



# American Farmland Trust

## SAVING THE LAND THAT SUSTAINS US

### Written Testimony for the Joint Legislative Public Hearing on the 2026 Executive Budget Proposal

Topic: Elementary & Secondary Education

Focus: Farm to School, Universal School Meals, and the 30% NYS Initiative

Chairpersons and members of the Legislature—thank you for the opportunity to submit testimony in support of New York’s farm to school priorities as part of the FY 2026–27 Executive Budget.

New York’s school meals are one of the state’s most powerful “dual-impact” investments: they improve educational and health outcomes for children while keeping taxpayer dollars circulating in New York’s economy through in-state farm and food businesses. The state’s 30% New York State Initiative and Farm to School infrastructure investments are the core policy levers that make this possible.

#### **Why this matters now: child food insecurity and household affordability**

New York’s families are still navigating significant food affordability pressures. The State Comptroller’s audit of the 30% Initiative reports that New York households with children have experienced the highest rates of food insecurity since 2020—reaching as high as 16% in 2022—and that even in the first three months of 2024, roughly one in nine families with children reported they sometimes or often did not have enough to eat due to lack of money or other resources.<sup>1</sup>

Schools are uniquely positioned to stabilize nutrition access at scale. As the audit notes, providing meals for students is a strategy to reduce food insecurity, support learning, and improve health—particularly when meals are high quality and healthy.<sup>1</sup> This is exactly why universal school meals and farm to school are so complementary: when more students eat, more public meal dollars flow through school food operations—and the state has a larger opportunity to align those dollars with New York-grown purchasing.

## **Farm to school keeps taxpayer dollars in New York—and creates more reliable markets for farmers**

Farm to school procurement is economic development. When school districts buy New York food, those public dollars support New York farmers' revenue and production planning, New York processors and distributors, and New York regional food hubs and supply-chain jobs.

This is also a risk-management strategy for agriculture: schools can be steady, local buyers that are less exposed to export disruptions and sudden market shocks than many private channels.

## **The Comptroller's audit shows the 30% Initiative is underutilized—and why**

The Comptroller's audit confirms that the 30% Initiative's goals are strong, but participation remains too low to deliver statewide impact at the intended scale. The audit reports that as of June 12, 2025, for the 2024–25 school year, 73 School Food Authorities (SFAs) were reimbursed approximately \$2.9 million under the Initiative.<sup>1</sup>

More importantly, the audit documents that most of the annual appropriation is going unused. For SY 2024–25, the audit shows \$2,907,049 reimbursed with \$7,092,951 remaining, meaning only 29% of the \$10 million appropriation had been reimbursed as of June 12, 2025.<sup>1</sup>

The audit also highlights equity concerns in current utilization patterns: two districts accounted for roughly one-third of total reimbursed funds.<sup>1</sup>

## **The dominant barrier is administrative burden**

The audit identifies the most common barrier as the administrative burden of tracking lunch costs separately from other meal costs (breakfast, snacks).<sup>1</sup> Among surveyed SFAs, the most frequently cited barriers were administrative burden, difficulty sourcing eligible products, and cost concerns.<sup>1</sup>

The audit further reports what food service leaders are saying in practice: difficulties sourcing eligible products, and that increased costs of qualifying products can outweigh the reimbursement value.<sup>1</sup>

## **Why modernization is necessary—and how universal school meals strengthens the case**

Universal school meals increases participation and meal volume—which increases the purchasing power and market footprint of school food. But if the 30% Initiative remains administratively difficult to access, the state will miss a major opportunity: universal meals can expand the flow of public dollars through school meal programs, but modernization is what ensures more of those dollars are captured by New York farms and food businesses rather than leaking out of state.

The audit acknowledges that certain changes—like expanding beyond lunch or increasing the reimbursement rate—require legislative action.<sup>1</sup> In other words: the audit provides a clear justification for the Legislature to act where agency-level fixes are not sufficient.

## Farm to school requests for the FY 2026–27 enacted budget

1. Maintain funding for Universal School Meals and pair it with farm-to-school purchasing impact. Universal school meals is a foundational education and child wellbeing strategy. Pairing it with strong farm-to-school incentives ensures that increased public meal spending strengthens New York agriculture and in-state jobs—maximizing the return on taxpayer investment.
2. Maintain Baseline funding for NYS Farm to school programs:
  - Maintain \$10 million for the 30% NYS Initiative
  - Maintain \$1.5 million for the Farm to School Grant Program.
3. Modernize the 30% NYS Initiative to reduce administrative burden and expand participation. Modernization should be designed to make participation feasible for more SFAs statewide, so the state can deploy the majority of the \$10 million appropriation toward New York food purchases. Below is the proposed framework for modernization:
  - **Lower-Threshold Onboarding Year**
    - New SFAs can enter at **25–29%** local purchasing for one year.
    - Reimbursement at this tier: **\$0.25 per meal**.
  - **Inclusion of All Meals**
    - Include **NSLP lunch, SBP breakfast, and reimbursable snacks**.
    - Apply the 30% calculation across *all* meals served.
  - **Updated Reimbursement Structure**
    - Increase from **\$0.19 → \$0.30 per lunch meal**.
    - Add **1.5% annual CPI indexing** for five years.
  - **Three-Year Hold Harmless Provision**
    - Guarantees existing participants remain eligible for three years during program transition.
  - **Separate and Stable Funding**
    - Ensure the 30% reimbursement remains **distinct** from all other state meal reimbursements (including \$0.059 state reimbursement).
    - Protect program integrity and transparency.

## Closing

New York has a clear opportunity in this education budget: strengthen universal school meals as a student success strategy while modernizing farm-to-school systems so that the state’s substantial public meal spending also becomes a consistent in-state economic engine for New York agriculture.

The Comptroller’s audit makes the stakes plain: families with children are experiencing serious food insecurity, the 30% Initiative appropriation is largely going unused, and the top barrier is structural administrative burden.<sup>1</sup> With thoughtful legislative action, New York can ensure school meals feed more

children, and that more of the public dollars spent doing so stay in New York—supporting farmers, jobs, and resilient local supply chains.

## **References**

1. New York State Office of the State Comptroller, Division of State Government Accountability. Department of Agriculture and Markets: 30% New York State Initiative. Audit Report (Report 2024-S-13).