

**Department of Legislative Services**  
 Maryland General Assembly  
 2022 Session

**FISCAL AND POLICY NOTE**  
**Enrolled - Revised**

Senate Bill 124 (Senator Hettleman)  
 Education, Health, and Environmental Affairs

**Public Schools – Grant Program to Reduce and Compost School Waste**

This bill establishes the Grant Program to Reduce and Compost School Waste. The Maryland Association for Environmental and Outdoor Education (MAEOE) must review grant applications and select recipients to be awarded grants by the Maryland State Department of Education (MSDE), which administers the program. **The bill takes effect July 1, 2022, and terminates June 30, 2027.**

**Fiscal Summary**

**State Effect:** MSDE expenditures increase by \$250,000 annually from FY 2023 through 2027 to sustain a viable grant program. No effect on revenues.

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	250,000	250,000	250,000	250,000	250,000
Net Effect	(\$250,000)	(\$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:** Local public school systems receive annual grant funding totaling as much as \$195,000 statewide, beginning as early as FY 2023.

**Small Business Effect:** Small businesses that provide relevant services and products may benefit.

**Analysis**

**Bill Summary:** Grants are awarded to county boards of education and public schools to develop and implement programs for reducing food waste and to establish composting of

pre- and post-consumer waste. Required program components are specified as are criteria for prioritizing grant awards.

Grant recipients must report to MSDE on program outcomes, and MSDE must annually report to the General Assembly on the program beginning December 1, 2023. MSDE must coordinate with the Department of the Environment to identify and apply for federal funding that may be used to support the program. MSDE may adopt regulations to implement provisions of the bill.

**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 Expenditures:** General fund expenditures increase by \$250,000 annually through fiscal 2027, based on the assumption that (1) a viable program calls for the equivalent of approximately \$8,000 for each of the 24 local school systems and (2) program funding can be used to cover administrative costs for the grant program, as discussed below.

Administrative costs, to be shared between MAEOE and MSDE, increase by \$55,400 in fiscal 2023, including costs to hire the equivalent of a half-time education program specialist to implement and administer the program. This estimate assumes that in accordance with the bill's effective date, expenditures commence at the beginning of fiscal 2023. 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	\$48,331
One-time Start-up Costs	6,548
Other Ongoing Operating Expenses	<u>530</u>
<b>Total FY 2023 Expenditures</b>	<b>\$55,409</b>

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, and terminate after fiscal 2027. As the program lasts for five full years, it is assumed that a regular, rather than contractual, position is needed. To the extent that federal funds are available for the program, general fund expenditures are less.

**Local Fiscal Effect:** Some local school systems receive grant funding for efforts to reduce food waste and for other stated program purposes. Given State administrative expenditures described above, and an assumed overall program budget of \$250,000 annually, local school systems statewide receive as much as \$195,000 in annual grant funding beginning in fiscal 2023.

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 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.

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### **Additional Information**

**Prior Introductions:** HB 1450 of 2020, a similar bill, received a hearing in the House Ways and Means Committee, but no further action was taken.

**Designated Cross File:** HB 150 (Delegates Charkoudian and Solomon) - Ways and Means.

**Information Source(s):** Maryland State Department of Education; Department of Budget and Management; Baltimore City Public Schools; Anne Arundel County Public Schools; Frederick County Public Schools; Prince George's County Public Schools; St. Mary's County Public Schools; Department of Legislative Services

**Fiscal Note History:** First Reader - January 17, 2022  
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