

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 540

(Delegate Henson, *et al.*)

Appropriations

Education, Health, and Environmental Affairs

Agriculture - University of Maryland Extension - Urban Farmer Assistance

This bill requires the University of Maryland Extension (UME) to hire (1) an extension agent dedicated to urban farm production methods and crop management and (2) an extension agent dedicated to urban farm and agribusiness management. Each extension agent must perform applied research and provide education for urban farmers, as specified. Beginning in fiscal 2024, the Governor must include an appropriation of \$300,000 in the annual budget bill for UME for the extension agents hired under the bill. **The bill takes effect June 1, 2022.**

Fiscal Summary

State Effect: General fund expenditures increase by \$300,000 annually beginning in FY 2023. Revenues are not affected. **This bill establishes a mandated appropriation beginning in FY 2024.**

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	300,000	300,000	300,000	300,000	300,000
Net Effect	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)

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

Local Effect: The bill does not directly affect local government finances and operations.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Extension Agent Dedicated to Urban Farm Production Methods and Crop Management

The agent hired must perform applied research on urban farm production methods and crop management, and a majority of the agent's time must be spent providing education to urban farmers on urban farm production methods and crop management. The education provided may include (1) planning and scheduling crop planting and harvesting in urban areas, including outdoors, indoors, in greenhouses, and in high tunnel production systems; (2) production management practices for controlled environment agriculture systems; (3) growing trials and production methods for crops grown in urban areas, including specialty crops such as heritage vegetables, ethnic vegetables, herbs, microgreens, and cut flowers; (4) propagation and transplant production; (5) training on and certifications for good agricultural practices; (6) training on organic certifications; and (7) any other topic regarding urban farm production methods and crop management that the agent, in consultation with urban farmers and farm service providers located in urban areas, determines is necessary.

Extension Agent Dedicated to Urban Farm and Agribusiness Management

The agent hired must perform applied research on urban farm and agribusiness management, and a majority of the agent's time must be spent providing and coordinating education for urban farmers on urban farm and agribusiness management. The education provided may include (1) accounting and financial management; (2) identifying potential customers and business development; (3) marketing; (4) human resource management; (5) different business types and structures; (6) land acquisition; (7) insurance; (8) licensing and permitting; and (9) any other topic regarding urban farm and agribusiness management that the agent, in consultation with urban farmers and farm service providers located in urban areas, determines is necessary.

Current Law: UME is a statewide, nonformal education system within the University of Maryland Eastern Shore and the College of Agriculture and Natural Resources at the University of Maryland, College Park Campus. It provides educational programs and problem-solving assistance to Maryland citizens. UME currently employs one urban agriculture educator whose responsibilities cover Baltimore City; UME does not currently dedicate extension specialists to urban farmers elsewhere in the State.

State Expenditures: General fund expenditures increase by \$300,000 in fiscal 2023, which accounts for a 30-day start-up delay from the bill's June 1, 2022 effective date; there is no effect in fiscal 2022. Although the mandated appropriation does not begin until

fiscal 2024, funding is assumed to also be needed in fiscal 2023, as the requirement to hire the two extension agents and provide education for urban farmers takes effect prior to the mandated funding. The University System of Maryland advises that, beginning in fiscal 2024, the annual mandated appropriation of \$300,000 can cover the cost of hiring two extension agents, including salaries, fringe benefits, and other operating expenses (such as travel, supplies, and research and demonstration equipment). Therefore, this estimate assumes that level of funding is also needed in fiscal 2023 to implement the bill's requirements.

Small Business Effect: Most urban farms and agribusinesses are considered small businesses. The Maryland Department of Agriculture advises that many new upcoming urban farmers do not have experience in growing food, marketing, and food distribution. Accordingly, urban farms and agribusinesses benefit from the extension agents' research and educational outreach, including with respect to identifying resource needs, developing workshops, and providing marketing and other business training.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 437 (Senator McCray) - Education, Health, and Environmental Affairs.

Information Source(s): Maryland Department of Agriculture; Department of Budget and Management; University System of Maryland; Department of Legislative Services

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