Food Security in Vermont Amid Federal Changes
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Chair Durfee and members of the Committee, thank you for holding this important hearing on the consequences of federal policy changes for your work in the upcoming 2026 legislative session.

I want to express deep gratitude to House leaders, the Joint Fiscal Committee, and Emergency Board for their decision in October to use state contingency funds to replace Vermonters' 3SquaresVT benefits in full for the first half of November. USDA's refusal to release SNAP contingency funds during the federal government shutdown caused real harm to the health and wellbeing of Vermonters and Vermont's action brought an important level of stability and relief to 3SquaresVT households.

On July 4, 2025, President Trump signed into law H.R. 1, marking the largest-ever cut to our nation's most effective and dignified federal nutrition program, the Supplemental Nutrition Assistance Program (SNAP), called 3SquaresVT in our state. Despite these harmful changes, 3SquaresVT remains our state's most effective and efficient program to reduce hunger and poverty, particularly in rural, high living cost states like Vermont.

3SquaresVT helps nearly 10% of our state population buy groceries every month. That's approximately 63,400 people–the vast majority of whom are children, older adults, and people with disabilities. Protecting and maximizing participation in 3SquaresVT supports low-income Vermonters, grocers, farmers, and our economy.

Federal SNAP funds flow directly into our state economy when people buy groceries with 3SquaresVT. In any given month, 3SquaresVT keeps more than $12 million in federal dollars in our state economy. This makes 3SquaresVT not only our most effective food security program, but a truly essential economic stimulus program. In rural areas, that spending often determines whether a small business can keep its doors open or not. It also supports the bottom line of farmers across the state, when people use their 3SquaresVT benefits at farmers markets and farm stands.

For the over 63,000 Vermonters who rely on 3SquaresVT every month to buy groceries, and the 600+ retailers and farmers who depend on those funds to support their bottom lines, this program is vital–we often hear it referred to as a "lifeline." It is a dignified, private, and efficient way to support Vermonters so that they can have the food they need.

Basic needs are called that because they are fundamental to sustaining a person's life. They are the base of a person's health and wellness and a family's stability. Too often people have to choose between food for breakfast or putting gas in their car to get to work; between buying needed medication or buying groceries. 3SquaresVT eases the impossible choices so many Vermonters are confronted with each day–between one basic need or another.

Devastatingly, for the 40 million people and 250,000 retailers nationwide who count on SNAP, federal law H.R. 1 made staggering funding cuts and eligibility changes to SNAP, as well as Medicaid, in order to fund steep tax breaks to our nation's most wealthy. Nothing about these changes are efficient, cost-effective, or dignified. They are forcing every state, including Vermont, to make time consuming and complex changes to our eligibility systems, and contend with a bigger foot of the bill. And more, they are forcing low-income people to see reductions or total losses in their monthly 3SquaresVT benefits.

Changes to SNAP Funding Structure for Program Administration

H.R.1 made significant changes to the funding structure of SNAP, specifically how much states have to put forward to operate the program. For the history of the program, the state and federal governments shared the cost to operate 3SquaresVT 50-50. But H.R.1 changed the federal government's contribution to operating costs. Beginning October 1, 2026, the state will pay 75% of the cost to administer 3SquaresVT, and the federal government will pay 25%. Again, this means that Vermont must cover a larger share of SNAP's administrative costs to ensure it remains effective, functional, and available to Vermonters.

Considering the operating cost to administer 3SquaresVT in Federal Fiscal Year 2024–which very likely undercounts the cost for Federal Fiscal Year 2027, the Department for Children and Families estimates this 25% increase to the state share will cost approximately $8.4 million annually.

The cost to Vermont in State Fiscal Year 2027 - the first year of this change - will be approximately $6.3 million, as it goes into effect in the second quarter of our state fiscal year because the federal fiscal year begins October 1. Investing $8.4 million annually ensures $150 million annually will continue supporting 3SquaresVT participants, farmers, AND grocers.

Potential Changes to the Funding Structure for Benefits

For the 60-year history of the program, the federal government has paid 100 percent of the monthly benefits provided to people enrolled in SNAP/3SquaresVT–until two weeks ago, when federal benefits were not issued. Beginning October 1, 2027 (Federal Fiscal Year 2028), states may be on the hook to pay 5 to 15 percent of monthly benefit costs if the state's "Payment Error Rate" is above a certain percentage (6%). Right now, Vermont is below the threshold. Making sure Vermont fully funds the cost to operate 3SquaresVT in our state is essential to keeping our Payment Error Rate low. A 5 to 15 percent cost share of monthly benefits would result in a $7-$22 million annual cost burden for the state of Vermont.

Changes to Program Eligibility
In addition to funding structure changes, H.R.1 made SNAP eligibility changes that went into effect in Vermont on October 1, 2025. These changes create more paperwork, red tape, and eligibility requirements for low-income people to navigate. The effects of these changes have already impacted 3SquaresVT households.

There were changes to how households report monthly utility costs. This sounds benign, but in fact it imposes a new, additional paperwork burden on households and administrative burden for state workers. Of the nearly 40,000 households receiving 3SquaresVT, this impacted 2,600 households with an average decrease in their benefit of approximately $100, while 36 households saw a total loss in benefits.

There were changes to the existing work reporting rules that limit how many months adults can get 3SquaresVT. This is called the “Time Limited Benefit Work Requirement,” and requires adults to report 20 hours of work activity a week or prove they meet an exemption to the requirement. If they don’t report work or meet an exemption, they will only be able to receive 3 months of benefits in a 3 year period. The new law expands who has to meet this complex paperwork requirement, including older adults up to age 65. According to DCF, 4,400 households are newly impacted by this change.

Thanks to action taken by the Legislature last session, no one in Vermont is at risk of losing benefits because of this change until March 2026. However, even with this buffer period, households will need to begin adhering to the new paperwork requirements right now, or they could be subject to the rule that says they can only receive 3 months of benefits in a 3 year period starting in March.

Take for example a 62 year old grandmother who recently lost her job, and is caring for her 15 and 16 year old grandchildren. She can’t work 20-hours a week because she needs to be present for her grandkids. She will only be able to get 3 months of 3SquaresVT unless she knows she may meet an exemption and is able to get the state what they need to keep her food benefits going.

The fact is that the vast majority of people receiving 3SquaresVT benefits who can work, are already working. This expanded requirement creates more hassle for everyone as they navigate the complex paperwork process. People who are newly subject to these requirements will need support understanding and submitting the paperwork needed to continue receiving benefits.

There were changes in eligibility for some “non-citizen” community members. The new law bars from 3SquaresVT all immigrants who are not qualifying Lawful Permanent Residents, Cuban or Haitian entrants, Amerasians, Hmong or Highland Laotian Tribal Members, or Compact Of Free Association citizens. Immigrants granted official humanitarian status–refugees, asylees, and Afghan Special Immigrant Visa holders–lost eligibility on October 1st. According to DCF, 119 households totaling more than 360 people were impacted by the implementation of this change. 83 households lost benefits completely, while 36 households saw a reduction in benefits because some household members no longer qualified.

The Impacts of All of the Changes; These harmful eligibility changes that I have laid out have already hurt more than 2,700 households in Vermont, either with a reduction in their monthly food benefit, or a total loss of that essential food benefit. This also harms our farmers, businesses, and economy. A reduction in the number of people able to access and buy groceries could result in closures of retailers, loss in revenue for farmers, and the loss of the local jobs they create, thus threatening the economic stability and food security of whole communities.

Despite these federal changes, 3SquaresVT still remains our most effective, efficient, and dignified food security program. This has been made very clear in the last two weeks with a lapse in federal SNAP benefits–without 3SquaresVT, many more Vermonters would be forced to make impossible choices affording their basic needs. As Vermont state policymakers, *you* can take action to ensure it remains so for the tens of thousands of Vermonters who depend on this program, and we are ready to partner with you to support your efforts.

We’ve already come far down the road to food security, and we don’t have to stop now. There are three actions Vermont can take that will bolster 3SquaresVT, provide backstops, and invest in existing systems that work for Vermonters.

Maximize and leverage federal funding wherever possible: To ensure that Vermonters continue to have access to 3SqurarесVT, and our state economy continues to tap into more than $150 million federal dollars annually, we recommend the following funding actions and investments:

- **Fund SNAP Administration:** Appropriate the funding needed, including the additional estimated $6.3 million for State Fiscal Year 2027, to the Department for Children and Families, Economic Services Division, to ensure continued administration of 3SquaresVT. **This is essential to maximizing and leveraging federal funding**, supporting the bottom line of farmers and grocers, and ensuring effective delivery of 3SquaresVT.

- **Expand Benefits Navigation and Outreach:** Utilize available federal funding—such as through the state SNAP Outreach Grant—and provide additional state resources to strengthen the work of service-providing organizations that support Vermonters in accessing public benefits. This investment would include:
    - Outreach and dissemination of accurate and timely information to Vermonters about available programs, including the connection between 3SquaresVT and Crop Cash.
    - Training for benefits navigators to ensure effective and accurate combined navigation and support for Medicaid, SNAP, and other benefits.
    - Application assistance provided by trusted community organizations to help eligible individuals successfully enroll in programs such as Medicaid, SNAP, and related supports.

Provide concrete supports so the most vulnerable groups in Vermont can maintain a bare minimum of health and family stability when an unexpected cost or a dip in income hits their household. Flexible funding must be provided to community-based service organizations to be used for tangible and essential needs of the people they serve, such as a gas card to get to work, a grocery gift card to cover food at the end of the month, or paying a utility bill.

Raise Revenue: The highest-earning 5% of Vermonters are set to receive a total federal tax cut of over $440 million per year–using funding pulled directly from SNAP and Medicaid, programs we all pay for with our federal tax dollars. You, our legislators, need resources with which to ensure the best outcomes for all of us here in Vermont–the survival of our communities depends on it.

Vermont has a long legacy of being a leader in policy that moves us towards food security for all in our state. No state can replace every federal dollar lost–but Vermont can think creatively, innovatively, and lead again in designing policy choices that ensure the best outcomes for Vermonters at this moment and for the future.

Hunger Free Vermont thanks this Committee for considering this strategic three-part plan to ensure 3SquaresVT, Medicaid, and concrete support programs for communities are available and accessible to Vermonters. Throughout the 2026 legislative session, we urge you to keep focused on what 3SquaresVT makes possible for all of us in Vermont–not only the 63,000+ people who receive its benefits every month, but for our farmers, businesses, and economy as a whole.

Thank you.