

TO: Senate Budget and Taxation Committee

BILL: Senate Bill 177- Procurement - State Department of Education - Control Authority - Local Food

DATE: January 19, 2025

POSITION: Support with Amendments

The Maryland State Board of Education (State Board) and the Maryland State Department of Education (MSDE) supports **Senate Bill (SB) 177- Procurement - State Department of Education - Control Authority - Local Food** with amendments. The bill authorizes the State Department of Education to engage in or control procurements of certain food. This includes food grown within a 200-mile radius from an elementary or secondary school, food grown at a certified local farm, and food provided by a certified Chesapeake invasive species provider. A local school system will enter into a master contract with the Department to procure food which meets these definitions.

MSDE supports this bill with the request for an amendment to the language on page 2, line 10 and page 4 line 12 to state: “(6) THE STATE DEPARTMENT OF EDUCATION, WITHOUT THE APPROVAL OF ANY OTHER PRIMARY PROCUREMENT UNIT, ***WHEN FUNDING AND RESOURCES BECOMES AVAILABLE***, MAY ENGAGE IN OR CONTROL PROCUREMENT OF...”

SB 177 empowers MSDE to initiate master agreements with local agricultural producers, enhancing its efforts to streamline and increase the procurement of local foods for school meals. The MSDE Office of School and Community Nutrition Programs (OSCNP) administers the U.S. Department of Agriculture (USDA) child nutrition programs (e.g., school breakfast and lunch, etc.) including, Farm to School (F2S). F2S fosters the inclusion of local foods in school meals and supports local agricultural supply chains by creating new market opportunities for producers. With the federal investment in F2S since the Covid-19 pandemic, MSDE has considerably grown its F2S programming.

Although local education agencies (LEAs) have participated in the [USDA’s Patrick Leahy Farm to School Program](#) and the procurement of local foods since its inception in 2010, the 2023 Farm to School Census conducted by the USDA ([2023 Farm to School National and State Data Workbook](#)) documents that local food procurement is only a small percentage of food expenditures made by participants in the various child nutrition programs. To illustrate, the procurement of local produce, meat, and poultry only accounts for 3.8% of total food purchases by LEAs in Maryland (a decline from the last Census in 2019, when it was 8%). While 11% of their food expenditures go for local milk. Though the respondents include a mix of Maryland public and private schools, residential care institutions and child and adult care institutions participating across the nutrition programs, the county school districts are by far the largest purchasers of milk and other food items included in these programs.

The Census and a 2023 Farm to School [sustainability study](#) conducted by OSCNP provide some insight as to the reasons local food procurement is not yet optimized in Maryland. Among the challenges is the perception that the availability of local food is limited, and that there is even less availability of precut/processed local foods. Also noted are the difficulty finding local producers, suppliers, and distributors; few local producers are bidding on

school solicitations; school/district payment procedures do not align with farmers' needs; delivery challenges; and the higher cost associated with local food. Additionally, there has not been a clear definition of "local." School buyers may identify the fresh produce distributed through the federal government and broadline or produce distributors as "local," although these school supply chains are not required to provide "locally sourced" and more often provide regionally.

Currently, OSCNP is developing an automated system, funded by the USDA, to source, order, and fulfill local food deliveries to schools. Known as the Local Food Exchange (LFE), the system was envisioned to address some of the barriers identified by LEAs and local producers for procuring local food in the quantities needed for inclusion in school meals. LFE is expected to ease the identification and sourcing of local producers, processors, and other local food businesses through an extensive database. Those included in the database will be procured under the master contract proposed in **SB 177**. Utilization of a master contract will facilitate simultaneous procurement for several LEAs in a single state bid, easing the burden for producers of responding to multiple, individual solicitations. It also provides them with access to larger contracts, and clients that they might not have otherwise had the opportunity to engage. Local aggregation will also be easier to facilitate when multiple producers are included in a single agreement.

SB 177 also supports LFE's "one-stop shop" process for LEAs, potentially reducing costs and administrative burdens. While saving them time and effort, master contracting will also increase the consistency of their local food procurement. Furthermore, buyers and suppliers under the master contract will have access to a feature in LFE to coordinate forward contracting. This can moderate the discrepancy between when school is in session and the growing season, allowing LEAs and producers to align menu and crop planning more effectively. This level of coordination in the state would be more difficult to achieve without a technology system and a database of state procured suppliers.

Through its federal funding, partnerships with the Maryland Department of Agriculture, Future Harvest, the University of Maryland Eastern Shore and others, MSDE is dedicated to increased procurement of local foods in school meals. MSDE OSCNP will continue to promote and devise strategies for local food procurement, including support for more local distribution chains that can provide processed local foods, storage, and deliveries to schools throughout the state. The proposed legislation not only supports these goals, but it also provides a definition for the procurement of local food in Maryland schools and enables a permanent pathway for MSDE to ensure and manage the cornerstone of federal F2S programming. Moreover, **SB 177** complements the State mandate for 20% local procurement among state agencies, aligns with USDA requirements to "buy American," and the USDA's expanded provisions for local geographic preference in contracting.

We respectfully request that you consider this information as you deliberate **SB 177**. Please contact Akilah Alleyne, Ph.D. (akilah.alleyne@maryland.gov), MSDE Executive Director of the Office of Government Affairs, or Zachary Hands (zachary.hands1@maryland.gov) the Executive Director of the State Board of Education, for any additional information.