
TESTIMONY

Testimony To: House Committee on Agriculture, Food Resiliency, and Forestry

Respectfully Submitted by: Rosie Krueger, State Director of Child Nutrition Programs

Subject: Current Status of Universal School Meals

Date: February 14, 2025

Summary

This written testimony starts with a table showing the trajectory of meals served, federal funds received, and state and local education fund dollars spent since prior to the start of the state-wide Universal School Meals policy. Subsequent pages provide details on variables that impacted participation and costs in each school year. Additional sections cover:

- [Why Costs Are Lower Than Initial Projections](#)
- [Plate Waste](#)
- [Opportunities to Expand Summer and After School Meals](#)
- [Impact on Local Food Purchasing](#)

During my verbal testimony, I plan to walk the Committee through the table and discuss ways that legislators can help in identifying locations to expand Summer and After School Meals.

Note: this written testimony has been revised to reflect a correction made during verbal testimony about the enrollment in school meals programs for School Year 24-25, which impacted the Free & Reduced Percentage and Average Daily Participation calculations for this year.

School Meals Participation and Funding in Vermont, SY 18-19 to SY 24-25

| School Year | Enrollment | Free & Reduced % | Total Lunches Served | Lunch Average Daily Participation | Total Breakfasts Served | Breakfast Average Daily Participation | Federal Funds For Breakfast and Lunch (Federal FY) | Federal Value of USDA Foods Received | Education Fund Impact from Statewide USM Policy | Education Fund Impact from Local Budget Transfers (State FY) |
|-----------------------|------------|------------------|---------------------------------|-----------------------------------|---------------------------------|---------------------------------------|--|--------------------------------------|---|--|
| 18-19 | 84,280 | 40.14% | 7,568,774 | 51% | 4,178,088 | 28% | \$21.8 million | \$2.4 million | N/A | \$6,477,555 |
| 21-22 | 83,601 | 37.42% | 8,444,426 | 58% | 5,408,940 | 37% | \$48.7 million | \$3 million | N/A | \$4,477,416 |
| 22-23 | 84,032 | 34.85% | 8,651,412 | 59% | 5,610,404 | 38% | \$26.4 million | \$4 million | \$22,176,150 | \$5,447,992 |
| 23-24 | 82,617 | 47.8% | 8,822,781 | 61% | 5,588,969 | 39% | \$32.4 million | \$3.5 million | \$20,198,523 | \$7,559,774 |
| 24-25 | 79,847 | 61.36% | 8,946,088 <i>(Projected)</i> | 64% <i>October '24</i> | 5,638,238 <i>(Projected)</i> | 40% <i>October '24</i> | \$37.8 million <i>(Projected)</i> | \$4.4 million <i>(Projected)</i> | \$17.3 - \$17.5 million <i>(Projected)</i> | <i>No projection</i> |

School Year 18-19

School Year 18-19 was the last full school year before state-wide universal school meals. 69 Vermont Schools offered universal meals using local funds. These were mostly schools with higher free and reduced percentages that were able to draw down federal funding to cover most of the cost of meals served, although some local education spending was required. Approximately 250 schools were charging for meals.

School Year 19-20 & School Year 20-21

No data for these two school years is shown in the table, as the model changed in March 2020 due to the COVID-19 pandemic. At the beginning of School Year 19-20, 77 schools were offering universal meals using a combination of local education dollars and federal funds. That year, 38.32% of Vermont students qualified for free and reduced-price school meals.

Starting in March 2020, federal waivers allowed full federal funding for all meals served, and meals could be provided at home as well as at school. This model continued throughout School Year 20-21. Meals were provided using the Summer Food Service Program (SFSP) instead of the National School Lunch Program (NSLP). Variable attendance patterns due to the pandemic, flexibility that allowed meals to be provided on weekends, during school vacations, and to children who were not enrolled in school, and a higher per-meal reimbursement rate through the SFSP all make these years irrelevant to understanding the trajectory of Universal School Meals in Vermont.

School Year 21-22

Federal waivers continued to provide full funding at the “free” reimbursement rate for meals served to all students, and all Vermont schools offered meals at no charge. For the most part, students were back at school full-time. However, frequent COVID-related school closures and absences, and lower meal quality due to having to serve meals under difficult circumstances depressed participation somewhat. Free and Reduced percentages were based on cumulative information that carried over from before the start of the pandemic, plus additional direct certification information and meal applications submitted to qualify students for Pandemic EBT benefits.

Vermont schools received an additional \$1.6 million in federal Supply Chain Assistance funds to support the school meals programs. Various other federal pandemic-related grant programs also supported equipment and supply costs. These additional funds are not included in the table.

School Year 22-23

The waivers that provided full federal funding for all meals were no longer in effect. This was the pilot year of Vermont's Universal School Meals law. This law required all public schools to offer meals at no charge to all students, and provided state funding to make up the difference between federal and state reimbursement rates. Free and reduced percentages were based on direct certification (excluding Medicaid, which wasn't used until SY23-24) and applications submitted by households. There was a statewide push for families to return school meals applications to reduce the amount of state funding required for the program. As anticipated, there was a decline in the number of children who qualified via school meals applications. This decline was variable across school buildings. (See [Report: Impact and Implementation of the Universal School Meals Act](#) for more on School Year 22-23).

USDA Foods received this year were higher than usual because we received an additional \$400,000 worth of foods due to additional purchases through the Commodity Credit Corporation to manage agricultural prices.

Vermont schools received an additional \$2.5 million in federal supply chain assistance funds, not shown on this chart.

School Year 23-24

This was the first year of Vermont's [permanent Universal School Meals law](#). Several significant changes reduced costs to the state over the course of this year. Beginning in July 2023, Vermont began participating in the [Direct Certification with Medicaid Demonstration Project](#). This allowed information from the Department of Vermont Health Access (DVHA) about children living in Medicaid households with incomes under 185% of the Federal Poverty Level (FPL) to be used to directly certify students for free and reduced-price school meals. This project has been extremely successful in identifying additional households as eligible for free and reduced-price meals. Data collected by AOE Child Nutrition Programs through the April 2024 CEP report showed that 17,194 children were directly certified for free meals using the previously existing sources (3SquaresVT, etc.), an additional 15,603 children were directly certified for free meals using Medicaid data, and an additional 5,012 children were directly certified for reduced price meals using Medicaid data. Statewide, adding in direct certification through Medicaid in School Year 23-24 resulted in percentages of free and reduced eligible students higher than those that had been identified in School Year 19-20 when students were last being charged for meals and there was an incentive to return school meals applications.

In September of 2023, USDA finalized a rule lowering the threshold to participate in the Community Eligibility Provision (CEP). This change allowed schools or groups of

schools that had 25% or more of their students directly certified for free meals to participate in CEP. Previously, the threshold had been set at 40%. CEP is the federal option for implementing universal school meals that draws down the most federal funding. USDA approved a one-time waiver for Vermont to allow schools to switch to CEP mid-school year. These mid-year switches allowed the state to draw down significantly more federal funding than originally anticipated. (See [Addendum to 2023-2024 Free and Reduced Eligibility Report](#) for more on this change).

In School Year 23-24, average daily participation was 39% for breakfast and 61% for lunch. However, the number of students enrolled in NSLP schools declined from the prior year, so the number of meals served is not increasing as rapidly as the percentage of students who eat meals (Average Daily Participation or ADP). The actual number of breakfasts served fell slightly from the prior year, even as ADP for that meal increased slightly.

Vermont schools received an additional \$2 million in federal supply chain assistance funds, not shown on this table.

Special increases to the federal per-meal reimbursement rate that had been in effect in School Year 21-22 and School Year 22-23 went away, resulting in a reduction of \$0.08 per meal in the funds that schools received to produce meals from SY22-23 to SY 23-24. This decrease is a likely driver of the significant increase in Local Budget Transfers.

While the overall amount of Local Budget Transfers increased, the number programs operating without a Local Budget Transfer also increased significantly since School Year 18-19. In School Year 18-19, only seven Supervisory Union/Supervisory Districts (SU/SDs) operated without a general fund transfer. Since School Year 21-22, 19 SU/SDs have operated without a general fund transfer. This means that although many more school meals programs have been able to become self-sufficient since the start of Universal School Meals, the size of the transfer made by each of the remaining SU/SDs has grown significantly. In some cases, this is the result of deliberate investment by local school boards in improving the quality of meals or increasing local purchasing. However, in some cases, this seems to be the result of a lack of communication between business managers, boards, and school food service programs, or a lack of education and skill around budgeting and purchasing.

Seven self-operated programs (those not using a Food Service Management Company) did not require a general fund transfer in School Year 23-24. These programs range in size and economic status, but all offer high quality meals. Some purchase enough local foods to receive the Local Foods Incentive. AOE Child Nutrition Programs plans to conduct interviews with these programs to see what practices can be transferred to the 32 SFAs requiring a general fund contribution. We hope that this work will reduce the

amount of local general fund transfers impacting the Education Fund that are not leading to higher quality meals.

School Year 24-25

Using authority granted by Vermont’s Universal Meals law, AOE required most schools to re-start their CEP cycles in School Year 24-25 to draw down even more federal funding. As a result of these new cycles, in School Year 24-25, our statewide free and reduced percentage has increased to 61.36%. This is likely significantly higher than the actual number of low-income students due to the use of the CEP multiplier (1.6) multiplied by the percentage of directly certified students for 293 schools now participating in CEP.

These schools have established CEP cycles that will run until June 2028 using data from April 2024. The remaining 21 schools have established Provision 2 cycles that will run until June of 2027 (with some possibility to extend them in additional 4-year increments), using data from School Year 23-24. Provision 2 draws down less federal funding than CEP, but these 21 schools are not eligible for CEP. The establishment of these cycles with extremely high free and reduced percentages means that schools will be able to continue drawing down federal funds at these rates until the cycles end in June 2027 and June 2028, as long as they continue to participate in universal school meals.

October 2024 participation as a percentage of enrolled students increased slightly compared to School Year 23-24, with about 64% of students eating lunch each day, and 40% of students eating breakfast each day. However, because the total number of students enrolled in schools participating in the school meals program has fallen for 3rd year in a row, we are not anticipating a significant increase in the number of total meals served. Based on the combination of declining enrollment and small annual increases in average daily participation, we do not anticipate further major increases in the number of meals served in future years.

Why Costs Are Lower Than Initial Projections

AOE has always been cautious about projecting the costs of the Universal School Meals policy. Because of the way that the policy is set up, the state must pay out the universal meals supplement for every “paid status” reimbursable meal that is served. There is not an option to pro-rate the payments if required funds exceed the appropriated amount. Early on, there were many unknowns – how many students would actually eat school meals once they were free? How many students would continue to qualify for free and reduced-price school meals if households no longer had to submit

applications to get these meals? How many independent schools would opt to participate in the program?

Our initial projections looked at the worst-case scenarios of all students eating every day, and no families returning free and reduced meal applications. With several years of implementation, we are much more confident about factors. This allowed us to reduce our projections downward several times from the initial \$29 million per year recommended and appropriated in FY23.

In Fall 2024, we able to make an additional significant downward adjustment in our projections. We now project that the policy will require an Education Fund appropriation of no more than \$17.5 million in FY25 (reflected in the BAA), and no more than \$18.5 million on FY26. These two estimates are still somewhat conservative. It is likely that FY25 will not exceed \$17.35 million¹, and FY26 will not exceed \$18 million, but we are not confident enough of that to advise budgeting accordingly.

These new projections are a significant decrease from our previous estimates, even those made in Spring 2024, which projected a cost of \$20.4 million projected for FY25. Three things reduced the cost:

1. The combination of USDA's 2023 CEP rule change and our adoption of the Medicaid direct certification demonstration project have dramatically increased the amount of federal reimbursement we are drawing down. This has reduced the cost of the policy to the state.
2. A decline in student enrollment means that continued slight increases in the percentage of students eating meals daily are not leading to significant increases in overall meals served.
3. The May 2023 to May 2024 increase in CPI for Food Away from Home was less than we anticipated, leading to a lower increase in the per-meal universal meals supplement that Vermont pays out.

Here is more background on each of these items:

1. Our CEP and Provision 2 free claiming percentages have increased dramatically this year as a result of Medicaid Direct Certification combined with last year's CEP rule change. These rates are now locked in for the next 3-4 years (until June 2028 for CEP, June 2027 for Provision 2), unless they improve even more. Statewide, our free & reduced claiming percentage is now 63.22%². Initial universal meals estimates were conducted assuming a statewide free & reduced

¹ October 2024 participation rates suggest that FY25 costs will not exceed \$17.3 million.

² This is slightly different than the free and reduced percentage, which refers to the percentage of students identified as eligible for free and reduced-price meals. The claiming percentage refers to the percentage of meals that can be claimed at these rates. These percentages are identical for CEP schools, but not for Provision 2 schools, leading to the slight difference in these numbers.

claiming percentage of 38%, which is our pre-COVID statewide free and reduced percentage. These changes mean that we are only paying out the state universal meals supplement for 36.78% of lunches served. For breakfast, it was actually slightly lower – we are paying out the universal meals supplement for 36.69% of breakfasts served. 291 of our schools are now participating in CEP, up from 270 last year. Just 21 schools are participating in Provision 2.

2. Total enrollment in schools participating in the school meals programs fell 2% last year. This means that even though the percentage of students eating meals each day (Average Daily Participation or ADP) is increasing each year, the overall number of meals served is not increasing significantly. In fact, the total number of breakfasts served in 23-24 fell compared to 22-23, even though ADP increased by 1%. The total number of lunches served increased by less than 2% in SY 23-24 over SY 22-23.

Initial estimates of universal meals were based on 84,000 students enrolled in schools offering universal meals. For SY24-25, we have 79,235 students enrolled in schools offering universal meals (and another approximately 1,000³ enrolled in independent schools that charge for meals and won't receive the universal meals supplement).

3. The difference between the federal free and paid reimbursement rates (used to determine that amount of the state per-meal universal meals supplement) increases each year based on the May to May increase in the Consumer Price Index (CPI) for the Food Away from Home. The reimbursement rates are not set by USDA until July. Estimates we made in Spring 2024 about the increase for SY24-25 used an inflation factor of 4.5% because of uncertainty about how avian flu was impacting food prices. In the end, the increase was only 4%.

The annual increase in these rates is the most unpredictable factor in determining how much universal meals will cost the state in future years. We should always plan for an increase based on the projected increase in CPI for Food Away from Home, but the actual increase won't be known until each July. Avian flu continues to be a concern that could impact food costs disproportionately to general inflation over the next year, so I am using a 4.5% increase for the higher FY26 estimate even though the January 2024 –January 2025 increase was 3.4%.

³ Rice Memorial High School (an independent school) is delinquent in reporting their enrollment, making enrollment figures approximate. They participate in the school meals program, but do not participate in universal school meals.

One final note is that none of our estimates account for the fact that the universal meals supplement for independent schools is limited to the percentage of students attending on public tuition. This percentage changes regularly and is different for each independent school, so the calculation is handled monthly within the online child nutrition claiming system.

For ease of calculation, the estimate assumes that 100% of paid meals served at the independent schools offering universal meals will receive the universal meals supplement. Only a portion of those meals will actually receive the universal meals supplement, inflating the estimate. That extra amount should account for unexpected increases in participation, or additional independent schools coming on the program mid-year. One independent school is currently working on joining the program, but does not yet have an anticipated start date.

Plate Waste

One concern about Universal School Meals is whether students might waste the meals because they are free. There is not any evidence to suggest that Universal School Meals is increasing plate waste.⁴ We are not aware of any recent longitudinal plate waste studies conducted in Vermont schools. The three Agency of Education (AOE) staff members who conduct school nutrition reviews visit approximately 30 schools per year, and they have not observed a change in per-student plate waste attributable to the policy change. However, there are several other factors known to increase plate waste that could be exacerbated by the way that Universal School Meals is implemented in some schools. Future policy could address these issues:

Not Enough “Seat Time”

Seat time is the amount of time that students have available to eat their meal, after they leave the lunch line and before they dispose of their tray. Seat time is different than the length of the lunch period. During the lunch period, students may need to travel to the cafeteria, use the restroom, wash hands, stand in the serving line, find a place to sit, eat their meal, socialize, and dispose of their tray.

⁴ Nationally, we were only able to find one study that quantified plate waste for Universal Meals Schools compared to Pricing Programs. [Feed Students Not Landfills](#), a study from the University of Missouri Center for Health Policy looked at plate waste across 5 schools, two of which offered universal school meals through the Community Eligibility Provision, and 3 of which charged for meals. There were many other variables that differed across the schools. On average, the two CEP schools wasted more total items, but fewer total ounces of food per student than the pricing schools. However, one of the two CEP schools did not utilize Offer vs. Serve. OvS is known to significantly reduce plate waste. Plate waste at the CEP school that did utilize OvS was the lowest of all 5 schools in the study across both measures of waste.

Research shows that when students have more than 20 minutes of seat time, they consume significantly more of the foods on their tray, especially fruits and vegetables. [CDC guidance](#) specifically recommends at least 20 minutes of seat time based on this research. To achieve 20 minutes of seat time, the CDC has recommended that schools consider a 30-minute lunch period.

There are currently 56 Vermont schools with lunch periods of 20 minutes or less. Universal School Meals can exacerbate the issue of seat time, because more students eating school meals means that there are more students who need to make their way through the serving line. AOE Child Nutrition Programs offers technical assistance to schools around ways to make lunch lines move faster.

Slow lines were a significant issue early in Vermont's Universal School Meals implementation, but we've seen big improvements as schools have adjusted to accommodate the number of students now eating. Still, when a lunch period is 20 minutes or less, it is not surprising to see plate waste – particularly slower to eat items like fruits and vegetables.

Some states have state-specific laws about minimum lunch period length or minimum seat time, but Vermont doesn't. USDA regulations require that lunch periods be "adequate," but do not specify a length.

Lunch Start Time & Breakfast After the Bell

A 2019 study by USDA showed that there is more plate waste when lunch periods start before 11:30am than when they start at 12pm or later.⁵ 204 Vermont schools have at least one lunch period that starts before 11:30am. Of these, 63 schools have a lunch period that starts before 11am. Two Vermont schools have lunch periods that start as early as 10:15am. USDA regulations only require that the lunch period generally be sometime between the hours of 10am and 2pm. Vermont does not have any additional state specific laws about this.

Vermont's Universal School Meals law encouraged schools to use a variety of methods to increase school meals participation, including implementing "Breakfast After the Bell." "Breakfast After the Bell" means offering students a chance to get breakfast after the school day has started. Many schools now keep the cafeteria open for breakfast between the first and second morning class periods. This increases access to breakfast for students who arrive late or who may not be hungry first thing in the morning. However, it is unlikely that a student who ate breakfast at 9am would be hungry for a full lunch at 10:15am. Although we have not studied this specifically, early lunch periods

⁵ See [USDA School Nutrition and Meal Cost Study Summary of Findings](#), April 2019, Page 22

combined with an increase in offering Breakfast after the Bell could be leading to additional plate waste in some schools.

Factors Increasing Plate Waste Unrelated to USM

Some research shows that offering students more choice reduces the amount of plate waste. Two COVID-related changes have reduced the amount of choice students have, which may be resulting in more plate waste.

USDA regulations allow schools to offer choice by implementing “Offer vs. Serve” (OvS) which means that the students just need to take 3 of 5 components at lunch and 3 of 4 components at breakfast. Of the offered components, students must take at least a ½ cup of fruit or vegetable. AOE’s review team typically sees less plate waste at schools that properly implement OvS. High Schools are required to do OvS at lunch, and encouraged to do it at breakfast. Middle and Elementary schools are encouraged to use OvS for both meals, but not required to do so for either meal.

In recent years, we have seen fewer schools utilizing OvS. These changes are unrelated to Universal School Meals. Since COVID, more Vermont schools have been offering meals in the classroom. Meals offered in the classroom are typically unitized with all the components and do not offer students a choice about which items to take. As a result of staffing shortages that have occurred in recent years, we have also seen more schools pre-plate full reimbursable meals in the cafeteria before students come through the line, instead of utilizing OvS.

Another way of offering choice is by providing salad bars that allow students to choose their own fruits and vegetables. Prior to COVID-19, 90.2% of Vermont schools offered a salad bar. During the pandemic, many schools discontinued this option to decrease the spread of germs. As of 2024, only 82.7% of Vermont schools had returned to offering salad bars.⁶ This has likely resulted in more plate waste in fruits and vegetables, but is unrelated to the Universal School Meals policy.

Factors That Do Not Increase Plate Waste

Since the implementation of Universal School Meals, many Vermont schools have stopped offering “à la carte” items for sale in competition with complete federally-reimbursable school meals. This means that students need to take a full reimbursable meal, instead of having the option to pay for a standalone entrée. Discontinuing à la carte streamlines program administration and reduces the potential for stigma around which students can afford to purchase à la carte items. As described above, the full reimbursable meal must include at least a ½ cup of fruit or vegetable. This change may

⁶ [2024 School Health Profiles Report Trent Analysis Report – Principal Survey](#)

lead to a perception that more students are being required to take unwanted food which could result in increased waste. There was similar public perception around the implementation of the Healthy Hunger Free Kids Act (HHFKA), when students were first required to take a ½ cup of fruits or vegetables. However, several studies subsequently showed that students taking more fruits and vegetables resulted in them consuming more of them, and that plate waste did not significantly increase following the implementation of the HHFKA.⁷ It is reasonable to assume that the situation would be similar for students newly required to take the ½ cup fruit/veg along with their entrée because their school no longer offers an à la carte option.

Opportunities to Expand Summer, Child Care and After School Meals

Because of the use of the CEP multiplier, an additional 101 schools have become area-eligible for free after-school snacks, suppers, and summer meals for children 18 and under using federal funds. Area-eligibility is a low-income designation that is used to qualify sites to offer free meals, fully funded with federal dollars, through after-school and summer programs to all children. These 101 newly area-eligible schools also confer area-eligibility to all towns in their attendance areas. 127 Vermont towns are newly-area eligible when compared to 2019. This enables afterschool programs, disaster/emergency meal sites and summer meal sites operating within those towns to be area-eligible, even if they are not operated by the school. In addition, daycare homes within these towns are eligible for a higher level of federal reimbursement for meals that they serve within the Child and Adult Care Food Program (CACFP).

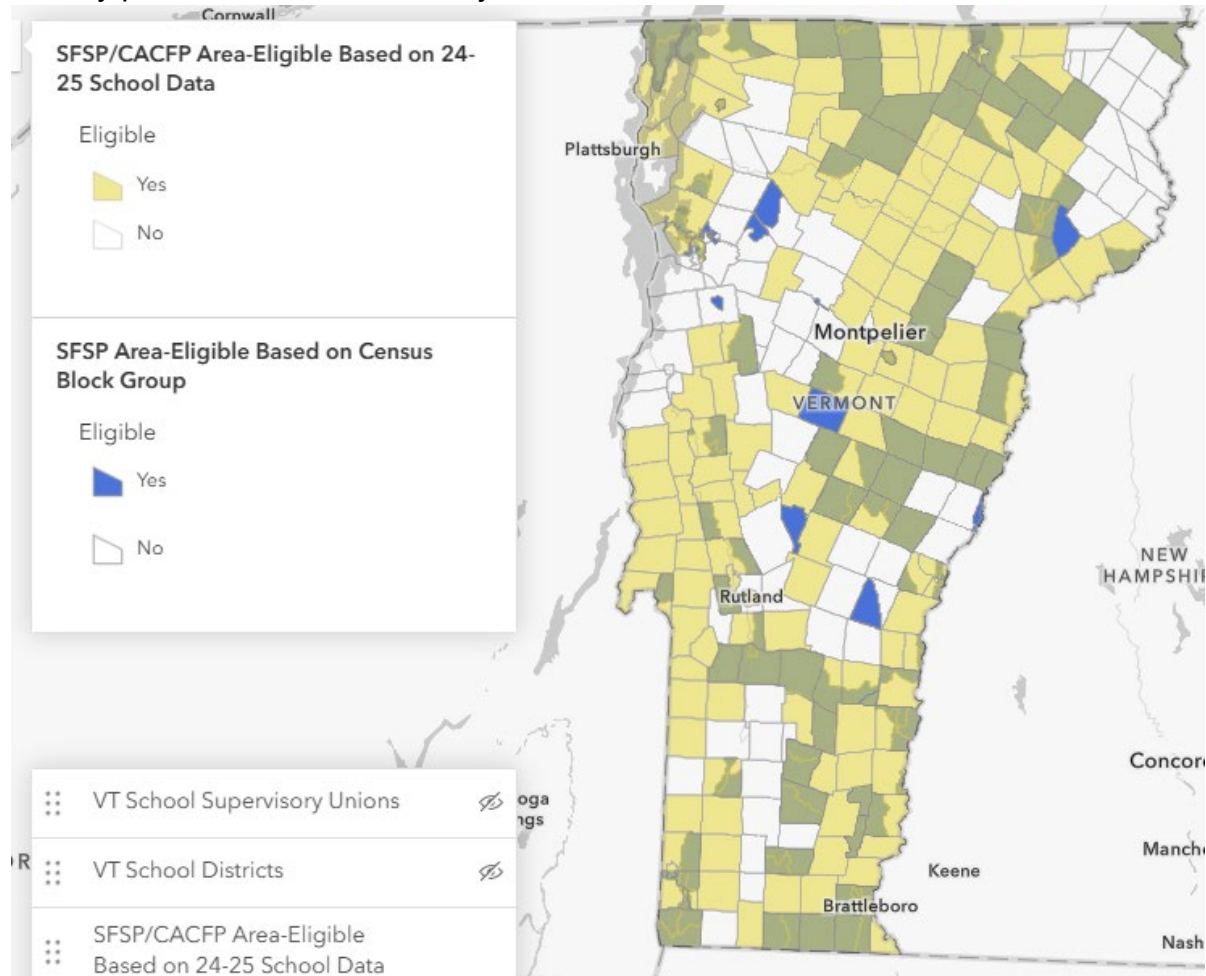
This expanded area-eligibility represents tremendous potential for growth in drawing down federal funds for these programs over the next 5+ years. Once established, a site continues to be eligible for 5 years after the school loses its area-eligible status, meaning that these newly eligible locations could stay eligible through Summer 2032 if these schools continue to participate in CEP through the end of their current cycles. Sites established in 2025 will stay eligible through 2029, even if changes at the federal or state level impact the ability of their qualifying school to participate in CEP.

An Ask for Legislators!

With help from the Agency of Digital Services, AOE Child Nutrition Programs has created an [interactive mapping tool](#) showing towns and parts of towns that are area-eligible for open summer meal sites in Summer 2025 and afterschool meal sites in

⁷ See [USDA School Nutrition and Meal Cost Study Summary of Findings](#), April 2019, Page 21

School Year 2025-2026. As we work to expand these programs to all of the locations that are newly area-eligible, we encourage you to view the mapping tool to help us identify potential locations within your communities.



Yellow, blue, and combined yellow/blue locations on the [map](#) shown are all area-eligible for summer meals. Yellow locations are area-eligible for after school meals.

Ideal locations for summer meal sites are places where kids already gather during the summertime, such as community pools, libraries, parks, or summer camps. Most parts of the state are now eligible to offer “non-congregate” meals for pickup or multi-day meal kits. Parents and caregivers can pick up these meals without children present, so ideal locations for these sites are convenient places for families to pick up meals once per week. Large parking areas and covered space with electrical hookups are especially helpful for this type of distribution. For after school meals, we are looking to connect with existing after school programming that is already occurring in your community.

We are especially looking to add summer meal sites of all types in Rutland, Bennington and Windsor Counties, and multi-day non-congregate meal sites in the Northeast Kingdom.

If you identify a good location that is area-eligible in your community, you can either reach out to your local school food service director and work with them directly to set up a meal site, or you can reach out to AOE Child Nutrition Programs.

If you would like to see what summer meal sites operated in your community in the past, you can visit the [USDA Summer Meal Site Capacity Builder](#).

More information for potential sponsors is available on our website:

- [Summer Food Service Program Sponsor Information](#)
- [After School Snacks and Meals](#)

Impact on Local Food Purchasing

The combination of [Vermont's Local Foods Incentive](#) and the increase in meals served through the school meals programs has led to increased local food purchasing by Vermont schools. In School Year 23-24, we estimate that about \$2 million of food purchases made by school meals programs was directed to Vermont products.

Increases in the number of summer meals served as a result of increased area eligibility have the potential to further increase local foods purchasing. This is because summer is a time when local produce is abundant in Vermont and more likely to be competitively priced with domestic produce. Local food purchases made by schools to operate their summer meal sites count towards the Local Foods Incentive.

USDA Foods funding has grown as a result of the increase in number of meals served. USDA Foods are foods purchased by the federal government to support American agriculture. Each state is entitled to a certain dollar value of USDA Foods based on the total number of lunches served in the prior year. States have the opportunity to divert some of their USDA Foods purchases to fresh produce purchases through produce purchasing contracts with the Department of Defense (DOD Fresh). About 40% of Vermont's USDA Foods entitlement is directed to a contract with Upper Valley Produce in White River Junction. Through this contract, federal funds go to Upper Valley Produce to purchase both local and domestic produce products for Vermont schools. Increases to the number of meals served have resulted in additional USDA Foods funding flowing through to Vermont producers through this contract. USDA Foods purchases are not counted towards the Local Foods Incentive.