Keep Vermont's Commitment to Universal School Meals

UNIVERSAL SCHOOL MEALS

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01/30/2025 Updated 2/19/2025 The State of Vermont made a commitment to families, students, educators, school administrators, and communities when Act 64 of 2023 passed with strong support from all Vermont political parties:

- Breakfast and lunch for every student in public school on every school day at no charge to students.
 - Independent schools can opt in
- Governor Scott allowed this bill to become law without his signature on June 14, 2023.
- A one-year pilot passed with strong support in 2022 had already tested and proven the value of a universal approach to feeding students during the school day, and so Vermont made a permanent commitment to universal school meals.

Governor Scott is now proposing to *repeal* this law and end this commitment in his proposed budget for FY 2026.

This would mean...

Governor Scott's Proposed Repeal of Vermont's Universal School Meals Program would cost Vermont Kids, Families, Schools, and Farmers:

- **2.5 million fewer healthy school meals** served to Vermont kids each year.
- 27,000 children in families in the "missing middle" would have to pay for school meals or pack meals from home, **costing families \$1,500 per child per year.**
 - This would cost families \$24 million a year in school meals or packed lunches from home at the average cost of a meal in Vermont (\$4.34/meal)
- Vermont schools and farms lose millions in federal funds.
 - \$16.9 million less each year for Vermont's school meal programs and farms, according to JFO.

Governor Scott's Proposed Repeal of Vermont's Universal School Meals Program would cost Vermont Kids & Families

- Repeal would cost families that are not eligible for free school meals
 \$1,500 per child per year.
 - The average cost of a meal in Vermont is $\frac{4.34}{2}$.
 - Over a 175-day school year, Vermont's Universal School Meals Program is saving families \$1,500 per child.
 - The state is helping to pay for 5.5 million school meals, saving families \$4.34 on each meal.
 - This would directly cost families that are not eligible for free school meals \$24 million a year in school meal fees or packed lunches from home.

Governor Scott's Proposed Repeal of Vermont's Universal School Meals Program would stick schools with the bill:

School districts would have to cover millions in unpaid meal debt, which is skyrocketing in states without Universal School Meals. School principals would return to being bill collectors.

- In Concord, NH, families' unpaid debt to their school meal programs has increased 620% since the COVID-19 pandemic.
- Unpaid School Meal Debt Continues Nearly Decade-Long Rise (K-12 Dive)
- <u>Utah Schools Still Struggle with Millions in Lunch Debt as Lawmakers Push for</u> <u>Relief</u> (KUTV.com)
- <u>NC School District Launches Fund to Eliminate Alternative School Meals for Kids</u> <u>Short on Funds</u> (WRAL.com)

School districts would have to shore up their school meal program finances with increased school budget general fund transfers each year–as most of them did every year before Act 64. (AOE estimates as much as \$5.4 million a year)

USDA estimates that universal school meal programs save school districts an average of about \$100,000 in administrative costs and burden per year.

*Since all spending by individual school districts is funded through the Education Fund, repealing Vermont's Universal School Meals Act would merely shift the costs around in the Education Fund, while providing zero relief to residential property tax payers, feeding fewer students, and costing struggling "missing middle" families more.

Governor Scott's Proposed Repeal of Vermont's Universal School Meals Program would cost Vermont Kids, Families, Schools, and Farmers–all year round:

- Dozens of communities would be rendered *ineligible* to operate the federal summer or afterschool meal programs.
- Thousands of Vermont kids would miss out on summer meals served each year—with the burden falling back on families.
- More children would experience summer hunger, and the documented months of learning loss that accompany it.
- Additional millions in federal funding for summer and afterschool meals left on the table in DC.

REPEALING ACT 64 means:

Thousands of families in the "missing middle" lose food security struggling to pay an extra \$1,500 per child each year for school meals or packed lunches.

Participation in school breakfast and lunch drops by 20-40%, and students once again go hungry at school.

Vermont school meal programs and farms lose \$17 million a year in federal funds.

Cash registers are required in the cafeteria; staff time shifts from scratch cooking to managing paperwork and entering student codes on computer screens.

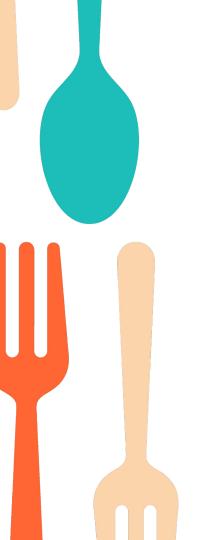
Each meal costs schools more to make as they lose economies of scale.

School meal program debt and debt collection returns; administrative burden and cost increases for school districts.

Vermont farms lose critical sales to school cafeterias-the largest food purchasers in every town in our state.

Vermont's Universal School Meals Program is a Stunning Success!

- No student has had to learn what hunger feels like in any Vermont public school.
- More students are eating nutritious school meals than ever before
 - 1.4 million more breakfasts (a 36% participation increase)
 - 1.1 million more lunches (a 20% participation increase) were served last school year, compared to the 2018-2019 school year (the last full school year before the COVID-19 pandemic).
 - That's 2.5 million additional meals eaten by students in public and independent schools as a direct result of Vermont's Universal School Meals Program.
- As a direct result of this dramatic increase in student participation, federal funding for Vermont school meal programs has increased \$10 million (44%) from 2019 to 2024. Vermont Agency of Education estimates that this will grow to \$16.9 million in 2026.



Vermont's Universal School Meals Program is a Stunning Success:

- Universal School Meals has helped more communities in the state qualify for summer and afterschool meal programs that are fully reimbursed by the federal government.
 - 1 million+ meals served in summer 2024– our most ever!
 - \$3.8 million in federal funding for summer meals in 2024
 - Vermont leads the nation in summer meals participation
- Universal School Meals eases the burden on local school budgets
 - School general fund transfers for meal programs have decreased by 37% since 2019, despite 30% food inflation in that time.
- **Families save money** buying school meals or packing lunch costs \$1,500 per child per year.

What does making sure no student ever learns what hunger feels like at school cost us?

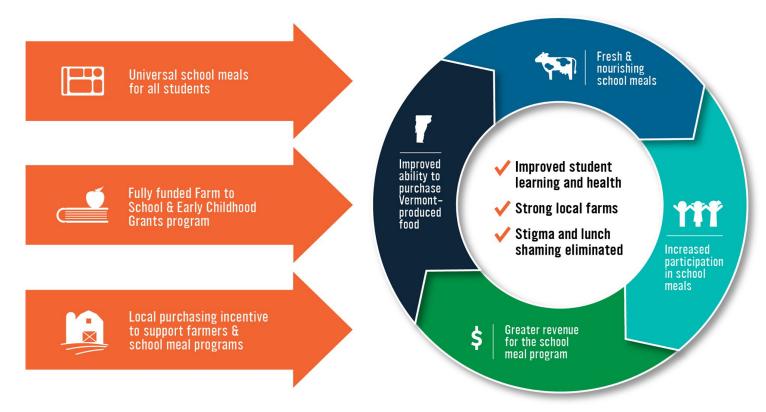
One way to calculate this is: under the provisions of Act 64, the average residential property tax payer pays approximately \$30 per year toward Universal School Meals.

- The proportion of the education fund that comes from residential property taxes is conservatively about 30%.
- \$18.5 million (the total categorical aid portion of Vermont's Universal School Meals Program for FY26) x 30% = 5,550,000 / 170,000 residential property taxpayers = \$32.65 per year

A different way to calculate this is: For someone whose home is assessed at a value of \$400,000, and who is <u>not</u> income sensitized, the most they would pay toward Vermont's Universal School Meals Program is \$60 per year.

- \$18.5 million (the total categorical aid portion of Vermont's Universal School Meals Program for FY26) translates to between 1 and 1.5 cents per \$100 of assessed residential property value.
- \$400,000 / \$100 = 4,000 x 1.5 cents = \$60 per year

Universal school meals feeds the local economy – Schools are buying more food from Vermont farms and producers in a powerful virtuous cycle:



The Universal School Meals Program has become important to keeping our local food system strong by building the institutional purchasing power of our school districts:

- Every dollar spent on local food generates an additional \$1.60 in economic activity for Vermont.
- One example of how institutional purchasing can help an agricultural business to thrive is that of Boyden Farms beef. During the 2021-22 school year, Food Connects (a food hub) sold approximately \$35,000 worth of Boyden Farm beef to Vermont public schools. The following year, that number rose to \$48,000, a 37% increase. Last school year, sales continued to climb, reaching \$110,000. That is a 129% increase — demonstrating not just growth, but the increasing integration of Vermont-raised proteins into school meal programs. So far, this school year sales are already at \$98,000, with 5 months left to go.

The 1/8/25 <u>Summary Report</u> of Key Themes from the Vermont Agency of Education's Listen and Learn Tour documents the strong support for Vermont's Universal School Meals Program among education leaders, teachers, and the Vermont public.

For example:

- "Important to keep universal school meals" (p. 67)
- "Universal meals support student success" (p. 91)
- "Universal school meals is vitally important-keep it!" (p. 105)
- "Universal school meals meet basic needs for participation" (p. 119)
- "Universal school meals" is a key student opportunity (p. 124)

What students, parents, and teachers want to tell you about Vermont's Universal School Meal Program:

"I am so grateful for free school lunches. You saved us!!" (student)

"Every student feels respected at school." (student)

"I love school lunch it fuels your brain so you can do better in school." (student)

"Two promised meals a day! It's a huge deal." (parent)

"Thank you for helping get my kiddos free meals!" (parent)

"Equality for everyone. No one turned away." (parent)

"Food is a basic human need and kids deserve the meals that keep them going." (teacher)

"My students are ready to learn!" (teacher)

"All kids have an equal chance at learning." (para-educator)

Children and youth are at risk of hunger when they live in households that don't make enough income to meet basic needs, unless their basic needs are met through other means. One way to look at the relationship between eligibility for school meals and families who can't afford to pay for school meals is by comparing the JFO's basic needs budget calculations to the federal income cutoffs for free and reduced price school meals:

The income eligibility threshold for Free & Reduced Price Meals is <u>half</u> the income needed to meet basic needs in Vermont, according to JFO. (These are the Vermont Joint Fiscal Office's most recent basic needs budget calculations for families living in more urban areas of VT.)

	<u>JFO basic</u> <u>needs</u> <u>budget</u>	<u>USDA cut-off for</u> <u>free</u> or reduced-price <u>school meals</u>	<u>% of JFO Basic</u> <u>Needs Threshold</u>
<u>2 parent,</u> <u>2 child</u> household	\$104,344	\$57,720	55.3%
<u>1 parent,</u> <u>2 child</u> household	\$89,573	\$47,767	53.3%

Many children and their families live in the "Eligibility Gap" (eligible for Dr. Dynasaur, but <u>not</u> for school meals or 3SquaresVT)

The Medicaid income threshold for children is 317% of the Federal Poverty Level (FPL), and 68,000 children in Vermont are enrolled in Medicaid.

DVHA's Medicaid Direct Certification estimate tells us that more than <u>23,000</u> <u>students</u> are living in the income gap between eligibility for Medicaid and Free and Reduced Price Meals.

JFO's basic needs budget shows that the income needed to afford basic needs is even higher than eligibility for Medicaid for many families.

Students in the Eligibility Gap

23,000+



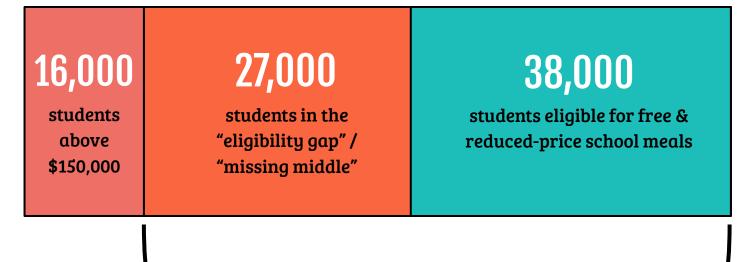
How many students are ineligible for free and reduced price meals, but struggle to meet all their basic needs at home?

This is data from the U.S. Census Bureau. These income brackets show how many students live in lower-income households, compared to the number of students living in higher-income households.

Vermont School Age Children by Household Income Group			
Household Income	Number of School	Percentage of	
Bracket	Age Children	School-Age Children	
\$0-\$50,000	22,305	23.7%	
\$50,000-\$100,000	30,730	32.7%	
\$100,000-\$150,000	22,465	23.9%	
\$150,000-\$200,000	9,232	9.8%	
\$200,000-\$250,000	4,438	4.7%	
\$250,000-\$300,000	1,405	1.5%	
\$300,000+	3,750	4.0%	
Total	94,325		

*Data from 2022 Vermont ACS 5-Year Estimates

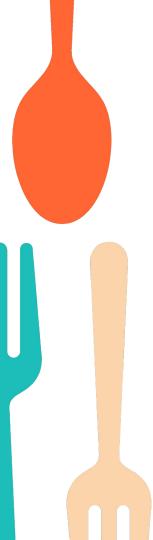
Over 80% of all school age children in Vermont live in families in the 3 lowest income brackets. What is the relationship between eligibility for school meals and families who can't afford to pay for school meals?



Total students prorated to 81,000 students enrolled in VT public schools



Of all students in Vermont are living in households whose income is below \$150,000.



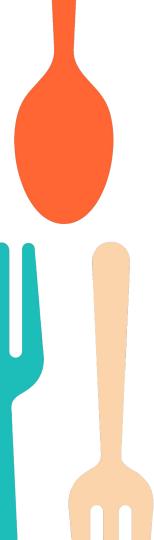
Who is the missing middle?

<u>Single Working Parent with 2 Kids</u> earning \$50,000 / year

Families like this only qualify for free lunch based on the federal poverty level if their annual income is **below \$47,767**. Without Vermont's Universal School Meals Program, the kids would not qualify to receive free meals at school.

This single parent, working two jobs at \$15/hr, would be working 64 hours per week and still struggling to pay rent on their two-bedroom apartment.

This family falls **\$40,000 below the income needed to meet basic needs** according to JFO.



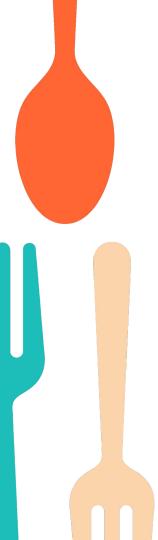
Who is the missing middle?

<u>Two Working Parents, with 3 Kids</u> earning \$115,000 / year

Families like this only qualify for free lunch based on the federal poverty level if their annual income is **below \$67,673**. Without Vermont's Universal School Meals Program, the kids would not qualify to receive free meals at school.

The kids qualify for Dr. Dynasaur, which covers all their healthcare costs, but the parents have to get high-deductible insurance on the marketplace. Even with over \$23,000 in premium assistance in 2025, their Silver plan still sets them back \$12,000 (\$20,000 in a bad year).

Because of Vermont's Universal School Meals Program, the family is saving \$4,500 during the school year.



Who is the missing middle?

<u>Grandparent Guardian with 1 Kid</u> earning \$40,000 / year

Families like this only qualify for free lunch based on the federal poverty level if their annual income is **below \$37,814**. Without Vermont's Universal School Meals Program, the kid would not qualify to receive free meals at school.

This retired grandparent owned her home and was living on a fixed income. She was meeting her basic needs before she had to take in her grandchild - along with all the expenses associated with caring for a child - because his parents were unable to care for him.

Now, she makes only 78% of what she needs to meet their basic needs.

Only Universal School Meals can:

- ★ Reach all food insecure students
 - ★ Take cash registers out of the cafeteria
- ★ Eliminate stigma for low income students
- ★ Eliminate unpaid meal debt
- ★ Reduce paperwork & costs
- ★ Allow staff to focus on preparing scratch meals and offering attention to students
- ★ Ensure all students are well fed and ready to learn

Vermont's commitment to feed students breakfast and lunch every school day has made a huge difference for students, families, teachers, school administrators, and communities.

Vermont should reaffirm its commitment now, not take it away when it is working so well.

This investment is less than 1% of the education fund and means that every student will be well nourished and ready to learn.