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## **Opportunities to Include Food Security for Children and Families in the Advisory Council on Child Poverty and Strengthening Families' Recommendations to the Legislature**

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Hunger Free Vermont recognizes and appreciates the work of Vermont's Advisory Council on Child Poverty and Strengthening Families. State legislative efforts in recent years, including expansions of the State Child Tax Credit and Earned Income Tax Credit, expansion of affordable child care and universal Pre-K, and the enactment of statewide universal school meals, mean that Vermont has been able to avoid the dramatic increases in child hunger and child poverty documented nationally as federal pandemic-era food security and economic supports have ended.<sup>1</sup> These historic achievements show us that the State of Vermont can make policy choices that will ensure food security and economic stability for all of our families.

Nevertheless, rates of hunger and family food insecurity remain at unacceptable levels, and it is urgent that we protect the historic progress we have made, and continue to make policy improvements where current state systems are failing Vermont's lowest-income families most at risk of hunger. To this end, Hunger Free Vermont respectfully requests that the Advisory Council on Child Poverty and Strengthening Families include the following in your legislative recommendations:

### **(1) Affirm the Advisory Council's support for Act 64, Vermont's Universal School Meals Act.**

- Act 64 has eliminated hunger in all Vermont public schools, by identifying and reaching 10,000 students (12.8% of all public school students) who were not receiving the free school meals for which they are eligible,<sup>2</sup> and by reaching the additional 25,000 students (31% of all public school students) whose family income makes them ineligible for free school meals, but is still below JFO's basic needs budget.<sup>3</sup>
- Act 64 has supported family food security and eased financial hardship to strengthen thousands of Vermont families by covering the approximately \$1,200 per year per child school breakfast and lunch used to cost individual "over-income" families.
- Act 64 has stabilized school meal program finances by eliminating at least \$2 million annually in unpaid school meal program debt and significantly reducing the number of school district-level general fund transfers to shore

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<sup>1</sup> USDA data shows that between 2021-2023, an average of 13.5% of households nationally experienced food insecurity, while in Vermont, an average of 9.2% of households experienced food insecurity. This is an increase from 2018-2020, when an average of 8.6% of households experienced food insecurity in Vermont. Nationally, there has been a 41% increase in the number of food insecure households with children since 2021. While we do not have reliable comparable data for Vermont, in 2022, the [National Food Access and COVID Research Team](#) found that 2 in 5 people in Vermont reported being food insecure in the past year, and that families with children were 5 times more likely to experience food insecurity during the pandemic.

<sup>2</sup> Data provided by Department of Vermont Health Access and the Vermont Agency of Education.

<sup>3</sup> Based on U.S. Census data for Vermont, data from Department of Vermont Health Access, and the Joint Fiscal Office 2022 Basic Needs Budgets and Livable Wage report.

up school meal programs, while bringing over \$11 million in additional federal funding to Vermont to feed children and support our local agricultural economy.<sup>4</sup>

- Act 64 has consistently cost the State of Vermont millions less than what has been appropriated each year, and comprises less than 0.9% of the Education Fund.<sup>5</sup>
- Act 64, in combination with federal rule changes and a partnership between the Agency of Education and Department of Vermont Health Access to use Medicaid data to directly certify students as eligible for free and reduced-price school meals, has eliminated the burden of intrusive school meal applications for nearly all families, and has also reduced administrative burdens on schools.
- By increasing the number of students identified as low-income, Act 64 has doubled the number of communities that are now eligible to operate federally funded universal free summer and afterschool meal programs, bringing additional federal funding to Vermont to reach a record number of children during what can be the hungriest times of the day and year for families. For example, 2024 saw a significant increase in the number of summer meal sites statewide.<sup>6</sup>

**(2) Ensure that Reach-Up grants bring Vermont’s lowest-income single parent families up to the Federal Poverty Level by eliminating the “ratable reduction” that reduces the Reach Up benefit by about 50%; and using current State cost of living and basic needs data to create a base Reach Up grant that is minimally adequate for Reach-Up families.**

- Reach Up is Vermont's safety net program to prevent children from experiencing deep poverty, which we know is harmful to their health and development. Stipends are meant to meet basic needs while parents work towards economic stability.
- Currently, the program bases family stipends on a 2001 housing cost estimate and a 2019 "other basic needs" estimate. Then, the state cuts that number in half with a formula called the "ratable reduction." This means that a family of four is expected to meet most of their basic needs, often including housing, with about \$1000 per month. We know this is impossible and forces families to spend time seeking crisis support such as emergency housing, food pantries, and emergency transportation for medical needs rather than being able to focus on their long-term economic security goals. Persistent poverty all but guarantees that children and parents in Reach-Up households experience hunger on a regular basis.

**(3) Ensure that Family Child Care Home Providers can use the federal Child and Adult Care Food Program (CACFP) to provide nutritious meals and snacks by filling the funding gap for CACFP sponsor organizations.**

Hunger Free Vermont requests that this language, drafted in consultation with the Vermont Agency of Education Child Nutrition Programs Department (which administers the CACFP) be included in the budget:

**\$182,000 is appropriated to the Agency of Education (AoE) to distribute among the Child and Adult Care Food Program (CACFP) sponsor organizations as an incentive to participate as a sponsor of the CACFP for Family Child Care Home providers. All Family Child Care Home providers who participate in the CACFP must have a sponsor organization.**

- **For FY2026, these funds will be distributed by October 1st to participating sponsors, at an amount of \$700/provider each sponsor is currently serving.**

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<sup>4</sup> According to an analysis of annual meal program budget data reported by school districts to the Vermont Agency of Education. The number of school districts providing general fund transfers to their school meal programs declined by 27% in SY 2022-23 as compared to SY 2018-19—the last full school year prior to the implementation of, first, the temporary pandemic era federal universal school meals program, and now, Act 64.

<sup>5</sup> According to data provided by the Vermont Agency of Education and the Joint Fiscal Office. Act 64 cost 17% (\$6.5 million) less than what was appropriated in 2023, with costs expected to decline further in 2025.

<sup>6</sup> Data provided by the Vermont Agency of Education.

- **NOTE: Currently there are 203 providers being served by 4 sponsors; however we expect that number to increase, likely as high as 260 providers before October 2025.**
- **This state funding will allow for the maximum drawdown of federal CACFP funds to be directed to Family Child Care Homes to provide free meals and/or snacks for all children in these homes every childcare day.**

**Each following year, The AOE shall report to the House and Senate Appropriations Committees by January 15th the amount needed for the following fiscal year, based on the number of Family Child Care Home providers served in the current fiscal year, and any expected increase in participation in the next fiscal year. AOE shall also recommend an inflationary increase in the base amount/provider based on the % change in the consumer price index for food away from home from May to May each year.**

- Family Child Care Home Providers are an essential component of Vermont’s child care ecosystem, and serve families in rural, refugee, and other under-served communities. In order to use the CACFP to help fund meals and snacks for the children in their care, Family Child Care Home Providers are required by federal law to have a CACFP sponsor organization. CACFP sponsors handle program paperwork and oversight, and provide valuable technical assistance and support to help keep young children well-fed while they are in care.
- Because federal CACFP reimbursement rates are too low, sponsor organizations cannot cover their sponsorship costs with the administrative fees they are allowed out of the CACFP funds received by the providers, and must raise private funds to cover the difference. This has resulted in a decline in the number of CACFP sponsor organizations in Vermont, and there are now only three remaining, placing the entire system of federally funded meals in child care homes at grave risk.<sup>7</sup> The number of Family Child Care Home Providers using the CACFP to provide meals has also declined, even though, thanks to the expansion of childcare through Act 76, and the more accurate identification of communities with 50% or more children living with low income through Vermont’s Universal School Meals Act (Act 64), more Family Child Care Home Providers than ever before are eligible to use CACFP and receive the highest tier reimbursement rate.<sup>8</sup>
- If CACFP sponsor organizations received \$700 per year for each sponsored Family Child Care Home Provider, they would be able to fill their funding gaps, and even expand the number of home providers they support, reversing the current trend and ensuring that as child care expands in Vermont, child food security is expanding as well.<sup>9</sup>

**The Vermont Legislature, in partnership with the staff of state agencies and nonprofit direct service providers, has taken many bold actions in recent years to bolster child and family food security—and therefore to strengthen and stabilize Vermont families. You have shown that when the State of Vermont steps into leadership for food and economic security, our collective action is successful. Hunger Free Vermont thanks you for these efforts, and urges this Advisory Council to continue and expand upon this success in your recommendations to the 2025-2026 Legislature.**

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<sup>7</sup> The three remaining CACFP sponsor organizations in Vermont are: BROCC Community Action, Capstone Community Action, and Winston Prouty Center. Northwestern Counseling and Support Services (NCSS) and Little Angels Nursery & Preschool both ended their CACFP sponsorship programs in 2024, citing insufficient funding. Thankfully, Capstone Community Action was able to add the Family Child Care Home providers in Franklin and Grand Isle counties being sponsored by NCSS, but immediate State action must be taken to shore up remaining sponsor organizations and restore regional coverage. (Data provided by the Vermont Agency of Education and the National CACFP Sponsors Organization.

<sup>8</sup> According to data provided by the Vermont Agency of Education.

<sup>9</sup> \$700 per year per sponsored Family Child Care Home provider based on interviews with current Vermont CACFP sponsor organizations and federal and state CACFP sponsor requirements.