

Overview of Universal School Meals in Vermont

House Committee on Ways and Means

Julia Richter, Fiscal Analyst

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JFO

1 Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • <https://ljfo.vermont.gov>

Background of Universal School Meals (USM) in Vermont

- Prior to the COVID-19 pandemic 77 Vermont schools provided USM to students
 - Funding came from federal programs (Community Eligibility Provision (CEP) or Provision 2) and local school budgets (Education Fund)
- During part of the COVID-19 pandemic, (March 2020 – June 2022), federal funding was available for all schools to provide USM at no charge to students or families
- Act 151 (2022) established a one-year state-funded USM program for FY 2023
 - Program requires all public schools in Vermont to provide breakfast and lunch to all students at no charge to students or families¹

Notes: 1) The program also allows for independent schools to provide school meals to all students attending on public tuition at no charge to students or families



Review of Act 151 of 2022

- Required all public schools in Vermont to provide breakfast and lunch to all public students at no charge to students or families²
- Appropriated \$29 million for the funding of USM in Vermont for FY 2023
- Required two reports
 - January 15, 2023 AOE report on the impact and status of the act's implementation
 - February 1, 2023 JFO report examining possible revenue sources not ordinarily used for General Fund purposes for long-term funding of a statewide USM program

Notes: 2) The program also allows for independent schools to provide school meals to all students attending on public tuition at no charge to students or families



Cost Factors of a Statewide USM Program

Three primary factors drive the cost of a USM program:

1. Overall participation rate

- Higher participation rate leads to higher costs for the State

2. Percent of participating students who are eligible for the federal free and reduced price meals program³

- Higher percentage of ineligible students participating leads to higher costs for the State

3. Difference between federal school meal reimbursement rates and actual per meal costs

Notes: 3) Students from families with income at or below 185% of the federal poverty level qualify for reduced price meals; students from families with income at or below 130% of the federal poverty level qualify for free meals



Projected Costs are on Target

- JFO estimated the FY 2023 USM program would cost approximately \$29 million
- Based on preliminary data, AOE estimates the State will pay approximately \$27 million for USM in FY 2023⁴
- Per AOE's 2023 report, future changes to cost factors include
 - Participation rate of students eating meals
 - Some issues are currently suppressing participation
 - Extra time, meal quality, school attendance
 - Addressing these issues may increase participation in this and future years
 - Percentage of students eligible for federal free and reduced price meal funding
 - As of October 2022, the number of households qualifying for federal funding from applications decreased
 - Vermont's participation in the Direct Certification with Medicaid Pilot (DC-M) will likely increase eligibility and thus lower costs of USM for the State long term

Notes: 4) This assumes free, reduced, and paid eligible children eat in equal proportion to their status, and participation does not increase beyond October 2022 Average Daily Participation (ADP)



Resources

- Report on the “Impact and Implementation of the Universal School Meals Act” (Vermont Agency of Education, January 16, 2023)
 - <https://legislature.vermont.gov/assets/Legislative-Reports/edu-legislative-report-french-universal-school-meals-20230116.pdf>
- Act 151 (2022)
 - <https://legislature.vermont.gov/Documents/2022/Docs/ACTS/ACT151/ACT151%20As%20Enacted.pdf>
- Act 151 (2022) Fiscal Note
 - <https://legislature.vermont.gov/Documents/2022/Docs/ACTS/ACT151/ACT151%20As%20Enacted.pdf>
- Report on the “Recommendations of the Universal School Meals Task Force” (Universal Meals Task Force, February 1, 2022)
 - <https://legislature.vermont.gov/assets/Legislative-Reports/edu-ahs-aafm-legislative-report-universal-meals-task-force-20220201.pdf>

