

Department of Legislative Services
2011 Session

FISCAL AND POLICY NOTE

House Bill 441 (Delegate Niemann, *et al.*)
Environmental Matters

Maryland Food and Nutrition Policy Council - Department of Agriculture

This bill establishes a Maryland Food and Nutrition Policy Council. The council meets quarterly and must develop strategies, including legislative and regulatory initiatives, to accomplish specified objectives relating to food and nutrition policy and local food production; promote institutional purchase and consumption of Maryland-grown food products; recommend programs or pilot programs that would increase access to Maryland-grown foods for residents of the State; identify mechanisms by which the State may expand markets for Maryland agricultural products; and recommend policies and activities that would increase spending of food dollars in the State on Maryland-grown food products. Subcommittees may be established to provide technical assistance to the council. The Maryland Department of Agriculture (MDA) and the Department of Health and Mental Hygiene (DHMH) must provide staff for the council. Members may not receive compensation but are entitled to reimbursement for expenses under the standard State travel regulations, as provided in the State budget. The council is required to report, by January 1 of each year, on the implementation, including legislative and regulatory initiatives, of the bill.

The bill takes effect July 1, 2011, and terminates June 30, 2014.

Fiscal Summary

State Effect: General fund expenditures increase by \$67,900 in FY 2012 to staff the council and provide expense reimbursement. Future years reflect annualization and inflation through FY 2014 (when the bill terminates). Revenues are not affected.

(in dollars)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	67,900	85,900	89,500	0	0
Net Effect	(\$67,900)	(\$85,900)	(\$89,500)	\$0	\$0

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

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law/Background:

Promoting Maryland Agriculture and Addressing Food/Nutrition Issues in the State

State policies/efforts promoting Maryland agriculture and addressing food and nutrition issues in the State include:

- Maryland's Best™ Program – Administered by MDA, the program links Maryland farmers with consumers online and through promotions and advertising.
- Jane Lawton Farm-to-School Program – Administered by MDA, in consultation with the Maryland State Department of Education, the program is generally aimed at promoting and facilitating the sale of farm products grown in the State to Maryland schools.
- Other efforts of MDA's Marketing Services Division – The division's principal role is to identify and develop profitable marketing opportunities for Maryland farmers and agricultural producers. The division helps farmers to market their products directly to supermarkets, schools, chefs, hotels, food services businesses and other wholesale buyers, and directly to consumers at farmers' markets and other venues.
- Federal Farmers Market Nutrition Program – A federal/state partnership administered by state agencies, with grants from the U.S. Department of Agriculture's Food and Nutrition Service, the program provides access to locally grown fruits and vegetables to participants in the Special Supplemental Nutrition Program for Women, Infants, and Children and low-income seniors. The State makes a commitment of general funds, but a significant majority of the funding for the program consists of federal funds.
- Partnership to End Childhood Hunger in Maryland – The partnership, between the Governor's Office for Children, Share Our Strength (a national organization addressing childhood hunger in America), and others, is an initiative to end childhood hunger in Maryland by 2015. The U.S. Department of Agriculture

recently announced a grant of \$924,000 over a two-year period to the partnership to meet growing needs in eight target counties.

- Government-funded food and nutrition programs – A number of largely federally funded food and nutrition assistance programs are administered through MSDE and other State and local entities, including the Special Supplemental Nutrition Program for Women, Infants, and Children; the Food Supplement Nutrition Assistance Program; and several programs that provide assistance for meals in schools and other settings.

Governor's Intergovernmental Commission for Agriculture

The Governor's Intergovernmental Commission for Agriculture was established in 2006 under Executive Order 01.01.2006.06 to "promote the economic profitability of agriculture in the State by ensuring that all appropriate State agencies work in a cooperative, coordinated manner with local government and industry groups in planning, implementing, overseeing, and evaluating intergovernmental initiatives related to the agricultural affairs of the State." MDA provides primary staff support and resources to the commission. The commission is given various specified duties under the executive order, must perform other duties and responsibilities as assigned by the Governor, and must report to the Governor by October 1 of each year with recommendations to support a coordinated State agricultural strategy.

Maryland Agricultural Commission

The Maryland Agricultural Commission is appointed by the Governor and serves as an advisory body to the Secretary of Agriculture. The commission pursues various priorities and activities, including supporting the department's efforts to promote agriculture.

State Food Policy Councils

According to a listing of food policy councils by the Community Food Security Coalition, a number of states have state-level food policy councils, including Alaska, Connecticut, Georgia, Illinois, Iowa, Kansas, Michigan, Montana, New Mexico, New York, North Carolina, Ohio, South Carolina, and Virginia. Several others have regional, county, and local level councils. The coalition indicates that food policy councils "bring together stakeholders from diverse food-related sectors to examine how the food system is operating and to develop recommendations on how to improve it." The councils are generally either commissioned by state or local government, or are predominately a grassroots effort.

State Fiscal Effect: General fund expenditures increase by \$67,874 in fiscal 2012, which accounts for a 90-day start-up delay. This estimate reflects the cost of hiring two additional contractual staff – one under MDA and one under DHMH – and providing expense reimbursement to council members. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. The staff’s responsibilities are expected to include arranging the quarterly meetings of the council and meetings of subcommittees; coordinating speakers and topics; assisting with data analysis and strategy development; some amount of travel and reporting back to the council; and preparation of the council’s annual report. MDA does not currently have staff available to devote to the council, having lost two marketing positions in the last two fiscal years, and DHMH also indicates a lack of existing staff that could assume the staffing responsibility.

Contractual Positions	2
Salaries and Fringe Benefits	\$63,592
Operating Expenses	<u>4,282</u>
Total FY 2012 State Expenditures	\$67,874

Fiscal 2013 and 2014 expenditures (through the termination of the council) reflect full salaries with 4.4% annual increases, 7.2% employee turnover, and 1% annual increases in ongoing operating expenses.

Small Business Effect: To the extent the council’s efforts serve to increase spending on, and consumption of, Maryland-grown foods, farmers in the State may benefit.

Additional Information

Prior Introductions: SB 816 of 2009, a similar bill, received an unfavorable report from the Senate Education, Health, and Environmental Affairs Committee. Its cross file, HB 1158, received a hearing in the House Environmental Matters Committee, but no further action was taken.

Cross File: None.

Information Source(s): Maryland Department of Agriculture, Department of Health and Mental Hygiene, Governor’s Office, U.S. Department of Agriculture, Community Food Security Coalition, Department of Legislative Services

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mlm/lgc

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