

Department of Legislative Services

Maryland General Assembly

2007 Session

FISCAL AND POLICY NOTE

Revised

House Bill 1199

(Delegate Hixson, *et al.*)

Ways and Means

Education, Health, and Environmental Affairs

**Education - Maryland Meals for Achievement In-Classroom Breakfast Program
- Eligibility**

This bill allows the General Assembly to consider expanding eligibility for the Maryland Meals for Achievement In-Classroom Breakfast Program if the Governor provides full funding in the State budget for the program.

Fiscal Summary

State Effect: Funding for the Maryland Meals for Achievement In-Classroom Breakfast Program is discretionary. In FY 2007, general fund expenditures for the program would have to increase by approximately \$439,000 to fund all eligible applicant schools.

Local Effect: None; however, if the bill results in additional State funding for the Maryland Meals for Achievement In-Classroom Breakfast Program, local school revenues from State and federal aid would increase accordingly.

Small Business Effect: Minimal.

Analysis

Current Law: For a school to qualify for the Maryland Meals for Achievement In-Classroom Breakfast Program, at least 40% of the registered students at the school must be eligible for the federal free or reduced price meals program. The Maryland State Department of Education must ensure that schools participating in the program represent geographic and socioeconomic balance statewide.

To qualify for free meals under the federal food services program, a student's family income must be less than 130% of the federal poverty level (\$26,845 for a family of four in the 2007-2008 school year). To qualify for reduced meals, a student's family income must be less than 185% of the federal poverty level (\$38,203 for a family of four in the 2007-2008 school year).

Background: The Maryland Meals for Achievement In-Classroom Breakfast Program was established by Chapters 384 and 385 of 1999. The program offers free breakfasts to all students in participating schools, with State funds covering any costs not covered by the federal food services program. The federal government covers 100% of the costs for participating students who receive free meals, and 80% of the costs for participating students who receive reduced price meals. The State pays the remaining costs: \$.30 per day per participating student who is eligible for reduced price meals, and \$1.50 per day per participating student who does not qualify for subsidized meals.

Participation in the Maryland Meals for Achievement In-Classroom Breakfast Program is voluntary. Although 649 schools are eligible for the program in the current school year, only 184 schools and 76,755 students are participating in the program. Another 28 schools with 9,601 students are on the waitlist for the program, but there is not enough State funding to support their participation. The proposed fiscal 2008 State budget includes \$3.1 million for the program, the same amount that was appropriated in fiscal 2007, and the State funding leverages \$7.2 million in federal food services funds. As shown in **Exhibit 1**, the 28 schools on the waitlist for the program could be funded with an additional \$439,000 in State general fund expenditures that would generate an estimated \$1.8 million in federal subsidies.

Exhibit 1
Maryland Meals for Achievement In-Classroom Breakfast Program
Fiscal 2007

	<u>Schools</u>	<u>Students</u>	<u>State Funds</u>	<u>Federal Funds</u>
Participating Schools	184	76,755	\$3,126,000	\$7,224,963
Waitlisted Schools	28	9,601	438,937	1,773,705

Source: Maryland State Department of Education

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Department of Education, Department of Legislative Services

Fiscal Note History: First Reader - March 21, 2007
mll/rhh Revised - Enrolled Bill - May 11, 2007

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