

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 1058 (Delegate Haynes)
Ways and Means

Education - Study to Improve Nutrition of Free and Reduced-Price Lunches

This bill requires the Maryland State Department of Education (MSDE) to conduct a study on ways to improve the nutrition of free and reduced-price lunches provided for middle and high school students. By November 1, 2013, MSDE must report its findings and recommendations to the General Assembly.

The bill takes effect June 1, 2013, and terminates May 31, 2014.

Fiscal Summary

State Effect: General fund expenditures increase by \$40,000 in FY 2014 to hire a consultant to conduct the required study. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background:

National School Lunch Program and Free and Reduced-price Meals

The National School Lunch Program (NSLP) is a federally assisted meal program operating in over 100,000 public and nonprofit private schools and residential child care institutions nationwide. Generally, public or nonprofit private schools of high school

grade or under and public or nonprofit private residential child care institutions may participate in the school lunch program. School districts and independent schools that choose to take part in the lunch program receive cash subsidies (and in some cases foods) from the U.S. Department of Agriculture (USDA) for each meal they serve. In return, they must serve lunches that meet federal requirements, and they must offer free or reduced-price lunches to eligible children. School food authorities can also be reimbursed for snacks served to children through age 18 in afterschool educational or enrichment programs. Preliminary figures for fiscal 2012 indicate federal grant funding to Maryland for NSLP totaling \$137.9 million.

Any child at a participating school may purchase a meal through NSLP. Children from families with incomes at or below 130% of the poverty level are eligible for free meals. Those with incomes between 130% and 185% of the poverty level are eligible for reduced-price meals, for which students can be charged no more than 40 cents. (For the period July 1, 2012, through June 30, 2013, 130% of the poverty level is \$29,965 for a family of four; 185% is \$42,643.) Children from families with incomes over 185% of poverty pay a full price, though their meals are still subsidized to some extent. Local school food authorities set their own prices for full-price (paid) meals, but must operate their meal services as nonprofit programs.

Afterschool snacks are provided to children on the same income eligibility basis as school meals. However, programs that operate in areas where at least 50% of students are eligible for free or reduced-price meals may serve all their snacks for free.

The Healthy, Hunger-Free Kids Act of 2010 directed USDA to update the NSLP's meal pattern and nutrition standards based on the latest *Dietary Guidelines for Americans*. The new meal pattern took effect at the beginning of 2012-13 school year and increases the availability of fruits, vegetables, and whole grains in the school menu. New dietary specifications set specific calorie limits to ensure age-appropriate meals for grades K-5, 6-8, and 9-12. Also, targets for gradual reductions in the sodium content of the meals must be reached beginning with the 2014-15 school year. While school lunches must meet federal meal requirements, decisions about what specific foods to serve and how they are prepared are made by local school food authorities.

State and Local School Food and Nutrition Programs

Local school systems are subject to federal law and regulations through participation in federal food and nutrition programs, including NSLP. MSDE monitors local school compliance with federal law regarding school food and nutrition programs and provides training and technical assistance to local school systems. The Maryland Code of Regulations (COMAR 13A.06.01.03) indicates that local school systems are subject to

administrative review by MSDE and/or USDA for the purpose of evaluating the administration of a food and nutrition program.

The State provides funding to support food and nutrition programs for low-income children, including free and reduced-price breakfasts, lunches, and snacks. The proposed fiscal 2014 budget includes \$9.5 million for these food service programs. **Exhibit 1** shows for each county the number of students eligible for free and reduced-price meals for the 2012-2013 school year, as well as the percentage of full-time equivalent enrollment that this number represents.

State Expenditures: MSDE advises that it is precluded from using *federal* funds for the *State* requirements under the bill. MSDE will require one contractual staff specialist for a six-month period to conduct research and produce the required study at a total cost of approximately \$40,000. Though the bill takes effect June 1, 2013, it is assumed it takes at least one month to hire a consultant.

Exhibit 1
Free and Reduced-price Meal (FRPM) Eligible Enrollment
As a Percentage of Full-time Equivalent (FTE) Enrollment
2012-2013 School Year

County	FRPM Eligible Enrollment	Percent of FTE Enrollment
Allegany	4,510	54%
Anne Arundel	22,167	29%
Baltimore City	67,008	85%
Baltimore	46,796	45%
Calvert	3,498	22%
Caroline	2,961	57%
Carroll	4,562	17%
Cecil	6,016	40%
Charles	7,911	31%
Dorchester	2,732	61%
Frederick	9,375	24%
Garrett	1,850	47%
Harford	10,296	28%
Howard	9,069	18%
Kent	1,002	50%
Montgomery	45,984	32%
Prince George's	69,190	59%
Queen Anne's	1,866	25%
St. Mary's	5,073	30%
Somerset	1,819	67%
Talbot	1,635	38%
Washington	10,332	47%
Wicomico	8,022	58%
Worcester	2,728	44%
Total	346,402	42%

Source: Maryland State Department of Education

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Department of Education, U.S. Department of Agriculture, Department of Legislative Services

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