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## **Testimony on Vermont Impacts of Proposed Federal Rule Changes to SNAP Eligibility**

**Given By:**

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The Vermont Department of Children and Families (DCF) has estimated that if the proposed rule on broad-based categorical eligibility for SNAP were to go into effect, 4,619 Vermont children ages 0-18 would no longer be eligible for SNAP. Beyond the impact to individual families who will lose benefits, the change may have significant impacts on entire schools and communities because of the relationship between SNAP eligibility and direct certification for free school meals. These impacts could extend beyond school meals programs to many other programs that use free and reduced meal eligibility as a metric for student poverty.

### **Impact on Direct Certification for Free School Meals Based on SNAP**

In the 2018-19 school year, 17,750 of the approximately 33,600 students who were eligible for free and reduced price school meals in Vermont were eligible because they were directly certified based on their participation in SNAP. DCF shares the information on students living in households receiving SNAP benefits directly with the Vermont Agency of Education (AOE), and AOE shares that information with each student's school. The school then extends free meal benefits to these students without requiring the family to submit an application for free and reduced price meals. Because these students are directly certified for free meals based on the information from DCF, these families are not subject to verification of income data (3% of applications are subject to verification), and the school does not need to expend administrative resources approving these students' applications. We don't know exactly how many of the 4,619 children age 0-18 who will lose benefits are part of the group of 17,750 school-age children who are directly certified for free school meals because they receive SNAP. However, this change will likely have a significant downward impact on the number of children who are directly certified for free meals in Vermont.

### **Impact on Universal Meals through CEP**

In order to offer free meals to all students in the school through USDA's Community Eligibility Provision (CEP), a school or group of schools must have at least 40% of their students directly certified for free meals. SNAP participation accounts for the vast majority of students who are directly certified in Vermont, although students may also be directly certified through several other assistance programs. CEP program rules mean that the higher the percentage of directly certified students in a school, the less local funding the school needs to come up with to offer free meals to all the students in the school. If 62% or more of the students in a school or a group of schools are directly certified, the federal government pays for all of the meals and no local funding is required.

In Vermont, we have recently seen a significant decline in the number of schools who are able to achieve a direct certification rate of 40% or more. In School Year 18-19, 63 Vermont schools

participated in the Community Eligibility Provision. 14 of those schools had to drop the program for School Year 19-20 because their direct certification percentages had fallen. If even fewer students are directly certified in the future because fewer students qualify for SNAP, this will further decrease the number of schools able to offer free meals to all students through CEP. Those schools that remain eligible will likely need to contribute more local funding to maintain the program as a result of lower percentages of directly certified students.

### **Potential Impact on Free and Reduced (FRL) Rates**

Students who are directly certified for free meals are counted in the overall percentage of students who qualify for free and reduced price meals. Some of the students who will no longer be directly certified because of SNAP participation may still be eligible for free and reduced meals if their families submit income applications. However, this extra paperwork burden may deter some families who would otherwise have qualified. In addition, when one student in a household is directly certified based on SNAP participation, their eligibility for free meals extends to all other students living in that household. Because of complicated living situations, these students who currently receive extended eligibility might not qualify based on an income application. In general, we believe the proposed rule will likely have a downward impact on the overall number of students who qualify for free and reduced school meals. Because of the very small size of Vermont's schools, a change in status for even one or two families may have a significant impact on their percentage of students qualifying for free and reduced meals. Free and reduced meal percentages (FRL) are used throughout the child nutrition programs and throughout the education sphere as a metric of student poverty. Statewide, in the 2018-2019 school year, the average FRL rate was 41.02%. This average included almost every public school in the state, as well as a few independent schools who participate in the National School Lunch Program.

### **Potential Impact on Other Child Nutrition Programs**

Only communities with FRL rates of at least 50% are eligible to provide open summer meal sites. These are sites which offer free meals to all children age 0-18 without requiring an income application. Schools with FRL rates of at least 50% are also eligible to offer free after school snacks and suppers to students through the Child and Adult Care Food Program. Lower FRL rates would mean fewer Vermont communities would have access to these meal programs.

FRL rates are also used for determining eligibility for federal school nutrition program equipment grants and for the Fresh Fruit and Vegetable Grant Program, which provides fresh fruits and vegetables to elementary aged students outside of the regular meal times.

### **Potential Impact on Other Education Programs**

FRL rates are used as a metric for student poverty for many programs outside of the Child Nutrition Programs. This data is used for equity determinations for state and federal accountability systems under the Every Student Succeeds Act (ESSA). A drop in the FRL rates resulting from this change could make it very difficult to accurately compare student learning data from prior years. In addition, FRL rates are used to determine how much federal funding schools and communities receive under the E-rate program, and whether schools qualify for the

TCLI program (student loan forgiveness for teachers in low income schools). In Vermont, we also use FRL data, along with enrollment data, to determine the distribution among Vermont schools of tens of millions of dollars of Title I, II, IV, and other federal education funds. As FRL numbers change at the school level, and in many cases drop, districts' and schools' relative positions in "low income" rankings will shift. These shifts likely will cause some districts and schools to see their Title funding drop, while others might see an increase. Such changes will cause significant disruptions in educational programming across the state. For example, some high poverty schools that currently operate "schoolwide" Title I programs might no longer be eligible to do so.

This is not an exhaustive list, and there may be additional programs impacted by lower FRL percentages, within the education sphere and beyond.