



January 16, 2024

The Honorable Nancy Skinner
Chair, Senate Budget Committee
California State Senate
Sacramento, CA 95814

The Honorable Jesse Gabriel
Chair, Assembly Budget Committee
California State Assembly
Sacramento, CA 95814

The Honorable Caroline Menjivar
Chair, Senate Budget Subcommittee 3
California State Senate
Sacramento, CA 95814

The Honorable Dr. Corey Jackson
Chair, Assembly Budget Subcommittee 2
California State Assembly
Sacramento, CA 95814

Re: Ensuring the CalFresh Fruit and Vegetable Supplemental Benefits Program Doesn't End and Continues Helping CalFresh Families By Providing Funding in 2024-25 Budget

Dear Budget Leaders:

On behalf of SPUR and Nourish California, we respectfully request that the 2024-2025 budget include an additional, one-time allocation of \$21 million from the General Fund to sustain the CalFresh Fruit and Vegetable Supplemental Benefits program. This program is currently helping more than 30,000 CalFresh households comprising an estimated 51,000 people, spread across 44 counties, afford fruits and vegetables.¹ As more than 8.8 million Californians (roughly a quarter of the state) indicate in a US Census survey that they are food insecure, this program is ready to help reduce that hardship and make healthy food more affordable for Californians with low-income². **If additional funding is not provided in the FY 24-25 budget, the program will run out of funds this summer and tens of thousands of Californians across the state will have less money to put food on their tables.**

In 2023, the California Department of Social Services went live with the CalFresh Fruit and Vegetable EBT Pilot Program³, which provides CalFresh households with up to \$60/month in additional food assistance when they buy fresh fruits and vegetables with their CalFresh benefits. This program is integrated into the state's electronic benefit transfer (EBT) system and it is now operating at 87 grocery stores and 6 farmers markets across the state. It provided \$1.2 million in rebates for fruits and vegetables in December 2023, the most recent month for which data is available.⁴ It is also poised to scale at more retail locations and quickly reach many more Californians struggling with hunger.

Research has long shown that existing, similar programs – including Double Up Food Bucks, Más Fresco, Market Match, and others – reduce hunger, improve health, and increase revenue for

¹ Based on SPUR analysis of CalFresh Fruit and Vegetable EBT Pilot Project data provided by the California Department of Social Services for the first full month (December 2023) of pilot operations at its full scale.

² Food insecurity rates based on US Census Household Pulse Survey as of October 2023: <https://www.cafoodbanks.org/food-insecurity-data/>

³ Program information at: <https://www.cdss.ca.gov/inforesources/ebt/california-fruit-vegetable-ebt-pilot-project>

⁴ For a map of all participating locations, see: <https://www.google.com/maps/d/edit?mid=13CGKAuiliC8vmofdrNMUN7vEuX8xtRE&usp=sharing>

agricultural communities.⁵ **To avoid this program ending – and ensure that tens of thousands of families and California’s farmers can continue to benefit during this time of urgent need -- we respectfully request a one-time allocation of \$21 million in the 2024-25 state budget.**⁶

The funds would be used by the state to:

- Provide fruit and vegetable supplemental benefits to at least 30,000 CalFresh households at the existing pilot locations: 87 grocery stores and 6 farmers’ markets spread across California for at least twelve additional months (July 2024 – June 2025)
- Expand to additional retail locations if the burn rate of funding decreases, allowing room for geographic expansion
- Support staffing and administrative costs at the California Department of Social Services and Office of Technology and Solutions Integration as well as grants for groups to provide community outreach and support retailers with technical assistance, as with earlier budget allocations

Because CalFresh Fruit and Vegetable Supplemental Benefits are distributed through the state’s EBT system, the program has an unmatched economy of scale and administrative efficiency. **All told, roughly 90% of the funds requested in this proposal will go directly into the pockets of CalFresh participants to buy food. Because the program is already operational, the money will flow immediately. At a time of very tight budget constraints, this is an incredibly effective and efficient safety net program.**

It is critical that the 2024-2025 budget include augmentation funding so the state can avert a fiscal cliff that would put a vital program at risk of ending prematurely. The state made a significant investment to create this program which has proven to be very successful.

We therefore respectfully request a one-time allocation of \$21 million from the General Fund to sustain CalFresh Fruit and Vegetable Supplemental Benefits. This program is a timely investment in reducing hunger, improving health, and supporting our agricultural economy.

If you have any questions please contact Jared Call at Nourish California, jared@nourishca.org, and Eli Zigas at SPUR, ezigas@spur.org.

Sincerely,



Eli Zigas
Food and Agriculture Policy Director
SPUR



Jared Call
Senior Advocate
Nourish California

⁵ SPUR, *The Case for Expanding Fruit and Vegetable Supplemental Benefits*, 2022: <https://www.spur.org/sites/default/files/Policy%20brief%20fruit%20veg%20supplemental%20benefits%202-13-22.pdf>

⁶ See methodology section on the next page of this letter for more details about how this \$21 million figure was calculated. Importantly, this projection could increase or decrease as the pilot provides additional data in the coming months.

Methodology for Calculating Funding Request

Using data provided by CDSS and OTSI, SPUR estimates that \$21 million is required to continue the program at its current scale for an additional 12 months (July 2024 - June 2025 ; FY 24-25). *This projection could increase or decrease as the pilot provides additional data in the coming months.*

This \$21 million request was calculated by taking the amount of fruit and vegetable supplemental benefits CalFresh participants earned in December (the first month of full-scale pilot operations) and assuming that, in the future, the average monthly “burn rate” for the program would be 50% more than that. The final and largest grocer began offering incentives at all their stores in December. The other participating grocery retailers saw the total amount of fruit and vegetable supplemental benefits earned by customers at their store increase by nearly 50% in their first few months of participating in the program. Applying that same history at other retailers to this large grocer, whose transactions make up the vast majority of supplemental benefits now provided in the program, led to the calculation that follows:

$$[\text{December 2023 Monthly Burn Rate}] \times (\text{additional } 50\%) \times 12 \text{ months} = \$21,000,000$$

$$[\$1,169,000] * (1.5) * 12 = \$21,042,000$$

As the pilot provides additional data in the coming months, SPUR will be able to refine the projection based on a larger data set and the projection could increase or decrease. The Department of Social Services is also working on creating its own projections using the same data, however those are not yet available. We look forward to engaging with the agency on this topic.