

Department of Legislative Services
 Maryland General Assembly
 2019 Session

FISCAL AND POLICY NOTE
 First Reader

Senate Bill 116 (Senator McCray)
 Finance and Budget and Taxation

Transportation - Complete Streets - Access to Healthy Food

This bill expands the State’s complete streets policy and the Complete Streets Program (a local matching grant program administered by the Maryland Department of Transportation (MDOT)), to include a focus on access to healthy food for individuals living in “food deserts.” The Governor must annually appropriate at least \$1.0 million from the Transportation Trust Fund (TTF) for the Complete Streets Program beginning in fiscal 2021. **The bill takes effect June 1, 2019.**

Fiscal Summary

State Effect: TTF expenditures increase by \$1.4 million in FY 2021; future years reflect ongoing administrative costs and the ongoing mandated appropriation. Revenues are not affected. **This bill establishes a mandated appropriation beginning in FY 2021.**

(in dollars)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	0	-	1,358,000	1,153,300	1,158,400
Net Effect	\$0	(-)	(\$1,358,000)	(\$1,153,300)	(\$1,158,400)

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

Local Effect: Local grant revenues increase beginning in FY 2021; local expenditures increase as local governments provide matching funds and use the matching grants for authorized purposes. Local expenditures may also increase to develop policies and become certified by MDOT.

Small Business Effect: None.

Analysis

Bill Summary: The bill expands the complete streets policy that the State Highway Administration (SHA), the Maryland Aviation Administration (MAA), and the Maryland Transit Administration (MTA) must adopt by (1) including routes that create access to healthy food in food deserts in the list of “complete streets design features” that must be considered by the agencies and (2) requiring a complete streets policy to create access to healthy food for individuals without personal vehicles living in food deserts.

The bill also expands the Complete Streets Program (a local matching grant program) by including (1) the development of ranking systems for complete streets projects that prioritize designs to create access to healthy food in food deserts as part of the program’s stated purpose and (2) the creation of access to healthy food for individuals without personal vehicles living in food deserts in the program’s stated goals.

Finally, the bill repeals a provision of Chapters 721 and 722 of 2018 that indicated that funds for the Complete Streets Program must be as provided by the Governor in the State budget. Instead, the bill establishes a mandated appropriation for the program beginning in fiscal 2021.

“Food desert” means a community that does not have easy access to healthy food, including fresh fruits and vegetables, typically in the form of a supermarket, grocery store, or farmers’ market.

Current Law:

Complete Streets Policy – Chapters 717 and 718 of 2018

Chapters 717 and 718 of 2018 generally defined a complete streets policy and specified certain factors and benefits that such a policy must include. Specifically, the Acts define a “complete streets policy” to mean a policy that *provides information for* the implementation of design features that accommodate and facilitate safe and convenient access and mobility to transportation facilities by all users, including bicyclists, motorists, pedestrians, and public transportation users.

Chapters 717 and 718 also required SHA, MAA, and MTA to each adopt and implement a complete streets policy that meets specified requirements for the State’s highways, airport facilities, and transit facilities. For example, each policy must be implemented to create a comprehensive, integrated, and connected transportation network that allows users to choose among different modes of transportation and require the accommodation of other modes of transportation, when practicable. The Acts also defined the types of complete

streets design features that should be considered by the agencies, such as protected bicycle lanes, shared use pathways, and share the road signage.

Complete Streets Program – Chapters 721 and 722 of 2018

Chapters 721 and 722 of 2018 established the Complete Streets Program as a competitive matching local grant program within MDOT. The Acts did not mandate a specific appropriation for the program; instead, the Acts required that funding be as provided by the Governor in the State budget. In addition, the legislation provided that the Acts may not be construed to require MDOT to provide staff or operating expenses for the administration of the program until money is appropriated in the State budget for the program.

Under the program, a local government that develops a complete streets policy and is certified by MDOT may apply for matching grants to finance the design and planning of eligible projects. The stated purpose of the program is to encourage local governments to, among other things, adopt and utilize complete streets design elements in transportation projects. The stated goals of the program include, among other things, improving safety, reducing traffic congestion, and promoting healthy communities.

Once certified by MDOT, a local government may apply for matching grants from the program. Grant funds may only be used for costs associated with the implementation of the complete streets policy, as specified, and the design and planning of eligible projects, which are specified projects that include the addition of or significant repair to facilities that provide access for users of multiple modes of transportation. Chapters 721 and 722 also established a workgroup to assist MDOT in developing and reviewing the regulations required to implement the program.

Background: The federal Centers for Disease Control and Prevention (CDC) defines food deserts as areas that lack access to affordable fruits, vegetables, whole grains, low-fat milk, and other foods that make up a full and healthy diet. CDC advises that food deserts primarily affect rural, minority, and low-income areas because they lack large, retail food markets and have a higher number of convenience stores, where healthy foods are less available.

The Department of Housing and Community Development (DHCD) administers the Fresh Food Financing Initiative, which aims to increase access to healthy foods in food deserts. Funding is provided through DHCD's Neighborhood BusinessWorks Program for the start-up, rehabilitation, or expansion of businesses and nonprofit organizations, with an emphasis on those that will source fresh food from Maryland farmers to designated food desert areas and sustainable communities.

State Expenditures:

Complete Streets Program

As discussed above, Chapters 721 and 722 of 2018 established the Complete Streets Program within MDOT, but did not mandate funding for the program. Furthermore, Chapters 721 and 722 specified that the Acts could not be interpreted to require MDOT to provide staff or operating expenses for the administration of the program until money is appropriated in the State budget for the program. There was no funding included in the fiscal 2019 budget for the program, and the Governor's proposed fiscal 2020 budget also does not include funding for the program. As a result, MDOT has not yet hired staff to develop and implement the program.

Although the fiscal and policy notes for Chapters 721 and 722 estimated an increase in TTF expenditures beginning in fiscal 2019 to develop and implement the program, because funding was not provided for the program, MDOT has not yet incurred any expenditures related to the program. Because the Acts specifically indicate that they may not be interpreted to require MDOT to provide staff or expenses for administering the program until funding is provided in the State budget, and because the bill establishes a mandated appropriation for the program beginning in fiscal 2021, this analysis assumes that:

- the bill's mandated appropriation increases TTF expenditures by \$1 million annually beginning in fiscal 2021; and
- even though it would be optimal for MDOT to hire staff to develop the program in the fiscal year prior to the availability of grant funding, MDOT's administrative costs begin in fiscal 2021, concurrent with the bill's mandated appropriation. (To the extent MDOT chooses to hire staff in fiscal 2020, TTF expenditures increase beginning in that year.)

This analysis also assumes that the \$1.0 million mandated appropriation is used solely for matching grants to local governments and is not used to pay for MDOT's administrative costs.

Consistent with the fiscal and policy notes for Chapters 721 and 722, the Department of Legislative Services advises that MDOT needs to hire additional staff to develop and administer the program and to develop the certification process for local governments. Accordingly, TTF expenditures increase by \$1,358,049 in fiscal 2021. This estimate reflects the \$1.0 million mandated appropriation as well as the cost of hiring two contractual urban planning specialists to develop the program and certification process and to administer the program. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. The estimate includes (1) \$100,000 in one-time costs for consultant services to assist in the initial development of the program and (2) \$100,000 in one-time costs for the development of an online application and grant management program.

Contractual Positions	2
Matching Grants	\$1,000,000
Salaries and Fringe Benefits	147,019
Consultant Services	100,000
Programming Costs	100,000
Other Operating Expenses	<u>11,030</u>
Total FY 2021 State Expenditures	\$1,358,049

Future year expenditures reflect salaries with annual increases and employee turnover and ongoing operating expenses, including \$1 million annually for matching grants.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

Complete Streets Policies

SHA, MAA, and MTA can update their complete streets policies to include the necessary information related to food deserts using existing resources.

Local Fiscal Effect: Local government revenues increase to the extent that local governments are awarded matching grants through the program. Local government expenditures increase as local governments provide local matching funds and use the matching grant funding for authorized purposes. As previously discussed, this estimate assumes that matching grants to local governments total \$1.0 million annually beginning in fiscal 2021.

Any expenses incurred by local governments to develop complete streets policies and to become certified by MDOT cannot be estimated and are not reflected in this analysis. It is assumed that local governments who receive matching grants pursuant to the bill can meet the bill’s requirements for grantees using existing resources.

Additional Information

Prior Introductions: None.

Cross File: HB 82 (Delegate Charkoudian, *et al.*) - Environment and Transportation.

Information Source(s): Maryland Department of Transportation; Governor's Office; Department of Budget and Management; Department of Housing and Community Development; Talbot County; City of College Park; Department of Legislative Services

Fiscal Note History: First Reader - January 30, 2019
mag/lgc

Analysis by: Richard L. Duncan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510