



TESTIMONY IN SUPPORT OF HB 704

Community Eligibility Provision Expansion Program - Establishment

*House Appropriations Committee
House Ways and Means Committee*

February 17, 2026

Maryland Hunger Solutions strongly supports HB 704, which aims to provide \$10 million in state funding to support schools implementing the Community Eligibility Provision (CEP) to provide a healthy school breakfast and school lunch to all children at no cost to them or their families.

As a statewide, non-partisan, nonprofit working to end hunger in Maryland, Maryland Hunger Solutions strives to overcome existing barriers to state and federal nutrition assistance programs and create self-sustaining connections between Maryland residents and nutritious foods. Among these nutrition programs, the School Breakfast Program and National School Lunch Program play a critical role as the nation's first line of defense against childhood food insecurity.

The school meal programs have been shown to be some of the healthiest meals children consume on a daily basis, providing students with nutrition they need to learn and thrive during the school day and beyond. [Multiple studies have linked participation in school meals to an incredible number of beneficial outcomes for students](#) including reduced food insecurity, decreased rates of obesity, and improved overall nutrition and wellness. Beyond reducing hunger, this research also links participation in school meals to positive educational outcomes such as enhanced child development and school readiness, and improved academic achievement, attendance, and classroom behavior.

Maryland has made great strides in the past to expand access to school meals, such as covering the reduced-price copay for low-income families, and expanding the number of students directly certified for free meals through Medicaid data matching. However, the most effective way that schools can expand access to school meals is by participating in the federal Community Eligibility Provision (CEP), which is an existing federal provision that allows high-poverty schools and districts to provide school meal at no cost to students.

Since its establishment in the Healthy, Hunger-Free Kids Act of 2010, the CEP has served as a critical resource for school districts to help keep children fed, alleviate child hunger, and advance racial equity and child well-being. The benefits we have seen from serving all students' school meals at no cost through CEP underscore the importance of this nutritional safety net to the health and well-being of Maryland communities.

Research conducted in Maryland points to the benefits of CEP, which include more children eating breakfast and lunch at school, families' ability to stretch their food budgets at home, and removing the

burden of school meal debt from families and school systems.¹ Additionally, a study conducted by Johns Hopkins Bloomberg School of Public Health on the implementation of the CEP in Maryland clearly shows that students who attend CEP schools are almost three times less likely to be food insecure than their counterparts attending CEP eligible schools that don't participate in the program.²

Currently, **there are over 700 Maryland schools across 19 counties successfully using CEP to offer school meals for free to all 390,000 of their students**, including every school in Allegany County, Baltimore City, Baltimore County, Caroline County, Dorchester County, Garrett County, Kent County, Somerset County, and Wicomico County.

These schools and districts operating CEP do not charge a fee to students for school meals and instead receive federal reimbursements for meals served using a formula based on the percentage of children who are eligible to be directly certified for free meals without an application (**see attachment: *Understanding the Community Eligibility Provision* for more details on the federal reimbursement formula**).

While there are many factors that contribute to a school district's decision to participate in CEP, one of the most common barriers to participation is the financial viability of the program due to the inadequacy of this federal reimbursement formula. HB 704 aims to address this barrier by establishing state funding to supplement federal reimbursements received for meals served in CEP schools across the state.

This bill was originally introduced in 2025 to help make CEP sustainable in non-participating schools that currently find the program financially unviable. However, recent federal cuts to SNAP and Medicaid included in H.R. 1 have shifted the purpose of this legislation, due to the trickle down impacts these cuts are projected to have on schools currently implementing CEP.

H.R. 1 made deep cuts to SNAP and Medicaid by slashing benefits, expanding harsh work requirements, eliminating eligibility for many humanitarian immigrants, capping future benefit increases, and shifting unprecedented new costs to states. **These cuts to SNAP and Medicaid are cuts to school meals.**

Children whose households participate in SNAP and Medicaid are directly certified for free school meals. This direct certification rate is the primary basis for determining which schools can utilize CEP. It is also the basis of the federal reimbursement formula that determines the federal reimbursement level a CEP school receives. Therefore, the more children who can be directly certified for free school meals through

¹ Hecht, A., Neff, R., Kelley, T., & Pollack Porter, K. (2021). Universal free schools meals through the Community Eligibility Provision: Maryland food service provider perspectives. In *Journal of Agriculture, Food Systems, and Community Development* (pp. 1–22). Lyson Center for Civic Agriculture and Food Systems. <https://doi.org/10.5304/jafscd.2021.102.033>.

² Gross, S.M., Kelley, T.L., Augustyn, M., Wilson, M.J., Bassarab, K., and Palmer, A. (2019). Household food security status of families with children attending schools that participate in the community eligibility provision (CEP) and those with children attending schools that are CEP-eligible, but not participating. *Journal of Hunger & Environmental Nutrition*. 2019 October; doi: 10.1080/19320248.2019.1679318.



SNAP and Medicaid data, the more likely a school will be eligible for CEP and the more financially sustainable the program becomes.

As H.R. 1 policies are implemented, barriers to SNAP and Medicaid will grow, and fewer students will be able to receive or maintain these benefits, meaning fewer students will be able to be directly certified for free school meals.

Lower direct certification levels will make it harder for schools and districts to meet the minimum CEP eligibility threshold of 25%. Moreover, this will likely cause reimbursement rates for current CEP schools to drop, forcing schools and districts to make the difficult decision to either contribute more local resources to filling that gap or dropping from CEP altogether.

Maryland has an opportunity to create a safety net for our current CEP schools by providing state funding to help fill the gap that will be caused by the federal cuts in H.R. 1.

Schools at risk of losing their CEP status because of the trickle-down impact of federal cuts will be forced to return to a system where we will see the following:

The solution remains clear. At a time when historic cuts to SNAP and Medicaid threaten schools' ability to provide school meals at no cost, supporting Maryland school districts in maximizing their use of CEP is critical. CEP has played a fundamental role in supporting schools with a high percentage of students who reside in households experiencing low income.

HB 704 would create a safety net for Maryland's current CEP schools at risk of losing federal funding by providing state funds to make up the difference between a school's current CEP reimbursement rate and the 100% free-meal reimbursement rate set at the federal level. By passing and enacting HB 704, Maryland will be able to protect the current progress we've made and ensure that federal actions do not force our CEP schools to return to a tiered payment system that allows too many students to fall through the cracks.

While we look forward to a time when Maryland joins the list of states that provide school meals at no cost to ALL children, **Maryland Hunger Solutions respectfully urges a favorable report on HB 704** as an important step towards this goal by investing in and safeguarding our children's health and nutrition.

Thank you for your consideration.

Understanding the Community Eligibility Provision (CEP)

The Community Eligibility Provision (CEP) is an existing federal provision that allows schools with high poverty levels to offer breakfast and lunch at no cost to all students while eliminating the traditional school meal application process.



Benefits of using CEP:

- **Increased Participation** — when both school lunches and breakfasts are served to all students at no cost, more students have access to healthy meals that help them thrive and perform better academically.
- **Less administrative work** — schools no longer have to collect and verify school meal applications.
- **Eliminates unpaid meal fees** — when all students eat at no charge, they will not accrue school meal debt.
- **Improves the financial viability of school nutrition programs** — when participation increases, school districts can take advantage of economies of scale, and reinvest additional revenue into expanding menus, providing staff training, and implementing best practices such as farm to school and breakfast after the bell.

How do schools opt into CEP?

CEP can be implemented for a single school, group of schools, or districtwide as long as the total percentage of “identified students” is 25% or higher.

Identified students — those who are automatically enrolled to receive free school meals without an application because:

- their household receives benefits from the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Medicaid, or Food Distribution Program on Indian Reservations (FDPIR);
- they are identified as homeless, migrant, enrolled in Head Start, or in foster care.

The Identified Student Percentage (ISP) is calculated using the formula:

$$\text{ISP} = \frac{\text{\# of identified students}}{\text{\# of total enrolled students}}$$

Schools opt into CEP on a 4-year cycle. Once elected, a school’s Identified Student Percentage (ISP) and federal reimbursement rate is locked in for 4 years or until the school recertifies.

How are CEP schools reimbursed?

Schools are reimbursed by USDA for each complete meal served to a student.

CEP schools calculate their reimbursement rates by multiplying the ISP by 1.6 to determine the percentage of meals that will be reimbursed at the highest “FREE” rate, with the rest being reimbursed at the lowest “PAID” rate.

SY 25-26 reimbursement rates for severe need schools:

- **FREE rates:** \$4.62 per lunch; \$2.54 per breakfast
- **PAID rates:** \$0.46 per lunch; \$0.40 per breakfast

CEP Reimbursement Examples		
ISP	% FREE Reimbursements	% PAID Reimbursements
25%	40%	60%
40%	64%	36%
50%	80%	20%
60%	96%	4%
62.50%	100%	0%