



Vermont
Superintendents
Association



To: House Education Committee
From: Vermont School Boards Association
Vermont Superintendents Association
Vermont Principals' Association
Date: May 12, 2021
Re: S.100 - an act relating to universal school breakfast and the creation of
the task force on universal school lunch
H.106 - includes task force, local incentive and AOE position from S.100

Thank you for the opportunity to provide testimony on [S.100 as passed by the Senate](#).

At the outset of my testimony I want to emphasize that our Associations support good nutrition for students, the use of local foods in school meals and the role that schools play in supporting all learners by having healthy meals available.

That stated, public education is a costly endeavor, and among the responsibilities of our Associations are to engage in the public policy arena in a manner that considers both sources and uses of public funds. In the case of S.100, we are faced with expanding a use of public funds and determining the source to pay for that expanded use.

The VSBA, VSA and VPA testified in the Senate where our first priority was to ensure that the cost of universal meals was not funded by local school budgets (as proposed in the bill as introduced) and reflected through increases in tax rates locally that would be associated with a new state mandate.

S.100, as passed by the Senate, pays for universal breakfast (breakfast for every student irrespective of ability to pay) through a direct allocation from the Education Fund (commonly referred to as "off the top of the Education Fund) which is preferable to requiring local school districts to bear the cost.

In the view of our Associations, a better method for funding this nutrition program would be to cover the costs through the General Fund.

Incremental Additions to Education Fund Allocations

We are concerned about the expanding list of appropriations and proposed appropriations from the Education Fund and associated policy decisions by the General Assembly which are incrementally adding to the overhead costs of public education. Some recent examples are:

- (1) the normal cost of teachers' pensions (added in 2018 at an initial cost of \$7 million and ballooning to \$37.6 million for FY2022),
- (2) the normal cost of other post employment benefits (proposed by the Senate to be added this year at an initial cost of \$13.8 million) and
- (3) Act 7 (H.81 which made policy changes to the public school employees' health benefits law earlier this session which will likely further increase costs to the Education Fund).

While it may appear that the Education Fund can bear these costs due to the unprecedented (and unlikely to be replicated) unusual circumstances caused by the pandemic, the impacts of these costs will be felt in future years.

The [December 1, 2020 education tax rate letter](#) illustrates our concern. The charge to the Education Fund for the "normal cost" of teachers' pensions was a significant factor in the annual letter which projected a homestead tax rate increase of 9.5 cents to \$1.635. The letter noted that:

"This year the projected cost of teachers' retirement to the Education Fund is \$38.9m, up from \$6.9 million, or more than 5 times the amount from last year. This unprecedented increase accounts for approximately 3.5 cents of the forecasted tax rate increase."

Since the December 1 letter, the 9.5 cent estimated increase in the average homestead tax rate has been reduced significantly (due to increased revenues associated with the pandemic). Yet, the 3.5 cent impact related to teachers' retirement has not changed. So, it is worth noting that, without the increase related to teachers' retirement, we could be seeing a decrease in the average homestead tax rate.

Extension of Federal Flexibility and Funding Provide More Time

Finally, it is noteworthy that the U.S. Department of Agriculture has extended flexibility and funding which will allow schools to continue to serve universal meals through June 30, 2022. This extension provides Vermont with extra time to implement a universal breakfast program. At the same time, the task force on universal school lunch (which is included in [H.106 as passed by the Senate Education Committee](#) and in S.100) could be conducting its work as long as H.106 passes.

With respect to the latter provision, our Associations will very willingly participate in the work of the Task Force, and we know that ultimately the cost of providing school meals for every student irrespective of ability to pay will be borne somewhere.

In closing, I want to reiterate that our Associations support good nutrition for students, the use of local foods in school meals and the role that schools play in supporting all learners by having healthy meals available. We also care about, and pay close attention to, the costs to taxpayers.

Thank you.