



LEGISLATIVE REPORT

Local Foods Incentive Program

January 15, 2025

Issued by the Vermont Agency of Education

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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](#) 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.

This year, twelve school food authorities (SFAs) reported local purchasing of 15% or higher. A total of \$1,284,450.14 was put into the local economy due to SU/SD food purchasing during SY23-24 which is reflected in the SY24-25 applications.

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. This year represented the first increase in grant requests which is a result of continued engagement with the Baseline Year grant for new grantees and an increase in SFAs qualifying for the Subsequent Year grant award

Legislation

This report is submitted pursuant to [Act 67 of 2021, section 7](#). 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.

The General Assembly charged the Agency of Education (AOE) with providing an annual report to the Senate Committee on Agriculture, Senate Committee on Education, House Committee on Agriculture and Forestry and House Committee on Education on 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

Background

The Local Foods Incentive (LFI) has two grant tracks: Baseline Year and Subsequent Year grants. 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. 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.

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 Analysis

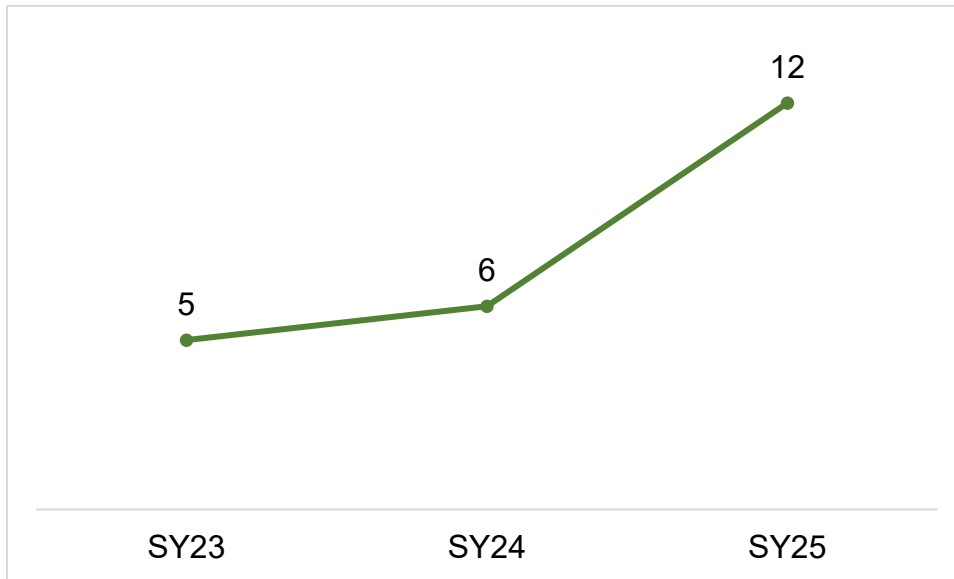
The legislative report from the prior year focused on some general trends within the profile of a subsequent year grantee. Namely the School Food Authorities are self-operated programs, receive General Fund transfers into their school nutrition program, and are below the statewide average free and reduced meal eligibility rate of 48%. This year, grantees represent a broader range of free and reduced meal eligible SFAs. Grantees continue to primarily be self-operated programs which receive sizeable General Fund contributions. For a more detailed explanation of those trends, please refer to the [2024 Local Foods Incentive Report](#).

With three years of Subsequent Year application data, this year's report looks at the emerging trends in the Local Foods Incentive.

Grantee participation increased

Subsequent Year grantee participation has increased to 12 grantees for this most recent year. This represents a doubling over the prior year and reflects a wider-spread adoption of local purchasing as more SFAs shift their purchasing.

Chart 1: Subsequent Year Grantees

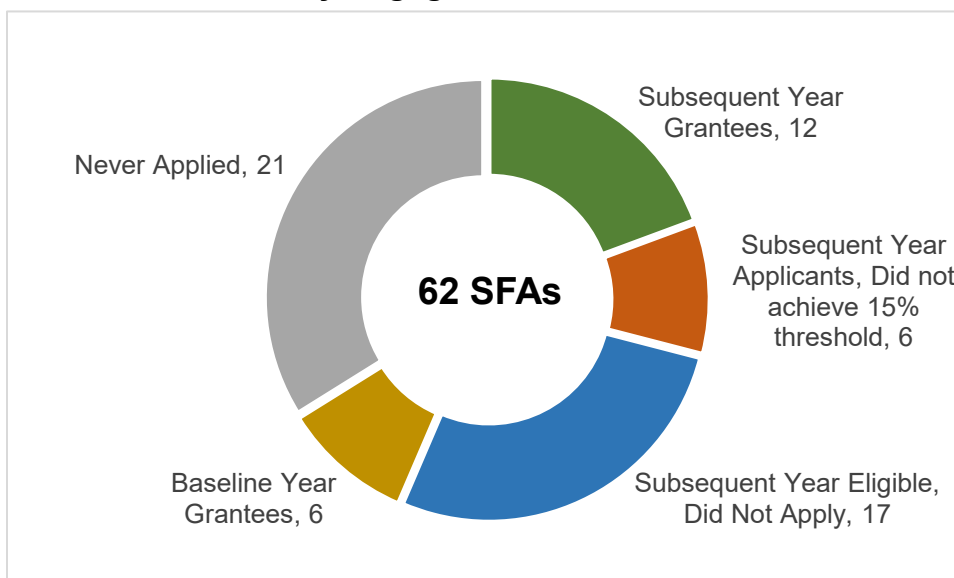


Two-thirds of SFAs have engaged with the LFI

41 of the 62 eligible SFAs have applied for the Baseline Year of the LFI. A common reason given by SFAs that have not applied is that they do not want to commit to additional purchasing in later years and do not think their SFA is close to the 15% threshold. This is despite clear messaging that acceptance of a Baseline Year grant does not commit the SFA to any future purchasing and SFAs may “skip” subsequent years when their local purchasing does not reach 15% with no consequence.

There are seven additional SFAs that are not eligible to participate in the Local Foods Incentive because they are approved or recognized independent schools that do not operate Universal School Meals.

Chart 2: School Food Authority Engagement with the Local Foods Incentive

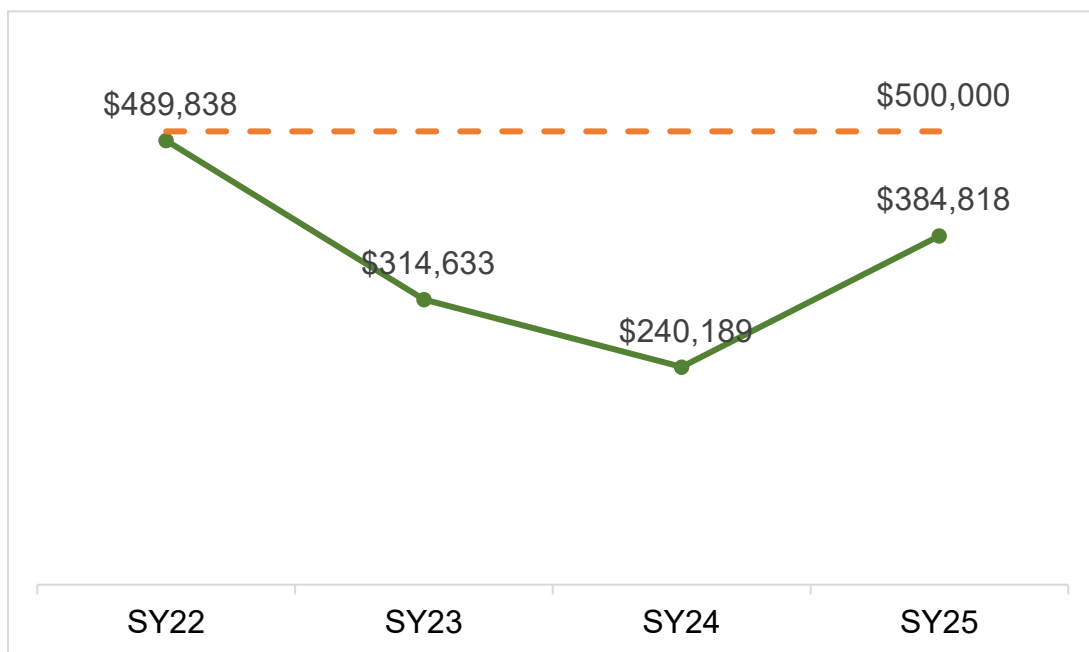


Grant awards increased, reversing a downward trend

This is the first year when grant awards exceeded the prior year. This is due to a doubling of Subsequent Year grantees in addition to six new baseline year grantees. \$500,000 is appropriated to the Local Foods Incentive grant. Any funds not expended in a given year are returned to the General Fund. If grant award requests ever exceed the available \$500,000, all grant awards will be prorated.

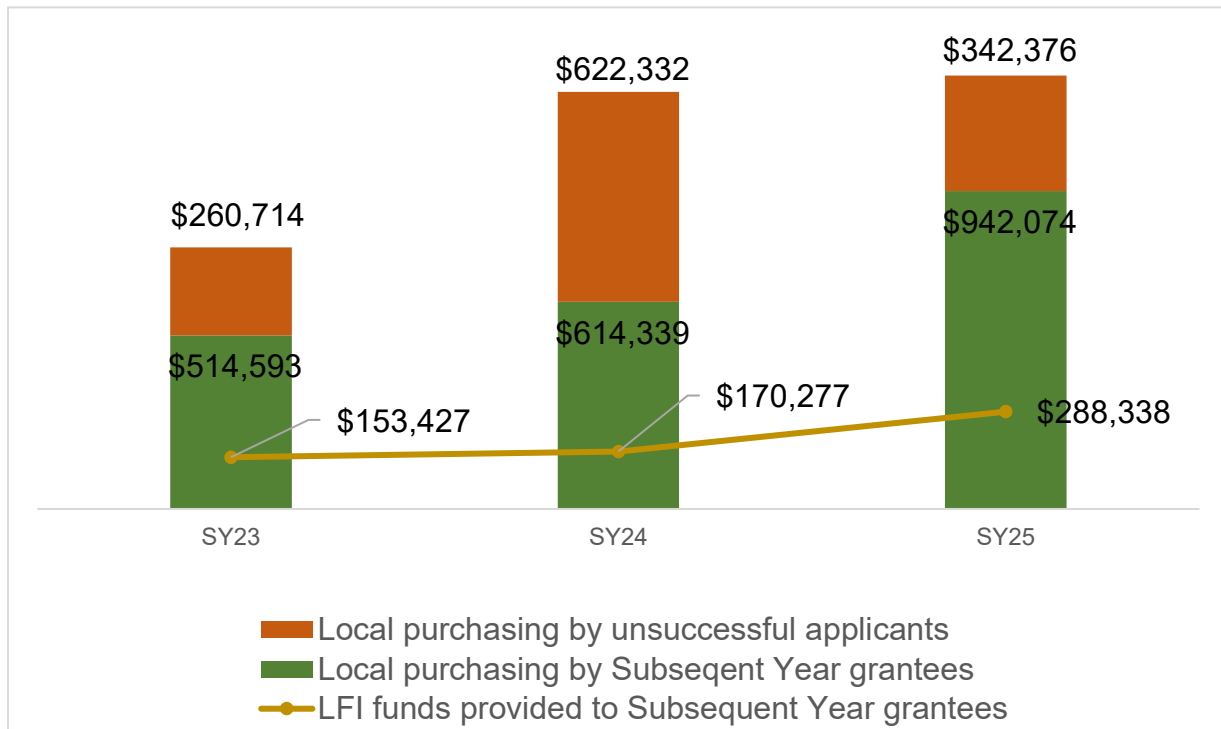
The initial downward trend in grant funding represents fewer SFAs eligible for the initial Baseline Year grant, which was easier to receive.

Chart 3: Local Foods Incentive Grant Awardees



\$1 of grant funding represents over \$3 of local spending

Focusing solely on the grant awards made to Subsequent Year grantees, each dollar of LFI funding granted represents over three dollars in local food purchases. This does not account for the local spending made by unsuccessful applicants that made substantial local food purchases but did not receive a grant award.

Chart 4: Local Food Incentive Funding Compared to Local Purchasing

Local Apple Cider Update

There is not currently a local option for a pre-portioned apple juice or cider in a serving size that meets the federal meal pattern requirements. A 4oz serving of 100% fruit juice can meet the daily fruit requirement as long as juice does not make up more than half of the fruit offerings over the course of the week. The Agency of Education often sees that programs purchase non-domestic apple juice cups to meet the fruit requirement.

The lack of a locally available cider product was identified in testimony from a Vermont Food Service Director to the House Committee on Agriculture, Food Resiliency, and Forestry in 2022. In response to this, the AOE directed a portion of a USDA Farm to School grant to develop a 4oz local apple cider product. The grant funds have gone to pay a contractor (Food Connects) to conduct market research and focus groups, identify an interested producer, and help market the new product to schools. Thus far, our contractor has identified an interested producer (Champlain Orchards), but the cost of new bottling equipment is proving to be a barrier. The cost of the new bottling equipment is \$50,000. The producer and contractor have worked together on two Agency of Agriculture, Food, and Markets grant applications for this purpose, but neither has been successful. The AOE believes that if Champlain Orchards or another Vermont vendor introduced a 4 oz. local apple cider product to the market, Vermont SFAs could further increase local purchasing and replace a product that is often non-domestic with a local alternative.

Data Tables

SFAs in the tables below with an LEA ID starting with a P or an R are State-Approved Independent Schools participating in Universal School Meals (USM). They are therefore eligible for the Local Foods Incentive. For these SFAs, General Fund transfer data has been excluded (represented by a “N/A”). General Fund transfer data for these independent schools has been excluded because:

1. Independent Schools’ General Fund expenses do not directly impact the statewide Education Fund and;
2. Independent Schools participating in USM must contribute General Funds or other non-federal funds to the Nonprofit School Food Service Account to cover the cost of privately tuitioned student meals. Public schools do not have a similar requirement.

Subsequent Year Applicants

Organized by local purchasing percentage.

SFA Name	LEA ID	Locally Produced Foods Budget	Local Purchasing Percentage	Grant Amount	FSMC/ Self-Op	General Fund Transfers	General Fund Transfer per Student	SY23 - 24 Lunches	F&RL % (Oct 2023)
Mount Mansfield Unified Union School District	U401	\$35,560.04	5%	\$0	Self-Op	\$0	\$0	285,279	24%
White River Valley Supervisory Union	S030	\$28,943.81	8%	\$0	Self-Op	\$268,814.08	\$213.01	117,441	51%
Burlington School District	T037	\$87,083.48	8%	\$0	Self-Op	\$0	\$0	311,082	58%
Champlain Valley Unified	U056	\$98,310.02	9%	\$0	Self-Op	\$559,102.83	\$142.77	406,898	17%

SFA Name	LEA ID	Locally Produced Foods Budget	Local Purchasing Percentage	Grant Amount	FSMC/ Self-Op	General Fund Transfers	General Fund Transfer per Student	SY23 - 24 Lunches	F&RL % (Oct 2023)
Union School District									
Orange Southwest Unified Union School District	U059	\$43,428.38	12%	\$0	Self-Op	\$75,414.38	\$75.87	92,206	47%
Caledonia Central SU	S009	\$49,050.00	13%	\$0	Self-Op	\$466,336.00	\$375.77	117,906	56%
Addison Northwest School District	U054	\$57,311.85	15%	\$15,478.65	Self-Op	\$366,668.93	\$426.36	103,191	38%
Lamoille South Supervisory Union	S026	\$53,541.74	15%	\$23,775.00	Self-Op	\$0	\$0	158,500	38%
Essex Westford Educational Community Unified Union School Dist.	U051	\$147,325.00	15%	\$62,337.00	Self-Op	\$0	\$0	415,580	29%
Lamoille North SU	S025	\$73,827.37	16%	\$27,303.15	Mixed	\$383,650.48	\$216.75	182,021	64%
Orleans Southwest SU	S035	\$43,680.18	17%	\$13,097.25	Self-Op	\$192,856.46	\$218.41	87,315	77%

SFA Name	LEA ID	Locally Produced Foods Budget	Local Purchasing Percentage	Grant Amount	FSMC/ Self-Op	General Fund Transfers	General Fund Transfer per Student	SY23 - 24 Lunches	F&RL % (Oct 2023)
Rivendell Interstate School District	U146	\$22,490.98	17%	\$6,592.80	Self-Op	\$47,773.00	\$114.84	43,952	44%
Windsor Southeast SU	S052	\$64,111.00	18%	\$16,961.85	Self-Op	\$536,891.22	\$437.21	113,079	43%
Central Vermont Supervisory Union	S068	\$52,421.70	18%	\$14,737.50	FSMC	\$205,736.90	\$161.49	98,250	75%
Mt. Abraham Unified School District	U061	\$104,888.96	18%	\$20,092.95	Self-Op	\$446,868.00	\$373.64	133,953	44%
Mountain Views Supervisory Union	S051	\$74,955.88	20%	\$23,169.20	Self-Op	\$290,745.42	\$289.88	115,846	28%
Harwood Unified Union School District	U060	\$86,201.28	23%	\$35,135.00	Self-Op	\$282,879.15	\$154.07	175,675	26%
Windham Northeast SU	S047	\$161,318.47	25%	\$29,657.75	Self-Op	\$270,349.00	\$257.23	118,631	57%

Baseline Year Applicants

Organized alphabetically by SFA name.

SFA Name	LEA ID	Local Purchase Estimate (%)	Self-Reported Accuracy of Estimate	Grant Amount	FSMC/Self-Op	General Fund Transfers	General Fund Transfer per Student	SY23 - 24 Lunches	F&RL % (Oct 2023)
Addison Central School District	U055	12.00%	Very Accurate	\$28,210.80	Self-Op	\$405,635.32	\$244.36	188,072	39%
Hartford Town School District	T093	40.00%	This is a guess	\$16,475.25	Mixed	\$111,201.20	\$73.84	109,835	41%
Lincoln School District	T112	15.00%	Moderately Accurate	\$1,272.90	Self-Op	\$109,820.00	\$1,568.86	8,486	36%
Orleans Central Supervisory Union	S034	3.00%	Moderately Accurate	\$16,857.45	Self-Op	\$429,561.80	\$407.17	112,383	64%
St. Johnsbury Town School District	T179	5.00%	Moderately Accurate	\$12,746.25	Self-Op	\$0	\$0	84,975	70%

SFA Name	LEA ID	Local Purchase Estimate (%)	Self-Reported Accuracy of Estimate	Grant Amount	FSMC/Self-Op	General Fund Transfers	General Fund Transfer per Student	SY23 - 24 Lunches	F&RL % (Oct 2023)
Washington Central Unified Union School District	U092	25.00%	This is a guess	\$20,917.20	Self-Op	\$50,371.00	\$28.70	139,448	39%

Did Not Apply

Organized alphabetically by SFA name. Norwich, Springfield, and Windham Southwest did not submit their Financial Reports on time. Barre checked the Subsequent Year applicants checkbox in the Financial Report but did not report local purchasing numbers so they were regrouped in the Did Not Apply table.

SFA Name	LEA ID	SFA Received a Baseline Year Award (School Year)	Local Purchase Estimate (%)	Self-Reported Accuracy of Estimate	FSMC/Self-Op	General Fund Transfers	General Fund Transfer per Student	SY23 - 24 Lunches	F&RL % (Oct 2023)
Barre Unified Union School District	U097	23/24	Did Not Submit	Did Not Submit	FSMC	\$0	\$0	242,868	48%
Bennington-Rutland SU	S006	22/23	10.00%	Very Accurate	Self-Op	\$263,044.93	\$247.92	109,210	48%

SFA Name	LEA ID	SFA Received a Baseline Year Award (School Year)	Local Purchase Estimate (%)	Self-Reported Accuracy of Estimate	FSMC/Self-Op	General Fund Transfers	General Fund Transfer per Student	SY23 - 24 Lunches	F&RL % (Oct 2023)
Burr and Burton Academy	P002	Never	10.00%	Moderately Accurate	Self-Op	N/A	N/A	75,199	32%
Colchester Town School District	T050	21/22	5.00%	Moderately Accurate	Self-Op	\$268,543.45	\$121.46	250,904	37%
Essex North SU	S019	21/22	0.00%	This is a guess	FSMC	\$0	\$0	18,353	41%
Franklin Northeast SU	S020	22/23	8.00%	This is a guess	Self-Op	\$479,659.70	\$245.35	165,460	77%
Franklin West SU	S022	Never	1.00%	This is a guess	FSMC	\$0	\$0	255,662	29%
Grand Isle SU	S024	Never	5.00%	This is a guess	FSMC	\$138,430.22	\$267.76	57,296	56%
Greater Rutland County Supervisory Union	S066	23/24	15.00%	This is a guess	Mixed	\$44,106.62	\$28.27	123,037	67%

SFA Name	LEA ID	SFA Received a Baseline Year Award (School Year)	Local Purchase Estimate (%)	Self-Reported Accuracy of Estimate	FSMC/Self-Op	General Fund Transfers	General Fund Transfer per Student	SY23 - 24 Lunches	F&RL % (Oct 2023)
Kingdom East Supervisory District	U064	Never	20.00%	Moderately Accurate	FSMC	\$0	0	109,395	49%
Laraway School, Inc.	R111	Never	1.00%	Very Accurate	Self-Op	N/A	N/A	2,156	89%
Lyndon Institute	P003	Never	10.00%	Moderately Accurate	FSMC	N/A	N/A	40,160	54%
Maple Run Unified School District	U057	21/22	12.00%	Moderately Accurate	FSMC	\$0	\$0	302,006	54%
Mill River Unified Union School District	U052	Never	2.00%	This is a guess	Mixed	\$0	0	95,524	53%
Milton Town School District	T126	Never	95.00%	Moderately Accurate	Self-Op	\$25,000.00	\$17.11	128,378	39%
Missisquoi Valley School District	U089	Never	6.00%	Moderately Accurate	FSMC	\$0	0	207,656	55%

SFA Name	LEA ID	SFA Received a Baseline Year Award (School Year)	Local Purchase Estimate (%)	Self-Reported Accuracy of Estimate	FSMC/Self-Op	General Fund Transfers	General Fund Transfer per Student	SY23 - 24 Lunches	F&RL % (Oct 2023)
Montpelier Roxbury Supervisory Union	U071	21/22	6.00%	Very Accurate	Self-Op	\$173,588.30	\$144.78	111,623	31%
New England Kurn Hattin Homes	R342	Never	65.00%	Moderately Accurate	Self-Op	N/A	N/A	6,960	97%
North Country SU	S031	Never	20.00%	This is a guess	Mixed	\$0	\$0	288,279	67%
Northeastern Family Institute	R614	Never	10.00%	This is a guess	Self-Op	N/A	N/A	10,649	89%
Norwich School District	T145	Never	Did Not Submit	Did Not Submit	FSMC	Did Not Submit	Did Not Submit	29,421	12%
Orange East SU	S027	Never	20.00%	Moderately Accurate	Mixed	\$124,099.71	\$78.49	145,173	57%
Rutland City School District	T173	Never	20.00%	Moderately Accurate	FSMC	\$0	0	216,053	72%

SFA Name	LEA ID	SFA Received a Baseline Year Award (School Year)	Local Purchase Estimate (%)	Self-Reported Accuracy of Estimate	FSMC/Self-Op	General Fund Transfers	General Fund Transfer per Student	SY23 - 24 Lunches	F&RL % (Oct 2023)
Rutland Northeast SU	S036	21/22	13.00%	This is a guess	FSMC	\$389.50	\$0.28	103,912	49%
Slate Valley Unified Union School District	U062	21/22	9.00%	Moderately Accurate	FSMC	\$0	\$0	120,590	49%
South Burlington Town School District	T191	21/22	9.00%	Moderately Accurate	Self-Op	\$0	\$0	213,453	30%
Southwest Vermont SU	S005	22/23	15.00%	Moderately Accurate	FSMC	\$0	\$0	377,973	75%
Springfield Town School District	T193	Never	Did Not Submit	Did Not Submit	FSMC	Did Not Submit	Did Not Submit	130,612	69%
St. Johnsbury Academy	P004	Never	50.00%	This is a guess	FSMC	N/A	N/A	98,031	28%

SFA Name	LEA ID	SFA Received a Baseline Year Award (School Year)	Local Purchase Estimate (%)	Self-Reported Accuracy of Estimate	FSMC/Self-Op	General Fund Transfers	General Fund Transfer per Student	SY23 - 24 Lunches	F&RL % (Oct 2023)
The Village School of North Bennington	R053	Never	3.00%	This is a guess	FSMC	N/A	N/A	16,312	43%
Thetford Academy	P005	Never	5.00%	Moderately Accurate	Self-Op	N/A	N/A	30,136	10%
Two Rivers SU	S063	22/23	12.00%	This is a guess	Self-Op	\$149,324.69	\$182.33	80,386	48%
Vermont Achievement Center	R186	23/24	15.00%	Moderately Accurate	Self-Op	N/A	N/A	9,904	82%
Washington County Mental Health Services Inc.	R528	Never	15.00%	Moderately Accurate	Self-Op	N/A	N/A	4,952	90%
Windham Central SU	S046	22/23	50.00%	This is a guess	Self-Op	\$341,611.36	\$509.87	75,083	52%
Windham Southeast SU	S048	21/22	6.00%	Very Accurate	Mixed	\$0	\$0	246,832	48%

SFA Name	LEA ID	SFA Received a Baseline Year Award (School Year)	Local Purchase Estimate (%)	Self-Reported Accuracy of Estimate	FSMC/Self-Op	General Fund Transfers	General Fund Transfer per Student	SY23 - 24 Lunches	F&RL % (Oct 2023)
Windham Southwest SU	S049	23/24	Did Not Submit	Did Not Submit	Self-Op	Did Not Submit	Did Not Submit	57,212	61%
Winooski School District	T249	Never	10.00%	Moderately Accurate	FSMC	\$ 0	\$0	84,773	96%