency Food Desert Advisory Committee within the Department of Housing and Community Development (DHCD) must (1) advise and make recommendations to DHCD on the development and adoption of regulations related to food desert projects; (2) make recommendations to the Secretary of Housing and Community Development on applications for designating an area as a food desert; and (3) make recommendations for interagency coordination to reduce the number of food deserts and promote healthy food access for Maryland neighborhoods. The Secretary of Housing and Community Development, on the recommendation of the committee, is authorized to designate an area as a food desert.

State Expenditures: General fund expenditures for MEMA increase by \$93,015 in fiscal 2022, which assumes a July 1, 2021 implementation date. (It is assumed that there is no effect in fiscal 2021, despite the emergency status of the bill.) This estimate reflects the cost of hiring one program manager to staff the council, assist the council in working toward its stated goals, collaborate with stakeholders, and submit the required reports. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. The need for staff is based largely on the bill’s requirement that the council meet regularly and the breadth of the council’s stated goals. To the extent the work of the council is less involved, a part-time position may be sufficient.

Position	1.0
Salary and Fringe Benefits	\$87,270
Operating Expenses	<u>5,745</u>
Total FY 2022 MEMA Expenditures	\$93,015

Future year expenditures reflect a salary with annual increases and employee turnover and ongoing operating expenses. Because there is no termination date for the council, this analysis assumes that ongoing staff support is necessary. The University System of Maryland advises that UMCANR can provide staff for the council with existing resources.

Other State agencies represented on the council advise that they can participate in the council using existing budgeted resources. Any expense reimbursements for council members are assumed to be minimal and absorbable within existing budgeted resources.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 831 (Delegate Charkoudian) - Environment and Transportation.

Information Source(s): Department of Commerce; Maryland State Department of Education; University System of Maryland; Maryland Department of Agriculture; Maryland Department of Health; Military Department; U.S. Department of Agriculture; Department of Legislative Services

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