

Date of Hearing: June 29, 2022

ASSEMBLY COMMITTEE ON AGRICULTURE

Robert Rivas, Chair

SB 907 (Pan) – As Amended June 21, 2022

SENATE VOTE: 39-0

SUBJECT: Electronic benefits transfer systems: farmers' markets

SUMMARY: Creates the "Local, Equitable Access to Food (LEAF) Program" a noncompetitive grant program to expand the use of electronic benefit transfer (EBT) systems at certified farmers' markets and tribal farmers' markets. Specifically, **this bill:**

- 1) Requires, upon an appropriation, the California Department of Food and Agriculture (CDFA), with support from the California Department of Social Services (CDSS) to establish a grant program designed to expand the use of EBT acceptance systems at California certified farmers' markets or tribe-operated farmer's markets on Indian reservations. Further, requires the grant to include both of the following:
 - a) Grants to certified farmers' market operators or farmers' markets operated by tribal governments on Indian reservations to expand the use of EBT acceptance systems at farmers' markets.
 - b) Grants to nonprofit organizations, as specified, to provide technical assistance to certified farmers' markets on the implementation of high-quality EBT acceptance systems.
- 2) Specifies that a certified farmers' market shall only be eligible for a grant pursuant to this paragraph if the certified farmers' market operator is a local government, a certified producer, or a nonprofit organization that qualifies as a nonprofit organization.
- 3) Provides that a certified farmers' market may use grant funds for any activities relating to expanding the use of EBT acceptance systems at farmers' markets, which may include, but is not limited to, any of the following:
 - a) Scaling and improving EBT processes at existing certified farmers' markets;
 - b) Establishing new certified farmers' markets that accept payment via EBT cards, primarily in underserved communities, including, but not limited to, those in food deserts or with high CalFresh participation;
 - c) Operational services, as specified;
 - d) Technical assistance, as specified; and,
 - e) Educational and outreach activities promoting the ability to use EBT cards at certified farmers' markets.
- 4) Provides that if a certified farmers' market uses grant funds to hire an individual, or to contract with a third party, to operate an EBT acceptance system, all of the following shall apply:

- a) The person operating the EBT acceptance system shall be available at all times the certified farmers' market is open to the public;
 - b) Vendors at the farmers' market shall not be charged a fee for the operation of an EBT acceptance system;
 - c) Vendors shall be reimbursed in full for purchases made using an EBT acceptance system at least once per month;
 - d) The person operating the EBT acceptance system shall be located in a central and highly visible area of the farmers' market; and,
 - e) The person operating the EBT acceptance system shall provide a monthly report to the department with the number of EBT transactions, the amount of CalFresh benefits distributed, and the amount of CalFresh benefits redeemed for each day that the farmers' market operates.
- 5) Requires a certified farmers' market that receives a grant to annually submit a report to the department 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.
 - 6) Requires CDFA to issue a request for proposals and shall award a grant to one nonprofit organization for each region. Further, authorizes CDFA to award grants for multiple regions to the same nonprofit organization. In selecting grant recipients, CDFA shall consider demonstrated expertise, capacity, and geographic proximity to certified farmers' markets.
 - 7) Authorizes nonprofit organizations that receive a grant to use grant funds to assist certified farmers' markets in becoming authorized retailers under the CalFresh program. These funds can be used to request free point-of-sale terminals for certified farmers' markets, and to advise certified farmers' markets on best practices, including, but not limited to, practices that may help expand the purchasing power of CalFresh benefits at certified farmers' markets, help to procure market scrip, and acquiring appropriate signage.
 - 8) Requires nonprofit organizations that receive a grant to use grant funds to create materials that explain the EBT transaction process and to translate those materials into every language spoken by at least 2% of the state's residents.
 - 9) Provides that nine months after CDFA has issued sufficient grants to evaluate the program, the department shall submit a report to all appropriate legislative committees. The report shall include, at a minimum, all of the following:
 - a) The number of grants issued to farmers' market operators and nonprofits;
 - b) The average amount of grant funds awarded;
 - c) Geographical information for grantees;
 - d) The number of grantees located in a food desert, as defined; and,
 - e) Data for the 12 months prior to the grant's implementation, if available, and annually thereafter for all of the following metrics: the total dollars spent by CalFresh participants

per market, the average total dollars spent at markets in food deserts and in areas with high CalFresh participation, and an estimate of the change in EBT use relative to the marketing and outreach efforts of grantees.

- 10) Specifies that of any appropriation made for the purposes of this section, the department shall not use more than 5% for administrative costs associated with the LEAF program.

EXISTING LAW:

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
- 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.
- 3) Establishes the California EBT Project Office, which authorizes an interested collective group or association of produce sellers that are 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.

Federal Law:

- 1) Establishes the federal SNAP, 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 specified food products.

FISCAL EFFECT: Unknown.

COMMENTS: According to the United States Census Bureau, one of every ten adults in California report that they struggle with food insecurity. The California Association of Food Banks define "food insecurity" as the occasional or constant lack of access to the food one needs for a healthy, active life. Food security can be impacted by various factors, including access to local healthy foods, the price of food, and the ability to store and prepare food. Individuals who face food insecurity are often forced to decide between nurturing their physical health or maintaining other aspects of their lives, leading to serious health effects.

CalFresh: In California, SNAP funds are administered through the CalFresh program. SNAP is the federal program that provides states funds to offer nutritional benefits to low-income individuals and families. SNAP eligibility standards are set by the United States Department of Agriculture (USDA) and include income tests, work requirements, and required documentation. The current maximum allowable gross income to be eligible for CalFresh is 200% of the Federal Poverty Level (FPL); however, households with members who are elderly or have disabilities are instead subject to a net monthly income at or below 100% of the FPL. As of October 1, 2021, the maximum monthly benefit amount for a one-person household in California is \$250, while a family of three may receive up to \$658.

Electronic Benefits Transfer: The EBT system automates the delivery, redemption, and reconciliation of multiple types of public assistance benefits, including CalFresh, CalWORKs, and General Assistance. Recipients who receive benefits on an EBT card can use their funds at authorized vendors across the state, or for specific benefit programs, at an automated teller machine to withdraw cash. The California Office of Systems Integration (OSI) is responsible for developing and maintaining California's EBT system. Changes to the EBT system, such as online access to transaction history and account balances, are implemented and overseen by OSI.

EBT at farmers' markets: In order to increase access to fresh, nutritious food, USDA authorizes the use of EBT at farmers' markets. Some farmers markets offer Market Match, which is a federally-funded incentive program that doubles the value of CalFresh purchases at participating farmers' markets. Additionally, some certified farmers' markets offer Market Match, which is a federally-funded incentive program that doubles the value of an individual's CalFresh purchases at participating farmers' markets; for every dollar in CalFresh scrip that a customer purchases, they are given an extra Market Match dollar that can be spent only on fruits and vegetables. Not all certified farmers' markets have EBT and even less are part of the market match program.

This bill would provide grant funding from the LEAF Program to help expand the use of EBT at farmers' markets. Grant funds can be used by farmers' markets or nonprofit organizations to scale and improve EBT access at existing farmers' markets; to establish new farmers' markets with EBT access; or, for operational services, technical assistance, or outreach. The goal of these grants is to offset some of the cost burden to establish robust EBT access at farmers' markets across the state, especially in areas that already suffer from food insecurity.

According to the author, “[This bill] is a measure that will increase access to healthy and fresh foods at CA certified farmers' markets for CalFresh/EBT recipients. Food insecurity continues to produce negative health outcomes for low-income families and lead to lower life-expectations. Farmers markets have continued to flourish and provide a great source of nutritious foods in communities that historically have suffered from a lack of investments in food markets. Additionally, California Farmers' have filled the void while increasing access to fresh foods at affordable prices. The State of California has realized the potential for markets to improve the lives of families receiving CalFresh by incentivizing them with a doubling of benefits for purchases made at these locations. Despite the States best efforts to increase access, one of the largest barriers to providing CalFresh/EBT access at all CA certified farmers' markets is the lack of funding for outreach, administrative, technical assistance needed to operate these kinds of transactions. Most markets in the State currently rely on a patchwork of grant funding and non-profit “market managers” to provide these services. This model is not sustainable and ultimately, affects CalFresh recipients and their ability to purchase healthy foods. [This bill] is a sensible measure that will produce healthy outcomes needed to improve the social determinants of health for an entire family and community.”

Supporters state farmers' markets are an important source of low-cost, fresh fruits and vegetables for Californians in need of food assistance, and increasing EBT access at farmers' markets will improve nutritional opportunities in areas of California where food deserts are prevalent. Additionally, for small and mid-sized farming operations, farmers' markets provide an important economic opportunity – a viable, local outlet for the sale of their produce. The grant program established under this bill will help improve access to healthy foods for all California families,

regardless of income, as well as increase the number of farmers' markets throughout the state. All Californians should have equitable access to the support services and critical resources – affordable housing, quality education, healthy food, and economic opportunity – they need to live productive lives.

REGISTERED SUPPORT / OPPOSITION:

Support

Alchemist CDC (Sponsor)
Nextgen California (Sponsor)
Agricultural Institute of Marin
Agriculture and Land-based Training Association
Alchemist Community Development Corporation
American Heart Association
Angels Camp Business Association's Farmers' Market
Blue Zones Project Monterey County
Blue Zones Project Tuolumne County
Blue Zones Project Upper Napa Valley
California Association of Food Banks
California Catholic Conference
California Food and Farming Network
California Fresh Farmers Market Association
California State University, Office of The Chancellor
Center for Land-based Learning
Chicken Ranch Rancheria of Me Wuk Indians of California
City of Sacramento
Coalition of California Welfare Rights Organizations
Community Alliance With Family Farmers
Eastmont Community Center
Ecology Center
Ecology Center, Berkeley
Everyone's Harvest
Fresh Approach
Heart of The City Farmers' Market
Hunger Action Los Angeles
Hunger Action Los Angeles, INC.
Jefferson Economic Development Institute
Latino Coalition for A Healthy California
Leadership Counsel for Justice and Accountability
Los Angeles Food Policy Council
Marin Food Policy Council
Merced Certified Farmers' Market
Model Neighborhood Program
Modesto Certified Farmers Market
Monterey County Food Policy Council
Napa Farmers Market
National Association of Social Workers, California Chapter
National Food Festivals

Natural Resources Defense Council (NRDC)
Neighborworks Sacramento Region
Nextgen California
North Coast Growers Association
Office of Kat Taylor
Pacific Coast Farmers Market Association
Palm Springs Cultural Center
Peaceful Valley Farmers' Market
Public Health Institute
Riverside Food Systems Alliance
Roots of Change
Sacramento Food Policy Council
Sacramento; County of
San Diego Farmers' Markets, LLC
Santa Cruz Community Farmers' Market
Silicon Valley Community Foundation
Spur
The Food Initiative of Greater Stanislaus
Unseen Heroes
Valley Vision

Opposition

None on file.

Analysis Prepared by: Victor Francovich / AGRI. / (916) 319-2084