



## 2019-21 Biennium Budget Decision Package

**Agency:** 303 - Department of Health  
**Decision Package Code-Title:** 1L - Increase Access to Fruits and Vegis  
**Budget Session:** 2019-21 Regular  
**Budget Level:** Policy Level  
**Contact Info:** Ryan Black  
 (360) 236-4530  
 ryan.black@doh.wa.gov

### Agency Recommendation Summary

The Department of Health (DOH) manages two programs, Food Insecurity Nutrition Incentives (FINI) and the WIC Farmers Market Nutrition Program (FMNP), that offer fruit and vegetable incentives to low income people for use at grocery stores and farmers markets. However, federal funds for FINI expire in 2020, and FMNP provides only a very small incentive to clients, which diminishes the participation rate. Additional state funding for FINI and additional FMNP funds will enable thousands of low income families to increase fruit and vegetable consumption and enhance their overall health.

### Fiscal Summary

*Dollars in Thousands*

<b>Operating Expenditures</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Fund 001 - 1	\$2,092	\$2,081	\$2,081	\$2,081
<b>Total Expenditures</b>	<b>\$2,092</b>	<b>\$2,081</b>	<b>\$2,081</b>	<b>\$2,081</b>
<b>Biennial Totals</b>		<b>\$4,173</b>		<b>\$4,162</b>
<b>Staffing</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
FTEs	4.2	4.2	4.2	4.2
<b>Average Annual</b>		<b>4.2</b>		<b>4.2</b>
<b>Object of Expenditure</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Obj. A	\$275	\$274	\$274	\$274
Obj. B	\$96	\$96	\$96	\$96
Obj. E	\$18	\$17	\$17	\$17
Obj. J	\$9	\$0	\$0	\$0

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. N	\$1,669	\$1,669	\$1,669	\$1,669
Obj. T	\$25	\$25	\$25	\$25

## Package Description

### Problem – Poor access to fresh fruits and vegetables among low-income Washingtonians

Washingtonians with low incomes are less likely to eat enough fruits and vegetables than the general population. Low fruit and vegetable consumption contributes to poor nutrition and increases the risk for chronic diseases, including hypertension, diabetes, coronary heart disease, stroke, cancer and obesity. Eating more fruits and vegetables can reduce risk for these chronic diseases, as well as help people manage existing conditions.

Food assistance programs, such as the Supplemental Nutrition Assistance Program (SNAP) and the Special Supplemental Program for Women, Infants, and Children (WIC), help people with limited incomes afford enough food to feed themselves and their families. However, this population often struggles to afford fruits and vegetables due to limited SNAP benefits and the higher cost of fresh produce compared to less nutritious items, such as heavily processed foods.

### Solution – Fruit and vegetable incentives to increase purchasing power

The Washington Fruit and Vegetable Incentives proposal aims to increase fruit and vegetable consumption among people with limited incomes. Fruit and vegetable incentives are additional benefit dollars that people with limited incomes can use to buy fruits and vegetables.

Currently, individuals and families enrolled in SNAP (also referred to as the Basic Food Program in Washington and formerly called “Food Stamps”) receive a monthly benefit to buy foods at authorized retailers. Infants, children up to five years of age, and pregnant women who are enrolled in WIC receive vouchers to buy nutritious foods and beverages at authorized retailers. In 2017, nearly 1.3 million Washingtonians participated in SNAP, 36% of whom were children, and 274,888 participated in WIC.

In 2015 the Department of Health (DOH) and dozens of multi-sector partners were awarded a five-year \$5.86 million Food Insecurity Nutrition Incentive (FINI) grant by the U.S. Department of Agriculture (USDA). FINI pays for incentives for SNAP participants to purchase fruits and vegetables at participating farmers markets and grocery stores. DOH and partner organizations are implementing three FINI programs, including:

1. **Farmers Market Incentives**—farmers’ markets provide SNAP participants with matching funds to purchase fruits and vegetables, thereby increasing participants’ buying power.
2. **Grocery Store Incentives**—grocery stores provide SNAP participants with matching funds to purchase fruits and vegetables; and
3. **Fruit and Vegetable Prescription (Rx) programs**—healthcare providers offer fruit and vegetable vouchers to their food-insecure patients. Because healthcare providers typically screen their patients for food insecurity, rather than SNAP participation, the Fruit and Vegetable Rx program has the potential to impact a wider portion of the population than only SNAP participants.

Partner organizations include grocery stores, farmers markets, healthcare systems, local and state government agencies, and non-profit organizations. FINI grant funded programs serve approximately 48,400 people annually. Washington’s FINI program is currently the largest in the country. The high demand for FINI programs may exhaust funds before the grant expires in March 2020; in fact, federal funding for the Grocery Store Incentives was fully exhausted in July 2018. Without state funds, the Grocery Store Incentives and Fruit and Vegetable programs will not operate; and Farmers Market Incentives will operate in 50% fewer farmers markets than currently participate under the FINI grant (See attachments for more information on FINI operations.)

In DOH’s early evaluations, as a result of FINI-funded fruit and vegetable incentives, 90% of participants surveyed said they eat more fruits and vegetables; 87% said they manage health conditions better; and 79% of respondents said they are less likely to run out of food (i.e. increased food security). Participants continue to redeem increasing amounts of nutrition incentives. For example, \$167,938 in fruit and vegetable prescription funds were redeemed between April 2017 and March 2018, an increase of over 130% from the previous year. See the Nutrition Incentives Spent attachment included with this package for further detail.

In addition to regular WIC benefits, the WIC Farmers Market Nutrition Program (FMNP) helps WIC participants specifically afford fresh, nutritious, Washington-grown fruits and vegetables at participating farmers markets and farm stores. FMNP is funded by both state and federal sources. Each client served receives a \$20 benefit for the season, distributed through WIC clinics. FMNP is accepted at 141 farmers markets and 55 farm stores, and serves 44,000 clients annually.

### **Proposal – State Funding for Fruit and Vegetable Incentives**

This request for fruit and vegetable incentives will build on three years of successful FINI efforts and infrastructure.

This proposal will also increase the FMNP benefit from \$20 to \$30 per WIC client for the season. All requested funds will be distributed directly to clients, as there will be no administrative costs for this

program.

This request is for:

There is a high demand for the FINI program and this request allows for some growth to meet this demand.

- \$1.4 million per year for direct cash-value nutrition incentives to low-income participants, to be divided:
  - \$300,000 to FINI Farmers Market Incentives,
  - \$625,000 to FINI Grocery Store Incentives,
  - \$175,000 to FINI Fruit and Vegetable Prescriptions, and
  - \$300,000 to WIC FMNP.
- \$300,000 per year for DOH management and promotion of FINI programs (Farmers Market Incentives, Grocery Store Incentives, and Fruit and Vegetable Prescriptions), including initiating the program with new outlets. This will pay for 3 FTE at DOH, including a project coordinator, a communications coordinator, and an evaluator. Currently these FTEs are funded in part with a CDC chronic disease grant to support the FINI work.
- \$269,000 per year for contractors to implement FINI programs. Contractors could include farmers markets, retailers, government agencies and non-profit organizations.

### **Justification for Fruit and Vegetable Incentives**

Demand for fruit and vegetable incentives is projected to exhaust current FINI funds before new federal grants would be available. Of the current FINI grant, \$3.45 million (59%) is dedicated to cash-value fruit and vegetable incentives. As of July 2018, more than \$2 million of FINI-funded incentives had been redeemed. Of that, the \$1.1 million for the Grocery Store Incentive program was exhausted in just twelve months (June 2017- June 2018) due to high utilization by SNAP participants. The remaining \$1.45 million is earmarked for Farmers Market Incentives and Fruit and Vegetable Prescriptions programs to increase food security and sales at local farmers markets, and is projected to be exhausted by December 2019.

Fruit and vegetable incentives support a robust agricultural economy in Washington. Currently, Farmers' Market Incentives are offered at 90 farmers markets, and FMNP is offered at 141 farmers' markets and 55 farm stands. The incentives spent at these participating local farmers markets and farm stands go directly to vendors, which are often small- and medium-sized Washington farms. While DOH is in the process of evaluating the effects of these incentives on farmers, FINI grantees in other states have seen these incentive programs inspire farmers market vendors to expand their operations.

State funding will put Washington in a strong position to leverage potential future federal and non-governmental funding. The federal FINI grant program is authorized under the 2014 Farm Bill. The Farm Bill is up for reauthorization this year and currently being debated; both the House of Representatives and

Senate versions include funding for FINI grants. If FINI grants become available again, DOH will apply. New state funding would make Washington's application more competitive by demonstrating the sustainability of these programs. Foundations are increasingly interested in fruit and vegetable incentives projects, and a strong state funding base will increase Washington's ability to attract such funds.

Funding this proposal will reduce the burden on contractors, farmers markets, grocery stores, and healthcare systems that are implementing FINI programs. FINI grants require 100% match from non-federal sources, which creates an enormous administrative and operational burden. This match is met with in-kind services that do not provide a direct benefit to the client, rather it is an administrative process whereby the vendor must show how existing operating costs can be attributed to the program and classified as match. DOH has primarily relied on FINI contractors to provide non-federal matching funds, which requires time-consuming documentation. State funding would alleviate this burden on contractors and businesses, and allow them to spend more time and energy on successful program implementation.

Demand for fruit and vegetable incentives is sufficiently high that, if both state and federal funding are available, more families with limited resources could benefit from the programs. Demand for fruit and vegetable incentives is quickly exhausting current funding. The funding levels proposed in this decision package would maintain FINI programs as they currently operate. If federal funding were also available, DOH could expand to more farmers markets, grocery stores, and health systems and reach more low-income families and households. Program priorities focus on counties with high poverty levels, food insecurity, and households that use SNAP.

### **Alternatives to State Funding**

DOH explored additional funding from federal sources for the WIC FMNP, but none are available.

### **Resources:**

State Health Assessment

WHO 1990

USDA 2013

Metallino-Katsaras et al. 2011

DSHS 2018

DOH 2018

Attached are a map of which FINI activities taking place in each county, a table of relevant statistics (such as

percentage of population that is food insecure, and percentage of population that is obese), and charts of past spending by the three FINI subprograms.

## **Assumptions and Calculations**

### **Expansion or alteration of a current program or service:**

The grant will expire in March 2020, though funds may be depleted before then. As a stipulation of the grant, DOH and partners must demonstrate an equal match (\$5.86 million) from non-federal sources. Of the federal award, 59% (\$3.45 million) is earmarked for fruit and vegetable incentives, 10% for DOH administration of the grant, and 31% for contractors to administer the programs.

The WIC FMNP currently receives \$800,000 per year from federal sources (separate from regular WIC funding), sufficient for a \$20 benefit per client per season. At this level, the program serves about 30% of eligible clients.

DOH also receives about \$200,000 per year in General Fund State funds for administrative and food incentive to support farmers markets.

### **Detailed assumptions and calculations:**

Based on three years of experience with the FINI grant, an effective FINI program requires three full-time employees at DOH, including a program coordinator (1 FTE), a communications and outreach coordinator (1 FTE), and an evaluator (1 FTE).

The program coordinator will: provide project and budget management for FINI fruit and vegetable incentive programs at DOH; develop and maintain partnerships with grocery stores, farmers markets, health systems, and community organizations; work with researchers to design and monitor evaluation and data collection; plan and convene internal and external workgroups; provide training and technical assistance; plan for sustainability, present written and oral presentations to diverse audiences; and ensure program activities are aligned with related local, state, and federal initiatives.

The communications coordinator will: develop and implement communications and outreach plans for FINI fruit and vegetable incentive programs; work with local community organizations to align statewide outreach materials; solicit feedback from program participants to create culturally-relevant program materials; create social media and print materials to promote nutrition incentives; synthesize reports and presentations for diverse audiences; provide technical assistance to community organizations; and ensure communication activities are aligned with related local, state, and federal initiatives.

The evaluator will: lead data collection, management, and analyses related to FINI fruit and vegetable

incentive programs; initiate and design statistical research for program effectiveness and outcomes; write and present reports describing program results, develop and manage nutrition incentive program databases; provide technical assistance to community organizations and agencies responsible for local-level data collection; and develop and maintain relationships with local, state, and federal agencies that are affected by FINI fruit and vegetable incentive programs.

FY2020 \$2,092,000 and FY2021 and ongoing \$2,081,000

**Workforce Assumptions:**

See attached Financial Calculator.

## **Strategic and Performance Outcomes**

**Strategic framework:**

By helping low income families afford more fruits and vegetables, and thus increasing their overall health, this proposal advances the Governor’s Healthiest Next Generation Initiative.

It also supports several elements of the Governor’s Results Washington Goal 4: Healthy and Safe Communities, including:

- 1.2: Decrease the percentage of adults reporting fair or poor health from 15% in 2011 to 14% by 2020.
- 1.2.Y.b: Increase percentage of 10th graders with healthy weight from 75% in 2012 to 76% by 2019.
- 1.2.A.d.1: Increase percentage of persons with healthy weight among Native Hawaiians/Other Pacific Islanders from 33.4% in 2013 to 36% by 2020; American Indian/Alaska Natives from 21.1% in 2013 to 36% by 2020; African Americans from 25.9% in 2013 to 36% by 2020; Hispanics from 29.6% in 2013 to 36% by 2020.
- 1.2.A.f: Increase the percentage of healthier food options being offered to low-income children and families through food pantries, farmers markets, and meal programs by 5% from 2014 baseline by 2017.

Washington Fruit and Vegetable Incentives is also connected with two goals in DOH’s strategic plan: the Healthiest Next Generation goal to “ensure all children in Washington achieve their highest health potential,” and the Healthy Living, Healthy Aging goal to “ensure health equity and improve population health.” The solutions proposed in this package are aimed at making fruits and vegetables more affordable for food insecure, low-income families. Because fruit and vegetable incentives focus on low income populations, health equity will be improved.

**Performance outcomes:**

Fruit and vegetable incentives increase access to affordable and healthy foods for vulnerable families

and individuals, while simultaneously supporting Washington farmers and businesses. The USDA estimates that for every SNAP dollar spent, \$1.79 is generated in economic activity; by that measure, the \$1.1 allocated to direct incentives would generate \$2.0 million in economic activity in Washington State each year. Based on current participation, DOH expects 48,400 people to benefit from FINI programs each year. Specifically, 12,000 people will use Farmers Market Incentives, 35,000 people will use Grocery Store Incentives, and 1,400 people will use Fruit and Vegetable Prescriptions.

**Results WA performance outcomes:**

**Incremental performance measures identified are:**

Farmers Market Incentives – Farmers markets would provide nutrition incentive programs that provide SNAP participants with matching funds to purchase fruits and vegetables.

- 12,000 shoppers/year redeeming Farmers Market Incentives by end of FY2020.
- 95 farmers markets offering Farmers’ Market Incentives by end of FY2020.
- \$300,000/year in Farmers’ Market Incentives redeemed at participating farmers’ markets by end of FY2020.

Grocery Store Incentives –Grocery stores would offer a nutrition incentive program that provides SNAP participants matching funds to purchase fruits and vegetables.

- 35,000 shoppers/year redeeming Grocery Store Incentives by end of FY2020.
- \$625,000/year in Grocery Store Incentives redeemed at grocery stores by end of FY2020.
- 170 grocery stores offering Grocery Store Incentives by end of FY2020.

Fruit and Vegetable Prescriptions (Rx) – Community-based healthcare providers would offer Fruit and Vegetable Rx (cash-value fruit and vegetable vouchers) to their food-insecure patients.

- 1,400 patients/year redeeming Fruit and Vegetable Rx by end of FY2020.
- At least 15 healthcare systems and managed care organizations offering Fruit and Vegetable Rx to food insecure patients by end of FY2020.
- \$175,000 in Fruit and Vegetable Rx redeemed at participating farmers markets and grocery stores/year by end of FY2020.

**FMNP Incentives— WIC shoppers in FMNP**

- 80% of low-income shoppers redeeming the additional \$10 in FMNP Incentives by end of FY2020.
- 155 farmers markets and 60 farm stands offering additional FMNP Incentives by end of FY2020.
- \$300,000/year in additional FMNP Incentives redeemed at farmers’ markets



DOH has the organizational capacity to carry out the programming efficiently and effectively. The WIC strategy will be administered within the existing Farmers Market Nutrition Program Section, and will require no additional staff time. The three FINI strategies will be administered within the Healthy Eating Active Living Program at DOH.

## Other Collateral Connections

### Intergovernmental:

All governmental partners are expected to support continuation and expansion of the program.

The City of Seattle's Office of Sustainability and Environment, the Kitsap Public Health District, and the Spokane Regional Health District are current FINI grant sub-awardees. These entities could continue their respective nutrition incentive programs past March 2020 (when the federal grant expires) if state funding becomes available. Seattle's Sweetened Beverage Tax (enacted January 1, 2018) funds healthy food access programs, including the City of Seattle's nutrition incentive programs.

Thirteen percent of American Indians/Alaskan Natives in Washington have poor nutrition. Last year, five tribes chose to participate in WIC FMNP, including the Colville, Lower Elwha, Makah, Muckleshoot Indian, and Suquamish tribes. DOH holds Memorandums of Understanding (MOU) with the Nisqually Tribal Health Department and Public Hospital District No. 2, Snohomish County (dba Verdant Health Commission) to operate the Fruit and Vegetable Rx program through March 2020. If state funding becomes available in FY2020, DOH could continue to work with these entities to offer the Fruit and Vegetable Rx program to their clients. **Fruit and vegetable incentive programs will positively impact fruit and vegetable consumption and food insecurity within Tribal Nations.**

The Washington Department of Social and Health Services (DSHS) administers SNAP within the state and is responsible for communicating with and serving low-income clients. Since the FINI grant began, DOH and DSHS have worked together for data sharing and communication/outreach efforts. We expect collaboration to continue if this request is approved. Additionally, the Washington State Department of Agriculture (WSDA) has been a critical partner for the FINI grant by creating and disseminating nutrition incentive outreach materials to food banks and pantries throughout Washington. DOH anticipates continued support from WSDA if this request is approved.

### Stakeholder response:

DOH anticipates all non-governmental stakeholders will support this decision package and has received several letters and emails of support already. Non-governmental stakeholders that will be impacted by this proposal include the following:

- American Heart Association
- Anti-Hunger and Nutrition Coalition
- Foundation for Healthy Generations, Northwest Harvest

- WA State Alliance of YMCAs
- Washington State Farmers Market Association
- Childhood Obesity Prevention Coalition
- UnitedHealthcare Community Plan
- MultiCare Health System- Center for Healthy Living
- Virginia Mason Memorial Hospital
- Seattle Children's Odessa Brown Children's Clinic
- Catholic Charities of Spokane
- Sea Mar Community Health Centers
- Yakima Valley Farm Workers Clinics
- WSU- Extension Clark County
- Harborview Medical Center
- Washington Food Industry Association
- Albertsons Companies
- University of Washington's Center for Public Health Nutrition (UW CPHN)
- National Association of Farmers Market Nutrition Programs

**Legal or administrative mandates:**

N/A

**Changes from current law:**

N/A

**State workforce impacts:**

N/A

**State facilities impacts:**

N/A

**Puget Sound recovery:**

N/A

## Agency Questions

**Did you include cost models and backup assumptions?**

See attached documents.

## Reference Documents

- 140-176\_FINI\_Appendices\_chart-18\_0703.pdf
- 140-176\_FINI\_Appendices\_map-18\_0703.pdf
- FinancialCalculator FINI WIC-FMNP.xlsm
- NutritionIncentivesSpent.pdf

## IT Addendum

**Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No