

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 696
Ways and Means

(Delegate Palakovich Carr, *et al.*)

Rules

Primary and Secondary Education - Breakfast and Lunch Programs - Universal
Expansion Report

This bill requires the Maryland State Department of Education (MSDE) to report to the General Assembly on the cost to provide free breakfast and lunch to all students in public schools in the State by December 1, 2024. Specified items that MSDE must consider for each county in determining the cost include the current rate of providing free breakfast and lunch through (1) Maryland Meals for Achievement and (2) participation in the U.S. Department of Agriculture (USDA) Community Eligibility Program (CEP). Also, in determining the cost, specified data by county must be considered and must be disaggregated by (1) elementary, middle, and high school and (2) breakfast and lunch. MSDE must also compile research completed in other states that have established universal meal programs and prepare a summary of any findings in those reports. **The bill takes effect July 1, 2024, and terminates June 30, 2025.**

Fiscal Summary

State Effect: None. MSDE can handle the bill's requirements using existing resources. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

School Nutrition Programs

The School Breakfast Program and the National School Lunch Program are federally assisted meal programs for schools. The School Breakfast Program subsidizes public and participating nonprofit private schools of high school grade or lower and participating residential child care institutions for breakfast meals served to children. Similarly, the National School Lunch Program subsidizes public and participating nonprofit private schools of high school grade or lower and participating residential child care institutions for lunches served to children. In both programs, federal funds pass through MSDE to participating schools and institutions.

Maryland Meals for Achievement

Maryland Meals for Achievement (MMFA) is a joint effort of MSDE and local boards of education or sponsoring agencies for eligible nonpublic schools. MMFA provides funding for schools that make an in-class breakfast available to all students enrolled in schools in which 40% or more of the students qualify for free or reduced priced meals (FRPMs). A school that for one year falls below the 40% FRPM student population eligibility threshold is eligible for MMFA funding in that year. However, the school is no longer eligible for MMFA funding if its percentage of students falls below 40% in a second consecutive year.

Schools are selected to participate in the program and must serve breakfasts that meet MSDE guidelines and federal nutritional standards for schools that participate in the federal school breakfast program. Participating schools must serve breakfasts in the classroom after arrival of students to the school. However, secondary schools (middle schools and high schools) that participate in MMFA may serve breakfast in any part of the school, including from “Grab and Go” carts, after arrival of students to the school. Under Chapter 628 of 2023, the Governor must include in the annual budget bill \$12.05 million for MMFA. Accordingly, the fiscal 2025 allowance includes \$12.05 million for MMFA.

Maryland Cares for Kids Act

Under the Maryland Cares for Kids Act (Chapter 560 of 2018), the State is responsible for the *student share* of the costs of (1) reduced-price breakfasts provided under the federal School Breakfast Program by fiscal 2022 and (2) reduced-price lunches provided under the National School Lunch Program by fiscal 2023. A local board of education or participating nonpublic school is prohibited from charging a student who is eligible for a reduced-price

breakfast or a reduced-price lunch, for any portion of the cost of a meal. The fiscal 2025 allowance includes \$3.9 million for this reduced-price meals program.

Community Eligibility Program

The Healthy, Hunger-Free Kids Act of 2010, in part, amended the federal National School Lunch Act to provide the CEP alternative to household applications for FRPM in high-poverty local education agencies (LEAs) and schools. To be eligible, LEAs and schools must meet a minimum level of students directly certified for free meals (25% of enrollment) in the year prior to implementing the option, agree to serve free lunches and breakfasts to *all* students, and agree to cover with nonfederal funds any costs of providing free meals to all students above amounts provided in federal assistance.

Reimbursement is based on claiming percentages derived from the percentage of students directly certified as increased by use of a multiplier determined by USDA, which has been set at 1.6 since the inception of CEP. An LEA may participate in CEP for all schools in an LEA or only some schools, depending on the eligibility of the individual schools and financial considerations based on the anticipated level of federal reimbursement and other nonfederal support that may be available.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 628 and SB 557 of 2023.

Designated Cross File: SB 579 (Senator Guzzone) - Budget and Taxation and Education, Energy, and the Environment.

Information Source(s): Baltimore City Public Schools; Anne Arundel County Public Schools; St. Mary's County Public Schools; Baltimore County Public Schools; Montgomery County Public Schools; Department of Budget and Management; American Heart Association; Food Research & Action Center; Maryland State Department of Education; U.S. Department of Agriculture; Department of Legislative Services

Fiscal Note History: First Reader - February 13, 2024
md/clb Third Reader - April 6, 2024
Revised - Amendment(s) - April 6, 2024

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