



38 Eastwood Drive, Suite 100
South Burlington, VT 05403

P: (802) 865-0255
F: (802) 865-0266
HungerFreeVT.org

Follow-Up to Testimony Provided on 4/28/22 Regarding S.100, the Universal School Meals Act

Senate Committee on Education

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Anore Horton, Executive Director, Hunger Free Vermont
ahorton@hungerfreevt.org / (802) 231-1293

Thank you for inviting me to provide testimony regarding the hunger and food insecurity challenges facing Vermont families with children currently, and for the near-term future, on April 28th. In these follow-up materials, I provide a recap of my main points, and I also respond to several questions asked by members of the Committee during that hearing. In addition, I include the research briefs from the UVM National Food Access and COVID Research Team that I referenced in my testimony, and that were requested by the Committee.

Hunger and food insecurity are on the rise in Vermont

Most federal pandemic-related income and food supports have ended, including expanded unemployment insurance, direct payments to individuals and to families with children, COVID paid sick leave, rental and mortgage assistance, increased Meals on Wheels funding, and the Farmers to Families Food Box program, to name just a few. The last of these federal income and food support programs are slated to end in July of 2022, including both maximum allotments for 3SquaresVT recipients, and the Child Nutrition Program waivers that have funded both universal summer and universal school meals for the past 2 ½ school years.

Research conducted by the UVM National Food Access and COVID Research Team shows that in Vermont, families with children have been five times as likely to experience food insecurity during the pandemic as have families without children. Record numbers of families have participated in Vermont Foodbank produce distribution events every month so far in 2022, and these numbers continue to grow. This suggests that economic distress and hunger are continuing to increase as federal pandemic relief measures end.

Based on Vermont's experience of the 2008 Great Recession, Hunger Free Vermont expects significantly elevated levels of hunger and food insecurity to persist for at least several years, as families struggle to recover from job disruption, depleted savings, and pandemic-exacerbated health challenges. It took 11 years—until 2019—for hunger and food insecurity rates to return to their 2007 (pre-Great Recession) levels in Vermont. (In 2007, 1 in 10 people / 1 in 7 children in Vermont were food insecure. We did not get back to these already unacceptably high numbers until 2019.) During the pandemic so far, an average of 1 in 4 people in Vermont have experienced hunger or food insecurity.

If Universal School Meals is only mandated for all public schools for 1 year, is it worth it?

Yes. Taken together, this data points to the urgent need to keep universal school meals in place for school year 2022-23.

Families and kids need to rely on the continuation of universal school meals as all of the other nutrition and income supports they depended on during the pandemic end. Schools do not have the staff or resources they need to dismantle the universal meals programs they have been running and reinstate the old, broken, pricing program for school meals.

In addition, the first year of operating a regular universal meals program (as opposed to the pandemic waiver-based programs schools have been operating) is the most risky and difficult to predict for any school. If all schools get up and running with universal meals with guaranteed funding next year, they will then know with much greater certainty what their costs would be to continue providing universal meals beyond next year. If the legislature chooses to not extend the program as a mandate paired with a dedicated source of funding, each school district will be able to make a local decision based on solid cost and participation data. But they need support next year to get systems in place that would allow them to continue, and to establish their participation rates so they can predict their future costs. (See the next section for a walk-through of how Provision 2 works.)

Requiring some families to continue to pay for school meals leaves millions of federal dollars on the table

The Committee wants to know whether there is some way to provide students with all the benefits of a universal school meals experience that eliminates cash registers and stigma from the cafeteria, and ensures that all students can eat the same healthy and complete school meals at no charge, while still charging some subset of “wealthy” families for their children’s school meals.

The answer to this question is no, unless Vermont was to forgo millions of federal dollars, and instead set up a new system to track and collect these funds from these families outside of the federal school meal programs.

The federal law that structures the school breakfast and lunch programs requires that detailed individual income information be collected for each student, and that each meal served be matched to a specific student in the cafeteria for reimbursement purposes, unless one of the two provisions that allow for a universal meals program is used. If the legislature chose to set up a formal system of requiring families in the highest income brackets to pay for their children’s school meals at all schools as a component of the school meals program, that would preclude using the federal universal school meals provisions, and therefore preclude creating a universal meals experience for students. It would also require our state to forgo the federal subsidy that is currently provided for paid student meals, unless every family whose income was over 185% FPL was charged a minimum of \$525 per child per year, as Rosie Krueger explained.

A single parent with one child is over the 185% FPL cut-off and ineligible to get free school meals for their child if they earn \$34,000 a year. Vermont’s JFO estimates that this family needs more than \$67,000 (nearly 400% FPL) to meet their basic needs.

It is important that the State of Vermont require schools to use the federal universal meals provisions (the Community Eligibility Provision and Provision 2), because they use methods to determine a school’s federal reimbursement for meals served that is more financially advantageous than if meals were simply reimbursed based on the actual number of students in the free (up to 130% of the FPL), reduced-price (up to 185% FPL), and paid (over 185% FPL) income categories established by the National School Lunch Act.

Since Provision 2 is what most schools in Vermont would need to use to provide universal meals, let me briefly explain how it works so you can understand why it would help a school draw down more federal funds.

How Provision 2 works to maximize federal funds:

Under Provision 2, a school provides meals at no charge to all students in year 1 (the “base year”) while collecting school meal applications from all families and documenting how many students in each income category actually take meals each day. For the next 3 years, no meal applications are collected, and instead, the participation percentages established in the base year are applied to all meals served to determine the federal reimbursements paid to the school. **Because even under a universal model, more low-income students than high-income students eat school meals, the participation percentages work to the school’s financial advantage under Provision 2.**

Here is a simplified example to illustrate how following the federal rules and using Provision 2 to provide universal meals increases the amount of federal reimbursement a school receives:

1. A school has 100 total students. 45 (45%) are eligible for free meals, and 55 (55%) have to pay for their meals. (Many schools in Vermont have more-or-less this breakdown of students.)
2. During this school's Provision 2 "base year," 40 of the free eligible students, and 20 of the paid students, eat school lunch on an average day. (Reduced-price eligible students factor in as well, but for simplicity's sake, I'm pretending this school doesn't have any.)
3. So, of the 60 lunches served to students on an average day during the "base year," 67% were eaten by free eligible students, and 33% were eaten by paid students.
4. Therefore, for the next 3 years at least, USDA will reimburse 67% of all lunches served to students at the school at the full, free reimbursement rate, and will reimburse the remaining 33% of lunches served at the lower paid reimbursement rate—*no matter which students actually eat the meals.*
5. As universal meals become the norm, and stigma disappears from the cafeteria, more students will eat school meals, but even though only 45% of the students at the school qualify individually for free meals, 67% of the meals served to students will be fully reimbursed by the federal government under this school's Provision 2 claiming percentages. Even though 55% of the students would have to pay for their meals under the traditional pricing model, all of them can eat at no charge under Provision 2, but just 33% of the meals will be counted as "paid" and only partially reimbursed.

Hunger Free Vermont estimates that providing universal breakfast and lunch at all Vermont public schools will draw down about \$5 million more federal dollars to support our state's school meals programs, including to bolster their purchasing of more food from our community farms.