

Chapter 480

(Senate Bill 121)

AN ACT concerning

Maryland Farms and Families Fund, Maryland Food and Agricultural Resiliency Mechanism Grant Program, and Maryland Farm-to-School Meal Grant Pilot Program – Alterations and Establishment

FOR the purpose of altering the purpose and use of the Maryland Farms and Families Fund; establishing the Maryland Food and Agricultural Resiliency Mechanism Grant Program and Fund; establishing the Maryland Farm-to-School Meal Grant Pilot Program and Fund; and generally relating to the Maryland Farms and Families Fund, the Maryland Food and Agricultural Resiliency Mechanism Grant Program and Fund, and the Maryland Farm-to-School Meal Grant Pilot Program and Fund.

BY repealing and reenacting, without amendments,
Article – Agriculture
Section 10–2001 and 10–2002
Annotated Code of Maryland
(2016 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, with amendments,
Article – Agriculture
Section 10–2003 and 10–2004
Annotated Code of Maryland
(2016 Replacement Volume and 2021 Supplement)

BY adding to
Article – Agriculture
Section 10–2101 through 10–2103 to be under the new subtitle “Subtitle 21.
Maryland Food and Agricultural Resiliency Mechanism Grant Program”
Annotated Code of Maryland
(2016 Replacement Volume and 2021 Supplement)

BY adding to
Article – Education
Section 9.11–101 through 9.11–103 to be under the new title “Title 9.11. Maryland
Farm-to-School Meal Grant Pilot Program”
Annotated Code of Maryland
(2018 Replacement Volume and 2021 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Agriculture

10–2001.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “FMNP” means the federal Farmers Market Nutrition Program.
- (c) “Fund” means the Maryland Farms and Families Fund.
- (d) “Program” means the Maryland Farms and Families Program.
- (e) “SNAP” means the federal Supplemental Nutrition Assistance Program.
- (f) “WIC” means the federal Special Supplemental Food Program for Women, Infants, and Children.

10–2002.

- (a) There is a Maryland Farms and Families Program in the Department.
- (b) The purpose of the Program 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 farmers markets.

10–2003.

- (a) There is a Maryland Farms and Families Fund.
- (b) The purpose of the Fund is to provide grants to:
 - (1) Nonprofit organizations that match purchases made with FMNP, SNAP, and WIC benefits at participating farmers markets **AND FARM STANDS**;
 - (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.
- (c) The Secretary shall administer the Fund.
- (d) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(2) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(e) The Fund consists of:

(1) Money appropriated in the State budget to the Fund; and

(2) Any other money from any other source accepted for the benefit of the Fund.

(f) (1) In accordance with this subsection, the Fund shall be used to provide grants to:

(i) Nonprofit organizations that:

1. Meet the qualifications established in § 10–2004 of this subtitle; and

2. Distribute the grant money to farmers markets and local nonprofit organizations in accordance with this subtitle;

(ii) Nonprofit farmers markets to implement the Program at the farmers markets; and

(iii) Local nonprofit organizations to implement the Program in partnership with one or more local farmers markets.

(2) A qualified nonprofit organization that receives a grant under this section:

(i) Shall distribute at least **[70%] 60%** of the grant money it receives directly to participating farmers markets as **FUNDING FOR LOCAL MARKET ACCESS COORDINATORS AND** matching dollars for purchases made with FMNP, SNAP, and WIC benefits; and

(ii) May not use more than **[30%] 40%** of the grant money it receives for Program development, promotion and outreach, farmers market training and capacity building, technical assistance, program data collection, evaluation, administration, and reporting.

(g) (1) Subject to paragraph (2) of this subsection, **[for fiscal year 2021 and each fiscal year thereafter,]** the Governor shall include in the annual budget bill an appropriation **[of \$100,000]** to the Fund **AS FOLLOWS:**

(I) FOR FISCAL YEARS 2021 THROUGH 2023, \$100,000; AND

(II) FOR FISCAL YEAR 2024 AND EACH FISCAL YEAR THEREAFTER, \$300,000.

(2) The appropriation required under paragraph (1) of this subsection shall be in addition to, and may not supplant, any funding appropriated to the Marketing and Promotion Division in the Department.

10–2004.

(a) (1) A nonprofit organization is qualified to receive a grant in accordance with this subtitle if the Department determines that the nonprofit organization has a demonstrated record of:

(i) Designing and implementing successful healthy food incentive programs that connect federal food benefits recipients with local producers;

(ii) Implementing funds distributing and reporting processes;

(iii) Providing training and technical assistance to farmers markets;

(iv) Conducting community outreach and data collection, including customer surveys; and

(v) Providing a full accounting and administration of funds distributed to farmers markets.

(2) In addition to the requirements under paragraph (1) of this subsection, in awarding a grant in accordance with this subtitle, the Department may consider whether the nonprofit organization has a demonstrated record of providing services in **[food deserts] HEALTHY FOOD PRIORITY AREAS.**

(b) Within 90 days after the end of a grant cycle, a qualified nonprofit organization that received a grant in accordance with this subtitle shall submit a report to the Department that includes the following information:

(1) The names and locations of Maryland farmers markets that received funds under the Program;

(2) The dollar amount of funds awarded to each participating farmers market;

(3) The dollar amount of FMNP, SNAP, and WIC benefits, and funds provided under the Program that were spent at participating farmers markets, as well as any unspent funds;

(4) The number of FMNP, SNAP, and WIC transactions carried out at participating farmers markets; and

(5) The impact of the Program on increasing the quantity of fresh fruits and vegetables consumed by FMNP, SNAP, and WIC families, as determined by customer surveys.

SUBTITLE 21. MARYLAND FOOD AND AGRICULTURAL RESILIENCY MECHANISM GRANT PROGRAM.

10-2101.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “FUND” MEANS THE MARYLAND FOOD AND AGRICULTURAL RESILIENCY MECHANISM FUND.

(C) “MD FARM” MEANS THE MARYLAND FOOD AND AGRICULTURAL RESILIENCY MECHANISM GRANT PROGRAM.

10-2102.

(A) THERE IS A MARYLAND FOOD AND AGRICULTURAL RESILIENCY MECHANISM GRANT PROGRAM.

(B) THE PURPOSE OF MD FARM IS TO BUILD FOOD SYSTEM RESILIENCY BY LEVERAGING MARYLAND AGRICULTURAL PRODUCTS AND SERVICES TO SUPPORT THE STATE’S FOOD BANKS AND CHARITABLE EMERGENCY FOOD PROVIDERS TO ALLEVIATE FOOD INSECURITY.

10-2103.

(A) (1) THERE IS A MARYLAND FOOD AND AGRICULTURAL RESILIENCY MECHANISM FUND IN THE DEPARTMENT.

(2) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS TO FOOD BANKS AND CHARITABLE EMERGENCY FOOD PROVIDERS FOR:

(I) THE PROCUREMENT OF SURPLUS, SEASONAL, OR CONTRACTUAL AGRICULTURAL FOOD PRODUCTS;

(II) THE PROCESSING AND PREPARATION OF AGRICULTURAL FOOD PRODUCTS FOR DISTRIBUTION; AND

(III) THE TRANSPORTATION OF AGRICULTURAL FOOD PRODUCTS.

(B) THE DEPARTMENT SHALL ADMINISTER THE FUND.

(C) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(D) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND

(2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE FUND SHALL BE USED TO PROVIDE GRANTS TO FOOD BANKS AND CHARITABLE EMERGENCY FOOD PROVIDERS FOR:

(I) THE PROCUREMENT OF SURPLUS, SEASONAL, OR CONTRACTUAL AGRICULTURAL FOOD PRODUCTS;

(II) THE PROCESSING AND PREPARATION OF AGRICULTURAL FOOD PRODUCTS FOR DISTRIBUTION; AND

(III) THE TRANSPORTATION OF AGRICULTURAL FOOD PRODUCTS.

(2) A FOOD BANK OR CHARITABLE EMERGENCY FOOD PROVIDER MAY USE GRANT MONEY ONLY FOR FOOD PRODUCTS AND SERVICES SOURCED FROM THE STATE.

(F) FOR FISCAL YEAR 2024 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF ~~\$1,250,000~~ \$200,000 TO THE FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Education

TITLE 9.11. MARYLAND FARM-TO-SCHOOL MEAL GRANT PILOT PROGRAM.

9.11-101.

(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “FUND” MEANS THE MARYLAND FARM-TO-SCHOOL MEAL GRANT FUND.

(C) “LOCAL” MEANS AN AGRICULTURAL PRODUCT GROWN, HARVESTED, PRODUCED, OR PROCESSED FROM A CERTIFIED LOCAL FARM ENTERPRISE.

(D) “PILOT PROGRAM” MEANS THE MARYLAND FARM-TO-SCHOOL MEAL GRANT PILOT PROGRAM.

9.11-102.

(A) THERE IS A MARYLAND FARM-TO-SCHOOL MEAL GRANT PILOT PROGRAM IN THE DEPARTMENT.

(B) THE PURPOSE OF THE PILOT PROGRAM IS TO INCENTIVIZE THE PRODUCTION, PROCUREMENT, AND PROVISION OF LOCAL FOODS IN SCHOOL MEALS BY AWARDING GRANTS IN ACCORDANCE WITH THIS TITLE.

9.11-103.

(A) THERE IS A MARYLAND FARM-TO-SCHOOL MEAL GRANT FUND.

(B) THE DEPARTMENT, IN COORDINATION WITH THE DEPARTMENT OF AGRICULTURE, SHALL ADMINISTER THE FUND.

(C) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(D) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;
AND

(2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(E) (1) THE FUND SHALL BE USED TO AWARD GRANTS TO ELIGIBLE SCHOOL DISTRICTS TO IMPLEMENT THE MARYLAND FARM-TO-SCHOOL MEAL GRANT PILOT PROGRAM.

(2) A LOCAL SCHOOL DISTRICT IS ELIGIBLE TO RECEIVE A GRANT AWARD FROM THE FUND IF THE LOCAL SCHOOL DISTRICT OPERATES REIMBURSABLE FEDERAL NUTRITION PROGRAMS.

(F) (1) THE DEPARTMENT SHALL AWARD GRANTS FROM THE FUND IN ACCORDANCE WITH THIS SECTION TO ELIGIBLE LOCAL SCHOOL DISTRICTS IN AN AMOUNT EQUIVALENT TO 20 CENTS FOR EACH MEAL ~~SERVED IN THE LOCAL SCHOOL DISTRICT THAT INCLUDES THAT THE SCHOOL DISTRICT EXPECTS TO OFFER, BASED ON THE PREVIOUS FISCAL YEAR'S MEAL COUNT,~~ THAT WILL INCLUDE A LOCAL FOOD COMPONENT.

(2) THE LOCAL SCHOOL DISTRICT MAY DETERMINE THE MEALS, PARTICIPATING SCHOOLS, AND TIME FRAME FOR WHICH THE LOCAL SCHOOL DISTRICT MAY INCLUDE A LOCAL FOOD COMPONENT.

~~(3) IN DETERMINING THE AMOUNT OF A GRANT AWARD, THE DEPARTMENT SHALL MULTIPLY THE PREVIOUS FISCAL YEAR'S MEAL COUNT FOR THE DETERMINED ELIGIBLE MEALS AND PARTICIPATING SCHOOLS BY THE NUMBER OF DAYS IN THE DETERMINED TIME FRAME AND MULTIPLY THIS PRODUCT BY 20 CENTS.~~

(4) A LOCAL SCHOOL DISTRICT MAY USE GRANT MONEY FOR THE PURCHASE, PROCESSING, PROCUREMENT, STAFFING, OR INFRASTRUCTURE INVESTMENTS NEEDED TO MEET THE NUMBER OF MEALS WITH A LOCAL FOOD COMPONENT.

(G) IN AWARDING GRANTS UNDER THIS SECTION, THE DEPARTMENT SHALL PRIORITIZE LOCAL SCHOOL DISTRICTS THAT:

(1) DEMONSTRATE HOW MEAL REIMBURSEMENTS WOULD SUPPORT THE DEVELOPMENT, CULTIVATION, AND LONGSTANDING COMMITMENT TO THE INCORPORATION OF LOCAL FOOD COMPONENTS INTO SCHOOL MEALS; AND

(2) DEMONSTRATE ARRANGEMENTS THAT SUPPORT MINORITY OR SOCIALLY DISADVANTAGED PRODUCERS, PROCESSORS, DISTRIBUTORS, OR BUSINESSES.

~~**(H) FOR FISCAL YEARS 2024 AND 2025, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF AT LEAST \$500,000 TO THE FUND.**~~

~~**(H)**~~ **(1) ON OR BEFORE JULY 1, 2023, AND JULY 1, 2024, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE DEPARTMENT SHALL SUBMIT AN INTERIM REPORT TO THE GENERAL ASSEMBLY THAT PROVIDES AN EVALUATION OF THE PILOT PROGRAM.**

(2) ON OR BEFORE JULY 1, 2025, THE DEPARTMENT SHALL SUBMIT A FINAL REPORT, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON THE PILOT PROGRAM, INCLUDING A RECOMMENDATION ON WHETHER OR NOT THE PILOT PROGRAM SHOULD BE CONTINUED.

SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly:

(1) to encourage counties and municipalities to contribute supplemental financial support to nonprofit organizations that are supported by the Maryland Farms and Families Fund established under § 10-2003 of the Agriculture Article to help increase the reach and capacity of the federal Farmers Market Nutrition Program to serve food-insecure individuals and families as well as participating farmers; and

(2) that any financial support provided by a county or municipality in accordance with item (1) of this section be used as follows:

(i) 80% for distribution to participating farmers markets within the local jurisdiction as matching funds for purchases made with benefits under the Farmers Market Nutrition Program, Supplemental Nutrition Assistance Program, and Special Supplemental Food Program for Women, Infants, and Children and, if available, local market access coordination; and

(ii) 20% for retention by the nonprofit organization for program development, promotion and outreach, training, data collection, and administrative costs.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022. Section 2 of this Act shall remain effective for a period of 4 years and, at the end of June 30, 2026, Section 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved by the Governor, May 16, 2022.