**JOSH GREEN, M.D.** GOVERNOR KE KIA'ĀINA





STATE OF HAWAII KA MOKU'ĀINA O HAWAI'I DEPARTMENT OF HUMAN SERVICES KA 'OIHANA MĀLAMA LAWELAWE KANAKA Office of the Director P. O. Box 339 Honolulu, Hawaii 96809-0339

February 13, 2024

TO: The Honorable Representative Cedric Asuega Gates, Chair House Committee on Agriculture & Food Systems

FROM: Cathy Betts, Director

# SUBJECT: HB 1525 – RELATING TO SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM INCENTIVES.

Hearing:Wednesday, February 14, 2024, 9:15 a.m.Conference Room 325, State Capitol & Video Conference

**DEPARTMENT'S POSITION**: The Department of Human Services (DHS) supports the measure and defers to the Department of Agriculture. DHS respectfully requests that any appropriation not reduce or replace priorities identified in the executive budget.

**PURPOSE:** This bill declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025. Appropriates 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 (SNAP).

The Hawaii Healthy Food Incentive dollar-for-dollar matching program helps SNAP participants double their purchasing power. Especially during this time of elevated food costs, continuing the program doubles the value of SNAP participants' benefits spent on Hawaiigrown fresh fruits and vegetables. This program also supports local farmers and keeps food dollars in the local economy.

Thank you for the opportunity to provide testimony on this measure.

**CATHY BETTS** DIRECTOR KA LUNA HO'OKELE

JOSEPH CAMPOS II DEPUTY DIRECTOR KA HOPE LUNA HO'OKELE

TRISTA SPEER DEPUTY DIRECTOR KA HOPE LUNA HO'OKELE



Hawai'i Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.

 To: House Committee on Agriculture and Food Systems
Re: HB 1525 – Relating to Supplemental Nutrition Assistance Program Incenti Hawai'i State Capitol & Via Videoconference
February 14, 2024, 9:15 AM



Dear Chair Gates, Vice Chair Kahaloa, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of HB 1525**. This bill appropriates funds to the Department of Agriculture for the continued administration of the Hawai'i Healthy Food Incentive Program ("DA BUX") and to provide matching funds to beneficiaries who participate in the Supplemental Nutrition Assistance Program (SNAP).

Investing DA BUX is investing in our keiki, as nearly two-thirds of SNAP (formerly known as food stamps) participants in Hawai'i are in families with children.<sup>1</sup> Especially with highest cost of living and the second-most expensive groceries in the nation,<sup>2</sup> it is nearly impossible for the low-income families in Hawai'i who qualify for SNAP to afford to buy healthy food, such as fresh fruits and vegetables.

That's where DA BUX comes in. It is designed to help low-income families afford fresh produce, by doubling the value of their SNAP benefits when they purchase Hawai'i grown fruits and vegetables.

DA BUX truly is a triple-win for our state. First, it **helps families** afford fresh produce, which benefits their health and well-being.<sup>3</sup> Second, it **helps local farmers** by increasing their sales. And third, it **helps our local food stores and markets** by bringing more dollars to them and keeping those dollars in the local economy.

SNAP shoppers' local produce purchases at DA BUX grocery stores nearly tripled in January 2022 compared to 2019, and at DA BUX farm direct retailers those sales were more than five times larger.<sup>4</sup> In addition, every \$1 spent on DA BUX is estimated to create \$2.30 in local economic activity.<sup>5</sup>

Mahalo for this opportunity to provide testimony. Please pass this bill.

Sincerely,

Nicole Woo Director of Research and Economic Policy

<sup>&</sup>lt;sup>1</sup> <u>https://www.cbpp.org/sites/default/files/atoms/files/snap\_factsheet\_hawaii.pdf</u>

<sup>&</sup>lt;sup>2</sup> <u>https://meric.mo.gov/data/cost-living-data-series</u>

<sup>&</sup>lt;sup>3</sup> <u>https://www.hsph.harvard.edu/nutritionsource/what-should-you-eat/vegetables-and-fruits/</u>

<sup>&</sup>lt;sup>4</sup> <u>https://dabux.org/for-advocates</u>

<sup>&</sup>lt;sup>5</sup> <u>https://drive.google.com/file/d/10U3wNy7IKmJ4ITLEgR6Td-o1\_DscDPzX/view</u>





To:	The Honorable Cedric Gates, Chair The Honorable Kirstin Kahaloa, Vice Chair House Committee on Agriculture & Food Systems
From:	Paula Arcena, External Affairs Vice President Mike Nguyen, Public Policy Manager
Hearing:	Wednesday, February 14, 2024, 9:15 AM, Conference Room 325
RE:	HB1525 Relating to Supplemental Nutrition Assistance Program Incentives

AlohaCare appreciates the opportunity to provide testimony in **support** of **HB1525**. This measure appropriates funding to the Department of Agriculture to restore state funding for the Hawai'i Healthy Food Incentive Program and to provide matching funds to beneficiaries who participate in the Supplemental Nutrition Assistance Program, and declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025

Founded in 1994 by Hawai'i's community health centers, AlohaCare is a community-rooted, non-profit health plan serving over 84,000 Medicaid and dual-eligible health plan members on all islands. Approximately 40 percent of our members are keiki. We are Hawai'i's only health plan exclusively dedicated to serving Medicaid and Medicaid-Medicare dually-eligible beneficiaries. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating for access to quality, whole-person care for all.

AlohaCare's commitment to whole-person care and health equity includes addressing social determinants of health, including housing, language access, and nutrition among other factors. We understand that without access to affordable, healthy food, the health and well-being of our communities is negatively impacted. For example, researchers from the Centers for Disease Control and Prevention found that food insecurity is associated with obesity among U.S. adults in Hawai'i and 11 other states.<sup>1</sup>

AlohaCare is proud to be an early supporter of this program through our grant funding to Kōkua Kalihi Valley and others, and we endorse continued State investment. The Hawai'i Healthy Food Incentive Program is an innovative and successful solution, which supports local farmers, low-income families who receive double the purchasing power for Hawai'i-grown fresh fruits and vegetables, and our entire community by keeping dollars in the local economy. This program is particularly important during this time of rising costs for food among other necessities.

Mahalo for this opportunity to testify in support of HB1525.

<sup>&</sup>lt;sup>1</sup> J Acad Nutr Diet. 2012 Sep; 112(9): 1403–1409. Accessed at: <u>https://www.ncbi.nlm.nih.gov/entrez/eutils/elink.fcgi?dbfrom=pubmed&retmode=ref&cmd=prlink</u> <u>s&id=22939441</u>



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**Executive Officers** Gary Okimoto, Safeway Hawaii, Chair Maile Miyashiro, C&S Wholesale Grocer, Vice Chair Kit Okimoto, Okimoto Corp., Secretary/Treas. Lauren Zirbel, HFIA, Executive Director Paul Kosasa, ABC Stores, Advisor Derek Kurisu, KTA Superstores, Advisor Toby Taniguchi, KTA Superstores, Advisor Joe Carter, Coca-Cola Bottling of Hawaii, Advisor Eddie Asato, Pint Size Hawaii, Immediate Past Chair

TO: Committee on Agriculture and Food Systems

FROM: HAWAII FOOD INDUSTRY ASSOCIATION Lauren Zirbel, Executive Director

DATE: February 14, 2024 TIME: 9:15am PLACE: Room 325

RE: HB1525 Relating to the Supplemental Nutrition Assistance Program

**Position: Support** 

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

Chair Gates, Vice Chair Kahaloa, Members of the Committee,

HFIA is in strong support of this measure. The Hawaii Healthy Food Incentive Program, also know as Double Up Food Bucks, or DA BUX, is a way combat food insecurity, support healthy eating, and support Hawaii's agricultural sector.

During the COVID-19 pandemic and economic crisis, food insecurity in our state soared to unprecedented levels, at the same time the local agricultural sector suffered disproportionate economic losses. The Double Up Food Bucks program has been a vital tool to increase the produce buying power of Hawaii consumers who use the Supplemental Nutrition Assistance Program (SNAP), and helps grow our local agricultural sector. Continuing to fund this important program will ensure that the many benefits continue.

Fruits, vegetables, and healthy proteins tend to be more expensive per calorie than less healthy foods, which makes eating healthy a challenge for those with limited food budgets. Doubling the purchasing power for SNAP users makes it easier to choose fruits, vegetables, and healthy proteins when shopping. Data has shown that families use the Double Up Food Bucks Program eat more fruits and vegetables, a greater variety of fruits and vegetables, and fewer unhealthy foods. Getting more fruits and vegetables for each SNAP dollar also means that low-income families will have more in their budget to spend on things like housing and healthcare.



By prioritizing locally grown agricultural products this program also helps Hawaii farmers and encourages retailers to stock Hawaii grown produce and protein. This helps promote a resilient food economy where local farmers are selling to local stores that sell to local customers.

This Double Up Food Bucks program also brings vital funds into our state. The program is supported by GusNIP grants and other funding sources. By investing in this program the state is encouraging continued support and funding from other sources and pulling resources into Hawaii's food systems. Each dollar spent in this program goes into Hawaii's agricultural sector and circulates from there into the larger local economy. This is a win for SNAP users, a win for Hawaii farmers, a win for Hawaii retailers, and a win for Hawaii's economy.

We urge you to vote yes on this measure and we thank you for the opportunity to testify.



# Testimony to the House Committee on Agriculture and Food Syste Wednesday, February 14, 2024, at 9:15AM Conference Room 325 & Videoconference

# RE: HB1525 Relating to Supplemental Nutrition Assistance Program Incentives

Aloha Chair Gates, Vice Chair Kahaloa, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") is in **support of HB1525**, which appropriates funds to the Department of Agriculture for the continued administration of the Hawai'i Healthy Food Incentive Program and to provide matching funds to beneficiaries who participate in the Supplemental Nutrition Assistance Program (SNAP).

The Chamber supports legislation that benefits the local community and our quality of life. Hawaii's high cost of living is a challenge identified by the Chamber's 2030 Blueprint Hawaii strategic plan to improve economic competitiveness. Many ALICE families in Hawaii experience food insecurity but do not currently qualify for the Supplemental Nutrition Assistance Program (SNAP). They stand to benefit from the passage of this measure.

In the Blueprint plan, careful planning and collaboration among government, businesses, and communities to foster sustainable economic development was identified as a clear way forward to address this problem. Another recommendation identified in the 2030 Blueprint Hawaii initiative was to diversify the economy by expanding access to local food products. This measure, if passed, would support the Department of Agriculture in its continued administration of the Hawai'i Healthy Food Incentive Program, which incentivizes local food production while mitigating our food insecurity dilemma.

This measure would ensure that more Hawaii residents who need food assistance have access to it. The current SNAP benefits "cliff" disincentivizes economic advancement which contributes to our workforce shortage.

It's important to note that SNAP does not just benefit SNAP recipients. By injecting consistent and predictable Federal and state funds into our local food systems SNAP helps keep the whole food system stable for all consumers as well as local providers. Support for increased access to SNAP is support for Hawaii's entire food system including local farmers, diversification of our economy, local food and beverage producers and manufacturers, local retailers, and all Hawaii customers. The Chamber is in alignment with the incentives and positive impacts that come with the passage of this measure.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Thank you for the opportunity to testify.



February 13, 2024

EXECUTIVE DIRECTOR

То:	The Honorable , Chair Cedric Asuega Gates	
	The Honorable , Vice Chair Kirstin Kahaloa	KRISTIN FROST
	Committee on Agriculture and Food Systems	ALBRECHT
From:	Kristin Frost Albrecht	BOARD OF
	Executive Director, The Food Basket, Hawai'i Island's Food Bank	DIRECTORS
Subject:	Testimony in Strong Support of HB1525, Relating to Food Security	ANN EBESUNO BOARD CHAIR
Aloha Chair (	Gates and Vice Chair Kahaloa,	MARK
		KRZYZANOWSKI
We are in str	ong support of HB1525 and the appropriation of funds for the continued	VICE-CHAIR
administratio	on of the Hawai'i Healthy Food Incentive Program, otherwise known as DA BUX	
Double Up Fo	bod Bucks, or DA BUX.	DENNIS LIN
		TREASURER
In keeping w	ith The Food Basket's (TFB) overarching mission to "end hunger", we are the	
statewide ad	ministrator for DA BUX. TFB established DA BUX as a statewide program in	JULIA ZEE
partnership v	vith the Hawai`i Good Food Alliance upon receiving a \$985K federal grant	SECRETARY
through the	USDA Gus Schumacher Nutrition Incentive Program (GusNIP) in 2019.	
Additionally,	we secured the 100% non-federal matching funds that GusNIP requires. We	STEPHEN UEDA

WARREN LEE

SAMANTHA COLLINS

Philanthropy has largely carried the weight of our GusNIP match needs over the years; however, we cannot expect philanthropy to meet this need over the long term. We are humbly requesting the State to invest \$2M per year in DA BUX to support program sustainability and continuous affordable healthy food access to SNAP recipients. Furthermore, a State commitment will be leveraged in our FY '24 GusNIP application to unlock \$2M in federal funds to meet the grant's requirement of a 100% non-federal match.

scaled the program in 2021 after receiving two additional GusNIP awards totaling \$7.6M in

more than 530 farms. DA BUX partner retailers continue to offer 50% discounts on Hawai'i

grown fruits and vegetables solely to low-income customers paying with SNAP food dollars

federal dollars. Today, TFB administers DA BUX at 59 food retailers across 100+ locations statewide, including grocery stores, farmers markets and food hubs, providing support to

# W W W . H A W A I I F O O D B A S K E T . O R G

Administration and East Hawaiʻi Warehouse 40 Holomua Street, Hilo, HI 96720 808-933-6030 Phone | 808-934-0701 Fax

(formerly known as food stamps).

West Hawaiʻi Warehouse 73-4161 Ulu Wini Place, Kailua-Kona, HI 96740 808-322-1418 Phone | 808-322-7373 Fax While a wide range of financial support and programs were available during the pandemic, Hawai'i's low-income residents are perhaps now more in dire need of this support as pandemic relief wanes and inflation rates have soared above historical averages. Sustained high participation in SNAP above pre-pandemic levels and climbing food insecurity in Hawai'i are indicative of the widespread economic hardship residents continue to face. The Food Basket remains steadfast in our commitment to ensuring DA BUX savings for local fruits and vegetables will be continuously available for these households.

We respectfully ask your committee to pass this bill.

Mahalo for the opportunity to testify.

Kristin Frost Albrecht

Kristin Frost Albrecht Executive Director

W W W . H A W A I I F O O D B A S K E T . O R G

Administration and East Hawaiʻi Warehouse 40 Holomua Street, Hilo, HI 96720 808-933-6030 Phone | 808-934-0701 Fax West Hawaiʻi Warehouse 73-4161 Ulu Wini Place, Kailua-Kona, HI 96740 808-322-1418 Phone | 808-322-7373 Fax



Hawai'i Aquaculture & Aquaponics Association

Hawai'i Cattlemen's Council

Hawai'i Farm Bureau Federation

Hawai'i Farmers' Union United

Hawai'i Food Industry Association

Hawai'i Food Manufacturers Association

Kohala Center

Land Use Research Foundation of Hawai'i

Maui Farm to School Network (Maui F2SN)

Ulupono Initiative

College of Tropical Agriculture and Human Resources - University of Hawai'i at Manoa



HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS Wednesday, February 14, 2024 – 9:15 a.m. Conference Room 325 & Videoconference

# HB 1525 - RELATING TO SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM INCENTIVES

# SUPPORT

Aloha Chair Gates, Vice Chair Kahaloa and Members of the Committee:

The Local Food Coalition **SUPPORTS** HB 1525, which appropriates funds to the Department of Agriculture for the continued administration of the Hawaii Healthy Food Initiative Program and to provide matching funds to beneficiaries who participate in the Supplemental Nutrition Assistance Program (SNAP).

The Hawaii Healthy Food Incentive Program, also known as DA BUX supports healthy eating habits by allowing SNAP-eligible recipients to double their purchasing power to buy fresh fruits and vegetables. In addition to helping local families stretch their purchasing power, this program also leverages federal funding and supports our local farmers.

We are hopeful that the State can consider a \$2 million appropriation for the DA BUX program. A \$2 million investment by the State would receive a direct match of \$2 million in federal funding. We look forward to sustained funding to support our local families and farmers.

The Local Food Coalition is an organization comprised of farmers, ranchers, livestock producers, investors and other organizations working to provide Hawaii's food supply.

Thank you for the opportunity to submit testimony in support of HB 1525.





Email: <a href="mailto:communications@ulupono.com">communications@ulupono.com</a>

HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS Wednesday, February 14, 2024 — 9:15 a.m.

# Ulupono Initiative <u>strongly supports</u> HB 1525, Relating to Supplemental Nutrition Assistance Program Incentives.

Dear Chair Gates and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

**Ulupono** <u>strongly supports</u> HB 1525, which appropriates funds to the Department of Agriculture for the continued administration of the Hawai'i Healthy Food Incentive Program and to provide matching funds to beneficiaries who participate in the Supplemental Nutrition Assistance Program (SNAP).

Ulupono strongly supports the Hawai'i Healthy Food Incentive Program within the DOA because of the program's transformative effects on community hunger and health, local agriculture, and overall economic vitality. At the heart of this program is the highly impactful "DA BUX" Double Up Food Bucks Program, ran statewide by The Food Basket and representing a triple-win solution for our communities. Through the program, SNAP-eligible participants are empowered to double their purchasing power toward healthy, locally grown fruits and vegetables, concurrently benefitting local farmers. Importantly, these dollars stay within our state, which benefits our local economy.

Furthermore, this program's leveraging of federal funding at a 1:1 match demonstrates a prudent approach to maximizing resources for optimal impact.

**The impact is clear:** Hawai'i residents have faced a 26% increase in food prices since January 2020. Through DA BUX, \$10 of SNAP benefits transforms into \$20 of Hawai'i-grown produce for individuals and families who most need it (Last year, 160,000 Hawai'i residents received SNAP assistance).

**The impact is far reaching for local farmers:** Since 2020, DA BUX purchases have benefitted more than 470 farm producers and eight distributors through farm product sales. This facilitates the expansion of markets for local ag producers.

**The impact is growing:** Local produce sales to SNAP shoppers at participating farm direct retailers increased an average of 531% from 2019 to 2021. These numbers substantiate the need to support our local community as food insecurity continues to increase.

# Investing in a Sustainable Hawai'i



Additionally, DA BUX directly supports the Maui community recovery from the August 2023 wildfires.

- Prior to the wildfires, Maui County experienced the largest increase in poverty in the state as the percentage of households in Maui County living below the federal poverty line rose from 6% in 2018 to 16% in 2022.<sup>1</sup> Approximately 11% of Maui County residents face food insecurity, resulting in \$17 million in annual costs to address food insecurity and hunger in the county, based on data from Feeding America.<sup>2</sup>
- As of August 2023, there were 14,540 SNAP participants or 7,921 SNAP households on Maui Island. DA BUX alleviates food insecurity by reducing hunger and improving the overall well-being of Maui families by doubling their purchase power for fresh locally produced fruits and vegetables at 13 DA BUX retail locations across Maui Island, including grocers, food hubs, and farmers markets.
- DA BUX also expands the customer base of Maui Island producers, many of whom struggled with market closures following the wildfires.<sup>3</sup> There are currently 72 Maui farmers/producers that are supported by the program with increased sales and farm profits. Food sales driven by the program on Maui Island has increased from \$97,661 in 2020 to \$768,225 projected in 2023 (based on the latest data)—nearly a 700% increase.

We are hopeful the State will consider a \$2 million appropriation, per year, for the DOA program to support DA BUX. A \$2 million investment by the State would receive a direct match of \$2 million in federal funding. Furthermore, our analysis shows that, with that level of state funding in place, the potential economic impact created by DA BUX in Hawai'i reaches nearly \$13 million.

We appreciate the Legislature's attention to this highly impactful program and look forward to sustained funding to support our SNAP community and our local producers.

Respectfully,

Micah Munekata Director of Government Affairs

Attachment

<sup>&</sup>lt;sup>1</sup> <u>https://www.mauinews.com/news/local-news/2022/12/52-of-maui-county-homes-live-below-alice-threshold/</u>

<sup>&</sup>lt;sup>2</sup> <u>https://map.feedingamerica.org/county/2021/overall/hawaii/county/maui</u>

<sup>&</sup>lt;sup>3</sup> 80% of farmers lost their markets and half of them lost between 75% and 100% of their customers, based on a post-fire survey conducted by Hawai'i Farmers Union United.

https://www.civilbeat.org/2023/11/hawaiis-food-banks-need-far-more-funding-before-the-next-disaster/

# Opportunity to Expand a Proven, Highly Impactful Program

# DA BUX FUNDING BY SOURCE (2017 - 2023)

State funds have historically represented just 4% of total funding to DA BUX



# **\$2 MILLION IN STATE FUNDING HAS A POTENTIAL ECONOMIC IMPACT OF \$12.8 MILLION**

Historically, the DA BUX program has been primarily funded by federal grants and philanthropic/ private funding (representing almost all of total program funds). Since its inception, DA BUX has received \$13.7 MILLION in funding. The State funding of \$594,000 represents 4% of total funding to the program to date.

Secure and sustained State funding for DA BUX program is the key to federal and philanthropic funding matches. An appropriation of \$2 million in State funds can generate significant leverage:

- Stimulate economic activity of about \$13 million (6.4x State funding) while increasing local food production for local consumption.
- \$2 million in State funds can be matched by \$2 million in federal dollars from a Gus Schumacher Nutrition Incentive Program (GusNIP) arant, as well as \$4 million from SNAP purchases, resulting in \$8 million going toward local food purchases and supporting local farmers.
- Given the impact achieved and successful track record, State funding will be a worthwhile investment and position the DA BUX program for future federal funding.
- Other states have recognized the benefit and impact of Double Up Food Bucks programs by investing their state funds in expanding and sustaining their programs. There are 24 states that have invested state funds in their Double Up Food Bucks programs, totaling approximately \$158 million from 2015 through 2024.

# **HAWAI'I BY THE NUMBERS**

HIGHEST POVERTY RATE

(10.0% OF THE POPULATION LIVING AT OR BELOW THE POVERTY LINE)

► DA BUX continues to be an amazing way to connect our farm directly to the consumers who need it most. Being able to offer the best quality fresh locally grown food in a very affordable way removes a big hurdle for people ... [DA BUX] helps to make feeding them and their families easy. This program helps to support local agriculture so we can more easily compete with imported food and gives us farmers a big incentive to produce more fruits and vegetables to satisfy the increased demand for our goods.

- Ryan Earehart, Farm Owner, Oko'a Farms (Maui)





# HOW 'DA BUX' WORKS

The DA BUX Double Up Food Bucks program offers each Supplemental Nutrition Assistance Program (SNAP) participant a DA BUX Access Card or voucher to be used at point of sale to double their purchasing power when they buy locally grown fruits and vegetables — \$10 of SNAP benefits is worth \$20 of Hawai'i grown produce. Thus, each \$1 funded into the program provides \$2 worth of local food purchases.

# THE CHALLENGE

In fall 2023, the program was denied federal funding primarily due to a lack of a sustained State funding. Based on the projected spend down rate, current funding of the DA BUX program will only last through August 2024. Hawai'i SNAP beneficiaries have been hit with both increasing food costs and decreasing SNAP benefits. This situation creates a significant need to help feed lowincome families AND support local agricultural food producers.

# THE OPPORTUNITY

DA BUX is a triple-win solution because it doubles the purchasing power of low-income SNAP families for healthy, Hawai'i-grown produce; it supports local farmers with an increased customer base; and it benefits the entire island community by keeping dollars in the local economy. AN APPROPRIATION OF \$2 MILLION IN STATE FUNDS WILL BRING IN ADDITIONAL FEDERAL FUNDS TO SUSTAIN. EXPAND AND EXTEND THE STATEWIDE DA BUX DOUBLE UP FOOD BUCKS PROGRAM. Given the broad

benefits of DA BUX for our state, it is imperative to secure sustained funding for DA BUX and ensure it is a staple service providing economic relief to SNAP households and directly supporting local agricultural food producers across the islands.

\$90,

HAWA	I'I BY THE NUMBERS
<b>90</b> %	IMPORTED FOOD
<b>91</b> %	HIGHER FOOD COSTS
26%	INCREASE IN FOOD PRICES SINCE JANUARY 2020
Hawai`i face	hest cost of living in the nation, as growing food costs and food bout 160,000 residents received

SNAP assistance 2023

# THE END OF PANDEMIC-ERA FUNDING **IN 2023 HAS DECREASED BENEFITS FOR** HAWAI'I SNAP PARTICIPANTS BY 25%

\$90,000,000	
\$80,000,000	\$81,083,
\$70,000,000	
\$60,000,000	
\$50,000,000	
\$40,000,000	
\$30,000,000	
\$20,000,000	
\$10,000,000	
\$-	
	Defere and

Before end of COVID-19 boost





**ISLAND BREAKDOWN OF SNAP PARTICIPANTS** (as of August 2023)





COVID-19 boost

# State Support is Key to Federal and **Philanthropic Funding**



DA BUX has become a critical service for low-income SNAP beneficiaries struggling with economic hardship and food insecurity. There has been significant growth and demand for the program due to the increase in SNAP participation and participating DA BUX retail locations across the state.

Total Funding for SNAP & DA BUX	\$8,000,000	i = c+f
Potential Economic Impact	\$12,798,308	j = e+h
Economic Impact Multiplier of State Funding	6.4	k = j/a
Federal SNAP Benefits	\$ 4,000,000	f = c
Economic Multiplier on SNAP Benefits <sup>2</sup>	1.5	g
Potential Economic Impact of SNAP Benefits	\$ 6,000,000	h = f*g
Total Funding for DA BUX Discounts Economic Multiplier on DA BUX Discounts <sup>1</sup> Potential Economic Impact of DA BUX Discounts	\$ 2,000,000 \$ 4,000,000 1.7 \$ 6,798,308	c = a+t d e = c*d
State Funding	\$ 2,000,000	a
Federal GusNIP Grant	\$ 2,000,000	b
	State Investment of \$2M	

Based on the "The Economic Contributions of Healthy Food Incentives" report, prepared by Colorado State University, and the percentage of 2021 DA BUX discounts issued via farm-direct outlets and food retailers.

<sup>2</sup> Based on the "The Supplemental Nutrition Assistance Program (SNAP) and the Economy: New Estimates of the SNAP Multiplier" report, prepared by the United States Department of Agriculture's Economic Research Service



**I** For over a century, KTA Super Stores has strived to serve as an essential source for locally grown produce for our Hawai'i Island community. DA BUX provides us the opportunity to support our local growers. Since launching DA BUX in Sept 2017, we have seen transactions associated with the DA BUX program more than quadruple at our seven store locations. We see this as positive sign that DA BUX is motivating families to purchase and consume more healthy fruits and vegetables and that this increased demand will drive increases in agricultural production for the state.

- Toby Taniguchi, President, KTA Super Stores (Hawai'i Island)



**W**I really love this program because I am diabetic and need fresh veggies and fruits to help keep me healthy. Mahalo for this amazing program. Also, DA BUX helps

me with my kids too. They love looking for the DA BUX label on produce and can choose what they want. They love to eat! Carrots, cabbage and cucumbers are their faves as well as local apple bananas to name a few.

 Dawn Marguez, SNAP Shopper, Waimānalo (O`ahu)

ramopanon	nao oroaany moro				
\$2,5000,000				\$2,318,509	\$2,476,653
\$2,000,000			\$1,662,900	+2,004% (Pre-Pandemic)	+ <b>2,148%</b> (Pre-Pandemic)
\$1,500,000			+1,409% (Pre-Pandemic)		
\$1,000,000		\$978,467	(FIE-FUIIUEIIIIC)		
\$500,000		<b>+788%</b> (Pre-Pandemic)			
ć	\$110,177				
\$-	2019	2020	2021	2022	2023 (projected)

- \$2.4 million.

Local food sales driven by DA BUX has also steadily increased. especially on Maui

County Honolulu % Increase

Hawai'i % Increase

Kaua`i % Increase

Maui % Increase

Statewide Total

\*50% of the sales include DA BUX incentives and the remaining 50% is comprised of SNAP

# **ANNUAL DA BUX DISCOUNTS ISSUED TO SNAP SHOPPERS**

Participation has steadily increased in Hawai'i

From 2020 through 2021, DA BUX supported 470 farm producers and 8 distributors by incentivizing the sale of their farm products sold at participating farm direct retailers.

• In January 2022, local produce sales to SNAP shoppers at participating farm direct retailers increased an average of 531% from 2019.

• Since the pandemic, DA BUX discounts have increased by 2,148%, totaling more than

# LOCAL FOOD SALES DRIVEN BY SNAP DA BUX\*

Projected growth in local food sales driven by DA BUX decreased due to a lack of sustained State funding

2019	2020	2021	2022	2023 (Annualized)
\$ -	\$ 929,217	\$ 1,659,101	\$ 2,443,673	\$ 2,499,684
	100%	79%	47%	2%
\$ 220,354	\$ 842,483	\$ 1,125,573	\$ 1,238,329	\$ 1,295,901
	282%	34%	10%	5%
\$ -	\$ 87,574	\$ 191,309	\$ 224,094	\$ 229,990
	100%	118%	17%	3%
\$ -	\$ 97,661	\$ 349,817	\$ 730,922	\$ 927,732
	100%	258%	109%	27%
\$ 220,354	\$ 1,956,934	\$ 3,325,800	\$ 4,637,018	\$ 4,953,307



LATE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice Support for H.B. 1525 – Relating to Supplemental Nutrition Assistance Program Incentives House Committee on Agriculture & Food Systems Wednesday February 14, 2024, at 9:15AM

Dear Chair Gates, Vice Chair Kahaloa, and members of the Committee:

Thank you for the opportunity to submit testimony in support of **H.B. 1525** which would appropriate funds to the Department of Agriculture for the continued administration of the Hawai'i Healthy Food Incentive Program and to provide matching funds to beneficiaries who participate in the Supplemental Nutrition Assistance Program (SNAP).

Hawai'i Appleseed is committed to a more socially and economically just Hawai'i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. The strengthening of SNAP through incentive programs is a critical evidence-based approach to achieving this vision. Serving more than 130,000 residents and generating \$630 million annually in our state's local economy, SNAP is an economic lifeline for Hawai'i's struggling households.

2023 brought several devastating cuts to SNAP benefits in Hawai'i:

- 1) The end of the SNAP emergency allotments left SNAP participants facing the largest SNAP benefit cliff in history. The average household lost \$82 in monthly benefits and some of our most vulnerable households like those with kupuna lost up to \$238.<sup>1</sup>
- 2) The United States Department of Agriculture (USDA) updated its estimates of how much it costs the average family to buy food in each U.S. state and territory. This data is used to set the maximum amount of SNAP EBT benefits a household can receive for groceries each month. While every other state in the nation saw an increase in their monthly SNAP benefits, Hawai'i received a 20 percent drop in its adjustment (spread over the next five years) because of gaps in Hawai'i-specific food price data available to the USDA. While local advocates and the federal delegation are working hard to inform the federal government on how to remedy this issue, the benefits cut will stay in place until federal regulations are able to be changed.

Already food insecure households are seeing hundreds of dollars less in benefits while Hawai'i residents continue to experience the highest cost of groceries in the nation.

SNAP incentives like those proposed in H.B. 1525 help increase SNAP participants' purchasing power by providing an additional subsidy for SNAP users when they purchase local fruits and vegetables. The federal program that funds this incentive requires a one-to-one match, meaning that every dollar the state invests will be matched by federal funding. Therefore, a \$2 million investment by the state would be doubled with matching federal funds. Factoring in the \$2.10 multiplier would ultimately result in more than \$8M in local economic impact.<sup>2</sup> Passing this bill would be an impact investment for the State, channeling much-needed capital into local businesses and farms.

<sup>&</sup>lt;sup>1</sup> Hunger Cliff 2023: HAWAII

<sup>&</sup>lt;sup>2</sup> For each program dollar issues for local produce incentives generate \$2.10 in Hawai'i's economy.

Hawai'i's existing SNAP incentive program, known as <u>DA BUX</u>, has already been enormously successful and popular among SNAP users, retailers, and farmers alike. According to the latest program outcomes report, DA BUX has already directly supported 470 farm producers, eight distributors, and increased local produce sales by 531% at farm-direct retailers.

This small investment is a win-win-win for Hawai'i's families, farmers, and local economy. Thank you for the opportunity to provide testimony in support of H.B. 1525.

The Hawai'i Appleseed Center for Law and Economic Justice advocates for economic justice for and with Hawai'i's people. We envision a Hawai'i that puts its people first—where everyone can meet their basic needs while living happy, healthy and creative lives.



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February 14, 2024

# HEARING BEFORE THE HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

# TESTIMONY ON HB 1525 RELATING TO SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM INCENTIVES

Conference Room 325 & Videoconference 9:15 AM

Aloha Chair Gates, Vice-Chair Kahaloa, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

**The Hawai `i Farm Bureau supports HB 1525,** which appropriates funds for the continued administration of the Hawaii Healthy Food Incentive Program and provides matching funds to beneficiaries who participate in the supplemental nutrition assistance program.

SNAP offers nutrition assistance to eligible, low-income individuals and families, increasing their food purchasing power and improving their nutrition. SNAP also provides economic benefits to farmers participating at farmers' markets, roadside stands, CSA programs, grocery stores, and other food retailers.

Some of HFB's farmers' markets participate or have participated in the SNAP program. We believe that access to locally grown fresh fruits, vegetables, and protein to low-income individuals and families provides benefits to both SNAP participants and Hawai'i farmers and ranchers.

The Double Up Food Bucks program works by doubling the value of federal Supplemental Nutrition Assistance Program (SNAP) benefits spent on locally grown fruits and vegetables at participating farmers' markets, grocery stores, food hubs, and community-supported agriculture projects. In Hawai'i, the Double Up Food Bucks program is managed by The Food Basket and is known as "DA BUX" Double Up Food Bucks. The DA BUX program presents a "win-win" scenario by supporting local farmers with an increased customer base and low-income families who receive double the purchasing power for healthy, Hawai'i-grown produce.

Thank you for this opportunity to testify in support of this measure.

# <u>HB-1525</u>

Submitted on: 2/13/2024 1:23:43 PM Testimony for AGR on 2/14/2024 9:15:00 AM



Submitted By	Organization	<b>Testifier Position</b>	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

The federal food stamp program–better known as SNAP–is vital for alleviating hunger in lowincome Hawai'i households. However, the household monthly benefit is often still not enough to afford fresh, locally grown fruits and vegetables. This results in most of these dollars leaving the islands—right into the pockets of major mainland food companies, rather than getting recirculated locally into our local agriculture industry.

DA BUX offers a huge return on a very modest investment. The \$2 million proposed in this bill would be matched with another \$2 million in federal dollars, and this will allow the program to expand to even more retailers and communities across the islands.

This program is truly a win for everyone—families, farmers and local businesses. There is no downside. Thank you for the opportunity to provide testimony.

# <u>HB-1525</u>

Submitted on: 2/13/2024 2:41:09 PM Testimony for AGR on 2/14/2024 9:15:00 AM



Submitted By	Organization	<b>Testifier Position</b>	Testify
Leinani Ayau	Individual	Oppose	Written Testimony Only

Comments:

Testimony re HB 1815

I do not support expanding the purview of ADC to include "

... a business engaged in

agritourism."

Since its inception in 1994, the Agribusiness Development Corporation ("ADC") has FAILED in fulfilling its responsibilities. It was formed to facilitate and provide direction for the transition of Hawaii's agriculture industry from a dominance of sugar and pineapple to one composed of a diversity of different crops. The responsibility of building our food sustainability here in Hawaii has not been the focus of ADC as it should be.

The only thing that the ADC has succeeded in transitioning on their thousands of acres around our community is providing space for a spike in houselessness, chemical farmers, drug dealers, chop-shops, thieves, and other illegal activities that has even led to the loss of lives of community members. They have already succeeded in mismanaging the land for our food sustenance which is far more important for our communities than tourist attraction and "Export".

Adding or changing a definition such as "Enterprise" in this bill only opens the field of victims to now include Tourist with the loss of more community members and one of the biggest opportunities for Hawaii to build our sustainable food table, to the current number one incomegenerating industry in Hawaii. Tourism will always be an income generator for Hawaii, we do not need to lose more of our agricultural opportunities to please the tourist industry. ADC was not developed with the mission of recreating a port of "EXPORTING" goods from Hawaii, Dole has already done enough of that! We need ALL of our Agricultural land to be utilized for our people, our farmers, our communities, OUR HAWAI'!!

Is the State of Hawaii going to continue to support the depletion of our sustainability opportunities? I know as a member of the Wahiawa-Whitmore Village community, I DO NOT support taking any more risks on something that directly affects our communities and life sustenance. Please kill this bill and prove to our community, and our Hawaii people that our food sustainability opportunities are far more important than tourist attractions and the export of goods for monetary satisfactions.

Thank you.

Community member

Wahiawa-Whitmore Village

Leinani Ayau

# <u>HB-1525</u>

LATE

Submitted on: 2/13/2024 5:33:33 PM Testimony for AGR on 2/14/2024 9:15:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Diane Delgado	Individual	Support	Written Testimony Only

Comments:

Hello Chair, Vice Chair, and Committee Memebers,

my name is Diane Delgado. I am testifying in support of bill HB 1525

thank you,

Diane Delgado





### **HIPHI Board**

Misty Pacheco, DrPH Chair University of Hawai'i at Hilo

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Garret Sugai HMSA

JoAnn Tsark, MPH John A. Burns School of Medicine, Native Hawaiian Research Office

### **HIPHI Initiatives**

Coalition for a Tobacco-Free Hawaiʻi

Community-Based Research & Evaluation

Community Health

COVID-19 Response

Environmental Health

Hawai'i Drug & Alcohol-Free Coalitions

Hawai'i Farm to School Hui

Hawai'i Oral Health Coalition

Hawai'i Public Health Training Hui

Healthy Eating + Active Living

Kūpuna Collective/Healthy Aging & Community Living

Public Health Workforce Development Date: February 7, 2024

- To: Representative Cedric Asuega Gates, Chair Representative Kirstin Kahaloa, Vice-Chair Members of the Committee on Agriculture & Food Systems
- Re: Strong Support for HB1525, Relating to Food Security
- Hrg: Wednesday, February 14, 2024 at 9:15 AM

The Healthy Eating + Active Living (HEAL) Coalition<sup>i</sup>, a program of the Hawai'i Public Health Institute (HIPHI), is in **Strong Support of HB1525**, which provides funding to the Department of Agriculture for the Hawai'i Healthy Food Incentive Program.

**DA BUX is a triple win for families, farmers, and the local economy.** The Hawai'i Healthy Food Incentive program, or DA BUX, provides a 50% discount on Hawai'i-grown produce for SNAP recipients. Incentivizing SNAP dollars for local fruits and vegetables stretches food dollars for families, especially with increasing food costs. Through this program, SNAP participants can bring home healthy, local food; local farmers gain new customers and increase income; and more money goes into and grows our local - a "triple win."

# The demand for DA BUX has risen significantly over the last several years.

Year after year, this program has significantly grown its impact. Local food sales continue to increase: 2019 saw \$220,354 in sales; by December 2023, local food sales through DA BUX were projected to be \$4.7M<sup>ii</sup>. That money has brought healthy foods to homes while positively impacting our local economy.

# DA BUX provides a strong return on investment.

SNAP is proven to stimulate the economy by being an economic multiplier. Every SNAP dollar spent generates an estimated \$1.54 in economic activity<sup>iii</sup>. These dollars ripple out throughout the supply chain, supporting farmers, retailers, and food distributor employees; these people, in turn, spend their dollars to help support economic activity further and so on. With \$2M from the state, the program becomes eligible for an additional \$2M in federal matching funds from the Gus Schumacher Nutrition Incentive (GusNIP) Program. State funding helps to ensure sustainable funding for DA BUX.

# A positive impact on health and food.

DA BUX's focus on locally grown produce helps to bring healthy foods to homes and supports the local agricultural industry. Studies have found that a lack of food security is associated with diet-related chronic diseases such as diabetes and high blood pressure<sup>iv</sup>. Supporting local agriculture also aligns with the renewed calls to increase local food production and decrease Hawai'i's dependence on imported goods for a more sustainable and resilient food system.

# A \$2 million investment can help expand the program to more stores.

The DA BUX program has seen significant growth. It started with KTA in Hawai'i County and is now accessible statewide through Times, KTA, Foodland, and participating farmers' markets. These stores are locally-based and operated, ensuring economic amplification.

The \$2M state investment will increase the program's reach and participation by engaging more people through educational campaigns in areas where there has been stalled growth, as well as provide the ability to engage more retail outlets that were unable to participate due to limited funding.

DA BUX is a triple win for farmers, families, and the local economy. This investment also supports health. We strongly support this measure and respectfully ask you to **pass HB1525**.

Mahalo,

Vezzy Mienzua

Peggy Mierzwa Policy & Advocacy Director Hawai'i Public Health Institute

<sup>&</sup>lt;sup>i</sup> Created by the legislature in 2012, *Healthy Eating + Active Living Coalition*, formerly the Obesity Prevention Task Force, is comprised of over 60 statewide organizations and works to make recommendations to reshape Hawai'i's school, work, community, and health care environments, making healthier lifestyles obtainable for all Hawai'i residents.

https://dabux.org/for-advocates

iii https://www.ers.usda.gov/webdocs/publications/93529/err-265.pdf?v=958.5

<sup>&</sup>lt;sup>iv</sup> https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4584410/