

SENATE BILL 744

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1999 Regular Session
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CF HB 868

By: **Senators Conway, McFadden, and Sfikas Blount, Collins, Dyson, Frosh, Hollinger, Pinsky, and Sfikas**

Introduced and read first time: February 26, 1999

Assigned to: Rules

Re-referred to: Economic and Environmental Affairs and Budget and Taxation,
March 3, 1999

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 29, 1999

CHAPTER _____

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

1 Annotated Code of Maryland
2 (1997 Replacement Volume and 1998 Supplement)

3 ~~BY adding to~~
4 ~~Article Tax General~~
5 ~~Section 10-712~~
6 ~~Annotated Code of Maryland~~
7 ~~(1997 Replacement Volume and 1998 Supplement)~~

8 Preamble

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

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

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

- 18 1. A 50% decrease in disciplinary incidents;
19 2. A 75% decrease in tardiness; and
20 3. A 30% decrease in visits to the school nurse; and

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

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

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

30 **Article - Education**

31 1-101.

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

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

1 7-701.

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

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

7 7-702.

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

10 (1) (i) The school has made a breakfast program available for at least
11 3 consecutive months; and

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

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

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

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

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

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

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

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

29 7-703.

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

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

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

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

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

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

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

12 7-704.

13 (A) (1) THERE IS A PILOT SCHOOL BREAKFAST PROGRAM IN THE STATE,
14 KNOWN AS THE MARYLAND MEALS FOR ACHIEVEMENT PILOT ~~IN CLASSROOM~~
15 BREAKFAST PROGRAM.

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

19 (B) (1) THE PURPOSE OF THE PROGRAM IS TO PROVIDE FUNDING FOR A
20 SCHOOL THAT MAKES ~~AN IN-CLASSROOM~~ BREAKFAST AVAILABLE TO ALL STUDENTS
21 IN THE SCHOOL.

22 (2) THE FUNDING IS INTENDED TO COMPLEMENT THE FUNDING
23 RECEIVED BY A SCHOOL FROM THE FEDERAL GOVERNMENT FOR A SCHOOL
24 BREAKFAST PROGRAM.

25 (C) THE DEPARTMENT SHALL:

26 (1) DEVELOP AN APPLICATION FORM ~~FOR:~~

27 ~~(I)~~ FOR A SCHOOL THAT DESIRES TO PARTICIPATE IN THE
28 ~~PROGRAM; AND~~

29 ~~(II) A BUSINESS ENTITY THAT DESIRES TO RECEIVE A STATE~~
30 ~~INCOME TAX CREDIT FOR CONTRIBUTIONS TO THE PROGRAM;~~

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

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

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

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

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

10 (1) APPLY TO THE DEPARTMENT FOR FUNDS FOR SCHOOLS WITHIN THE
11 JURISDICTION OF THE BOARD OR FOR SCHOOLS THAT ARE UNDER THE SPONSORING
12 AGENCY THAT:

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

14 (II) APPLY TO THE BOARD OR TO THE SPONSORING AGENCY TO
15 PARTICIPATE IN THE PROGRAM;

16 (2) DISBURSE THE PROGRAM FUNDS TO THE SCHOOLS UNDER THE
17 JURISDICTION OF THE BOARD OR THE SCHOOLS THAT ARE UNDER THE SPONSORING
18 AGENCY THAT ARE PARTICIPANTS IN THE PROGRAM IN CONJUNCTION WITH
19 FEDERAL REIMBURSEMENT FUNDS THROUGH THE FEDERAL SCHOOL BREAKFAST
20 PROGRAM; AND

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

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

24 (1) IMPLEMENT ~~AN IN-CLASSROOM~~ A BREAKFAST PROGRAM IN WHICH
25 ALL STUDENTS IN THE SCHOOL MAY PARTICIPATE REGARDLESS OF FAMILY INCOME;

26 (2) SERVE A BREAKFAST THAT MEETS THE GUIDELINES OF THE
27 DEPARTMENT AND THE NUTRITIONAL STANDARDS OF THE UNITED STATES
28 DEPARTMENT OF AGRICULTURE FOR SCHOOLS THAT PARTICIPATE IN THE FEDERAL
29 SCHOOL BREAKFAST PROGRAM;

30 (3) SERVE THE BREAKFAST IN THE ~~CLASSROOM AT THE BEGINNING OF~~
31 THE INSTRUCTIONAL DAY SCHOOL UPON THE ARRIVAL OF STUDENTS TO THE
32 SCHOOL;

33 (4) COLLECT THE DATA THAT THE COUNTY BOARD OR THE SPONSORING
34 AGENCY AND THE DEPARTMENT REQUIRE FROM PARTICIPANTS IN THE PROGRAM;
35 AND

36 (5) SUBMIT AN ANNUAL REPORT TO THE COUNTY BOARD OR THE
37 SPONSORING AGENCY.

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

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

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

10 (H) WERE MADE DURING THE TAXABLE YEAR OF THE BUSINESS
11 ENTITY.

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

15 1. \$25,000; OR

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

18 (H) ANY EXCESS CREDIT THAT WOULD BE ALLOWED BUT FOR THE
19 LIMITATIONS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY BE CARRIED
20 OVER AND APPLIED AS A STATE INCOME TAX CREDIT FOR SUCCEEDING TAXABLE
21 YEARS UNTIL THE EARLIER OF:

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

23 2. THE EXPIRATION OF THE FIFTH TAXABLE YEAR AFTER
24 THE TAXABLE YEAR IN WHICH THE CONTRIBUTION WAS MADE.

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

29 (2) EACH APPLICATION FOR APPROVAL OF A CONTRIBUTION SHALL
30 CONTAIN:

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

34 (H) THE AMOUNT OF THE CONTRIBUTION; AND

