



## FOOD POLICY AND PROGRAMS BRIEFING

May 3, 2017

**Dear Mayor Kenney,**

The members of the Philadelphia Food Policy Advisory Council (FPAC) applaud you for your leadership in moving Philadelphia forward during a difficult time for our country.

As active members of our communities and supporters of a just and sustainable food system, we are concerned that changes at the state and federal levels may have alarming effects on Philadelphians. Much of the financial support for the city's hunger and food access programs comes from state and federal government. We are particularly concerned about funding cuts to the U.S. Department of Agriculture (USDA), which supports several programs that provide food assistance to residents. The House Republican 2017 budget proposal would cut 20.7% of the USDA's budget, about \$5 billion.

We developed this briefing document to help you understand how these programs support our city's most vulnerable residents, and how changes to these programs may affect them.

Thank you for your continued leadership and support,

**Philadelphia Food Policy Advisory Council**

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## PROGRAMS FOR LOW-INCOME RESIDENTS:

### **Supplemental Nutrition Assistance Program (SNAP) – Federal (U.S. Department of Agriculture)**

*What It Does:* SNAP offers nutrition assistance to eligible, low-income individuals and families and is the largest program in the domestic hunger safety net.

*Why It's Important:* An average of 493,718 Philadelphians receive SNAP benefits monthly. In 2016, Philadelphia received \$795 million in SNAP benefits, or \$66.2 million monthly. The average SNAP benefit is \$134 per person per month.

*Potential Threats:* Fundamental changes to the structure of SNAP, such as block grants or opportunity grants; changing the work requirements or eliminating waivers; and changes to eligibility or benefits level. These changes would decrease the number of people who could apply for and receive SNAP benefits.

### **The Emergency Food Assistance Program (TEFAP) – Federal (U.S. Department of Agriculture)**

### **State Food Purchase Program (SFPP) – Commonwealth (PA Department of Agriculture)**

### **Pennsylvania Agriculture Surplus System (PASS) – Commonwealth (PA Department of Agriculture)**

*What They Do:* TEFAP helps supplement the diets of low-income residents by providing emergency food and nutrition assistance at no cost, and is administered through the State. SFPP provides cash grants to counties for purchasing and distributing food to low-income individuals, which helps Philadelphia purchase more than \$4 million in food. PASS provides fresh, locally grown food to food pantries.

*Why They're Important:* Together, TEFAP, SFPP, and PASS provide inventory for more than 500 food pantries and soup kitchens throughout the city that serve 600,000 Philadelphians every month.

*Potential Threats:* Funding for these programs is limited and may face cuts, and the budgets of the organizations in Philadelphia who use this funding to feed Philadelphians are already stretched thin.

### **Food Insecurity Nutrition Incentive (FINI) – Federal (U.S. Department of Agriculture)**

*What It Does:* FINI supports projects to increase the purchase of fruits and vegetables among low-income consumers participating in SNAP by providing incentives at the point of purchase. FINI is administered by the USDA and the National Institute of Food and Agriculture (NIFA).

*Why It's Important:* In 2015, The Food Trust received \$500,000 for three years to expand the Philly Food Bucks program, which gives SNAP shoppers \$2 in Philly Food Bucks for every \$5 of SNAP benefits they spend on fresh produce at farmers' markets. The Bucks are redeemable at most farmers' markets in Philadelphia. The FINI grant is helping to expand this program to grocery and corner stores, as well as to other partners across the state.

*Potential Threats:* Funding cuts to the USDA in 2017 would reduce the number of programs that receive support for incentivizing fresh produce purchases by low-income Philadelphians.

## **The Neighborhood Assistance Program (NAP) – Commonwealth (PA Department of Community and Economic Development)**

*What It Does:* NAP is a state tax credit program that encourages businesses to support low-income and distressed communities. Food banks are eligible to apply for tax credits under the Charitable Food Program category based on pledged financial and food donations, and then distribute awarded tax-credits at the end of the year to donors based on how much they gave.

*Why It's Important:* Philabundance used NAP to spur the donation of 3.5 million pounds of food last year.

*Potential Threats:* Cutting incentives may reduce local donations that support the emergency and supplemental food system.

## **Community Services Block Grant (CSBG) – Federal (U.S. Department of Health and Human Services)**

*What It Does:* CSBG provides funds to alleviate the causes and conditions of poverty.

*Why It's Important:* CSBG funds the Office of Community Empowerment and Opportunity (CEO). CEO manages the BenePhilly Centers, which help residents access important benefits, like SNAP and WIC. CEO also houses the Food Access Collaborative, which convenes congregate meal providers and other partners to support adults seeking emergency meals. The Collaborative helps connect meal guests with services and resources they need, and helps increase the quality and quantity of emergency meals served in safe and dignified settings.

*Potential Threats:* The House Republican 2017 budget plan would eliminate funding for CSBG.

## **Social Services Block Grant (SSBG) – Federal (U.S. Department of Health and Human Services)**

*What It Does:* SSBG is a unique and flexible funding source that helps states meet the specialized needs of their most vulnerable populations. Nearly all SSBG funds are used to provide services to vulnerable children, adults, and persons with disabilities, including protective services for both children and adults, housing, family planning, and child care services.

*Why It's Important:* In FY2016-2017, Pennsylvania anticipated receipt of \$96 million in SSBG allocation, comprised of \$65 million in SSBG funding and almost \$31 million in Temporary Assistance for Needy Families transfer funds. Any reduction in social services benefits to low income Philadelphians will mean less money to purchase food.

*Potential Threats:* The House Republican 2017 budget plan proposes elimination of SSBG, which would severely impair states' ability to fund many public services that mainly benefit low- and moderate-income children and people who are elderly or disabled. SSBG has already lost 73% of its value since 1982, the first year of implementation, due to inflation, funding freezes, budget cuts, and sequestration.

## PROGRAMS FOR WOMEN, CHILDREN, AND SENIORS:

### **Special Supplemental Nutrition Program for Women, Infants & Children (WIC) – Federal (U.S. Department of Agriculture)**

*What It Does:* WIC provides nutrition services, breast feeding support, health care and social service referrals, and healthy foods to mothers and their children to make sure that infants and children grow and develop normally and pregnant women deliver healthy babies.

*Why It's Important:* In 2016, approximately 60,000 Philadelphians participated in WIC, which provided average monthly support of \$2.76 million in benefits (\$33 million per year).

*Potential Threats:* The USDA is the sole funding source for WIC, which is administered in Philadelphia through the Commonwealth. WIC is the only federal nutrition program that is not an entitlement program, so broad funding cuts could particularly put WIC at risk.

### **Schools/Child Nutrition Program – Federal (U.S. Department of Agriculture)**

*Why It's Important:* Funds the purchase of more than \$4.8 million worth of food annually for School District of Philadelphia to serve balanced meals to more than 137,000 students daily.

### **National School Lunch Program and School Breakfast Program – Federal (U.S. Department of Agriculture)**

*What It Does:* Provides nutritionally balanced free or reduced price breakfasts and lunches to children each school day.

*Why It's Important:* Between the School District of Philadelphia, Charters, and Archdiocese schools, an average of more than 136,000 free and reduced-price lunches and more than 77,000 free or reduced-price breakfasts are served each school day.<sup>1</sup> Currently, the School District of Philadelphia (SD) is reimbursed at the “free” meals rate for 100% of the meals it serves (\$2.04 per breakfast and \$3.24 per lunch). If the multiplier is changed, SD may be reimbursed for a lower portion of meals. Even a small change resulting in the SD being reimbursed for 98% of meals at the free rate and the District paying for 2% of the tens of thousands of meals it provides per day could result in a loss in the range of \$60 to 70 million in school meal reimbursements annually.<sup>2</sup>

*Potential Threats:* This program is at risk of becoming a block grant program in three states, which would reduce the number of children who are eligible to receive meals through this program. States must opt into this pilot, which is not a risk under our current Governor, but could become one with a change to a more conservative administration. There is also a risk of changing the Community Eligibility Provision multiplier rate, which could be changed by the USDA without legislation.

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<sup>1</sup> Oct. 2016 PDE meals claims data

<sup>2</sup> In Oct. 2016, SDOP served an average of 53,000 breakfasts and 90,000 lunches per day. However, the wider range is given because Oct. is a high volume month and does not reflect year round averages.

### **Child and Adult Care Food Program (CACFP) – Federal (U.S. Department of Agriculture)**

*What It Does:* CACFP provides funding to child and adult care institutions, like schools, early childcare, adult care, parks and recreation, and shelter programs, to serve nutritious foods.

*Why It's Important:* There are 1,381 CACFP-sponsored sites in Philadelphia. Through these sites, CACFP funds more than 4 million balanced meals (including breakfast, lunch, supper, and snacks) annually at early childcare, afterschool, and supportive housing facilities.

### **Supplemental Nutrition Assistance Program Education (SNAP-Ed) – Federal (U.S. Department of Agriculture)**

*Why It's Important:* SNAP-Ed provides \$3 million annually to The Food Trust, to provide nutrition education for youth in public schools and for low-income adults in food pantries, churches, libraries, and other community settings. The School District's Eat Right Now program, as well as four other organizations that provide nutrition education (Drexel University Nutrition Center, Einstein Medical Center, Health Promotion Council, Urban Nutrition Initiative), also receive funding through SNAP-Ed.

### **Specialty Crop Block Grant Program – Commonwealth (PA Department of Agriculture)**

*Why It's Important:* Provided \$40,000 last year to support and strengthen farm-to-school activities in the School District of Philadelphia.

### **Commodity Supplemental Food Program (CSFP) – Federal (U.S. Department of Agriculture)**

*What It Does:* Improves the health of low-income elderly residents by supplementing their diets with nutritious foods.

*Why It's Important:* Provides roughly 8,900 30-pound boxes of shelf-stable food and a 2-pound block each month to low-income seniors. The value of the box is estimated at \$50. Seniors enroll in the program and pick up their food at a site in or near their own neighborhoods.

### **Farmers' Market Nutrition Program (FMNP) - Federal (U.S. Department of Agriculture)**

*What It Does:* FMNP provides WIC recipients and low-income seniors with fresh, nutritious, locally grown produce from farmers' markets.

*Why It's Important:* Sixty farmers' markets and farm stands accept FMNP in Philadelphia.<sup>3</sup> In 2014, 56,045 FMNP checks were redeemed, totaling \$280,720 worth of fresh, local produce going to women and children in Philadelphia.<sup>4</sup> The Philadelphia Corporation on Aging (PCA), which distributes vouchers to seniors, reported that more than 110,000 vouchers were redeemed, totaling almost \$554,000 of fresh, locally grown produce benefiting regional farmers and low-income older adults.

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<sup>3</sup> <http://www.agriculture.pa.gov/Services/Pages/FMNP-SFMNP-Participating-Farm-Markets-and-Farm-Stands.aspx>

<sup>4</sup>

<http://www.agriculture.pa.gov/Encourage/food/Farmers%20Senior%20Farmers%20Market%20Nutrition%20Program/Documents/2014%20Redemption.pdf>

*Potential Threats:* The USDA is the sole funding source for FMNP vouchers, which are administered in Philadelphia through the State. Funding cuts to the USDA in 2017 would reduce the number of women, children, and seniors that can benefit from these vouchers.

## PROGRAMS SUPPORTING BUSINESSES:

### Local Food Promotion Program (LFPP) - Federal (U.S. Department of Agriculture)

*What It Does:* Offers grant funds with a 25% match to support the development and expansion of local and regional food business enterprises to increase domestic consumption of and access to locally and regionally produced agricultural products, and to develop new market opportunities for farm and ranch operations serving local markets.

*Why It's Important:* Over the past 3 years, \$420,350 LFPP grants have been awarded to Philadelphia businesses, including Greensgrow Farm, Farm to City, Philadelphia Area Cooperative Alliance, and Common Market. The funds have been used to expand a SNAP community-supported agriculture, develop web tools for food hubs and farms, conduct a feasibility study on creating a purchasing co-op for five independent co-op grocery stores, and create refrigeration aggregation points for small family farmers in the region.<sup>5</sup>

### Farmers Market Promotion Program (FMPP) - Federal (U.S. Department of Agriculture)

*What It Does:* FMPP increases domestic consumption of and access to locally and regionally produced agricultural products, and develops new market opportunities for farm operations serving local markets.

*Why It's Important:* The Food Trust received a two-year \$96,000 grant to expand and strengthen the network of farmers' markets in low-income neighborhoods.

### Farmers Market SNAP Support Grant Program – Federal (U.S. Department of Agriculture)

*What It Does:* This grant program increases SNAP accessibility and participation at farmers' markets, and supports the promotion of SNAP services at farmers' markets.

*Why It's Important:* The Food Trust received a two-year \$150,000 grant to promote and grow SNAP redemption at farmers' markets in Philadelphia.

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<sup>5</sup>2016 – Greensgrow - \$100,000 – SNAP Box

2015 – Farm to City - \$95,350 – Web tools for food hubs and farms

2015 – Philadelphia Area Cooperative Alliance - \$25,000 – feasibility study on creating a purchasing co-op for 5 independent co-op grocery stores.

2014 – Common Market - \$100,000 – establishing rural, refrigerated aggregation points and improved post-harvest handling protocols for food grown by small family farmers in mid-Atlantic

2014 – Culinary Cuts (Philly Cow Share) – \$100,000 - Build data analytics for grass-fed beef producers in NE.

<https://www.ams.usda.gov/services/grants/lfpp/awards>

## **U.S. Economic Development Administration (EDA) – Federal**

*Why It's Important:* The Food Trust received a two-year \$150,000 grant to train local food entrepreneurs and spur community development in diverse city neighborhoods through the Night Market program.

## **PROGRAMS SUPPORTING AGRICULTURE:**

### **Community Development Block Grant (CDBG) – Federal (U.S. Department of Housing and Urban Development)**

*What It Does:* CDBG is a flexible program that provides communities with resources to address a wide range of unique community development needs. CDBG is one of the longest continuously run programs at HUD.

*Why It's Important:* This year, Philadelphia received \$38.6 million in CDBG funds to support a variety of programs and organizations, including the Pennsylvania Horticultural Society (PHS). PHS received \$727,000 to support vacant land stabilization, physical garden improvements, tree plantings, and garden materials and supplies. The PHS City Harvest garden network provides support to local growers who donate organically grown produce to residents in high-need neighborhoods.

*Potential Threats:* The House Republican 2017 budget plan would eliminate funding from CDBG.

### **Brownfields Assessment Grant Program – Federal (Environmental Protection Agency)**

*What It Does:* The Brownfields program provides funding to conduct Phase I and II Environmental Site Assessments (ESA) on potentially contaminated sites to help communities plan and redevelop.

*Why It's Important:* The Philadelphia Redevelopment Authority received a three-year \$200,000 grant in 2015 to conduct ESAs on publicly-owned properties intended for use as urban agriculture and/or green stormwater infrastructure. While most Brownfields grants are used for more traditional redevelopment, this is the first grant award of its kind in the country that exclusively supports garden and green space projects.

*Potential Threats:* The House Republican 2017 budget proposal would cut 31.4% of the EPA's budget, or \$2.6 billion.

### **Community Health Projects Related to Contamination at Brownfields/Land Reuse Sites – Federal (Agency for Toxic Substances and Disease Registry at the Centers for Disease Control and Prevention)**

*What It Does:* This grant program aims to identify and address health issues related to Brownfields sites prior to redevelopment.

*Why It's Important:* The Philadelphia Department of Public Health (PDPH) received a one-year \$150,000 grant in 2015 to support soil safety education and awareness among gardeners in Philadelphia. The grant funded free workshops for gardeners to test their soil and understand how to reduce their exposure to potential contaminants in the soil while gardening.

*Potential Threats:* PDPH was approved for another grant in 2016, but the CDC was unable to award the grant due to lack of funds. Additional funding cuts may eliminate support for this grant award entirely.

## ISSUES AFFECTING IMMIGRANTS:

Philadelphia has a booming restaurant industry serviced by many regional farms. Many of the jobs in this industry are low-wage positions, meaning that the people who work in the food industry are ironically also people who cannot necessarily afford healthy food. Many of the people who work in this industry are also undocumented immigrants. Farmworkers and food processing workers who live and work outside of the city are still a part of the food system that feeds Philadelphia. Federal policies will affect these workers.

*Why It's Important:* Aggressive immigration enforcement is bad food policy because so many food businesses depend on immigrant workers.

### *Potential Threats*

- The Department of Labor is unlikely to investigate complaints by workers, and more likely to fail to protect complainants from immigration enforcement.
- Immigration and Customs Enforcement (ICE) has carried out raids on farmworkers in the region. As a result, many farmworkers are no longer showing up to work due to fear of being arrested and deported. As ICE raids are carried out in Philadelphia, we anticipate the same result for restaurant industry workers here.
- The federal and state government are threatening to cut funding from 4<sup>th</sup> Amendment Cities, like Philadelphia.
- The state government is trying to pass pre-emption laws that would disallow municipalities from passing earned sick leave and salary disclosure laws, like Philadelphia has done.

## ISSUES AFFECTING HOSPITALS AND HEALTH CARE:

### **Affordable Care Act**

While we are thrilled that the repeal and replace of the Affordable Care Act (ACA) failed this year, we are wary that the ACA could be under threat in the future. Because of the ACA, community based, non-profit hospitals serving Philadelphia residents are mandated to conduct a Community Health Needs Assessment and adopt an implementation strategy at least once every three years. Facilities must identify significant community health needs and determine potential measures and programs to address those needs. This helps Philadelphia hospitals improve the care and treatment that patients receive.

### **State and Local Public Health Actions Grant (SLPHA) – Federal (Centers for Disease Control and Prevention)**

*What It Does:* The SLPHA grant funds programming in the Philadelphia Department of Public Health (PDPH) Division of Chronic Disease Prevention (Get Healthy Philly) to implement comprehensive nutrition standards in City departments. Supports efforts ensuring Executive Order 4-14 establishing nutrition standards for foods and beverages purchased, prepared or served by City agencies.



*Why It's Important:* Get Healthy Philly works with seven departments serving over 14 million meals and snacks to nearly 208,000 individuals annually. This grant funds the Good Food, Healthy Hospitals initiative that engages Philadelphia hospitals to adopt good food procurement and nutrition standards in all areas of foodservice. Provides technical assistance and resources to twelve Philadelphia hospitals.

**Sodium Reduction in Communities Program (SRCP) - Federal (Centers for Disease Control and Prevention)**

*Why It's Important:* SRCP funds PDPH to work with local public health agencies on sodium reduction efforts. This grant funds the Good Food Purchasing Coordinator position working with Philadelphia City Procurement on innovative contracting models that support FPAC's values.