

American Rescue Plan State Fiscal Recovery Fund Recommendation Cover Sheet

Please submit this document with any recommendations for funding from Rhode Island's allocation of federal fiscal recovery funds available through the American Rescue Plan Act. This information will be made available to the public along with any detailed documents submitted that describe the proposal. It is encouraged that such documents identify clear goals and objectives and quantifiable metrics.

This is not a formal request for funds, and submission of recommendations does not guarantee a response, public hearing, or appropriation from the General Assembly.

Name of Lead Agency: The Rhode Island Public Health Institute

Additional agencies making recommendation (if applicable): The NOURISH RI Coalition

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Brief Project Description (attachments should contain details)

The Nourish RI Coalition seeks a \$25 million appropriation for a statewide Retail SNAP Incentive Program to address RI hunger crisis

Total request: \$ 25 million

One-time or Recurring Expense? Recurring – 2 years

ARPA Eligibility Category (check all that apply) – See link for further information

<https://www.rilegislature.gov/commissions/arpa/commdocs/Treasury%20-%20Quick-Reference-Guide.pdf>

- Respond to the public health emergency and its economic impacts: X
- Premium pay to eligible workers
- Government services/state revenue replacement
- Water/sewer/broadband infrastructure

**American Rescue Plan State Fiscal Recovery Fund Recommendations Presented to
The Rhode Island State Legislature**

Date Delivered: November 11, 2021

**Request: The Nourish RI Coalition seeks a \$25 million appropriation for a
statewide Retail SNAP Incentive Program to address RI hunger crisis**

Nourish Rhode Island is a coalition advocating for a Retail SNAP Incentive Program (RSIP) to alleviate hunger across the state of Rhode Island. SNAP Incentives are bonus funds or discounts that SNAP recipients receive when they purchase fresh fruits and vegetables. By adding financial incentives to encourage SNAP participants to purchase more fruits and vegetables in retail settings like grocery stores and bodegas, Rhode Island's most vulnerable, hungriest populations will be able to improve their diets while also maximizing their buying power. **Federal ARPA guidelines suggest investing in programs to reduce food insecurity, and Rhode Island needs programs and strategies that improve healthy eating and reduce hunger.** The Nourish RI coalition posits this proposal is the most impactful way to accomplish these goals. These funds and SNAP incentives would be administered by Rhode Island Department of Human Services (DHS).

Hunger Rates are at an all-time high in Rhode Island

Rhode Island families are experiencing unprecedented levels of hunger. The RI Community Food Bank estimates that **1 in 4 families is food insecure, which means they lack consistent access to enough food for every person in a household to live an active, healthy life.** Hunger levels in RI have not been this high since the Great Depression. With inflation rates now increasing the cost of food, food insecurity and hunger rates will rise in coming months. **Rhode Island has not yet adopted a statewide strategy to reduce hunger in the wake of the COVID pandemic; efforts to reduce hunger have been disparate and uneven. This proposal responds to this public health crisis.**

The RI General Assembly should invest in a long-term Retail SNAP Incentive Program to alleviate hunger for Rhode Island's most vulnerable families. Funding this program in full would cost \$25 million. Figure 1 provides an overview of expenditures to support this proposed program.

FIGURE 1. SNAP INCENTIVE BUDGET OVERVIEW

Technology infrastructure to automatically administer incentive	\$2,000,000
Two full time positions for SNAP Incentive program administration at DHS	\$250,000
Direct \$25 per month for all approximately 90,000 SNAP households for their fresh produce purchases in retail settings.	\$22,750,000

The Rhode Island Public Health Institute (RIPHI) leads the Nourish Rhode Island Coalition. RIPHI's mission is to reduce health disparities in Rhode Island and beyond. See www.riphi.org for more about our work.

SNAP Incentives Lead to Healthier Eating Behaviors among SNAP Recipients

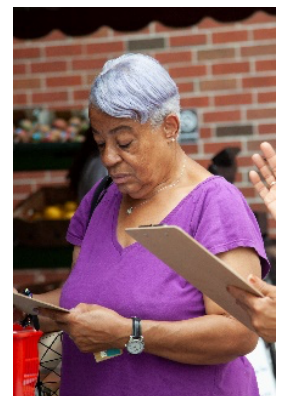
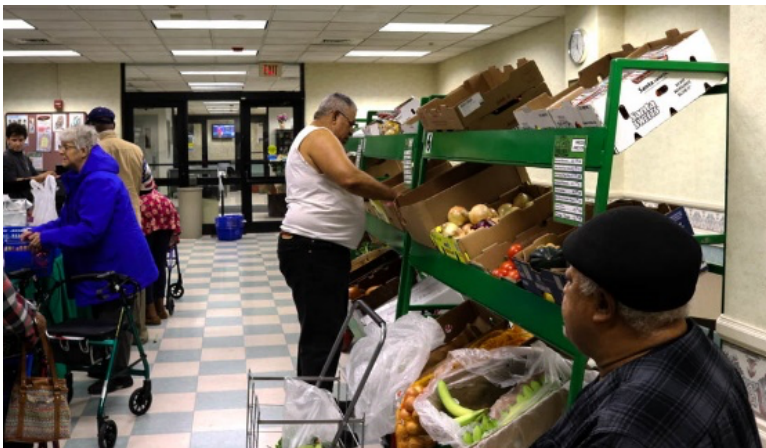
RIPHI runs Food on the Move (FOTM), a year-round mobile produce market that implements a SNAP Incentive program in the form of a 50% discount for all customers paying with SNAP benefits. **SNAP Incentives are bonus dollars, or a discount, given to SNAP recipients to incentivize and support their purchases of fresh, healthy fruit and vegetables.**

Figure 2. Impact of Food on the Move on Healthy Eating Behaviors

- 68% of customers reported cost as a barrier to eating produce
- 50% of customers reported running out of SNAP benefits within the first two weeks of the month
- 76% report their SNAP benefits last longer since shopping at FOTM
- 83% buy more fruits and vegetables than they normally would because of the SNAP discount
- 80% eat more fruits and vegetables than they normally would because of SNAP incentives

FOTM proves the impact and efficacy of SNAP Incentives (Figure 2). Low-income families who rely on SNAP benefits struggle to afford healthy expensive, produce; 50% of FOTM customers reported running out of their SNAP benefits halfway through the month.

Food insecurity contributes to food related chronic diseases like diabetes and obesity. Moreover, research demonstrates that SNAP participants are more likely to be hospitalized at the end of the month, when their food budgets are depleted, for preventable issues related to diet.ⁱ Preventable hospitalizations and doctors' visits contribute to rising healthcare costs for SNAP users. Hunger and food-related chronic disease disproportionately impact communities of color and low-income communities. COVID-19 exacerbated these disparities. **Rhode Island needs to invest in a Retail SNAP Incentive Program so that all low-income families can afford healthy, fresh produce.**



Potential Impact of SNAP Incentives

Figure 3: Potential Impact and Reach of SNAP Incentives in RI

- Number of individuals who receive SNAP benefits: 144,030
- Number of children who receive SNAP benefits: 46,503
- Number of individuals 60+ who receive SNAP benefits: 30,618
- Average monthly SNAP benefit for each household member: \$144.00
- Average SNAP benefit per person per meal: \$1.46

Approximately 144,000 Rhode Islanders receive SNAP benefits, including over 46,000 children and over 30,000 seniors.

Although the Biden administration recently increased the investment in the SNAP program, current benefits are insufficient to provide families with adequate funds to purchase healthy, fresh produce. The average benefit per person per meal is only \$1.46 (Figure 3).

While SNAP incentives are currently available at FOTM and some farmer's markets, **most SNAP recipients shop in retail grocery stores and do not have access to SNAP Incentives.**

Expanding SNAP incentives into retail settings is the best way to enhance access to SNAP incentives for low-income Rhode Islanders.

Return on Investment: The Economic Benefits of a Retail SNAP Incentive Program

Not only will SNAP Incentives enable RI's most vulnerable families to access to fresh, healthy fruits and vegetables, SNAP incentives will stimulate the economy by stimulating economic spending in grocery and food industries. **For every \$1 invested in a SNAP incentive program, \$3 in economic activity is generated.** SNAP incentives could also help boost local small businesses such as locally owned grocery stores and bodega markets. If healthy food incentive programs were made available at grocery stores, corner stores and farmers markets nationwide, annually we could expect to see an additional:

- \$683M - \$1.41B in families' pockets to spend on food
- \$1.6B - \$3.2B contribution to the national economy; and
- \$518M - \$1.1B in labor income for workers nationwide.

Research shows that broad expansions of healthy food incentives would provide powerful returns on that investment – for families, grocers, and farmers as well the state economies that offer SNAP incentives (Figure 4).

Figure 4. State examples demonstrating potential economic impact of scaling SNAP incentives

State	Output (millions)	Jobs (jobs)	Labor Income (millions)
California	\$123–409	855 - 1679	\$45 – 88
Colorado	\$12–38	92–179	\$4 – 8
Hawaii	\$9–22	74–120	\$3 – 4
Iowa	\$6–20	54–111	\$2 – 4
Michigan	\$30–128	252–661	\$10–26
New York	\$69–228	521 - 1025	\$27 – 53
North Carolina	\$31–104	273–542	\$11 – 22
Texas	\$85–273	647 - 1226	\$31–59
Washington	\$23–83	167–364	\$8–17
United States	\$1,558 – 3,197	10,467 – 21,548	\$518 - 1066

The Nourish Rhode Island coalition urges the RI General Assembly to include a \$25 million dollar appropriation from the American Rescue Plan fund to alleviate hunger for tens of thousands of Rhode Island families through the initiation of a statewide Retail SNAP Incentive Program. This program would generate significant economic activity that could be reinvested to sustain this program. This program is an economic win, a public health win, and addresses our state’s alarming rates of hunger and food insecurity.

Nourish Rhode Island Coalition Members



Healthy Communities Office
Jorge C. Elorza Mayor | City of Providence

