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Rhode Island Works Best When We Say **UNION YES.**

March 4, 2026

Chair Gallo
Senate Committee on Education
Rhode Island State House
Providence, RI 02903

RE: Testimony on SB2635 - School lunch program – Fees, transparency, and payment protections

Dear Chair Gallo and members of the Senate Committee on Education,

On behalf of the Rhode Island AFL-CIO, which represents over 80,000 union members across the state, we offer the following testimony in support of Senate Bill 2635.

This legislation is a straightforward consumer protection measure that promotes fairness and transparency, while prioritizing student well-being. It ensures that families are protected from unnecessary junk fees imposed by vendors, and school meal dollars go directly toward feeding children.

Families across Rhode Island are already navigating rising grocery costs, housing expenses, childcare costs, and inflation. Even seemingly small transaction fees, \$2 per deposit or a 3% processing charge, add up over the course of a school year. These charges disproportionately impact low- and moderate-income families. Households with multiple children and families who must make smaller, more frequent deposits face more frequent charges. Parents should not be penalized simply for choosing to pay for their children's school meals electronically.

Senate Bill 2635 allows payment processors to recover their actual costs, but it prohibits fees that exceed those costs or generate profit. By establishing a clear 2% cap and authorizing the Rhode Island Department of Education to adopt a lower cap through rulemaking if appropriate, the bill provides accountability while maintaining flexibility.

This bill also guarantees that every family has at least one no-fee payment option. Many districts already offer alternatives such as check or in-person payment. This legislation ensures that those options are clearly disclosed and consistently available statewide. Access to school meals should not depend on a family's ability to absorb digital transaction fees. No Rhode Island parent should pay extra simply to put money on their child's lunch account.

Additionally, school meal programs frequently involve federal nutrition funding, state support, and family contributions. Senate Bill 2635 ensures that these funds are primarily applied to the cost of meals and limited allowable processing expenses. Public education dollars and federal child nutrition funds should not leak into private fee structures. This bill protects both taxpayers and the integrity of student nutrition programs.

Ultimately, this bill supports student well-being and food security. For these reasons, the Rhode Island AFL-CIO respectfully urges passage of Senate Bill 2635 and thanks President Lawson for her leadership on this issue.

Respectfully submitted,

A handwritten signature in blue ink, reading 'Erica A. Hammond', is written in a cursive style.

Erica A. Hammond
Legislative Director, Rhode Island AFL-CIO