

# California Nutrition Incentives Act FAQs

*Healthy Food, Healthy People, Healthy Economy*

## **What is the California Nutrition Incentives Act?**

- This proposal would appropriate \$5 million annually from the General Fund to establish the Nutrition Incentive Matching Grant Program for purchasing California grown fruits, nuts and vegetables (i.e. specialty crops), benefiting low-income families and California's economy.
- It builds upon the success of California Market Match, beginning in 2009, which doubles the purchasing power of nutrition assistance benefits (e.g. CalFresh) when spent on specialty crops at farmers' markets. Market Match has demonstrated, on average, a six-fold return on investment in sales.
- This proposal would also expand these incentives into the small business retail setting to reach low-income Californians with limited access to a farmers' market.

## **What is the federal-state relationship for the matching funds that were newly established in the 2014 Farm Bill?**

- The Food Insecurity Nutrition Incentive (FINI) Act provided \$100 million in discretionary funding over 5 years, and was enacted through the 2014 Farm Bill. The Farm Bill made devastating cuts to nutrition programs like SNAP, and FINI represents one of the few positives that California must take full advantage of.
- Applications for the initial \$31.5 million were due in December of 2014 and it is expected that successful applicants will begin work by May of 2015. The initial \$31.5 million covers FY 2014 and 2015. The next Request for Applications (RFA) is expected to be issued in 2016, with another \$20 million available, for work to begin in 2017.
- At this time it is not clear when in 2016 the RFA will be issued or when in 2017 projects will be funded. There is an application to the FINI program for Market Match that would run through April of 2017. There will be another \$20 million available in 2017 and \$25 million in 2018.
- FINI applications also require a support letter from the state agency that administers SNAP, which is the Department of Social Services in California. Advocates have been in conversation with both departments, including the Department of Public Health.

## **How is this program different from other CalFresh programs in terms of funding?**

- California is not guaranteed any FINI dollars unlike with the SNAP program or Specialty Crop Block Grant (SCBG) program.
- The creation of the Nutrition Incentive Matching Grant Program would increase the likelihood that we could maximize our federal draw down because of our share of specialty crops, the successful evidence base provided by Market match, and the California Department of Food and Agriculture (CDFA) has a good relationship with USDA.

**Why is the California Department of Food & Agriculture proposed to be the administrative agency for a program that supports social safety net clients?**

- CDFA has staff with expertise on the application process for federal grants, like the SCBG. In fact, 50 percent of the SCBG monies have, on average, been awarded to California because of the amount of specialty crops grown here relative to other states.
- Leveraging CDFA's expertise to fund Market Match and other nutrition food incentive programs across the state will not only benefit small farmers but make access to healthy foods a reality.
- Using a comprehensive approach that includes farmers' markets, produce stands and individually-owned retail will ensure that this state investment will benefit low-income communities up and down the state, saving the state money in health care costs and improving worker productivity by increasing access to healthy food. The direct economic benefits will also support local small business owners, and small- and mid-sized California farmers, who struggle with keeping price points competitive for healthy food.

**What has been the role of Specialty Crop Block Grants in funding Market Match?**

- The Market Match program has received support from the SCBG Program since the inception of Market Match. These grant funds primarily covered the administration of the program with limited funds for consumer incentives i.e. the additional benefit dollars for purchasing healthy produce.
- Combined with support from private individuals and foundations, SCBG support helped demonstrate the efficacy of the program in its early stages. SCBG funding has become more restrictive in recent years and will run out for the Market Match program in March of 2015.

**What is the primary purpose of the FINI program?**

- Federal language for FINI funding states: "The primary goal of the FINI grants program is to fund and evaluate projects intended to 'increase the purchase of fruits and vegetables by low-income consumers participating in [SNAP] by providing incentives at the point of purchase' (FCEA, § 4405(b)(2)(A)(ii)(II)). For FINI grants, NIFA defines 'fruits and vegetables' as 'any variety of fresh, canned, dried, or frozen whole or cut fruits and vegetables without added sugars, fats, or oils, and salt (i.e. sodium).'" NIFA stands for the National Institute of Food and Agriculture, which is part of the United States Department of Food & Agriculture (USDA).
- FINI provides federal matching monies, at a 1:1 ratio, for programs that meet the primary goal above, in addition to other priority criteria.

### **Why did California leave federal money on the table last year?**

- Last year, AB 2385 (Ting) tried to establish this regulatory framework that would have positioned CDFA to submit a statewide application. It was held in Assembly Appropriations because the regulatory language for FINI was not available at the time. Unfortunately, the USDA did not publish language until September 2014, long after AB 2385 was held, and the first round of FINI funding passed by.
- Assembly Member Ting, principal co-authors Senator Wolk and Assembly Member Bonta and co-authors Assembly Members Levine and Perea have introduced AB 1321 this session to ensure the creation of a statewide nutrition incentive program within CDFA.
- Only three of five years of federal matching dollars under the 2014 Farm Bill remain.

### **Will this statewide nutrition incentives program phase out with the FINI grant?**

- California advocates were a driving force behind the inclusion of the FINI grant in the 2014 Farm Bill. Organizations like Ecology Center and Roots of Change worked with out of state allies, Wholesome Wave and Fair Food Network, to get this program created. Institutional support is now necessary to scale up what has worked in California for the last five years, and to demonstrate to Congress that there should be even more dollars available under FINI.
- A modest \$5 million investment from the state will help demonstrate the success of the FINI grant program which will be critical to advocate for a continuous (i.e. mandatory) federal funding stream in the next federal Farm Bill. This is an opportunity to leverage federal dollars to demonstrate impact and ensure a continuous federal funding stream to support the state's investment in an evidence-based nutrition incentive model.