

Act 136 Coronavirus Relief Fund Funds for Summer Meal Delivery

Act 136 of 2020, Section 12(2)

REPORT

August 19, 2020

Report to the General Assembly

Submitted by

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Purpose

[Act 136 of 2020, Sec. 12\(2\)](#) allocated \$12 million to assist school food authorities and other summer food service program sponsors with delivery of meals in June, July and August 2020. The Act required the Agency of Education (AOE) to submit a report on the status, cost, and funding sources available for summer meal delivery, and directed the Agency to make any recommendation for additional Coronavirus Relief Fund monies for this purpose from a subsequent Joint Fiscal Committee allocation or legislation.

Status

As of August 19, 2020, schools and other SFSP sponsors have requested \$2,170,937 of these funds. \$9,829,063 remain unrequested. 46 of 65 eligible school food authorities and summer meals sponsors have requested funds.

While the AOE determined that there was significant need for these funds as of late May/early June, the timing of the passage of Act 136 meant that the funding arrived too late to significantly alter summer planning, which resulted in the vast majority of the funds going unspent.

In late May, AOE conducted a survey of schools asking what additional support they would need to continue summer meal operations through the end of August. Based on the responses to that survey, AOE estimated that the statewide range of costs would be between \$1.275 - \$15.3 million, with the low end of the range reflecting costs for schools in urban locations to offer grab-and-go distribution, and the high end of the range reflecting costs for schools in rural areas to offer house to house delivery. At that point, 11% of schools responding to the survey planned to stop meal service altogether, 21% of schools did not know what they would be doing, 21% planned to offer grab-and-go distribution and only 7% planned to offer house to house delivery of meals over the summer. In the survey and in conversations with AOE, many schools indicated that funding was a major barrier to continuing meal service, and that they needed to make decisions in early June in order to line up staff.

Act 136 was not signed until early July, at which point schools had already made the decision about whether to continue service, and what level of service to offer. Few schools decided to continue house to house delivery over the summer months. However, almost all schools did decide to continue some form of meal service, with most offering grab-and-go pickup from the school building, and others offering grab-and-go locations around town. This was a less risky form of meal service for the programs because the majority of costs were covered by the USDA per-meal reimbursement rate.

With the Governor's decision to delay the start of school until September, many schools are extending their meal service through the end of August. In several cases, the SFSP CRF funds have made that decision possible (Windsor Central SU, Colchester SD).

AOE will not have final numbers on the number of meals served to children this summer compared to prior summers until October or November. Anecdotally, schools who in previous summers had robust summer meal programs reported that they served fewer meals because camps and other locations where children usually gather were closed. However, many communities who have never been able to offer summer meals because of USDA area-eligibility

requirements were able to do so this summer with those requirements waived. As a result, children in some parts of the state likely had higher access to summer meals than usual, and in other parts of the state they likely had lower access than usual.

Recommendations

With the remaining funds, the AOE recommends the following options:

- Allow funds to be used for Summer Meal Service in early September prior to school re-opening
- Allow funds to be used for COVID-related child nutrition costs incurred by schools to provide meals to children once the school year starts.
- Consider using funds to address solvency concerns for school meals programs by supplementing funding available for Universal Meals.

Extending Summer Meal Service into September

AOE has applied for waivers from USDA to allow summer meals to continue into early September, however USDA has not yet responded. If USDA allows it, a number of schools are interested in continuing service and have inquired about the availability of these funds for that time period. At this time, the language in Act 136 precludes AOE from allowing the funds to be used for early-September service because it limits the funds to meal service in June, July and August. Based on costs incurred during the prior summer months, the maximum that would likely be used for this one-week time period would be \$165,000.

School Year Meal Service Costs

School Food Service Programs will face increased funding challenges this fall. Once school begins, schools will be required by Vermont law to provide meals to every child considered to be attending on every day that school is considered to be in session – including remote learners. Schools are planning to accomplish this in a variety of ways, with some schools sending meals for the following day(s) home with children on the days that the children are at school, others offering grab-and-go pickups at school, and others using underutilized bussing resources to deliver meals house-to-house. We know from our experience this spring that house-to-house delivery will reach far more children than grab-and-go pickup at school. Anecdotally, funding and staffing concerns are the reasons schools cite for choosing grab-and-go pickup instead. AOE does not have an estimate of the cost to provide household delivery of meals state-wide.

There will also be additional funding challenges for children who are learning at school. Schools will be opening under Step II of the Healthy Start guidance, which requires meals to be eaten in the classroom. Providing meals to children in their classrooms requires significant additional equipment for transporting food around the school building at the appropriate temperature, packaging meals, and implementing systems to pre-order meals and count them upon service in the classrooms. Based on estimates of similar costs from schools in Rhode Island, AOE believes these equipment and packing costs just for providing meals in the classroom could cost Vermont schools approximately \$4 million. Schools have already begun to incur these costs as they prepare to start the year. Any allocation towards these efforts should be retroactive to include start-up equipment costs incurred in the months of July and August. These costs were

not allowable uses of the \$12 million appropriated to provide summer meal delivery, and AOE recommends making them so.

Address Solvency Concerns by Supplementing Funding Available for Universal Meals

Food service programs also face solvency concerns due to a likely decline in overall program participation with remote learning. USDA is currently obligating schools to return to a pricing model for meal service once school begins. This means that meals will no longer be free to all children 18 and under. Instead, meals will be limited to students enrolled in each school, and families who don't qualify for free and reduced meals will be charged for each meal. With remote learning and meals in the classroom, food service managers are justifiably worried that households who have to pay for meals will choose to provide their own food instead. This drop in participation threatens the solvency of school meals programs that rely on an economy of scale to break even. Most concerning, it could result in inadvertent identification of free and reduced status children, if they are the only children choosing to eat meals provided by the school. This could further harm participation, if free and reduced status children choose not to eat because of this stigma. Finally, programs will likely see a loss of revenue from non-program foods such as sales to adults, catering revenue, and a la carte sales to children in the cafeteria.

To combat these concerns, some schools are considering adopting Universal Meals for School Year 2020 through the use of USDA's Community Eligibility Provision or Provision 2. Both of these methods require that the school identify a source of funds to cover the costs that would have been paid for by the paid status households. The legislature could consider using the remaining funds to supplement the local funds available for these efforts, to allow more schools to choose this option. If the legislature wanted to do this, schools would need to know that funds were available for this no later than mid-September. There is an August 31 deadline for CEP and an October 1 deadline for Provision 2. The Agency had previously estimated a cost of \$50 million per year for all schools in the state to adopt Provision 2. The cost this year would likely be somewhat lower, as more households will qualify for free and reduced meals as a result of COVID-related financial difficulties. If the legislature chose to appropriate a lesser amount, it would be up to local school food authorities whether to make up the difference with local funds. The result would likely be some additional schools moving to this model, but not all schools.