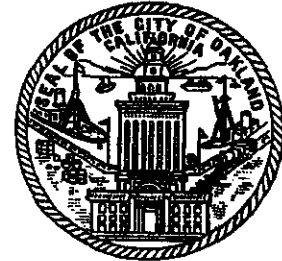


OFFICE OF THE CITY CLERK

2006 MAY 16 AM 11:54

CITY OF OAKLAND
BILL ANALYSIS



Date: June 1, 2006
Bill Number: AB 2384
Bill Author: Assemblyman Leno

DEPARTMENT INFORMATION

Contact: Sara Bedford
Department: Department of Human Services
Telephone: 238.6794 **FAX #** 238-7207 **E-mail:** sbedford@oaklandnet.com

RECOMMENDED POSITION: SUPPORT

Summary of the Bill

AB2384 requires the State Department of Health to develop a "Healthy Purchase" pilot program to assist grocers in low income communities to market and sell fresh fruits and vegetables by offering incentives, loans and technical assistance to stores. The bill further asks the state Health Department to develop a pilot program to make fresh produce more affordable to food stamp recipients by providing a bonus value for fresh produce purchases. An increase in the availability of affordable fresh fruits and vegetables can improve the health outcomes for neighborhood residents.

Positive Factors for Oakland

Many low income neighborhoods in Oakland do not have nearby grocery stores but do have a proliferation of smaller neighborhood stores that are not able to carry and maintain an inventory of fresh produce. This bill would offer incentives including the purchase of refrigeration equipment and technical support that would assist such stores in carrying fresh produce. Fresh produce as a part of one's daily diet has been shown to reduce weight and can prevent certain chronic diseases. Furthermore, over 30,000 children are food stamp recipients in Oakland and thus could potentially benefit from this program.

Negative Factors for Oakland

None noted.

Item: _____
Rules & Legislation Comte.
June 1, 2006

PLEASE RATE THE EFFECT OF THIS MEASURE ON THE CITY OF OAKLAND:

- Critical** (top priority for City lobbyist, city position required ASAP)
- Very Important** (priority for City lobbyist, city position necessary)
- Somewhat Important** (City position desirable if time and resources are available)
- Minimal or** **None** (do not review with City Council, position not required)

Known support:

California Food Policy Advocates

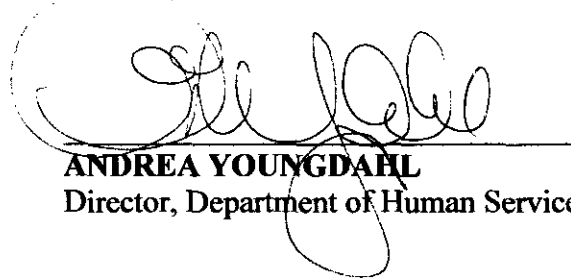
- California Food Policy Advocates (Sponsor)
- Alameda County Community Food Bank
- California Catholic Conference
- California Center for Public Health Advocacy
- California Chiropractic Association California
- Food and Justice Coalition California
- Hunger Action Coalition California
- Independent Grocers Association
- Center Coast Hunger Coalition
- City and County of San Francisco
- Community Alliance with Family Farmers
- Food Bank for Monterey County
- Keck Diabetes Prevention Initiative
- Latino Coalition for a Healthy California
- Policy Link
- Second Harvest Food Bank
- Services, Immigrant Rights and Education Network
- St. Anthony Foundation

Known Opposition:

None known.

Attach bill text and state/federal legislative committee analysis, if available.

Respectfully Submitted,



ANDREA YOUNGDAHL
Director, Department of Human Services

**Approved for Forwarding to
Rules Committee**



Office of City Administrator

ASSEMBLY BILL

No. 2384

Introduced by Assembly Member Leno

February 23, 2006

An act to add Article 1.5 (commencing with Section 104601) to Chapter 2 of Part 3 of Division 103 of the Health and Safety Code, relating to nutrition.

LEGISLATIVE COUNSEL'S DIGEST

AB 2384, as introduced, Leno. Nutrition: Healthy Food Purchase Pilot Program.

Existing law requires the State Department of Health Services to establish and implement, to the extent funds are available that are other than state general funds, a "5 A Day—For Better Health" program for the purpose of promoting public awareness of the need to increase the consumption of fruits and vegetables as part of a low-fat, high-fiber diet in order to improve health and prevent major chronic diseases, including diet-related cancers.

This bill would require the department to develop a "Healthy Food Purchase" pilot program to increase the sale and purchase of fresh fruits and vegetables in low-income communities, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The new federal dietary guidelines encourage all
- 4 Americans to eat more fruits and vegetables, and for most

1 people, the new recommended amount was double the previous
2 guidelines.

3 (b) Clear and overwhelming evidence indicates that eating
4 more fruits and vegetables can help reduce the risk of diet-related
5 chronic diseases, such as heart disease, stroke, and many cancers,
6 as well as help to maintain a healthy body weight.

7 (c) Recent research in California confirms that, healthier
8 foods, including fresh fruits and vegetables, are less available and
9 more costly in low-income communities, and that the higher cost
10 and lower availability inhibit their purchase by food stamp
11 recipients and other low-income individuals.

12 (d) The State Department of Health Services is currently
13 required by state law to establish and implement the California 5
14 a Day—for Better Health (5 a Day) program to increase
15 consumption of fruits and vegetables in order to improve health
16 and prevent major chronic diseases, including diet-related
17 cancers.

18 (e) Current funding restrictions prohibit the 5 a Day program
19 from implementing important marketing and promotion activities
20 in retail and grocery stores where consumers make their food
21 choices.

22 (f) The pilot program established pursuant to this act is aimed
23 at improving the health and nutrition of low-income Californians
24 by responding to the problem of limited local and affordable
25 access to fresh fruits and vegetables. The primary strategies
26 tested in the pilot program will be aimed at increasing the
27 availability of fresh fruits and vegetables at small neighborhood
28 grocery stores, and making fresh produce purchases a smart
29 economic choice for those with very limited food budgets.

30 SEC. 2. Article 1.5 (commencing with Section 104601) is
31 added to Chapter 2 of Part 3 of Division 103 of the Health and
32 Safety Code, to read:

33

34 **Article 1.5. Healthy Food Purchase Pilot Program**

35

36 104601. (a) The department shall develop a “Healthy Food
37 Purchase” pilot program to increase the sale and purchase of
38 fresh fruits and vegetables in low-income communities.

39 (b) The department shall design the program to include the
40 following two components:

1 (1) Strategies aimed at small grocers in targeted low-income
2 neighborhoods to increase the offerings of fresh fruits and
3 vegetables in those communities. In selected pilot program
4 communities, the department shall provide targeted food retailers
5 with support to obtain refrigerated produce display cases through
6 the assessment of the feasibility of a variety of financing methods
7 including, but not limited to, leasing, lending, small business and
8 economic development support, and others. The department shall
9 also provide technical assistance to targeted retailers on the
10 purchase, storage, marketing, and display of fresh produce.

11 (2) Strategies aimed at food stamp recipients to increase their
12 purchase of fresh fruits and vegetables by making those products
13 more affordable, including the development and implementation
14 of financial incentives. The department shall seek any necessary
15 federal government approvals to allow use of the Food Stamp
16 Electronic Benefits Card, as provided in Chapter 3 (commencing
17 with Section 10065) of Part 1 of Division 9 of the Welfare and
18 Institutions Code, to provide those incentives.

19 (c) The department shall seek all necessary approvals to
20 establish the pilot program, and shall apply for available federal
21 matching funds to fund the pilot program.

22 (d) The department shall develop a process for evaluating the
23 effectiveness of the program, and shall make recommendations to
24 the Legislature regarding the possible expansion of the pilot
25 program.

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Date of Hearing: May 3, 2006

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Judy Chu, Chair

AB 2384 (Leno) - As Introduced: February 23, 2006

Policy Committee:

HealthVote:9-3

Urgency: No

State Mandated Local Program:

No Reimbursable:

No

SUMMARY

This bill requires the Department of Health Services (DHS) to develop a "Healthy Food Purchase" pilot program to increase the sale and purchase of fresh fruits and vegetables in low-income communities. Specifically, this bill:

1) Requires DHS to design the program to include the following two components:

a) Strategies aimed at small grocers in targeted low-income neighborhoods to increase the offerings of fresh fruits and vegetables in those communities. In selected pilot program communities, DHS would be required to provide targeted food retailers with support to obtain refrigerated produce display cases through the assessment of the feasibility of a variety of financing methods including, but not limited to, leasing, lending, small business and economic development support, and others. Additionally, DHS must provide technical assistance to targeted retailers on the purchase, storage, marketing, and display of fresh produce.

b) Strategies aimed at food stamp recipients to increase their purchase of fresh fruits and vegetables by making those products more affordable, including the development and implementation of financial incentives. DHS would be required to seek any necessary federal government approvals to allow use of the Food Stamp Electronic Benefits Card to provide those financial incentives.

2) Requires DHS to seek all necessary approvals to establish the pilot program, to apply for available federal matching funds

to fund the pilot program, and requires DHS to develop a process for evaluating the effectiveness of the program, and to make recommendations to the Legislature regarding the possible expansion of the pilot program.

FISCAL EFFECT

- 1) Unknown GF costs, likely in the millions of dollars annually, for implementation of the pilot program, depending upon the counties chosen, number of grants provided and the amount and type of incentives provided to food stamp recipients. For example, if \$5,000 in assistance were provided to 100 small grocers and an additional \$10 per month were provided to 20,000 Food Stamp recipients to encourage the purchase of fresh fruits and vegetables, GF costs would be \$2.9 million. Additional amounts would be required for system changes and DHS program administration.
- 2) GF costs of approximately \$100,000 for the DHS evaluation and recommendations to the Legislature.

COMMENTS

1) Purpose . This bill is sponsored by California Food Policy Advocates (CFPA) to strengthen California's efforts to prevent obesity by increasing access to fresh fruit and vegetables in low-income communities where fruit and vegetables typically are unavailable or costly. California, like other states, has a growing obesity problem, with approximately 60% of adults and 25% of children obese or overweight. The consequences of obesity are devastating to individuals, and include diabetes, hypertension, heart disease, cancer and other debilitating diseases. Physicians, nutritionists and other experts recognize the importance of a diet rich in fruit and vegetables as one key strategy in preventing obesity. CFPA states that unfortunately, as countless studies document, residents of low-income neighborhoods generally lack access to fruit and vegetables.

2) Governor's Obesity Initiative . The governor's 2006-2007 budget states the Administration is developing proposals for the May Revision to advance a healthy California, including opportunities to improve access to affordable fruits and

vegetables in low-income communities and leverage publicly funded health insurance programs to promote improvements in obesity prevention and treatment services.

3) California Nutrition Network . DHS administers the "California 5 a Day-For Better Health Program" (5 a Day) as part of DHS' California Nutrition Network for Healthy, Active Families (Network), a public/private partnership that delivers nutrition education activities within targeted low-resource schools and community sites. Established in 1988 and adopted nationally in 1991, 5 a Day's purpose is to encourage Food Stamp eligible Californians to consume fruits and vegetables every day and be physically active. The annual budget and staffing information for the Network, including 5 a Day, is \$90 million in federal funds.

Analysis Prepared by : Scott Bain / APPR. / (916) 319-2081

Improved Access to Fruits and Vegetables: The “Healthy Purchase” Pilot Program

Contact: Jade Benjamin-Chung at (415) 777.4422 ext. 101 or George Manalo-LeClair at ext. 103

▶▶ Issue

The 2005 Dietary Guidelines suggest that *everyone* eat more fruits and vegetables. Low-income Californians, such as food stamp recipients, face unique challenges in meeting this goal of increased produce consumption. Two major barriers often exist: access and costs. Grocers in low-income communities who accept food stamps are not required to offer fresh produce, so some food stamp recipients may have difficulty accessing fresh fruits and vegetables in their community. Even with access, cost may be an issue. First, research has shown that low-income households face higher food prices than other consumers. Second, the average food stamp benefit works out to around \$2.70 a day. Faced with limited resources and generally higher costs, food stamp recipients may be tempted to stretch their limited budgets by buying less expensive, calorie-dense, nutrient-poor foods. Food stamp families could benefit from action to make fresh produce more affordable.

▶▶ Need

While new guidelines are encouraging greater consumption of fruits and vegetables, many food stamp recipients face difficulties in meeting even the old five-a-day recommendation. Many mixed messages about healthy eating contribute to low fruit and vegetable consumption. The majority of food stamp recipients may need to double their intake of fresh fruits and vegetables to meet current recommendations. Increasing access, affordability, and knowledge of fruits and vegetables can help make the five-a-day recommendations a reality. To reduce cost as a barrier, the state could offer a bonus value for purchasing fresh fruits and vegetables. This action would increase food stamp recipients’ purchasing power and help them better fit healthy produce into their tight grocery budgets. To improve access for food stamps in low-income communities, the state could provide incentives and technical assistance to small grocery stores to add or expand shelf space to offer fresh produce. To increase knowledge of the health benefits of consuming fruits and vegetables, the state could integrate existing nutrition education efforts such as the 5-A-Day Campaign with the “Healthy Purchase” pilot.

▶▶ Requests

CFPA asks that the legislature take these actions to improve the health of Californians:

Action 1: Improve Access	The legislature shall require the state Department of Health Services to develop a “Healthy Purchase” pilot program to offer grocers in low-income areas incentives and technical assistance to increase retail space for fresh produce.
Action 2: Improve Affordability	The legislature shall require the state Department of Health Services to develop a pilot program to make fresh produce more affordable to food stamp recipients by providing a bonus value for fresh produce purchases.

▶▶ History

In 2005, the legislature established the California Fresh Pilot Program, which – reimburses school districts that provide additional servings of fresh fruits and vegetables in school breakfasts. The state of California has demonstrated an interest in promoting consumption of fresh fruits and vegetables through programs including the Buy California Initiative and the California Five-A-Day program.

▶▶ Outcomes

Taking these actions will:

- ▶ Improve health: Research has shown that eating low-calorie foods like fruits and vegetables is linked with a **lower weight**. In addition, fruits and vegetables provide fiber and nutrients that prevent chronic disease.
- ▶ Reduce long-term health costs: California spends \$7.675 billion each year on obesity-related medical conditions. **Increasing consumption of fresh produce is one proven way to improve health and reduce health costs.**