H.B. NO. <sup>2771</sup> H.D. 1

# A BILL FOR AN ACT

RELATING TO FOOD SECURITY.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that the consumption of fresh fruits and vegetables is an integral part of building a healthy and thriving local food system for Hawaii. The legislature further finds that between eighty-five and ninetyfive per cent of the State's food supply is imported and Hawaii's farmers face significant barriers to growth in local food supply.

8 The legislature further finds that the State faces an 9 estimated \$83,000,000 in annual costs related to food insecurity 10 and hunger. Due to the coronavirus disease 2019 (COVID-19) 11 pandemic and rising inflation, households are facing increasing 12 food costs. Compared to the rest of the nation, households in 13 the State spend the highest percentage of their annual budgets 14 on food.

Additionally, the benefits added to the supplemental
nutrition assistance program during the COVID-19 pandemic
expired in March 2023. This resulted in a benefits decrease of

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\$200 a month on average for more than eighty thousand supplemental nutrition assistance program households. This means that statewide, Hawaii will see a decrease in benefits of more than \$16,000,000 per month. With the loss in food money payments, supplemental nutrition assistance program participants need to rely on the State's other food assistance programs, such as Hawaii's DA BUX double up food bucks program.

8 The legislature further finds that, through the Gus 9 Schumacher nutrition incentive program administered by the 10 United States Department of Agriculture, Hawaii has the 11 opportunity to accelerate the growth of local food production 12 for the State while addressing food insecurity for low-income 13 residents who are eligible for supplemental nutrition assistance 14 program benefits. Currently implemented in more than thirty 15 states, the Gus Schumacher nutrition incentive program provides 16 matching federal grant moneys to state programs that incentivize 17 the use of supplemental nutrition assistance program benefits 18 for the purchase of fresh produce. These federal matching funds 19 increase access to healthy dietary options while also 20 invigorating local economies and addressing food insecurity.

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1 The legislature additionally finds that the Hawaii's DA BUX 2 double up food bucks program began with an initial pilot program in 2012 by Kōkua Kalihi Valley Comprehensive Family Services on 3 the island of Oahu and The Kohala Center on the island of 4 Hawaii. The enactment of Act 153, Session Laws of Hawaii 2019, 5 6 created the Hawaii healthy food incentive program, and in tandem with a federal Gus Schumacher nutrition incentive program grant 7 8 award, united the double up food bucks programs statewide under one name, DA BUX double up food bucks. This program provides a 9 10 dollar-for-dollar match to supplemental nutrition assistance 11 program beneficiaries who purchase Hawaii grown fruits and 12 vegetables at participating supplemental nutrition assistance 13 program food retailers. By the end of 2023, the pilot program 14 was available at fifty-nine food retailers across one hundred 15 market sites and pick-up locations, including grocery stores, 16 farmers' markets, community-supported agriculture programs, and other farm direct food hubs. From 2020-2021, the DA BUX double 17 18 up food bucks program supported four hundred seventy farm 19 producers and eight distributors. Each dollar reimbursed to participating food retailers for their issued discounts on local 20 21 produce has an economic multiplier of 2.1. This means that each

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program dollar issued for local produce incentives contributes 1 \$2.10 to Hawaii's economy. A \$2,000,000 investment by the State 2 in this program would allow for a federal funding match that 3 will contribute at least \$12,800,000 to the local economy 4 5 annually. This result is a triple win for the State because it supports families, farmers, and the local economy. Additional 6 7 funding will allow the statewide program administrator, led by 8 The Food Basket Inc., Hawaii island's food bank in partnership 9 with the Hawaii Good Food Alliance, to obtain matching federal 10 funds for continued support of the program.

Accordingly, the purpose of this Act is to appropriate funds to the department of agriculture for the continued administration of the Hawaii healthy food incentive program and to provide matching funds to beneficiaries who participate in the supplemental nutrition assistance program.

16 SECTION 2. There is appropriated out of the general 17 revenues of the State of Hawaii the sum of \$ or so 18 much thereof as may be necessary for fiscal year 2024-2025 for 19 the continued administration of the Hawaii healthy food 20 incentive program and to provide matching funds to beneficiaries

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who participate in the supplemental nutrition assistance
 program.

3 The sum appropriated shall be expended by the department of4 agriculture for the purposes of this Act.

SECTION 3. In accordance with section 9 of article VII of 5 the Hawaii State Constitution and sections 37-91 and 37-93, 6 7 Hawaii Revised Statutes, the legislature has determined that the 8 appropriations contained in H.B. No. , will cause the state 9 general fund expenditure ceiling for fiscal year 2024-2025 to be 10 per cent. In addition, the exceeded by \$ or appropriation contained in this Act will cause the general fund 11 12 expenditure ceiling for fiscal year 2024-2025 to be further 13 exceeded by \$ or per cent. The combined total 14 amount of general fund appropriations contained in only these two Acts will cause the state general fund expenditure ceiling 15 for fiscal year 2024-2025 to be exceeded by 16 17 \$ per cent. The reasons for exceeding the or general fund expenditure ceiling are that: 18

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19 (1) The appropriation made in this Act is necessary to20 serve the public interest; and
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| 1 | (2)                    | The a  | ppropria | ation  | made | in   | this | Act   | meets   | the | needs |
|---|------------------------|--------|----------|--------|------|------|------|-------|---------|-----|-------|
| 2 | addressed by this Act. |        |          |        |      |      |      |       |         |     |       |
| 3 | SECT                   | ION 4. | This A   | Act sh | nall | take | effe | ect d | on July | 11, | 3000. |

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#### Report Title:

HDOA; Supplemental Nutrition Assistance Program; Hawaii Healthy Food Incentive Program; Appropriation; Expenditure Ceiling

#### Description:

Appropriates funds for the continued administration of the Hawaii healthy food incentive program and to provide matching funds to beneficiaries who participate in the supplemental nutrition assistance program. Effective 7/1/3000. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.