

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 538

(Delegate Shetty, *et al.*)

Appropriations

Finance

Department of Human Services - Federal Commodity Supplemental Food Program - Administration

This bill requires the Family Investment Administration (FIA) in the Department of Human Services (DHS) to be the central coordinating and directing agency of the federal Commodity Supplemental Food Program (CSFP) with funds and resources received from the U. S. Department of Agriculture (USDA).

Fiscal Summary

State Effect: Overall CSFP federal fund revenues and expenditures are not affected, but funding is redirected from the Maryland Department of Aging (MDOA) to DHS. As a result, MDOA federal fund revenues and expenditures decrease by approximately \$225,000 in FY 2026 and \$300,000 annually thereafter; DHS federal fund revenues and expenditures increase correspondingly. MDOA general fund expenditures increase by \$22,000 in FY 2026 to supplement administrative costs, as discussed below; future years reflect annualization and inflation.

Local Effect: The bill does not materially affect local governmental operations or finances.

Small Business Effect: None.

Analysis

Current Law: MDOA administers the federally funded CSFP (also known as “My Groceries to Go!”). The Secretary of Aging is specifically required to administer the programs and activities that the federal government delegates to the State under the

Older Americas Act of 1965 that are not otherwise committed by law to another unit of State government.

CSFP is designed to improve the health of low-income elderly persons at least age 60 by supplementing their diets with USDA foods. Through CSFP, USDA distributes both food and administrative funds to participating states and Indian tribal organizations. CSFP food packages are not designed to provide a complete diet but rather are intended to be a source of the nutrients typically lacking in the diets of the target population.

Family Investment Administration

FIA is the central coordinating and directing agency of all public assistance programs in the State, including (1) the Family Investment Program and related cash benefit programs; (2) public assistance to adults; (3) emergency assistance; (4) food stamps; (5) medical assistance eligibility determinations; (6) the Energy Assistance Program; (7) the Temporary Disability Assistance Program; and (8) any other public assistance activities financed wholly or partly by FIA.

State Fiscal Effect: The fiscal 2026 budget as passed by the General Assembly includes approximately \$300,000 in federal funds for CSFP. This analysis assumes that these funds are transferred to DHS *after* the October 1, 2025 effective date of the bill. Therefore, approximately \$225,000 in federal fund revenues transfer from MDOA to DHS in fiscal 2026 (with a corresponding decrease in MDOA federal fund expenditures); DHS federal fund expenditures (and revenues) increase accordingly since, effective October 1, 2025, FIA assumes responsibility as the central and directing agency of CSFP. DHS advises that existing FIA staff resources are sufficient to meet the requirements of the bill.

MDOA advises that CSFP federal fund revenues earmarked for administrative expenses are used to fund a portion of the salary for one program coordinator that currently oversees CSFP, in addition to other existing MDOA programs. General fund expenditures are necessary to supplement the loss of federal funds; therefore, MDOA general fund expenditures increase by approximately \$22,000 in fiscal 2026, and by approximately \$29,000 annually thereafter, to fully fund the program coordinator salary.

Additional Comments: CSFP local agency partners include the Maryland Food Bank, Capital Area Food Bank, and Allegany County Human Resources Development Commission.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 445 (Senator McCray) - Finance.

Information Source(s): Maryland Department of Aging; Department of Human Services; U.S. Department of Agriculture; Department of Legislative Services

Fiscal Note History: First Reader - February 2, 2025
km/jkb Third Reader - February 14, 2025
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