

TO: Senate Budget and Taxation Committee

BILL: Senate Bill (SB) 586 – Community Eligibility Provision Expansion Program – Establishment

DATE: February 25, 2026

POSITION: Support

The Maryland State Board of Education (State Board) and the State Department of Education (MSDE) provide this letter of support for **Senate Bill 586 – Community Eligibility Provision Expansion Program – Establishment**. This bill establishes the Community Eligibility Provision (CEP) Expansion Program within MSDE to provide funding to eligible public and non-public schools (also known as local education agencies or LEAs) that participate in CEP under the federal child nutrition programs.

The CEP Program eliminates the need for household meal applications and ensures that students have access to school meals at no cost, regardless of individual income. To elect CEP, LEAs must meet a minimum Identified Student Percentage (ISP) threshold of 25 percent, either at the individual school level or through grouping schools. Identified students include those directly certified through Medicaid, TANF, SNAP, and other qualifying programs. In School Year 2025–2026, more than 700 Maryland schools participate in CEP across 24 public and 18 non-public LEAs. Of those, 11 LEAs (five public and six non-public) now operate at a 100% CEP claiming percentage, meaning all meals are reimbursed at the federal free rate.

Under CEP, the amount schools are reimbursed by the federal government depends on their ISP rate. Schools with higher percentages of identified students receive a greater share of their meal reimbursements at the federal free rate. Schools with 62% or more identified students qualify as “100% CEP,” meaning all meals are reimbursed at the free rate.

For schools below that 62% threshold, only a portion of meals are reimbursed at the higher free rate, and the remaining meals are reimbursed at a lower paid rate, even though all students eat at no cost. As a result, LEAs must use state or local funds to make up the difference between federal reimbursements and the actual cost of providing meals.

SB 586 is intended to help close this funding gap. If enacted, this funding would provide short-term financial relief to LEAs whose federal reimbursements do not fully cover their meal program costs. While many LEAs maximize reimbursements by grouping schools strategically, MSDE estimates that the proposed \$10 million annual appropriation would last just under five months. This estimate is based on an analysis of October 2025 breakfast and lunch claims for participating CEP schools that are not 100% CEP.

MSDE supports the concept of expanding CEP. In lieu of universal meals, CEP is critical to ensuring more Maryland students receive free school meals. Due to the unknown impact of recent cuts to federal programs that facilitate direct certification for free meals, CEP is a lifeline for ensuring food security among school-aged children. MSDE recognizes that access to consistent, nutritious meals is foundational to student success. Food

security is directly linked to improved academic performance, stronger attendance, enhanced concentration, and better behavioral outcomes.

MSDE recognizes the State's current fiscal climate and the need to balance competing budget priorities. While we strongly support the expansion of the Community Eligibility Provision as an effective strategy to advance student food security and academic success, we acknowledge that implementation must be considered within available State resources. MSDE supports the expansion of CEP when resources allow and remains committed to working with the General Assembly to identify sustainable funding solutions that advance student well-being while maintaining fiscal responsibility.

The State Board and the Department request that the Committee consider this information as it deliberates **SB 586**. For further information, please contact Laurel Cratsley, Interim Executive Director of Government Affairs at Laurel.Cratsley@maryland.gov.