SENATE COMMITTEE ON AGRICULTURE Senator Andreas Borgeas, Chair 2021 - 2022 Regular

Bill No:	SB 907	Hearing Date:	04/27/2022
Author:	Pan 2/21/22 A		
Version:	3/31/22 Amended	Fiscal:	Yes
Urgency:	No Reichel Everhart	riscai:	Ies
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Subject: Electronic benefits transfer systems: farmers' markets

SUMMARY:

This bill would require the California Department of Food and Agriculture (CDFA), along with the California Department of Social Services (CDSS) to establish the Local, Equitable, Access to Food (LEAF) program, a non-competitive grant program to expand the use of the electronic benefits transfer (EBT) system statewide.

BACKGROUND AND EXISTING LAW:

Existing state law:

- 1) Establishes CalFresh, which provides monthly food benefits via the federal Supplemental Nutrition Assistance Program (SNAP) to low-income individuals and families and provides economic benefits to communities (*Welfare and Institutions Code, Chapter 10, [18900-18928]*.
- 2) Establishes the EBT system, which is used for the delivery, redemption, and reconciliation of issued public assistance benefits, such as CalFresh, CalWORKs, and other food and cash aid benefits (*Welfare and Institutions Code, Chapter 3, [10065-10066]*.
- 3) Establishes the California EBT Project Office, which authorizes an interested collective group or association of produce sellers that is USDA Food and Nutrition Service certified and actively participating in produce sales in a farmers' market, flea market, or certified farmers' market to use the EBT system

(<u>https://www.ebtproject.ca.gov/Businesses/farmersMarket.html</u>).

Existing federal law:

- Establishes the federal Supplemental Nutrition Assistance Program, a federally mandated system to provide food benefits to low-income individuals and families and provide economic benefits to communities. The benefits allow recipients to purchase:
 - a. Fruits and vegetables

- b. Meat, poultry, and fish
- c. Dairy products
- d. Breads and cereals
- e. Other foods such as snack foods and non-alcoholic beverages
- f. Seeds and plants, which produce food for a household (7 United States Code, Chapter 51, Section 2011).

PROPOSED LAW:

This bill:

- 1) Requires CDFA, with support from CDSS and upon funds being appropriated, to establish the Local, Equitable Access to Food (LEAF) program, a non-competitive grant program to expand the use of EBT acceptance systems at certified farmers' markets or farmers' markets operated by tribal governments on Indian reservations. These grants can be used two ways:
 - a. <u>Expand the use of EBT acceptance systems.</u> The grants may be used for, but not be limited to:
 - i. Scaling and improving EBT processes at existing certified farmers' markets.
 - ii. Establishing new certified farmers' markets that accept payment via EBT, primarily in underserved communities, including but not limited to, those in food deserts or with high CalFresh participation.
 - iii. Operational services including, but not limited to, the hiring of individuals to operate the EBT acceptance systems and programs that expand the purchasing power of customers using CalFresh benefits at farmers' markets.
 - iv. Technical assistance, which may include, but not be limited to, employing a third party nonprofit organization to provide any back-end assistance required to help make a certified farmers' market a successful and effective EBT retailer.
 - v. Educational and outreach activities promoting the ability to use EBT cards at certified farmers' markets.
 - b. <u>Contract with nonprofit organizations to provide technical assistance</u> for the implementation of high-quality EBT acceptance systems. The grants may be used by nonprofit organizations to:
 - i. Assist certified farmers' markets to become authorized retailers under the CalFresh program, to request free point-of-sale terminals for certified farmers' markets, and to advise certified farmers' markets on best practices.

- ii. Create materials that explain the EBT transaction process and translate those materials into every language spoken by at least 2% of the state's residents.
- 2) Requires a certified farmers' market that receives a grant to annually submit a report to CDFA documenting the use of grant funds and demonstrating that grant funds were used to expand the use of EBT acceptance systems at the farmers' market.
- 3) Requires CDFA to evaluate the program nine months after issuing sufficient grants and requires the department to submit a report to all appropriate legislative committees. The report shall include, at a minimum:
 - a. Number of grants issued
 - b. Average amount of grant funds awarded
 - c. Geographical information for grantees
 - Number of grantees located in a food desert, as defined in Section 49015 of the Food and Agricultural Code
 - e. Data for the 12 months prior to the grant's implementation, if available, and annually thereafter for the following metrics:
 - i. Total dollars spent by CalFresh participants per market
 - ii. Average total dollars spent at markets in food deserts and in areas with high CalFresh participation
 - iii. Estimate of the change in EBT use relative to the marketing and outreach efforts of grantees
- 4) States CDFA shall not use more than 5% of the appropriation for administrative costs associated with the LEAF program.
- 5) Requires applications for these grants to be submitted as part of a farmers' market operator's initial application or annual renewal of a certificate to operate a certified farmers' market.
- 6) Requires each county agricultural commissioner that receives a grant application to forward the application to the Department of Food and Agriculture.

ARGUMENTS IN SUPPORT:

According to the author:

"Food insecurity continues to produce negative health outcomes for low-income families and lead to lower life-expectations. SB 907 will increase access to healthy and fresh foods at CA certified farmers' markets for 4.8 million CalFresh/EBT recipients. Farmers markets provide a great source of nutritious affordable foods in communities that historically have suffered from a lack of investments in food markets. The State of California has realized the potential for markets to improve the lives of families receiving CalFresh and made efforts to increase access." "Unfortunately, there are still large barriers to accessing CalFresh/EBT at all CA Certified farmers' markets because of the lack of funding for outreach, administrative hurdles, and a lack of technical assistance needed to operate these kinds of transactions. Most markets in the State currently rely on a patchwork of grant funding and other non-profits to provide these services. This model is not sustainable and ultimately, affects CalFresh recipients and their ability to purchase healthy foods. SB 907 is a sensible measure that will reduce these barriers for both farmers and CalFresh recipients, and produce healthy outcomes needed to improve the social determinants of health for an entire family and community."

<u>COMMENTS</u>:

<u>Suggested Amendment</u>: According to CDFA's website, initial applications and annual renewals for a certificate to operate a certified farmers' market go to the respective county's agricultural commissioner but grant applications for funds to operate a farmers' market go directly to CDFA. By removing this mandate from the bill and instead utilizing the existing grant protocol for the LEAF program, the burden is removed from the agricultural commissioners.

The author's office has agreed to remove this mandate from the bill and will be taking it as an author's amendment. The amendment will be to strike page 3, lines 21-26 in its entirety.

RELATED LEGISLATION:

<u>AB 537 (Chapter 435, Statutes of 2010)</u>: Required farmers' markets, flea markets, and certified farmers' markets to provide reasonable accommodations for food and nutrition service-authorized produce sellers who wish to operate an EBT acceptance system on behalf of its members.

SUPPORT:

Alchemist Community Development Corporation (Co-Sponsor) NextGen California (Co-Sponsor) Agricultural Institute of Marin Agriculture and Land-based Training Association American Heart Association Angels Camp Business Association's Farmers' Market Biology Center Blue Zones Project Monterey County Blue Zones Project Tuolumne County

Blue Zones Project Upper Napa Valley California Association of Food Banks California Food and Farming Network California Fresh Farmers Market Association Center for Land-Based Learning Chicken Ranch Rancheria of Me Wuk Indians of California City of Sacramento Coalition of California Welfare Rights Organizations **Coastside Farmers' Markets Community Alliance With Family Farmers** County of Sacramento **Ecology** Center Everyone's Harvest Foodwise Fresh Approach Heart of the City Farmers' Market Hunger Action Los Angeles, Inc. Jefferson Economic Development Institute Latino Coalition for a Healthy California Marin Food Policy Council Merced Certified Farmers' Market Model Neighborhood Program Modesto Certified Farmers Market Monterey County Food Policy Council Napa Farmers Market Natural Resources Defense Council NeighborWorks Sacramento Region North Coast Growers Association Office of Kat Taylor Pacific Coast Farmers Market Association Palm Springs Cultural Center Peaceful Valley Farmers' Market Roots of Change Sacramento Food Policy Council San Diego Farmers' Markets, LLC San Diego Food System Alliance Santa Cruz Community Farmers' Market Silicon Valley Community Foundation **SPUR** Sustainable Economic Enterprises of Los Angeles The Food Initiative of Greater Stanislaus

SB 907 (Pan)

Unseen Heroes Urban Village Farmers' Market Association Valley Vision

OPPOSITION: None received

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