

Department of Legislative Services
 Maryland General Assembly
 2019 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 492 (Delegate Gilchrist, *et al.*)
 Health and Government Operations

Procurement - Carbon-Intensive Foods

This bill requires the Maryland Green Purchasing Committee (GPC) to publish a list of carbon-intensive foods, as defined by the bill, and establish best practices for State agencies to reduce, to the maximum extent practicable, the amount of carbon-intensive foods they purchase. Each State agency, including public four-year institutions of higher education, must give consideration and preference to foods that are not on the list and that meet the nutritional needs of the population served. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: General fund expenditures increase by \$64,000 in FY 2020 and may increase minimally in future years, as discussed below. No effect on revenues.

(in dollars)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	64,000	-	-	-	-
Net Effect	(\$64,000)	(\$-)	(\$-)	(\$-)	(\$-)

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

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Carbon-intensive foods” are food products that emit a high level of greenhouse gases throughout the life cycle of the product, relative to other foods.

GPC must develop the list in consultation with the Maryland Department of the Environment (MDE) and the Department of General Services (DGS). It must publish the list by January 1, 2020, and establish best practices by September 1, 2020. The bill establishes a goal for DGS to reduce, to the extent practicable, the volume of carbon-intensive foods purchased by State agencies.

By September 1, 2020, and each year thereafter, each State agency must report to DGS on its procurement of carbon-intensive foods as a percentage of total food purchases for the preceding fiscal year, including the types and quantities of each carbon-intensive food purchased.

Current Law: State law does not address the purchase of carbon-intensive foods by State agencies.

The University System of Maryland, Morgan State University, and St. Mary's College of Maryland are exempt from most provisions of State procurement law (but this bill applies to them).

State procurement law and regulations require State schools and facilities to establish a percentage price preference of no more than 5% for the purchase of locally grown food. The price preference cannot be used in conjunction with any other percentage price preference. This requirement does not apply to any instance in which application of the price preference would cause denial of federal money or be inconsistent with the requirements of federal law.

Background: A 2011 report by the Environmental Working Group assessed the life cycle greenhouse gas emissions of different foods and found that lamb and beef generated the highest level of emissions during production and postproduction. The lowest greenhouse gas generators were primarily grains and vegetables such as lentils, tomatoes, and broccoli.

State Expenditures: As the agency that chairs and staffs GPC, DGS is responsible for implementing the bill's requirements; MDE will provide some support with existing staff. DGS advises that neither it nor MDE has the capacity or expertise to develop a list of carbon-intensive foods or identify best practices related to their purchase, and the Department of Legislative Services (DLS) concurs. Therefore, general fund expenditures for DGS increase by approximately \$64,000 in fiscal 2020 for a consultant to develop the list and best practices and distribute them to affected agencies. Although the bill does not require ongoing updates, any time the list and best practices are updated, general fund expenditures increase by as much as \$28,000 for contractual services.

Only a small number of State agencies purchase large quantities of food, most notably the Maryland Department of Health (for hospitals), the Department of Public Safety and

Correctional Services (for prisons), and the University System of Maryland, Morgan State University, and St. Mary's College of Maryland (for students). Each of these agencies indicates that they can likely implement the bill with existing resources, but that it will have operational effects on their food purchasing. The bill's expectation that State agencies reduce their purchasing of carbon-intensive foods "to the maximum extent practicable" provides them with some flexibility. Also, the bill does not include any specific goals or enforcement of this expectation.

DGS also requested a full-time position to manage the bill's reporting requirements and other tasks, but DLS does not anticipate the need for full-time staff support. The State is currently transitioning to a state-of-the-art procurement and contract management system that should enable agencies to easily track and report on their food purchases. Therefore, ongoing staff support should not be necessary. This estimate also assumes that adding a field to that system can be done with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Aging; Maryland State Department of Education; Maryland School for the Deaf; University System of Maryland; St. Mary's College of Maryland; Maryland Department of Agriculture; Maryland Department of the Environment; Department of General Services; Maryland Department of Health; Department of Juvenile Services; Department of Public Safety and Correctional Services; Department of Veterans Affairs; BusinessInsider.com; Department of Legislative Services

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