SNAP Incentive Programs at Farmer's Markets Research provided by: Jeanie Donovan, Megan Randall, Amy Madore, and Kate Vickery LBJ School of Public Affairs

In order to support the efforts of the Sustainable Food Policy Board to encourage the City of Austin to "increase the value of SNAP dollars spent locally at farmers markets and other retailers for fresh produce," students at the LBJ School of Public Affairs have compiled five case studies, including the Sustainable Food Center's Double Dollar Incentive Program in Austin.

## **New York City - Health Bucks**

New York City's Health Bucks program, first implemented in 2005, is municipally administered by the Department of Health and Mental Hygiene as part of its Physical Activity and Nutrition Program. The program enables participating NYC farmers' markets to dispense one Health Buck coupon (value of \$2, redeemable for fresh fruits and vegetables) for every \$5 in SNAP funds that the beneficiary spends at the market using electronic benefits transfer (EBT). The program thus increases low-income consumer purchasing power by 40%. In 2011, approximately 67% of Health Bucks were distributed as a SNAP incentive, as outlined above, while the remainder were distributed through community-based organizations and at market nutrition education workshops and were not tied to federal benefit eligibility.

In 2011, the program received \$250,000 from the City Human Resources Administration to cover costs for the SNAP incentive portion of the program, including the \$2 redemption value of the coupon as well as the 25 cent per coupon cost to administer the program. An additional \$50,000 went to the community organization model of distribution, and was funded through City budget allocations to internal DOHMH programming. The DOHMH also spent \$40,000 on SNAP and Health Buck related outreach materials and intern support, and supported a paid full-time program manager. In 2011, this combined budget of \$340,000 (not including the unquoted salary for the program manager) supported Health Bucks program implementation at 65 markets and the redemption of just over 131,000 Health Buck coupons (almost 90,000 of these going to SNAP beneficiaries). Health Buck redemption reached 93% in 2011, an all-time high in the program's seven-year history.

In 2012, NYC expanded the program and the HRA provided a total of \$350,000 to support expansion to all 138 farmers' markets in New York City. It should be noted that this scalability has, in part, been aided by a directed effort to install EBT capacity and operators at the majority of NYC farmers' markets. In 2010 and 2011, the DOHMH spent \$172,000 hiring 56 EBT terminal operators to serve 34 markets in high-needs areas, supported by a federal Communities Putting Prevention to Work (CPPW) grant. The Farmers Market Federation of New York also received federal grant money to expand market EBT capacity. Currently, 125 NYC farmers' markets are equipped with EBT. The program has grown significantly from its inception in 2005 when, with a very low budget, the DOHMH was able to provide 20,000 Health Bucks with a redemption rate of 22%. Scalability has been attributed to increased funding capacity, increasing support from community organizations, enhanced market EBT capacity, and overall growth in farmers' market sales.

### **Boston Bounty Bucks**

Boston Bounty Bucks launched in 2008 as a small pilot program at The Food Project's farmers market in the Dorchester community of Boston. During the first year, SNAP clients spent approximately \$1,000 in federal benefits and incentives combined. The Food Project expanded the program to five farmers markets in 2009, adding an additional six markets in 2010. In 2011, 18 markets were participating and, by year's end, SNAP clients had spent \$65,000 in SNAP benefits and \$56,000 in incentives. For FY 2012, the number of markets remained the same but spending increased: SNAP recipients spent \$95,000 in federal benefits and \$72,000 in incentives at participating markets. Bounty Bucks continues to function as it did when it was launched five years ago: SNAP clients receive a dollar-for-dollar match for SNAP purchases at farmers' markets up to \$10 daily per customer, per market. An assessment of Bounty Bucks' impact on participant diet is currently underway.

Wholesome Wave seeded Bounty Bucks in 2008 through its Double Value Coupon Program. The budget covered the incentives, initial purchase of EBT machines, and staff time. Other initial funding sources included small grants (a few thousand dollars each) from the Greater Boston Food Bank and The Boston Foundation. Since 2008, Wholesome Wave has slowly tapered its financial support of the program. In 2011, the mayor's office began to fund Bounty Bucks, contributing \$50,000 to cover the cost of incentives exclusively. That same year, administration of the program transitioned from The Food Project to Boston Collaborative for Food and Fitness (BCFF), a nonprofit organization that supports all 25 of Boston's farmers' markets, including the seven markets that currently do not accept SNAP benefits. BCFF provides a variety of services to Boston's farmers markets, including EBT machine maintenance, marketing support (advertising markets in general as well as SNAP/Bounty Bucks), and trainings for market managers (e.g., accounting).

One of BCFF's biggest challenges in administering Bounty Bucks has been the City of Boston's disbursement mechanism. Last year, the mayor's office contributed to the program on the condition that it would serve as "the funder of last resort," promising to give up to \$50,000 to fund Bounty Bucks incentives once BCFF had exhausted its other resources. This arrangement poses several challenges—namely budgeting uncertainties and delayed reimbursement of farmers. At the same time, Mayor Menino's adamant support of Bounty Bucks provides BCFF with leverage to raise funds from other potential donors. In 2012, the major funders of the program were: Wholesome Wave (\$5,000), Harvard Pilgrim Foundation (\$25,000), Kellogg Foundation (\$25,000), and the mayor's office (\$50,000). In addition to \$72,000 in Bounty Bucks incentives, BCFF spent \$20,000 on marketing and outreach. It is important to note that this budget includes general promotion of Boston farmers' markets, not just marketing of SNAP/Bounty Bucks.

# Chicago LINK Bucks

The LINK¹ Up Illinois program is a statewide initiative that seeks to increase the affordability and accessibility of fresh and nutritious foods sold at Illinois farmers markets for low-income Illinoisans. The program is facilitated by Experimental Station (ES), a nonprofit organization with four full-time staff, that makes grants to individual farmers markets who are equipped with EBT machines and that ES determines have the capacity to run the program.

ES was founded in 2009 through a partnership with Wholesome Wave, who funded its first staff person and a pilot double-dollar program at the farmer's market nearest to its office. Starting in 2011, ES began raising private funds to cover its administrative and program costs. Each farmer's market applies for funding through ES in order to offer their own incentive program. Participating markets give SNAP clients a \$1 for \$1 match in the form of LINK Bucks. Each market determines the maximum value of the incentive, which ranges from \$10-\$25. Grants to markets range from a few hundred to a few thousand dollars, with 80% going directly to benefits and 20% to administration. In its first year (2011), the program had 10 participating markets; in 2012, there were 38. A summary of sales can be seen below.

Year	Total LINK	Total LINK	New LINK	# Markets
	Sales	<b>Bucks Sales</b>	shoppers	
2011	\$46,067	\$15,864	1,902	10
2012	\$155,000	\$122,000	3,716	38

According to ES staff, market's nearly always run out of funding before the year is out, and new funding sources are always needed. ES has a strong commitment to accountability, demonstrated by a number of key practices. First, ES releases only 60% of a grant award to a market until the market shows progress and success in running the program; the other 40% is not released until these requirements have been met. Additionally, ES requires weekly reporting from individual farmers markets through an online web-portal. ES is primarily concerned with tracking the increase in LINK sales at the farmer's markets, what percentage comes from the LINK Bucks program, and how many new LINK shoppers a market gets.<sup>2</sup>

The most significant barrier for getting new markets to participate is the effort that it takes to start and maintain the program itself. According to ES staff, the reporting requirement has not been a burden, but having the infrastructure to start a program has been challenging. Another challenge is that ES is not very involved in outreach campaigns; they allow each market to use the administrative 20% of its grant for outreach to its local community and ES provides training and sample materials. Marketing by famers markets is aimed at getting LINK users to use the double dollar program, not at enrolling new LINK clients.

<sup>1</sup> LINK is the Illinois SNAP program.

<sup>2&</sup>lt;sup>1</sup> New shoppers are determined by market staff asking any LINK shopper if this is their first LINK transaction at a farmer's market.

Overall, the program is organized so as to provide as much flexibility as possible to local markets, while providing a steady source of funding. ES was careful in choosing this decentralized model because staff felt that it would be most effective at meeting local need and helps keep administrative/outreach fees down. ES is also doing some work with the Greater Chicago Food Depository and City of Chicago to help increase LINK enrollment generally. The city has funded three staff members to help with LINK transactions at farmer's markets.

### East Palo Alto - Fresh Checks Program

The <u>Fresh Checks</u> program is run by the nonprofit organization Collective Roots and has been in operation at the <u>East Palo Alto Market</u> for four seasons. Fresh Checks offers low-income individuals, based on referrals and established eligibility criteria, a monthly incentive of \$20 in matching funds. Clients register for the program at the market, and once enrolled they can receive matching tokens for up to \$20 in SNAP, WIC, F Program benefits. Low-income shoppers that are not enrolled in federal nutrition programs can also receive the \$20 matching funds for their own cash contribution.

Fresh Checks operates in the parking lot of a community health center which refers many of its clients to the market and informs them of the incentive program. The Second Harvest Food Bank also visits the market twice per month to register shoppers for the SNAP program, if eligible. On average, about 105 shoppers visit the market each week, of which about 80% are participants in the Fresh Checks program.

Collective Roots has four staff members that work on the Fresh Checks program on a part-time basis. Two part-time staff work to administer the program at market from start to finish and the Market manger spends about 5-8 hours per week on outreach for the program. Information and applications for the Fresh Checks program are dropped at local churches, health centers, community centers, though Collective Roots staff report that these efforts have not significantly increased participation. Outreach efforts involving text message reminders are being considered.

The Fresh Checks program has been largely funded by an anonymous private donor, but has had some public support from the San Mateo Health System. In 2012, the systems' Healthy Living San Mateo County initiative provided a \$10,850 mini-grant to the Fresh Checks program to cover the cost of a new laptop and software to track participation as well as funds to conduct a participant survey. The market tallies about \$20,000 in Fresh Checks redemptions each season and has over 800 enrolled participants.

# Austin Double Dollar Incentive Program

The Sustainable Food Center (SFC), a local nonprofit organization, currently operates four farmer's markets in Austin. All four SFC markets accept SNAP and WIC electronic transfer benefits (EBT) as well as seasonal WIC Farmer's Market Nutrition Program (FMNP) produce vouchers. SFC has been accepting EBT funds since 2006, but in March 2012 launched a Double Dollar Incentive Program in conjunction with the opening of a new small Tuesday East Market in an area with limited access to fresh produce. To start the program, SFC secured \$17,000 in funding from the national non-profit Wholesome Wave, \$45,000 from the St. David's Foundation, and additional funds from Farm Aid, USDA, and TDA for outreach, operations, and marketing. The SFC Double Dollar Incentive Program was originally offered only at SFC's East Market but was expanded to their Sunset Valley market location in August 2012. While the program originally offered matches of up to \$10 in SNAP/WIC EBT funds and FMNP vouchers, it later expanded to match up to \$20. Since the program launched, the two markets have disbursed over \$20,000 in matching funds to be spent on fruits and vegetables at the market. In their fiscal year 2012 (July 2011-June 2012), the four SFC markets recorded just over \$27,000 in regular SNAP EBT redemptions and an additional \$27,700 in WIC EBT and Farmer's Market Nutrition Program (FMNP) redemptions.

SFC has one state-issued SNAP EBT processing machine at each of their four markets. The SNAP machine is located at the market's information booth and allows customers to debit their SNAP accounts for an amount of their choosing and in turn receives the wooden chips for the redemption amount plus the matching funds. The wooden chips can then be used to purchase food from market vendors. The SFC markets share 14 WIC EBT processing machines that travel between the four markets and are operated by various vendors at the point of sale. Market managers from SFC report that the state-provided SNAP EBT machines/processing company have been unreliable, faulty, and come with few technical assistance resources. Currently, only one other functioning EBT machine has been confirmed at a farmers market in Travis county and one at a farmstand.

SFC Market Location	${\bf Clients}\;({\bf Unduplicated})$	Redemptions	Matching Funds Disbursed
Sunset Valley	195 total	WIC FMNP \$3,738	WIC FMNP \$3,040
(Aug-Dec 2012)	30 SNAP	$SNAP \sim \$60/week$	SNAP \$879
,	165 WIC		
East	1119 total	WIC FMNP	WIC EBT \$968
(July Dec 2012)	380 SNAP (transactions)	\$15,067	WIC FMNP \$12,243
,	118 WIC (transactions)	$SNAP \sim \$100/week$	SNAP \$3,286
	998 WIC FMNP		
	(transactions)		