



**LEGISLATIVE REPORT**

# **LOCAL FOODS INCENTIVE GRANT**

**Report to the House and Senate Committees on Education and  
Agriculture**

**January 17, 2023**

**Submitted by Daniel M. French Ed.D.  
Secretary of Education**

**LEADERSHIP**

**SUPPORT**

**OVERSIGHT**

## Executive Summary

[Act 67 of 2021](#) aimed to increase equitable access to high quality education for all students. High quality meals are an essential part of a high-quality education. Section 7 of Act 67 set the goal for schools to buy locally produced goods for at least 20 percent of all foods purchased. This benchmark was created to support local agriculture while also increasing the quality of services students receive during the school day.

The General Assembly charged the Agency of Education (AOE) with providing to the Senate Committee on Agriculture, Senate Committee on Education, House Committee on Agriculture and Forestry and House Committee on Education the accumulated data reflecting the following:

- The information received from supervisory unions regarding the percentage of locally produced foods, as the supervisory unions define them, that were reported under subsection (b) of this section
- The percentage of locally produced foods, using the grant funding definition, that were reported under section (c) (5) of this section
- The amount of grant funding paid to supervisory unions under subdivision (c)(5) of this section and the amount of grant funding paid to supervisory unions under subdivision (c)(6) of this section in the prior school year

Over the last year schools have applied for and tracked grant spending as it related to the purchase of local foods. With assistance from the Agency of Agriculture, Food, and Markets, the Agency of Education was able to define local foods to help narrow the purchasing scope for supervisory unions and school districts (SUs/SDs). The first year of implementation was intended to be a year for schools to hone where they would be purchasing local foods as well as how they would track spending. A total of \$775,307.14 was put into the local economy due to SU/SD food purchasing. After this year the hope is that other SUs/SDs will use the framework created to continue to apply for subsequent years of grant funding.

Grant awards are calculated using only the number of lunches served under the National School Lunch Program. Subsequent Year applications have yet to be audited. Based on the results of those audits, final funding amounts may change. However, it is anticipated that as more schools start to refine their local purchasing practices and begin qualifying for Subsequent Year grant awards, grant requests will grow.

## **Legislation**

This report is submitted pursuant to [Act 67, section 7 of 2021](#). The Agency of Education (AOE) is required to submit a status update on an estimate of the percentage of the cost of all foods purchased by the school board for programs that were locally produced foods during the one-year period.

## **Background**

SY2022 – 2023 is the second year of the Local Foods Incentive Grant (LFI). The LFI has two grant tracks: Baseline Year and Subsequent Year grants. School Food Authorities (SFAs) apply for a Baseline Year grant first, which is intended to act as an “on-ramp” for SFAs as they prepare to increase their local purchasing and get their tracking systems in place. If applicants complete the four grant requirements (develop a locally produced foods purchasing plan, designate a Food Coordinator, identify a tracking method for Subsequent Year grants and provide a local purchasing estimate) they receive a grant award. There is no purchasing threshold required for a Baseline Year grant award.

After completing a Baseline Year, SFAs then apply for Subsequent Year grants every year thereafter. SY22-23 was the first year SFAs were eligible to apply for Subsequent Year grants. To receive a grant award in Subsequent Years, SFAs must achieve at least a 15% local purchasing threshold.

The grant award tiers for Subsequent Years are as follows:

15% local purchasing = \$0.15 per NSLP lunch served

20% local purchasing = \$0.20 per NSLP lunch served

25% local purchasing = \$0.25 per NSLP lunch served

The local purchasing percentage encompasses purchases made by the SFA for all federal child nutrition programs. These include the School Breakfast Program, National School Lunch Program (NSLP), Fresh Fruit and Vegetable Program, Summer Food Service Program, and Child and Adult Care Food Program.

Grant awards are calculated using only the number of lunches served under the NSLP.

Only SUs and SDs are eligible to apply for a Local Foods Incentive grant.

One important consideration to keep in mind is that Subsequent Year applications have yet to be audited. Based on the results of those audits, final funding amounts may change.

## **Program Implementation Summary**

This was the first year SFAs could apply for Subsequent Year grants. There are two notable topics when considering program implementation.

## Vermont Local Definition

The LFI uses the Agency of Agriculture, Food, and Markets' (AAFM) [definition of VT Local](#). The VT Local definition categorizes foods into three types: Raw Agricultural Product, Processed Food, and Unique Food Product. Early in the implementation process, we identified that the AOE lacked the resources and expertise to properly classify foods and verify that reported foods were indeed VT Local compliant. Working with our partners at AAFM, we discovered that they did not have the authority to regulate the VT Local definition as well and the primary mechanism for challenging a VT Local determination was via a lawsuit.

The goal of the AOE was to make the Local Foods Incentive as easy to use as possible for Food Service Directors while also ensuring that the grant maintained programmatic integrity. Our solution to the problem of identifying and verifying that a product meets the VT Local definition was to have producers directly attest that their products qualify. These “producer attestations” may be collected by individual SFAs or by VT FEED, a non-profit partner. Any products that are included on VT FEED’s [Local Food List](#) do not require individual SFAs to collect producer attestations because VT FEED has already done so on their behalf.

Although producer attestations are an extra step for SFAs, we believe that overall, it simplifies the program and reduces the risk SFAs need to take on. If an SFA has a producer attestation on file, they can be confident that the food will be accepted as local for the LFI.

## Tracking Tools

The AOE developed guidance on how SFAs should track their local foods to qualify for a grant award. Clear tracking is important to ensure program integrity as we request to see both backup documentation and select receipts. We initially assumed that most SFAs would use one of two methods that the AOE recommended; either using the Uniform Chart of Accounts codes to track invoices or using an Excel template developed by our nonprofit partners. With applications now submitted, we have found a mix of approaches used, with some SFAs using both pre-approved methods and other SFAs using self-designed excel tracking documents.

**Grant Funding**

Last year (SY21-22), the AOE paid out a total of \$489,838,20 in grants to SFAs for the Local Foods Incentive. Grant awards last year were higher as more SFAs were eligible for a Baseline Year grant award, which is easier to qualify for compared to Subsequent Year grants.

A total of \$339,116.10 has been requested for School Year 2022 – 2023.

We anticipate that as more schools refine their local purchasing practices and begin qualifying for Subsequent Year grant awards, grant requests will grow. This year, there were two SFAs that were within two percentage points of reaching the 15% threshold. Currently the legislature has appropriated \$500,000 annually for the Local Foods Incentive.

**Data**

<b>23</b>	Number of SFAs eligible to apply for a Subsequent Year grant.
<b>6</b>	Number of SFAs that qualified for a Subsequent Year grant award.
<b>9</b>	Number of SFAs that did not qualify for a Subsequent Year grant award.
<b>8</b>	Number of SFAs that were eligible but did not apply for a Subsequent Year
<b>8</b>	Number of SFAs that applied for a Baseline Year grant.
<b>27%</b>	Windham Northeast SU’s local purchasing percentage, the highest Subsequent Year percentage.
<b>\$775,307.14</b>	Total amount of VT Local food purchased by SFAs that applied for a Subsequent year grant.

**Subsequent Year Applicants**

<b>School Food Authority</b>	<b>Locally Produced Foods Budget</b>	<b>% Local Purchasing</b>	<b>Award Tier (per lunch served)</b>	<b>Lunches Served in SY21-22</b>	<b>Grant Award</b>
<b>Essex Westford School District</b>	\$21,462.00	2%	\$0	450,395	\$0
<b>Mount Mansfield Unified Union School District</b>	\$22,134.02	3%	\$0	293,676	\$0

## LEADERSHIP · SUPPORT · OVERSIGHT

School Food Authority	Locally Produced Foods Budget	% Local Purchasing	Award Tier (per lunch served)	Lunches Served in SY21-22	Grant Award
Montpelier Roxbury School District	\$13,292.95	6%	\$0	108,343	\$0
Rivendell Interstate School District	\$5,194.20	7%	\$0	35,192	\$0
Champlain Valley School District	\$75,139.49	7%	\$0	392,276	\$0
Addison Northwest School District	\$22,353.00	7%	\$0	99,759	\$0
Caledonia Central Supervisory Union	\$27,953.24	10%	\$0	132,461	\$0
Lamoille South Unified Union School District	\$39,337.28	13%	\$0	159,542	\$0
Harwood Unified Union School District	\$33,848.27	14%	\$0	190,164	\$0
Burlington School District	\$139,401.99	15%	\$0.15	323,791	\$48,568.65
Lamoille North Supervisory Union	\$51,858.30	15%	\$0.15	163,224	\$24,483.60
Central Vermont Supervisory Union	\$30,801.46	16%	\$0.15	130,624	\$19,593.60
Mount Abraham Unified School District	\$67,198.00	18%	\$0.15	145,505	\$21,825.75
Windsor Central Supervisory Union	\$88,578.22	26%	\$0.25	123,879	\$30,969.75
Windham Northeast Supervisory Union	\$136,754.72	27%	\$0.25	110,316	\$27,579.00

## Baseline Year Applicants

School Food Authority	Local Purchasing Percentage, Estimate (%)	Lunches Served in SY21-22 (#)	Grant Award (\$)
Windsor Southeast Supervisory Union	12.00%	121,929	\$18,289.35
Windham Central Supervisory Union	10%	71,649	\$10,747.35
Two Rivers Supervisory Union	15.00%	83,199	\$12,479.85
Southwest Vermont Supervisory Union	12.00%	336,261	\$50,439.15
Orange Southwest School District	11.00%	96,983	\$14,547.45
Orleans Southwest Supervisory Union	5.00%	92,735	\$13,910.25
Bennington Rutland Supervisory Union	3%	109,521	\$16,428.15
Franklin Northeast Supervisory Union	10.00%	195,028	\$29,254.20

## SFAs That Did Not Apply

School Food Authority	SFA Received a Baseline Year Award (School Year)	Local Purchasing Percentage, Estimate (%)	Accuracy of Estimate	Lunches Served in SY21-22 (#)
Addison Central School District	Never	1.00%	Very Accurate	147,083
Barre Unified Union School District	Never	30.00%	Moderately Accurate	239,470
Colchester Town School District	SY21-22	15.00%	Moderately Accurate	244,560
Essex North Supervisory Union	SY21-22	1.00%	Moderately Accurate	16,396
Franklin West Supervisory Union	Never	1.00%	This is a guess	167,035
Grand Isle Supervisory Union	Never	15.00%	This is a guess	57,737

## LEADERSHIP · SUPPORT · OVERSIGHT

School Food Authority	SFA Received a Baseline Year Award (School Year)	Local Purchasing Percentage, Estimate (%)	Accuracy of Estimate	Lunches Served in SY21-22 (#)
Greater Rutland County Supervisory Union	Never	15.00%	This is a guess	161,498
Hartford Town School District	Never	50.00%	This is a guess	106,743
Kingdom East Supervisory District	Never	15.00%	This is a guess	120,788
Maple Run Unified School District	SY21-22	13.00%	Moderately Accurate	273,155
Mill River Unified Union School District	Never	1.00%	Moderately Accurate	102,885
Milton Town School District	Never	12.00%	Moderately Accurate	161,164
Missisquoi Valley School District	Never	6.00%	Very Accurate	188,669
North Country Supervisory Union	Never	8.00%	This is a guess	268,854
Orange East Supervisory Union	Never	20.00%	This is a guess	147,590
Orleans Central Supervisory Union	Never	1.00%	Moderately Accurate	112,140
Rutland City School District	Never	23.00%	Moderately Accurate	210,428
Rutland Northeast Supervisory Union	SY21-22	13.00%	Moderately Accurate	139,001
Slate Valley Modified Unified Union School District	SY21-22	12.00%	Moderately Accurate	116,883
South Burlington Town School District	SY21-22	15.00%	Moderately Accurate	229,174
Springfield Town School District	Never	10.00%	This is a guess	115,670
St. Johnsbury Town School District	Never	10.00%	Moderately Accurate	73,002



## LEADERSHIP · SUPPORT · OVERSIGHT

School Food Authority	SFA Received a Baseline Year Award (School Year)	Local Purchasing Percentage, Estimate (%)	Accuracy of Estimate	Lunches Served in SY21-22 (#)
Washington Central Unified Union School District	Never	25.00%	This is a guess	124,399
White River Valley Supervisory Union	SY21-22	4.00%	This is a guess	126,166
Windham Southeast Supervisory Union	SY21-22	18.00%	Moderately Accurate	310,806
Windham Southwest Supervisory Union	Never	20.00%	This is a guess	65,027
Winooski School District	Never	27.00%	Moderately Accurate	83,153