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TO: Senate Appropriations Committee

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I am writing to ask for your support for the language included in the House budget bill (section E.322) that directs DCF to write a report focusing on a specific segment of 3SquaresVT households that receive such low monthly benefits that they do not serve to mitigate hunger or support food security. That is, those that receive the federal minimum SNAP/3SquaresVT benefit of \$23 or less. The report would calculate what is needed to offer a state supplemented minimum benefit.

This approach this report would explore would impact a limited number of 3SquaresVT participants who receive very low monthly benefits. These are people who are not receiving a meaningful grocery supplement-including older adults and working families with children. We estimate that, of the 40,000 households enrolled in 3SquaresVT, approximately 7,500 households would benefit from this proposal-representing around 7,600 people. Offering a state-funded minimum benefit based on 30% of the Moderate Cost Food Plan would be a meaningful supplement to the grocery budgets of Vermonters in this targeted group of eligible 3SquaresVT participants.

Based on Hunger Free Vermont's preliminary calculations, raising these 7,500 households to 30% of USDA's "Moderate Cost Food Plan" (about \$100 per month depending on the number of people in the household) would cost \$4-6 million dollars annually. The purpose of the report proposed in the FY25 Budget would be to gain data the legislature would need to make an informed policy choice regarding how to improve food security.

For many participants, the 3SquaresVT benefits they receive each month is their entire grocery budget; however, the SNAP program is designed to be a supplement to a monthly grocery budget. The current federal calculation of a minimum benefit, which is only guaranteed for household sizes of 1 and 2, is based on 8% of the Thrifty Cost Food Plan², which results in a monthly benefit of just \$23. That is not a meaningful supplement to the monthly grocery budget for anyone, and households of 3 or more may receive a benefit as low as \$1. Using 30% of USDA's "Moderate Cost Food Plan" as a state minimum benefit level for 3SquaresVT households would make the lowest 3SquaresVT benefit a meaningful "supplement" that would actually help eligible households meet their monthly food needs.

Eight states have already enacted a state-supplemented minimum benefit or have active legislation to do so. Each state has their own methodology for determining that state supplement.

Vermont's Joint Fiscal Office (JFO) has used USDA's "Moderate Cost Food Plan" as the basis for calculating the food portion of a Vermont Basic Needs Budget since 2007. Aligning state-administered benefit programs with the accepted methodology for calculating what people need to meet their basic needs in our state makes sense. USDA's Moderate Cost Food Plan for a single adult household is \$352.40 per month.³ 30% would yield a minimum 3SquaresVT monthly food benefit for a single adult of \$105.72.

¹ Estimates based on demographic and benefit issuance data produced by Economic Services Division at the request of Hunger Free Vermont.

² Section 8(a) of the Food and Nutrition Act, codified at 7 U.S.C. 2017(a)

³ Vermont 2022 Basic Needs Budget and Livable Wage Report, food calculation methodology, p. 23 (https://lifo.vermont.gov/assets/Subjects/Basic-Needs-Budgets/8924c89cea/2022-Basic-Needs-Budget-and-Liva ble-Wage-report-FINAL-1-17-2023.pdf). The USDA Thrifty Food Plan for a single adult household is \$291.90 (https://www.fns.usda.gov/cnpp/thrifty-food-plan-2021).