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Expanding Access to Universal School Meals Will Boost Health, Learning, and Future Prospects for Maryland's Students

Position Statement Supporting House Bill 704

Given Before the House Appropriations Committee

For a state's economy to be resilient, its future workforce must be healthy and educated. Hunger is a direct, preventable barrier to that goal. When children are hungry, their cognitive development is hindered, leading to long-term costs in the form of healthcare expenses and lost productivity. **The Maryland Center on Economic Policy supports House Bill 704, which establishes the Community Eligibility Provision (CEP) Expansion Program.** By providing \$10 million in supplemental funding to help schools bridge the gap between federal reimbursement rates and the actual cost of meals, this legislation ensures that more Maryland students have access to healthy, reliable nutrition without the stigma or administrative burden of traditional meal applications.

Food security is a prerequisite for academic success and long-term economic mobility. When students are hungry, they cannot learn. Research consistently shows that universal school meals lead to:

- Improved academic performance: Higher test scores in math and reading
- Better health outcomes: Reduced rates of childhood obesity and hospitalization
- Increased attendance: Lower rates of absenteeism and tardiness.

Maryland families continue to face significant economic headwinds. Recent federal policy have placed immense pressure on household budgets. Data indicates that nearly one in three Maryland households with children currently struggle to afford consistent, nutritious meals¹.

House Bill 704 addresses these challenges through a three-pronged economic strategy:

Maximizing Federal Investment: The federal Community Eligibility Provision allows schools in high-poverty areas to serve free breakfast and lunch to all students. However, the federal reimbursement formula often leaves a gap that local school systems struggle to fill. House Bill 704 requires the state to pay the difference between the federal "paid" reimbursement rate and the "free" reimbursement rate, making it financially viable for every eligible school (those with an Identified Student Percentage of 25% or higher) to participate.

Immediate Relief for Working Families: In 2026, many Maryland families are still feeling the squeeze of high living costs. By expanding CEP, House Bill 704 acts as an immediate income support, allowing families to redirect those funds toward other essential needs like housing and utility bills.

Reducing Administrative Waste: The traditional "means-tested" application process is inefficient. School districts spend significant resources processing paperwork and chasing "meal debt"—debt that House Bill 704 would effectively eliminate for participating schools. Under this bill, local systems would report on outcomes and debt resolution, ensuring transparency and fiscal accountability.

House Bill 704 also plays another important role. Maryland's current meal system often inadvertently creates a two-tiered environment in our cafeterias. The stigma associated with qualifying for free or reduced-price meals (FARMS) prevents many eligible students from participating, leaving them to go through the school day hungry. House Bill 704 dismantles this barrier by moving toward a universal model. When every student eats for free, the cafeteria becomes a space of inclusion, rather than a reminder of economic status. Furthermore, because poverty is disproportionately concentrated in communities of color due to historical systemic disinvestment, this bill is a critical tool for advancing racial equity in Maryland's education system.

The \$10 million mandated annual appropriation starting in FY 2028 is a modest investment relative to the multi-billion-dollar Blueprint for Maryland's Future. Without addressing food insecurity, the state's other investments in tutoring, college readiness, and career counseling will yield lower returns. Investing in school nutrition is one of the most effective ways to close the achievement gap and support working families.

House Bill 704 is a common-sense solution to a persistent problem. It supports our students, helps our schools maximize federal funding, provides direct relief to families and ensures that Maryland's tax dollars are being used to support one of the most fundamental requirements for learning: nutrition. **For these reasons, the Maryland Center on Economic Policy urges the committee to make a favorable report on House Bill 704.**

Equity Impact Analysis: House Bill 704

Bill summary

House Bill 704 establishes a state-funded program to assist schools in participating in the federal Community Eligibility Provision (CEP). The bill requires the State to pay the difference between federal reimbursement rates and the full cost of free meals for eligible schools. It prioritizes funding for schools with a high concentration of poverty and mandates an annual \$10 million appropriation starting in Fiscal Year 2028.

Background

The federal CEP allows high-poverty schools to provide free breakfast and lunch to all students without individual applications. However, many eligible Maryland schools opt out because federal reimbursements don't always cover total operational costs. House Bill 704 aims to bridge this financial gap, ensuring that school meal debt, which often burdens low-income families is eliminated through systemic state support.

Equity Implications

- By removing the "means test" at the individual level, the bill eliminates the stigma associated with free meals, ensuring that students from low-income backgrounds receive nutrition without social othering.
- The bill specifically instructs the Department of Education to consider geographic diversity, ensuring rural and under-resourced jurisdictions receive equitable access to the \$10 million fund.

- Given the historical correlation between systemic poverty and marginalized racial groups in Maryland, universal meal access disproportionately benefits Black and Latino students who statistically face higher rates of food insecurity.

Impact

House Bill 704 would likely **improve racial, social, and economic equity** in Maryland.

¹ Maryland Food Bank. (2025). The Challenges of Child Hunger