

Department of Legislative Services
 Maryland General Assembly
 2008 Session

FISCAL AND POLICY NOTE
 Revised

House Bill 696

(Delegate Hixson, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Farm-to-School Program - Activities and Promotional Events

This bill establishes the Jane Lawton Farm-to-School Program in the Maryland Department of Agriculture for various purposes generally aimed at promoting and facilitating the sale of farm products grown in the State to Maryland schools. The program must establish specified promotional events, including a Maryland Homegrown School Lunch Week.

Fiscal Summary

State Effect: General fund expenditure increase of \$62,000 in FY 2009 for MDA to implement the farm-to-school program. Future year expenditure estimates reflect annualization, salary increases, and inflation.

(in dollars)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	62,000	51,400	53,400	55,400	57,600
Net Effect	(\$62,000)	(\$51,400)	(\$53,400)	(\$55,400)	(\$57,600)

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

Local Effect: Local expenditures could increase to coordinate and implement the program at the county level.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Chapter 360 of 2006 established under State procurement laws a requirement that each State school and facility, to the extent practicable, establish a percentage price preference (not to exceed 5%) for the purchase of locally grown food, unless doing so would cause them to lose federal funds or would be inconsistent with federal law. School districts, the University System of Maryland, St. Mary's College, and Morgan State University, however, are not subject to most State procurement laws and regulations.

Background: A 2006 report of the National Farm to School Program indicates that farm-to-school programs have been in operation in the United States for approximately 10 years. The programs are designed to connect schools with local farms, improving student nutrition through the serving of healthy meals and educational opportunities and supporting local small farmers. By the program's estimate, as of 2006 there were over 950 farm-to-school programs in more than 35 states.

According to the National Sustainable Agriculture Information Service, several obstacles can exist in establishing the use of local farm products in schools and institutions. From a school or institution's perspective, these include the lack of availability of many fresh farm products during certain times of the year, the lack of knowledge of food service staff in storing and preparing fresh farm products and meeting mandated portion requirements with the products, and limited funding for food purchasing. From a farmer's perspective, obstacles can include whether they can supply food in quantities that meet the needs of an institution; assure food quality and food safety; and efficiently distribute and transport products to educational or institutional buyers.

MDA currently administers various programs to assist Maryland farmers in marketing their products, including "Maryland's Best," a campaign to promote Maryland farm-raised products. The campaign includes a database web site (www.marylandsbest.com) developed to allow buyers to search for products statewide. MDA indicates there are classroom programs and lessons related to Maryland farming and farm products already in use in the State, including curriculum developed and promoted in schools by the nonprofit Maryland Agricultural Education Foundation.

State Fiscal Effect: General fund expenditures could increase by an estimated \$62,021 in fiscal 2009, which accounts for the bill's October 1, 2008 effective date. This estimate reflects the cost of one half-time position within MDA to coordinate the farm-to-school program. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses, including contractual services for outreach activities and database modifications.

Positions	0.5
Salary and Fringe Benefits	\$22,892
Contractual Services	27,500
Equipment	4,200
Operating Expenses	<u>7,429</u>
Total FY 2009 State Expenditures	\$62,021

Future year expenditures reflect • a full salary with 4.4% annual increases and 3% employee turnover; and • 2% annual increases in ongoing operating expenses.

Local Fiscal Effect: The Maryland Association of Boards of Education indicates that coordinating and implementing the farm-to-school program and the Maryland Homegrown School Lunch Week could require an average of one additional full-time position for each county board of education. Staff needs would likely vary based on the size of the school system. It is assumed any field trips that would be included as part of Maryland Homegrown School Lunch Week (as mentioned in the bill) would only be taken if such trips could be handled within existing resources.

Small Business Effect: Small business farmers could benefit from outreach and guidance under the program. In addition, as a result of the promotion and marketing of Maryland farm products, the bill could result in an increase in revenues for Maryland farmers. MDA advises, for example, that farmers in North Carolina sold \$500,000 worth of fresh fruits and vegetables to State schools in 2004-2005.

Additional Information

Prior Introductions: None.

Cross File: SB 158 (Senator Raskin, *et al.*) – Education, Health, and Environmental Affairs.

Information Source(s): Maryland Association of Boards of Education; Maryland State Department of Education; Maryland Department of Agriculture; Joshi, A., Kalb, M., Beery, M., *Going Local: Paths to Success for Farm to School Programs*, National Farm to School Program (December 2006); Bellows, B.C., Dufour, R., Bachmann, J., *Bringing Local Food to Local Institutions: A Resource Guide for Farm-to-School and Farm-to-*

Institution Programs, National Sustainable Agriculture Information Service (October 2003); Department of Legislative Services

Fiscal Note History: First Reader - February 11, 2008
mll/lgc Revised - House Third Reader - March 31, 2008

Analysis by: Scott D. Kennedy

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