

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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S.100 Expansion of School Breakfast and Lunch Programs Act – Proposed Amendment by Senate Education Committee

Bill Summary:

This bill requires all public schools in Vermont to provide breakfast to all students at no charge to families. The bill also sets the goal of purchasing 20 percent of all food from local producers by the year 2023. There is a new position at the Agency of Education to assist with the implementation of these changes. There is also a new Task Force on Universal School Lunch which shall make recommendations on how to expand coverage to universal lunch. This act shall take effect on passage.

Fiscal Impacts:

This analysis estimates the additional annual cost to the Education Fund resulting from this bill and does not include the cost for public schools which already offer free meals. Currently, about 30% of Vermont students attend a public school that offers breakfast through United States Department of Agriculture programs¹.

The cost of the breakfast meals served at schools shall be reimbursed to school districts through quarterly payments from the Education Fund.

Universal Breakfast Annual Cost Estimate: \$6-10 million per year from Education Fund

- The cost of the universal breakfast program can change significantly depending on the student participation rate (i.e. how many students choose to eat at school).

Appropriation:

- Agency of Education position: **\$100,000 for FY22 from General Fund**

¹ The federal USDA programs for universal school meals are: Provision 2 and the Community Eligibility Provision (CEP). Any school can access Provision 2, which establishes a reimbursement rate for meals based on the socioeconomic status of schools. The highest poverty schools can qualify for CEP, which offers a higher reimbursement rate for schools.

Analysis Details:

This analysis estimates the new cost to provide breakfast to all public-school students in Vermont for 180 days per year. About 30% of students already have access to breakfast through universal school meal programs. This is a higher portion of students than universal lunch (about 18% of students have access to universal lunch currently).

Participation: The cost of the universal breakfast program can change significantly depending on the student participation rate. This analysis provides a range to show how the cost of the program may change based on student participation:

- Average participation: the current rate at Vermont schools with universal breakfast (rounded up to the nearest 5%): 60% breakfast
- High participation: All students in attendance on an average day in Vermont 95%

State and Federal Aid: The bill requires school districts to maximize access to federal funds. This analysis assumes the FY18-FY20 average percentage of students on free and reduced-price meals of 40%. This percentage is not likely to change because of a universal breakfast program because families would still need to submit income forms to receive lunch through the free and reduced-price meals. This analysis also includes the federal aid provided through the School Breakfast Program which reduces the per meal cost of paid meals by \$0.32.

Additional federal aid, such as ESSER funds, cannot be used as a funding source for this program because the federal regulations for Provision 2 and CEP (the federal universal meal programs) both say that the difference in cost to offer universal meals must come from a non-federal source of funds 7 CFR §245.9 (b)(2) and 7 CFR §245.9 (f)(4)(vii). This means that the additional cost for universal meals must come from a state or local source.

This analysis includes the state of Vermont contribution of \$.30 per breakfast which covers the remaining cost to families in the “reduced-price” category. Therefore, all of the students in the free and reduced price category are already offered breakfast at no cost to families.