

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

Senate Bill 559

(Senator Guzzone, *et al.*)

Budget and Taxation and Education, Energy,
 and the Environment

Appropriations

Education - Maryland Meals for Achievement In-Classroom Breakfast Program
 - Annual Appropriation

This bill requires the Governor to include in the annual budget bill \$12,050,000 for the Maryland Meals for Achievement (MMFA) In-Classroom Breakfast Program. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: General fund expenditures increase by \$4.5 million in FY 2024 due to contingent funding in the FY 2024 budget as passed by the General Assembly. Beginning in FY 2025, general fund expenditures increase by \$4.5 million annually. **This bill increases a mandated appropriation beginning in FY 2025.**

(\$ in millions)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	4.50	4.50	4.50	4.50	4.50
Net Effect	(\$4.50)	(\$4.50)	(\$4.50)	(\$4.50)	(\$4.50)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Statewide, beginning in FY 2024, local school systems receive the great majority of \$4.5 million annually in increased State funding and expend the equivalent amount on school meals. Federal matching funding, and related expenditures, increase by as much as \$10.0 million annually.

Small Business Effect: None.

Analysis

Current Law: MMFA is a joint effort of the Maryland State Department of Education (MSDE) and local boards of education or sponsoring agencies for eligible nonpublic schools. MMFA provides funding for schools that make an in-class breakfast available to all students enrolled in schools in which 40% or more of the students qualify for free and reduced-price meals (FRPMs). A school that for one year falls below the 40% FRPM student population eligibility threshold is eligible for MMFA funding in that year. However, the school is no longer eligible for MMFA funding if its percentage of students remains below 40% in a second consecutive year.

Schools are selected to participate in the program and must serve breakfasts that meet MSDE guidelines and the nutritional standards of the U.S. Department of Agriculture for schools that participate in the federal school breakfast program. Participating schools must serve breakfasts in the classroom after arrival of students to the school. However, secondary schools (middle schools and high schools) that participate in MMFA may serve breakfast in any part of the school, including from “Grab and Go” carts, after arrival of students to the school.

The Governor must include in the annual budget bill \$7,550,000 for MMFA.

Local Fiscal Effect: According to MSDE data, the \$4.5 million in additional State funding beginning in fiscal 2024, would enable MMFA to serve approximately 179,400 more Maryland students in approximately 266 additional schools. Local school systems receive nearly all of the \$4.5 million increase in annual MMFA State aid to public schools (with nonpublic schools receiving a modest portion). MSDE advises that serving these additional students will result in an additional \$10.0 million in federal funds received by these schools, nearly all of which will go to public schools.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 514 (Delegate Solomon, *et al.*) - Appropriations.

Information Source(s): Maryland State Department of Education; Department of Budget and Management; Department of Legislative Services

Fiscal Note History:
rh/mcr

First Reader - February 21, 2023

Third Reader - March 20, 2023

Revised - Budget Information - June 8, 2023

Revised - Correction - July 5, 2023

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