

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Appropriations Subcommittee on The Environment and Natural Resources

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BILL: PCS/CS/SB 1592 (301744)

INTRODUCER: Appropriations Subcommittee on The Environment and Natural Resources; Agriculture Committee; and Senator Bean and others

SUBJECT: Small Food Retailers

DATE: April 17, 2017

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Becker</u>	<u>Becker</u>	<u>AG</u>	<u>Fav/CS</u>
2.	<u>Blizzard</u>	<u>Betta</u>	<u>AEN</u>	<u>Recommend: Fav/CS</u>
3.	_____	_____	<u>AP</u>	_____

**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Technical Changes

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**I. Summary:**

PCS/CS/SB 1592 creates the Healthy Food Assistance Program (program) within the Florida Department of Agriculture and Consumer Services (department). The goal of the program is to provide access for small food retailers to receive assistance for projects that increase the availability and sales of fresh and nutritious food. The bill directs the Office of Program Policy Analysis and Government Accountability (OPPAGA) to conduct an independent study to evaluate the policy impact of placing healthy food in previously underserved communities. It provides requirements and guidelines for the department to administer the program, which includes the submission of an annual report to the legislature.

The bill has no impact on state revenues or expenditures because implementation of the program is contingent upon an appropriation.

The bill repeals the Healthy Food Financing Initiative.

The bill takes effect July 1, 2017.

**II. Present Situation:**

A 2014 study commissioned by the Department of Agriculture and Consumer Services (department) on the Impact of Food Deserts on Diet-Related Outcomes made several key

findings, one of which was that access to quality retail grocers in Florida is strongly linked to a variety of diet-related health outcomes and that individuals living in places more than a half mile from the nearest full-service grocer and who lack access to a vehicle are more likely to die prematurely from diabetes, diet-related cancers, stroke, and liver disease than individuals living where grocers are closer and vehicles are more available.<sup>1</sup> The American Heart Association reports that low-income areas have more convenience stores than supermarkets, thus limiting healthy options in those areas and specifically that 2.5 million Floridians live in areas where fresh food is not readily available.<sup>2</sup>

The U.S. Department of Agriculture maintains a Food Access Research Atlas (atlas), which presents a spatial overview of food access indicators for low-income and other census tracts using different measures of supermarket accessibility, provides food access data for populations within census tracts, and offers census-tract-level data on food access that can be downloaded for community planning or research purposes.<sup>3</sup>

Limited access to supermarkets, supercenters, grocery stores, or other sources of healthy and affordable food may make it harder for some Americans to eat a healthy diet. According to the atlas, there are many ways to define which areas are considered “food deserts” and many ways to measure food store access for individuals and for neighborhoods. Most measures and definitions take into account at least some of the following indicators of access: accessibility to sources of healthy food, as measured by distance to a store or by the number of stores in an area; individual-level resources that may affect accessibility, such as family income or vehicle availability; and neighborhood-level indicators of resources, such as the average income of the neighborhood and the availability of public transportation.<sup>4</sup>

The Healthy Food Financing Initiative was created in 2016 to provide financial assistance for the rehabilitation or expansion of grocery retail outlets located in underserved or low-income communities. The goal of the program is to improve the public health and well-being of low-income children, families, and older adults by increasing access to fresh produce and other nutritious food.<sup>5</sup>

### III. Effect of Proposed Changes:

**Section 1** creates s. 595.430, F.S., to establish the Healthy Food Assistance Program to provide a process for small food retailers to receive assistance for projects that increase the availability and sales of fresh and nutritious food, including fresh vegetables, fruits, meats, and seafood in low-income and moderate-income communities. This section directs OPPAGA to conduct an independent study to evaluate the policy impact of placing healthy food in previously

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<sup>1</sup> Impact on Food Deserts on Diet-Related Health Outcomes, see <http://www.freshfromflorida.com/Divisions-Offices/Food-Nutrition-and-Wellness/Florida-s-Roadmap-To-Living-Healthy/Impact-of-Food-Deserts-on-Diet-Related-Health-Outcomes>, (Site last visited 03/20/2017).

<sup>2</sup> See <http://www.dccpta.org/wp-content/uploads/2015/10/Healthy-Food-FL-FACT-SHEET.pdf>. (Site last visited 03/20/2017).

<sup>3</sup> U.S. Department of Agriculture, Food Access Research Atlas, Overview, <https://www.ers.usda.gov/data-products/food-access-research-atlas/> (last visited 03/20/2017).

<sup>4</sup> U.S. Department of Agriculture, Food Access Research Atlas, About the Atlas, <https://www.ers.usda.gov/data-products/food-access-research-atlas/about-the-atlas/> (last visited 03/20/2017).

<sup>5</sup> s. 500.81, F.S.

underserved communities. Unless saved from repeal, this section and ss. 595.431-595.433 F.S., will be repealed June 30, 2020.

**Section 2** creates s. 595.431, F.S., to define the following terms:

- “Low-income community” is a population census tract that meets at least one of the following criteria:
  - The poverty rate is at least 20 percent;
  - In the case of a low-income community located outside a metropolitan area, the median family income does not exceed 80 percent of the statewide median family income; or
  - In the case of a low-income community located within a metropolitan area, the median family income does not exceed 80 percent of the statewide median family income or 80 percent of the metropolitan area’s median family income, whichever is greater.
- “Moderate-income community” is a population census tract in which the median family income is between 81 percent and 95 percent of the statewide median family income or metropolitan area’s median family income.
- “Program” is the Healthy Food Assistance Program.
- “Project administrator” is an entity selected by the department to manage the program.
- “Small food retailer” is a retail store of less than 3,000 square feet, such as a corner store, convenience store, neighborhood store, small grocery store, or bodega, which sells a limited selection of foods and other products.

**Section 3** creates s. 595.432, F.S., to outline the duties and responsibilities of the department regarding the program. The department shall administer and develop guidelines for the program. The department will establish program administrator guidelines, including the development of an application process for project administrators and accountability mechanisms for projects receiving assistance under the program. At a minimum, a project administrator must be a not-for-profit entity and have demonstrated experience in developing and implementing strategies for healthy food retail in small stores. The department will establish criteria for a project administrator to use in determining which projects to select and provide materials to a project administrator that educate consumers on the benefits of healthy eating. The department must electronically submit an annual report to the legislature that includes, but is not limited to; projects funded, project expenditures, the geographic distribution of funds, program results, and the program’s impact on any health-related initiatives. Additionally, the department’s ability to implement the program is contingent upon an annual appropriation by the Legislature.

**Section 4** creates s. 595.433, F.S., to establish the duties and responsibilities of the project administrators. The project administrator shall:

- Establish and administer an application process for small food retailers to participate in the program. In order to receive assistance under the program, a small food retailer must, at a minimum be located in a low-income or moderate-income community and accept, or agree to apply to and accept, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits.
- Promote program availability throughout the state and try to raise funds from other private and public sources.

- Use up to 10 percent of the funds distributed by the department for administrative and operational costs associated with operating the program, if other budgets or in-kind resources do not cover such costs.
- Collect and provide data and other information quarterly as required by the department.
- Establish goals, standards, and accountability mechanisms for eligible project applicants to ensure that the funds spent is consistent with the purpose of the program.
- Develop a plan for eligible project applicants by describing specific goals for increasing the sales of produce and other healthy food and educating customers on the benefits of healthy eating. This includes, but is not limited to, engaging communities to support participating small food retailers and seeking guidance from state, county, or municipal agencies, public or private universities, cooperative extension services, community-based organizations, and community members.
- Establish standards to assess whether project goals are met.
- Ensure expenditures are appropriate by monitoring the activities of small food retailers.
- Expend funds for each approved project only for the following purposes:
  - Refrigeration, display shelving, or other equipment that small food retailers need, up to a maximum of \$7,500 per retailer.
  - Materials and supplies for nutrition education and healthy food promotion.
  - Initial purchases of healthy foods, including dairy products, and fresh produce, up to a maximum of \$2,000 per year.

For purposes of this section, a project administrator is not subject to chapter 287, F.S., the state procurement laws.

**Section 5** repeals section 500.81, F.S., which established the Healthy Food Financing Initiative.

**Section 6** provides the bill takes effect July 1, 2017.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

##### **B. Public Records/Open Meetings Issues:**

None.

##### **C. Trust Funds Restrictions:**

None.

#### **V. Fiscal Impact Statement:**

##### **A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

The bill may result in a positive fiscal impact to retailers who are eligible for funding through the Healthy Food Assistance Program.

**C. Government Sector Impact:**

The bill provides that implementation of the Healthy Food Assistance Program is contingent upon an annual appropriation by the Legislature.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill creates the following sections of the Florida Statutes: 595.430, 595.431, 595.432, 595.433.

This bill repeals section 500.81 of the Florida Statutes.

**IX. Additional Information:****A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**Recommended CS/CS by Appropriations Subcommittee on The Environment and Natural Resources on April 13, 2017:**

The CS adds an introductory statement acknowledging that adult overweight and obese individuals can also be malnourished which can lead to increased risk of adverse health consequences.

**CS/SB by Agriculture on March 21, 2017:**

The CS clarifies that in order to be eligible for the program retailers must accept, or agree to apply to and accept, both Supplemental Nutrition Assistance Program (SNAP) and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits.

**B. Amendments:**

None.