



POSITION STATEMENT

TESTIMONY PRESENTED TO THE SENATE EDUCATION, HEALTH, & ENVIRONMENTAL AFFAIRS COMMITTEE

SENATE BILL 365 – NEIGHBORHOOD BUSINESS DEVELOPMENT PROGRAM – FOOD DESERT PROJECTS - BUSINESS RETENTION

Sponsor: Senator McCray

February 9, 2021

**DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

Position: Support

The Greater Baltimore Committee (GBC) supports Senate Bill 365, which expands the purposes of the Neighborhood Business Development Program to include retaining and not just creating small businesses and other food-related enterprises that provide fresh, healthy food to those residing in a food desert. It also increases the maximum loan amount to \$100,000. Finally, the bill requires a loan for operating costs to be forgiven after five years provided the loan recipient maintains continuous operations at the same location during that time.

Food deserts have persisted for decades as an issue across the United States and Maryland. A food desert is an area with limited access to affordable and nutritious food. In 2010, the United States Department of Agriculture reported that 23.5 million people lived in food deserts. The Department defines a food desert as areas where urban residents live more than a mile from a supermarket and rural residents live 10 miles or more from a supermarket. According to a 2015 report conducted by Johns Hopkins University, the Baltimore Mayor's office, the Baltimore Health Department, and the Baltimore Development Corporation, 25% of Baltimore residents and 30% of school-aged children live in food deserts.

Food deserts have a significant negative effect on health, and by extension, the economy. Citizens without access to affordable foods with high nutritional value are more likely to purchase processed foods with high sugar and fat content. Thus, there is an increased risk of developing diabetes, obesity, and other diseases impacted by diet. This has a substantial adverse effect on the workforce; employers pay higher life insurance and worker's compensation premiums, and employees miss more work days due to short term absences, long term disability, and premature death. The Harvard School of Public Health predicted that if current trends continue unchecked, obesity related medical costs alone could rise to \$66 billion annually nationwide.

Senate Bill 365 provides an important tool to not only incentivize businesses to locate in food deserts, but also to stay. It not only supports small business, but it also helps to ensure healthy, nutritious food options to Marylanders who reside in food deserts, thereby decreasing health disparities and reducing the negative health burdens on the economy.

SB 365 is consistent with the Greater Baltimore Committee's [2021 Legislative Priorities](#), which outlines the GBC's organizational focus on advancing racial equity and social justice by considering the impacts of legislation on small and minority owned businesses, minority populations, and economically disadvantaged residents. SB 365 supports these populations, while fostering opportunity for small business and supporting a resilient economic development ecosystem.

For these reasons, the Greater Baltimore Committee urges a favorable report on Senate Bill 365.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 66-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

GREATER BALTIMORE COMMITTEE

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