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H.165

Representative Beck of St. Johnsbury moves that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

\* \* \* Findings \* \* \*

Sec. 1. FINDINGS

The General Assembly finds that:

(1) According to the Vermont Agency of Education, an average of 38 percent of students across all supervisory unions during the 2019–2020 school year qualified for free or reduced-price lunch. As a result, some schoolchildren face more challenges than others in succeeding in school and in life. The General Assembly recognizes that students need fresh and nutritional foods to enable them to focus on their education and that many students come to school hungry. Providing universal school meals offered at no cost to students or their families creates a necessary foundation for learning readiness during the school day.

(2) A 2021 study by the National Food Access and COVID Research Team found that in the first year of the pandemic, nearly one-third of persons in Vermont faced hunger, and families with children were five times more likely to face hunger. Food insecurity rates remained above prepandemic levels a year after the start of the pandemic.

1           (3) In a 2019 research report, the Urban Institute found that up to 42  
2           percent of children living in food-insecure homes may not be eligible for free  
3           or reduced-price school meals.

4           (4) In 2016, the Center for Rural Studies at the University of Vermont  
5           (UVM) partnered with the Vermont Farm to School Network to measure the  
6           economic contribution and impacts of farm-to-school programs in Vermont.  
7           The final report found that school meal programs support a vibrant agricultural  
8           economy, with every \$1.00 spent on local food in schools contributing \$1.60 to  
9           the Vermont economy.

10           (5) A study analyzing trends in food sources and diet quality published  
11           in 2021 found that the most nutritious meals consumed by children in the  
12           United States are school meals, including when compared to meals cooked at  
13           home.

14           (6) A study conducted by UVM found that universal school meals  
15           programs in Vermont were associated with, among other benefits, improved  
16           overall school social climate as a result of financial difference being less  
17           visible and improved readiness to learn among students overall.

18                           \* \* \* Universal Meals Supplement \* \* \*

19           Sec. 2. UNIVERSAL MEALS SUPPLEMENT

20           (a) Notwithstanding provision. The provisions of this section shall apply  
21           notwithstanding any provision of law to the contrary.

1        (b) Definitions. As used in this section:

2            (1) “Approved independent school” means an independent school  
3        physically located in Vermont and approved by the State Board of Education  
4        under 16 V.S.A. § 166.

5            (2) “Universal meals supplement” means the reimbursement amount  
6        paid by the State for the cost of a paid breakfast or lunch under the federal  
7        school breakfast and federal school lunch programs.

8            (A) For breakfast, the universal meals supplement is a sum equal to  
9        the federal reimbursement rate for a free school breakfast less the federal  
10       reimbursement rate for a paid school breakfast, using rates identified annually  
11       by the Agency of Education from payment levels established annually by the  
12       U.S. Department of Agriculture.

13           (B) For lunch, the universal meals supplement is a sum equal to the  
14       federal reimbursement rate for a free school lunch less the federal  
15       reimbursement rate for a paid school lunch, using rates identified annually by  
16       the Agency of Education from payment levels established annually by the U.S.  
17       Department of Agriculture.

18        (c) Universal meals program.

19           (1) In addition to the requirements of 16 V.S.A. § 1264(a)(1) (food  
20       program), each school board operating a public school shall cause to operate  
21       within each school in the school district the same school breakfast and school

1 lunch program made available to students who qualify for those meals under  
2 the Child Nutrition Act and the National School Lunch Act, each as amended,  
3 for each attending student every school day at no charge. An approved  
4 independent school operating a school lunch and school breakfast program  
5 made available to students who qualify for those meals under the Child  
6 Nutrition Act and the National School Lunch Act, each as amended, shall offer  
7 the same to each attending student every school day at no charge in order to  
8 qualify for the universal meals supplement.

9 (2) In operating its school breakfast and lunch program, a school district  
10 and an approved independent school shall seek to achieve the highest level of  
11 student participation, which may include any or all of the following:

12 (A) providing breakfast meals that can be picked up by students;

13 (B) making breakfast available to students in classrooms after the  
14 start of the school day; and

15 (C) for school districts, collaborating with the school's wellness  
16 community advisory council, as established under subsection 136(e) of this  
17 title, in planning school meals.

18 (3) A school district and an approved independent school shall count  
19 time spent by students consuming school meals during class as instructional  
20 time.

21 (d) Award of universal meals supplement.

1           (1) Public schools. From State funds appropriated to the Agency from  
2           the Education Fund for the universal meals supplement, the Agency shall  
3           provide a universal meals supplement for the cost of each meal actually  
4           provided to each student in the district during the previous quarter when meals  
5           are offered to all students at no charge pursuant to subsection (c) of this  
6           section.

7           (A) Reimbursement from State funds shall be available only to  
8           districts that maximize access to federal funds for the cost of the school  
9           breakfast and lunch program by participating in the Community Eligibility  
10          Provision, under 7 C.F.R. § 245.9(f), or Provision 2, under 7 C.F.R. § 245.9(b),  
11          of these programs, or any other federal provision that in the opinion of the  
12          Agency draws down the most possible federal funding for meals served in that  
13          program. At the start of the school year, the Agency of Education may require  
14          that a school food authority requesting the universal meals supplement begin a  
15          new cycle of the relevant federal provision and group sites in a manner the  
16          Agency determines will maximize the drawdown of federal funds.

17          (B) Second breakfasts, as allowed under 7 C.F.R. § 220.9(a), do not  
18          qualify for reimbursement under this subsection.

19          (C) A nonprofit prequalified private prekindergarten provider that is  
20          qualified pursuant to 16 V.S.A. § 829(c) and is not also an approved or  
21          recognized independent school is eligible for the universal meals supplement

1 under this subsection (d) if it operates a food program under a public school  
2 school food authority.

3 (2) Approved independent schools.

4 (A) From State funds appropriated to the Agency from the Education  
5 Fund for the universal meals supplement, the Agency shall provide a universal  
6 meals supplement for the cost of each meal actually provided to each  
7 qualifying student on public tuition when meals are offered to all students at no  
8 charge pursuant to subsection (c) of this section, provided that:

9 (i) If the approved independent school participates in the food  
10 programs as a site under a public school school food authority, the public  
11 school school food authority shall be reimbursed only for students attending  
12 the approved independent school on public tuition.

13 (ii) If the approved independent school participates in the  
14 Community Eligibility Provision under 7 C.F.R. § 245.9(f), or is in a year  
15 other than the base year of Provision 2 under 7 C.F.R. § 245.9(b), the school  
16 shall provide the Agency with the number of students attending the school on  
17 public tuition and the total number of students enrolled in the school. The  
18 Agency shall calculate the percentage of students attending the school on  
19 public tuition and multiply that number by the paid student percentage, the  
20 results of which shall be the number of meals the school shall be reimbursed  
21 for.

1           (B) Second breakfasts, as allowed under 7 C.F.R. § 220.9(a), do not  
2           qualify for reimbursement under this subsection.

3           (C) Students attending an approved independent school on public  
4           tuition shall include a prekindergarten child if the approved independent school  
5           also qualifies as a prequalified private provider and the child’s school district  
6           of residence pays tuition to the school pursuant to 16 V.S.A. § 829.

7           (D) An approved independent school is eligible for the universal  
8           meals supplement only if it operates a food program that makes available a  
9           school lunch, as provided in the National School Lunch Act as amended, and a  
10           school breakfast, as provided in the Child Nutrition Act as amended, to each  
11           attending student who qualifies for those meals under these acts every school  
12           day.

13           (E) Reimbursement from State funds shall be available only to  
14           approved independent schools that maximize access to federal funds for the  
15           cost of the school breakfast and lunch program by participating in the  
16           Community Eligibility Provision under 7 C.F.R. § 245.9(f), or Provision 2  
17           under 7 C.F.R. § 245.9(b), of these programs, or any other federal provision  
18           that in the opinion of the Agency draws down the most possible federal  
19           funding for meals served in that program. At the start of the school year, the  
20           Agency of Education may require that a school food authority requesting the  
21           universal meals supplement begin a new cycle of the relevant federal provision

1 and group sites in a manner the Agency determines will maximize the  
2 drawdown of federal funds.

3 (3) Universal meals supplement. The universal meals supplement  
4 amount for breakfast shall be a sum equal to the federal reimbursement rate for  
5 a free school breakfast less the federal reimbursement rate for a paid school  
6 breakfast, using rates identified annually by the Agency of Education from  
7 payment levels established annually by the U.S. Department of  
8 Agriculture. The universal meals supplement amount for lunch shall be a sum  
9 equal to the federal reimbursement rate for a free school lunch less the federal  
10 reimbursement rate for a paid school lunch, using rates identified annually by  
11 the Agency of Education from payment levels established annually by the U.S.  
12 Department of Agriculture.

13 (e) Exemption suspension. Notwithstanding any provision of law to the  
14 contrary, 16 V.S.A. § 1265 is suspended for fiscal year 2024.

15 Sec. 3. REPEAL

16 Sec. 2 of this act is repealed on July 1, 2025.

17 Sec. 4. SCHOOL FOOD PROGRAMS AND FOOD INSECURITY;

18 REPORT

19 On or before December 15, 2023, the Agency of Education and the Agency  
20 of Agriculture, Food and Markets shall submit a written report to the General  
21 Assembly with a proposal to reprioritize the amount of State funds necessary



1 to continue the universal meals supplement program beyond fiscal year 2024  
2 towards a school food program that provides reimbursement only for the meals  
3 of students that are food insecure but do not qualify for free or reduced-price  
4 meals under the federal food programs. The report shall consider using  
5 eligibility for Dr. Dynasaur coverage as a potential eligibility requirement for  
6 meal reimbursement. If the proposal would result in the use of funds in an  
7 amount less than what would be required to continue the universal meals  
8 supplement beyond fiscal year 2024, the report shall include a recommendation  
9 on how to use the excess funds to provide meals on evenings and weekends to  
10 food insecure students.

11 \* \* \* Local Foods Incentive Grant \* \* \*

12 Sec. 5. 16 V.S.A. § 1264a is amended to read:

13 § 1264a. LOCALLY PRODUCED FOODS

14 (a) It is a goal of the State that by the year 2023, at least 20 percent of all  
15 foods purchased by ~~supervisory unions and supervisory districts, together~~  
16 ~~referred to in this section as “supervisory unions,”~~ eligible entities, as defined  
17 by subsection (e) of this section, be locally produced foods. ~~School boards~~  
18 Eligible entities have the discretion to define what foods are included within  
19 the definition of “locally produced foods” for the purposes of this subsection  
20 and subsection (b) of this section.

1 (b) On or before December 31, 2021 and annually thereafter, a ~~school~~  
2 ~~board~~ an eligible entity operating a school lunch, breakfast, or summer meals  
3 program shall report to the Agency of Education an estimate of the percentage  
4 of the cost of all foods purchased by the ~~school board~~ eligible entity for those  
5 programs that were locally produced foods during the one-year period ending  
6 on June 30 of that year.

7 (c)(1) Beginning with the 2021–22 school year and thereafter, ~~supervisory~~  
8 ~~unions~~ eligible entities shall be eligible for a local foods incentive grant (grant)  
9 from funds appropriated to the Agency of Education for this purpose.

10 (2) A ~~supervisory union~~ eligible entity may apply for the grant if it has:

11 (A) developed a locally produced foods purchasing plan that  
12 describes the ~~supervisory union's~~ eligible entity's goals for purchasing locally  
13 produced foods and its plan to achieve those goals;

14 (B) designated an individual as the food coordinator for locally  
15 produced foods, who shall be responsible for implementing the locally  
16 produced foods purchasing plan;

17 (C) developed a process for tracking the purchase of locally produced  
18 foods; and

19 (D) complied with the reporting requirement under subsection (b) of  
20 this section.

1           (3) ~~A supervisory union~~ An eligible entity that has satisfied the  
2 conditions under subdivision (2) of this subsection may, on or before January  
3 15, 2022 or on or before January 15 of any year thereafter, apply to the Agency  
4 for the grant by submitting a certification, signed by the business manager for  
5 the ~~supervisory union~~ eligible entity, that the ~~supervisory union~~ eligible entity  
6 satisfies the conditions under subdivision (2) of this subsection.

7           (4) If a ~~supervisory union~~ an eligible entity is eligible for a grant under  
8 subdivision (3) of this subsection, then the Agency shall make the grant  
9 payment, subject to appropriation, on or before the following March 31 after  
10 submission of the ~~supervisory union's~~ eligible entity's application, which is  
11 due on or before January 15 of that year, which shall be equal to \$0.15 per  
12 reimbursable school lunch served by the ~~supervisory union~~ eligible entity in  
13 the prior school year through the National School Lunch Program.

14 ~~A supervisory union~~ An eligible entity may apply for this grant and receive this  
15 grant funding only once.

16           (5)(A) ~~A supervisory union~~ An eligible entity that has received a grant  
17 under subdivision (4) of this subsection (c) may, on or before January 15, 2023  
18 or on or before January 15 of any year thereafter, apply for a further grant by  
19 submitting to the Agency of Education information that demonstrates that at  
20 least 15 percent of the cost of all foods purchased or grown, raised, or  
21 produced by the ~~supervisory union~~ eligible entity during the one-year period

1 ending on June 30 of the previous year were local to Vermont as defined in 9  
2 V.S.A. § 2465a(b), excluding:

3 (i) foods purchased or grown, raised, or produced by the  
4 ~~supervisory union~~ eligible entity that were used to provide catering services for  
5 which the ~~supervisory union~~ eligible entity received compensation; and

6 (ii) fluid milk.

7 (B) If a ~~supervisory union~~ an eligible entity grows, raises, or  
8 produces food, it shall assign a fair market value to that food for the purpose of  
9 reporting its cost.

10 (C) A vendor that contracts with a ~~supervisory union~~ an eligible  
11 entity to supply food products shall certify to the supervisory union which of  
12 the food products supplied meet the definition of local to Vermont, taking into  
13 account the exclusions under subdivision 5(A) of this ~~subsection~~ subdivision  
14 (c)(5).

15 (6) If a ~~supervisory union~~ an eligible entity is eligible for a grant under  
16 subdivision (5) of this subsection, the Agency shall, on or before the following  
17 April 30 after submission of the ~~supervisory union's~~ eligible entity's  
18 application, which is due on or before January 15 of that year, make the grant  
19 payment, subject to appropriation, which shall be determined as follows:

1           (A) \$0.15 per reimbursable school lunch served in the prior school  
2 year through the National School Lunch Program for supervisory unions  
3 purchasing at least 15 percent locally produced foods;

4           (B) \$0.20 per reimbursable school lunch served in the prior school  
5 year through the National School Lunch Program for supervisory unions  
6 purchasing at least 20 percent locally produced foods; or

7           (C) \$0.25 per reimbursable school lunch served in the prior school  
8 year through the National School Lunch Program for supervisory unions  
9 purchasing at least 25 percent locally produced foods.

10           (7) ~~A supervisory union~~ An eligible entity may apply for and receive  
11 grant funding under subdivisions (5) and (6) of this subsection for each year  
12 that it qualifies for this grant funding. For applications covering the 2020–  
13 2021 school year, meals served through the Summer Food Service Program  
14 shall also be counted for this grant payment.

15           (8) The Agency of Education may perform sample audits for any year  
16 that grant funds are paid to ~~supervisory unions~~ eligible entities under  
17 subdivision (6) of this subsection to verify that information provided to the  
18 Agency under subdivision (5) of this subsection is accurate. If the Agency  
19 makes a grant payment under subdivision (6) of this subsection to a  
20 ~~supervisory union~~ an eligible entity that was based on inaccurate information  
21 reported by the ~~supervisory union~~ eligible entity, the Agency may seek

1 reimbursement from the ~~supervisory union~~ eligible entity for an overpayment  
2 or reimburse the ~~supervisory union~~ eligible entity for an underpayment or may  
3 adjust future grant amounts under this section to reflect the over- or  
4 underpayment.

5 (d)(1) On or before January 31, 2022 and annually thereafter, the Agency  
6 of Education shall submit to the Senate Committees on Agriculture and on  
7 Education and the House Committees on Agriculture ~~and~~ Food Resiliency,  
8 and Forestry and on Education in an aggregated form:

9 (A) the information received from ~~supervisory unions~~ eligible entities  
10 regarding the percentage of locally produced foods, as the ~~supervisory unions~~  
11 eligible entities define them, that were reported under subsection (b) of this  
12 section; and

13 (B) the percentage of locally produced foods, using the grant funding  
14 definition, that were reported under subdivision (c)(5) of this section and the  
15 amount of grant funding paid to ~~supervisory unions~~ eligible entities under  
16 subdivision (c)(6) of this section in the prior school year.

17 (2) The provisions of 2 V.S.A. § 20(d) regarding expiration of required  
18 reports shall not apply to the reports required by this subsection.

19 (e) As used in this section, “eligible entity” means:

20 (1) a supervisory union or supervisory district; or

