
By: **Delegates Hixson, Bobo, Bronrott, Brown, C. Davis, DeCarlo, Dobson, Dypski, Finifter, Franchot, Fulton, Glassman, Goldwater, Healey, Hecht, Heller, Howard, Hubbard, Kagan, Kirk, Kopp, Mandel, Marriott, McIntosh, Menes, Montague, Morhaim, Nathan-Pulliam, Palumbo, Patterson, Petzold, Phillips, Pitkin, Rawlings, Shriver, Slade, Swain, Turner, Valderrama, Hubers, Cane, Cryor, A. Jones, and Grosfeld**

Introduced and read first time: February 12, 1999

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Education - Maryland Meals for Achievement Pilot In-Classroom Breakfast**
3 **Program**

4 FOR the purpose of establishing a pilot program for schools to provide a school
5 breakfast for all students who attend the school, regardless of the economic
6 status of the students; requiring the State Department of Education, the county
7 boards of education or sponsoring agencies, and schools that wish to participate
8 in the pilot program to perform certain duties; setting a threshold level of
9 income for participation in certain schools; authorizing certain business entities
10 to receive a State income tax credit for certain contributions made to a school
11 under the pilot program; requiring the State Comptroller and the State
12 Department of Education to adopt certain regulations; providing a termination
13 date for this Act; and generally relating to school breakfast programs in the
14 State.

15 BY repealing and reenacting, without amendments,
16 Article - Education
17 Section 1-101(d) and (f) and 7-701 through 7-703
18 Annotated Code of Maryland
19 (1997 Replacement Volume and 1998 Supplement)

20 BY adding to
21 Article - Education
22 Section 7-704
23 Annotated Code of Maryland
24 (1997 Replacement Volume and 1998 Supplement)

25 BY adding to
26 Article - Tax - General

1 Section 10-712
2 Annotated Code of Maryland
3 (1997 Replacement Volume and 1998 Supplement)

4 Preamble

5 WHEREAS, During the last 5 years in the public schools the number of
6 students eligible to receive free and reduced price meals has increased by 25%, while
7 student enrollment has increased by only 11%; and

8 WHEREAS, Research indicates that most children either do not eat breakfast
9 or do not eat an adequately nutritious breakfast; and

10 WHEREAS, Studies by the Harvard University Medical School, the Abell
11 Foundation, and the University of Minnesota - Minnesota Department of Children,
12 Families, and Learning show that when an in-classroom breakfast program is
13 available to all children in a school, there is more time for instruction as there is:

- 14 1. A 50% decrease in disciplinary incidents;
- 15 2. A 75% decrease in tardiness; and
- 16 3. A 30% decrease in visits to the school nurse; and

17 WHEREAS, The Minnesota study also revealed that students who
18 participated in a breakfast program had increased percentile scores on standardized
19 tests in mathematics and reading; and

20 WHEREAS, It also has been shown that when all students, regardless of
21 economic status, are eligible to participate in a school breakfast program, there is an
22 increase in participation in the program, and that participation results in an
23 improved learning environment for all children; now, therefore,

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
25 MARYLAND, That the Laws of Maryland read as follows:

26 **Article - Education**

27 1-101.

28 (d) "County board" means the board of education of a county and includes the
29 New Baltimore City Board of School Commissioners.

30 (f) "Department" means the State Department of Education.

31 7-701.

32 (a) The State Board shall require each county board to provide in each
33 elementary school a free and reduced price breakfast, unless the school is exempted
34 under § 7-702 of this subtitle.

1 (b) The free and reduced price breakfast required to be provided under this
2 section shall meet the standards of the United States Department of Agriculture.

3 7-702.

4 The State Superintendent shall exempt any elementary school from the
5 requirements of this subtitle if:

6 (1) (i) The school has made a breakfast program available for at least
7 3 consecutive months; and

8 (ii) The participation is less than 25 percent of the number of
9 students eligible for free and reduced price meals in each month;

10 (2) (i) The county board approves an alternative nutrition program
11 that the school has instituted;

12 (ii) The school regularly conducts an assessment of the alternative
13 program that provides evidence of success in achieving program objectives; and

14 (iii) The school submits an annual report of the assessment to the
15 county board and the State;

16 (3) (i) The school requests an exemption for reasons of a compelling
17 nature to the county board; and

18 (ii) After review and approval, the county board submits the
19 request for exemption to the State Superintendent; or

20 (4) (i) The school has less than 15 percent of its enrollment approved
21 for free and reduced price meals.

22 (ii) This exemption shall continue from year to year without the
23 need for reapplication, until there is a 10 percent increase in the number of students
24 approved for free and reduced price meals.

25 7-703.

26 (a) The free and reduced price breakfast program under this subtitle shall be
27 suspended if the per meal reimbursement that the federal government provides for
28 the breakfast program is:

29 (1) Reduced below the rate prescribed on July 1, 1979; or

30 (2) Adjusted by the Secretary of the United States Department of
31 Agriculture, as of the most recent July 1 under the national Child Nutrition Act, and
32 the per meal reimbursement is below the adjusted rate.

33 (b) The reimbursement for each meal under subsection (a) of this section shall
34 be determined as follows:

1 (1) Multiply the number of reduced price breakfasts served statewide
2 times the federal reimbursement rate for those breakfasts;

3 (2) Multiply the number of free breakfasts served statewide times the
4 federal reimbursement rate for those breakfasts; and

5 (3) Divide the total of paragraphs (1) and (2) of this subsection by the
6 total number of free and reduced price breakfasts.

7 7-704.

8 (A) (1) THERE IS A PILOT SCHOOL BREAKFAST PROGRAM IN THE STATE,
9 KNOWN AS THE MARYLAND MEALS FOR ACHIEVEMENT PILOT IN-CLASSROOM
10 BREAKFAST PROGRAM.

11 (2) THE PROGRAM IS A JOINT EFFORT OF THE DEPARTMENT, THE
12 COUNTY BOARDS OR SPONSORING AGENCIES FOR ELIGIBLE NONPUBLIC SCHOOLS,
13 AND BUSINESS ENTITIES IN THE STATE.

14 (B) (1) THE PURPOSE OF THE PROGRAM IS TO PROVIDE FUNDING FOR A
15 SCHOOL THAT MAKES AN IN-CLASSROOM BREAKFAST AVAILABLE TO ALL STUDENTS
16 IN THE SCHOOL.

17 (2) THE FUNDING IS INTENDED TO COMPLEMENT THE FUNDING
18 RECEIVED BY A SCHOOL FROM THE FEDERAL GOVERNMENT FOR A SCHOOL
19 BREAKFAST PROGRAM.

20 (C) THE DEPARTMENT SHALL:

21 (1) DEVELOP AN APPLICATION FORM FOR:

22 (I) A SCHOOL THAT DESIRES TO PARTICIPATE IN THE PROGRAM;
23 AND

24 (II) A BUSINESS ENTITY THAT DESIRES TO RECEIVE A STATE
25 INCOME TAX CREDIT FOR CONTRIBUTIONS TO THE PROGRAM;

26 (2) ENSURE THAT THE SCHOOLS THAT PARTICIPATE IN THE PROGRAM
27 REPRESENT GEOGRAPHIC AND SOCIOECONOMIC BALANCE STATEWIDE;

28 (3) ENSURE THAT A SCHOOL THAT PARTICIPATES IN THE PROGRAM IS A
29 SCHOOL AT WHICH AT LEAST 40% OF THE REGISTERED STUDENTS ARE ELIGIBLE FOR
30 THE FEDERAL FREE OR REDUCED MEAL PROGRAM;

31 (4) SELECT SCHOOLS TO PARTICIPATE IN THE PROGRAM, ENSURING
32 THAT AN EVALUATION OF THE PROGRAM IS CONDUCTED BY A PUBLIC INSTITUTION
33 OF HIGHER EDUCATION OR OTHER UNIT OF STATE GOVERNMENT THAT IS
34 INDEPENDENT OF THE DEPARTMENT; AND

1 (5) ANNUALLY REVIEW AND SET THE MEAL REIMBURSEMENT RATE FOR
2 SCHOOLS THAT PARTICIPATE IN THE PROGRAM TO COMPLEMENT THE FEDERAL
3 MEAL REIMBURSEMENT RATE.

4 (D) A COUNTY BOARD OR A SPONSORING AGENCY FOR AN ELIGIBLE
5 NONPUBLIC SCHOOL SHALL:

6 (1) APPLY TO THE DEPARTMENT FOR FUNDS FOR SCHOOLS WITHIN THE
7 JURISDICTION OF THE BOARD OR FOR SCHOOLS THAT ARE UNDER THE SPONSORING
8 AGENCY THAT:

9 (I) ARE ELIGIBLE TO PARTICIPATE IN THE PROGRAM; AND

10 (II) APPLY TO THE BOARD OR TO THE SPONSORING AGENCY TO
11 PARTICIPATE IN THE PROGRAM;

12 (2) DISBURSE THE PROGRAM FUNDS TO THE SCHOOLS UNDER THE
13 JURISDICTION OF THE BOARD OR THE SCHOOLS THAT ARE UNDER THE SPONSORING
14 AGENCY THAT ARE PARTICIPANTS IN THE PROGRAM IN CONJUNCTION WITH
15 FEDERAL REIMBURSEMENT FUNDS THROUGH THE FEDERAL SCHOOL BREAKFAST
16 PROGRAM; AND

17 (3) SUBMIT AN ANNUAL REPORT TO THE DEPARTMENT ON THE
18 PROGRAM, INCLUDING THE MANNER IN WHICH THE FUNDS HAVE BEEN EXPENDED.

19 (E) A SCHOOL THAT PARTICIPATES IN THE PROGRAM SHALL:

20 (1) IMPLEMENT AN IN-CLASSROOM BREAKFAST PROGRAM IN WHICH
21 ALL STUDENTS IN THE SCHOOL MAY PARTICIPATE REGARDLESS OF FAMILY INCOME;

22 (2) SERVE A BREAKFAST THAT MEETS THE GUIDELINES OF THE
23 DEPARTMENT AND THE NUTRITIONAL STANDARDS OF THE UNITED STATES
24 DEPARTMENT OF AGRICULTURE FOR SCHOOLS THAT PARTICIPATE IN THE FEDERAL
25 SCHOOL BREAKFAST PROGRAM;

26 (3) SERVE THE BREAKFAST IN THE CLASSROOM AT THE BEGINNING OF
27 THE INSTRUCTIONAL DAY;

28 (4) COLLECT THE DATA THAT THE COUNTY BOARD OR THE SPONSORING
29 AGENCY AND THE DEPARTMENT REQUIRE FROM PARTICIPANTS IN THE PROGRAM;
30 AND

31 (5) SUBMIT AN ANNUAL REPORT TO THE COUNTY BOARD OR THE
32 SPONSORING AGENCY.

33 (F) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A BUSINESS ENTITY
34 MAY CLAIM A TAX CREDIT APPLICABLE TO THE STATE INCOME TAX OF THE ENTITY
35 IN THE AMOUNT DETERMINED UNDER SUBSECTION (G) OF THIS SECTION FOR
36 CONTRIBUTIONS MADE BY THE ENTITY TO A SCHOOL FOR THE PROGRAM.

1 (G) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE
2 STATE INCOME TAX CREDIT ALLOWED UNDER THIS SECTION SHALL EQUAL 50% OF
3 THE AMOUNT OF THE CONTRIBUTIONS THAT:

4 (I) ARE APPROVED BY THE DEPARTMENT UNDER SUBSECTION (H)
5 OF THIS SECTION; AND

6 (II) WERE MADE DURING THE TAXABLE YEAR OF THE BUSINESS
7 ENTITY.

8 (2) (I) THE STATE INCOME TAX CREDIT ALLOWED TO A BUSINESS
9 ENTITY UNDER THIS SECTION MAY NOT EXCEED, FOR ANY TAXABLE YEAR OF THE
10 BUSINESS ENTITY, THE LESSER OF:

11 1. \$25,000; OR

12 2. THE TOTAL AMOUNT OF STATE INCOME TAX OTHERWISE
13 PAYABLE BY THE BUSINESS ENTITY FOR THE TAXABLE YEAR.

14 (II) ANY EXCESS CREDIT THAT WOULD BE ALLOWED BUT FOR THE
15 LIMITATIONS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY BE CARRIED
16 OVER AND APPLIED AS A STATE INCOME TAX CREDIT FOR SUCCEEDING TAXABLE
17 YEARS UNTIL THE EARLIER OF:

18 1. THE FULL AMOUNT OF THE EXCESS IS USED; OR

19 2. THE EXPIRATION OF THE FIFTH TAXABLE YEAR AFTER
20 THE TAXABLE YEAR IN WHICH THE CONTRIBUTION WAS MADE.

21 (H) (1) THE STATE INCOME TAX CREDIT ALLOWED UNDER THIS SECTION
22 MAY NOT BE ALLOWED UNLESS THE BUSINESS ENTITY HAS APPLIED FOR AND
23 RECEIVED APPROVAL UNDER THIS SUBSECTION FROM THE DEPARTMENT FOR EACH
24 CONTRIBUTION TO THE PROGRAM FOR WHICH THE CREDIT IS CLAIMED.

25 (2) EACH APPLICATION FOR APPROVAL OF A CONTRIBUTION SHALL
26 CONTAIN:

27 (I) THE NAME OF THE SCHOOL WITH A FREE IN-CLASSROOM
28 BREAKFAST PROGRAM FOR ALL STUDENTS AT WHICH THE CONTRIBUTION IS TO BE
29 MADE;

30 (II) THE AMOUNT OF THE CONTRIBUTION; AND

31 (III) A CERTIFICATION BY A COUNTY BOARD OR THE SPONSORING
32 AGENCY AND THE DEPARTMENT AS TO THE VALUE OF ANY NONMONETARY
33 CONTRIBUTION INCLUDED.

34 (3) THE DEPARTMENT MAY NOT APPROVE AN APPLICATION FOR
35 APPROVAL OF A CONTRIBUTION BY A BUSINESS ENTITY IF THE DEPARTMENT
36 DETERMINES THAT:

1 (I) THE MAXIMUM AMOUNT OF CONTRIBUTIONS MADE BY THE
2 BUSINESS ENTITY THAT ARE ELIGIBLE FOR THE STATE INCOME TAX CREDIT FOR
3 THE FISCAL YEAR WILL BE EXCEEDED BY THE SUM OF:

4 1. THE AMOUNT OF THE PROPOSED CONTRIBUTION; AND

5 2. THE TOTAL AMOUNT OF CONTRIBUTIONS TO THE
6 PROGRAM THAT WERE PREVIOUSLY APPROVED FOR THE BUSINESS ENTITY FOR THE
7 FISCAL YEAR; OR

8 (II) THE BUSINESS ENTITY HAS OVERSTATED THE VALUE OF ANY
9 NONMONETARY CONTRIBUTION INCLUDED.

10 (4) BY JANUARY 31 OF EACH YEAR, THE DEPARTMENT SHALL REPORT TO
11 THE COMPTROLLER AND THE MARYLAND INSURANCE ADMINISTRATION THE
12 CONTRIBUTIONS THAT THE DEPARTMENT HAS APPROVED UNDER THIS SECTION IN
13 THE PRECEDING CALENDAR YEAR.

14 (I) THE MARYLAND STATE DEPARTMENT OF EDUCATION AND THE OFFICE OF
15 THE COMPTROLLER JOINTLY SHALL ADOPT REGULATIONS TO IMPLEMENT THE
16 PROVISIONS OF THIS SECTION.

17 (J) THE EMPLOYEE ORGANIZATION THAT IS THE EXCLUSIVE
18 REPRESENTATIVE OF THE CERTIFICATED PUBLIC SCHOOL EMPLOYEES OF A
19 COUNTY BOARD AND THE EMPLOYEE ORGANIZATION THAT IS THE EXCLUSIVE
20 REPRESENTATIVE OF THE NONCERTIFICATED EMPLOYEES OF A COUNTY BOARD
21 AND THE COUNTY BOARD SHALL NEGOTIATE THE TERMS OF THE PARTICIPATION OF
22 THE EMPLOYEES IN THE PROGRAM.

23 **Article - Tax - General**

24 10-712.

25 A BUSINESS ENTITY MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX
26 FOR CONTRIBUTIONS MADE BY THE ENTITY TO A SCHOOL FOR THE MARYLAND
27 MEALS FOR ACHIEVEMENT PILOT IN-CLASSROOM BREAKFAST PROGRAM UNDER §
28 7-104 OF THE EDUCATION ARTICLE.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 July 1, 1999. It shall remain effective for a period of 3 years and, at the end of June
31 30, 2002, with no further action required by the General Assembly, this Act shall be
32 abrogated and of no further force and effect.