

FISCAL UPDATE



DOUBLE UP FOOD BUCKS

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March 7, 2023

FAST FACTS

- Double Up Food Bucks is a program that increases the purchasing power of Michigan residents who receive SNAP benefits by providing a dollar-for-dollar match of up to **\$10 per day** to buy fresh fruits and vegetables at participating grocery stores and farmer's markets.
- The program was developed and is administered by the Fair Food Network, a private non-profit.
- The program has been funded through private foundation grants, federal grants, and beginning in FY 2015-16, state appropriations.
- Program goals include increasing program participation of SNAP households; increasing the share of program budget spent on direct incentives; and increasing purchase of Michigan-grown fruits and vegetables.

OVERVIEW

Double Up Food Bucks is a program that increases the purchasing power of Michigan residents who receive Supplemental Nutritional Assistance Program (SNAP) benefits by providing a dollar-for-dollar match, up to **\$10.00 per day**, to buy fresh fruits and vegetables at participating grocery stores and farmers markets. The program incentivizes the purchase of fruits and vegetables by SNAP clients.¹

The Fair Food Network, a private nonprofit, initiated the Double Up Food Bucks program in 2009 in Detroit. The program has since expanded to 67 Michigan counties. **In 2022**, there were 253 Double Up Food Bucks sites (113 grocery stores, 140 farmers markets). Fair Food Network stated program goals include increasing the percentage of SNAP households participating in the program, and maximizing Double Up Food Bucks dollars available for the purchase of fruits and vegetables.

The state of Michigan has provided appropriated funds for the program since fiscal year (FY) 2015-16. These state funds, plus private foundation funding, have been used to match federal grant funding for the program.

FUNDING HISTORY

From the program's inception in 2009, and through 2015, the Fair Food Network's Double Up Food Bucks program was funded solely by private foundation donors. In March 2015, the Fair Food Network received a direct \$5.1 million award from the United States Department of Agriculture, Food Insecurity Nutrition Incentive (FINI) grants program established in the 2014 Farm Bill.

The Fair Food Network received an additional \$3.5 million FINI award in 2017 to grow the program in four regions in Michigan, and an additional \$1.5 million FINI grant in 2018. The FINI program was reauthorized, and renamed, the Gus Schumacher Nutrition Incentive Program (GusNIP), in the 2018 Farm Bill. In

¹ The additional SNAP benefit for purchasing fresh fruits and vegetables had been limited to \$20.00 per day per SNAP account or Bridge Card, which generally equates to a household. This restriction had been lifted during the COVID pandemic to recognize that people were making fewer trips to grocery stores. However, in January 2023, the daily benefit was reduced to \$10.00 per day to ensure that program expenditures would not exceed available funding.

September 2019, the Fair Food Network was awarded a \$12.5 million grant under the GusNIP program.²

The 2019 grant was supplemented by an additional GusNIP COVID Relief & Response award of \$4.9 million in August 2021 to help meet increased needs during the COVID-19 pandemic.

State appropriations for the program were included in the Department of Health and Human Services (DHHS) budget each year from FY 2015-16 through FY 2018-19. The Michigan Department of Agriculture and Rural Development (MDARD) administered the program under a Memorandum of Understanding with DHHS. MDARD in turn granted program funds to the private, nonprofit Fair Food Network. Beginning in FY 2019-20, all appropriated program funds were made directly in the MDARD budget. **Table 1**, below, reflects this funding history.

In addition to the direct appropriation in the FY 2015-16 DHHS budget, the Fair Food Network received a \$249,000 grant under MDARD's FY 2015-16 Value-Added/Rural Development Grant Program (April 2016 Announcement). The announcement indicated that the grant was for a 2016 expansion of the Double Up Food Bucks program in Flint. The MDARD grant was matched with \$695,000 in private foundation funds.

Representatives of the Fair Food Network indicate that in 2020, approximately 72% of Double Up Food Bucks funding was used to reimburse grocers and farmers market vendors for the cost of doubling the value of the SNAP benefit. The balance of funding is used for program administration, including communications, outreach, and technology upgrades to grocery and farmers market sales systems to allow for the processing of Double Up Food Bucks transactions. One of the stated program goals was to increase share of the project budget dedicated to incentives to 75%. The Fair Food Network indicated that the reimbursement percentage increases as the program expands to additional grocery retailers, and when program participation and demand increases at existing retailers. In 2021, when the \$20 per day benefit restriction was lifted during the COVID-19 pandemic, the percentage of funding used to reimburse grocers and farmers markets increased to 79.5%.

² <https://fairfoodnetwork.org/press-release/usda-announces-more-than-12-million-to-expand-double-up-food-bucks-across-michigan/>

Table 1
Double Up Food Bucks Funding in State Appropriations

Fiscal Year	Appropriation	Budget	Flint	Other Areas	Total
2015-16		DHHS	\$380,000	\$0	\$380,000
2016-17		DHHS	380,000	750,000	1,130,000
2017-18		DHHS	380,000	750,000	1,130,000
2018-19		DHHS	300,000	0	300,000
2018-19	2019 PA 28	MDARD	0	2,000,000	2,000,000
2019-20	2019 PA 65	MDARD	0	1,000,000	1,000,000
	2020 PA 123	MDARD	0	1,000,000 (CRF)	1,000,000 (CRF)
2020-21	2020 PA 166	MDARD	0	900,000	900,000
2021-22	2021 PA 87	MDARD	0	2,000,000	2,000,000
2022-23	2022 PA 166	MDARD	0	900,000	900,000
2022-23	Proposed Supplemental	MDARD	0	15,500,000	15,500,000
2022-24	Executive Proposed	MDARD	0	900,000	900,000

Notes:

1. Except for a \$1.0 million FY 2019-20 appropriation from the federal Coronavirus Relief Fund (CRF), all state appropriations for Double Up Food Bucks have been made from state General Fund/General Purpose revenue. This appropriation from the CRF was designated as a work project at the end of FY 2019-20 (State Budget Office letter dated September 4, 2020). The carry forward authority was needed because MDARD had not been able to put the federal funds under contract with the Fair Food Network prior to the September 15, 2020 deadline for encumbering FY 2019-20 funds in the state accounting system.
2. For FY 2021-22, \$900,000 was included as an ongoing line item, with \$1.1 million shown in the budget as one-time.
3. In February 2023, the Governor requested \$15.5 million in supplemental funding for FY 2022-23. The funds would be used to provide required non-federal matching funds for federal grants. The appropriation would be designated as a work project so that funds could carry over for five fiscal years, through September 30, 2027 (State Budget Office Request letter 2023-2).

On the Federal GusNIP Award

The September 2019, \$12.5 million federal GusNIP award to the Fair Food Network was for expansion of the Double Up Food Bucks program in Michigan. It was considered a Large Scale Project “aimed at groups developing multi-county, state-wide, and regional incentive programs with the largest target audience of all GusNIP projects.” The award covered a four-year period – from September 1, 2019 through August 31, 2023.³

The grant application identified four program goals: 1) expansion of Double Up Food Bucks Program to all 83 Michigan counties; 2) increase the percentage of SNAP household participation in the program from an estimated 13% (2018) to 30%, by 2023; 3) increase to 75% the percentage of the program budget spent on direct incentives; 4) increase demand for Michigan-grown fruits and vegetables. As noted above, the share of the program budget expended for direct incentives, rather than administration, will increase as the program expands to more grocery participants.

³ The Fair Food Network anticipates applying for additional Gus NIP grant funding for the period starting September 1, 2023 through August 31, 2025.

The Fair Food network indicates that expansion to all 83 counties is no longer a program goal because some rural counties have a limited number of locations to purchase food, as well as a limited number of locations accepting SNAP benefits. The Fair Food Network is using a number of factors to prioritize what sites to add to the program, including participant feedback, state SNAP data, and other data collected from existing Double Up Food Bucks locations.

The Fair Food Network requires grocers to commit to purchasing a minimum amount of local produce during the growing season. Annual contracts with grocers require that the grocer purchase at least 20% of total produce from Michigan producers from July to November.

The federal award covers 50% of eligible project costs. The remaining 50% of project cost has to come from a non-federal source, which could include private, nonprofit funds and state funding.

Additional Information

The Double Up Food Bucks benefit is made available to SNAP recipients in the form of a coupon or credit redeemable for fresh fruits and vegetables. For example, if a recipient purchased \$10 worth of fruits and vegetables using an electronic benefit transfer (EBT) card, the recipient would receive a coupon or credit for \$10 – redeemable for future purchases of fresh fruits and vegetables. Note that this benefit is only available at participating grocery stores and farmers markets.

A SNAP recipient who shopped at a non-participating grocer could still purchase fresh fruits and vegetables using their EBT card, but the purchase wouldn't be matched with a Double Up Food Bucks benefit.

Every month the Fair Food Network reimburses participating grocers and farmers markets for the cost of Double Up Food Buck benefits accessed. It is the money from state appropriations, private non-profit foundations, and federal awards that provide the Fair Food Network with the resources to make this monthly reimbursement.

Starting August 1, 2022, the Fair Food Network suspended reimbursement at participating grocers for a five-month period (August 1, 2022 through December 31, 2022). This pause did not affect reimbursement at participating farm markets or participating locations in Flint. Reimbursement of participating grocery stores resumed in January 2023. Starting January 15, 2023, the maximum daily reimbursement was reduced from \$20 to \$10.

The Fair Food Network indicated that the suspension of grocery store reimbursements, and the reduction in maximum daily benefit, were due to an increase in program participation, and a reduction in state budgetary support – from \$2.0 million in FY 2021-22, to \$900,000 in FY 2022-23.

The Governor has requested \$15.5 million in FY 2022-23 supplemental appropriations for the Fair Food Network – Double Up Food Bucks program. The funds would be used to provide required non-federal matching funds for federal grants. The appropriation would be designated as a work project so that funds could carry over for five fiscal years (through September 30, 2027.)

Representatives of the Fair Food Network indicated that they would like to expand Double Up Food Bucks to larger retail grocers in Michigan but need to ensure that there are sufficient resources to support increased levels of program participation, and associated reimbursement figures, such an expansion would bring.

As noted above, in 2022, there were 253 Double Up Food Bucks sites (113 grocery stores, 140 farmers markets). SNAP recipients used SNAP/EBT benefits to make \$6.5 million in qualifying fresh fruit and vegetable purchases at those locations. In addition, those recipients accessed \$5.3 million in Double Up Food Bucks benefits for the purchase of fresh fruits and vegetables. These 2022 figures were smaller than 2021 because of the pause in grocery store

reimbursement noted above. The amount of Double Up Food Bucks benefits accessed each year is less than the total of qualifying SNAP purchases because recipients may not claim all eligible benefits.

Table 2 Purchases of Fresh Fruits and Vegetables at Participating Grocery Stores and Farmer’s Markets			
Year	Qualifying SNAP Purchases	Double Up Food Bucks Used	Total Spending
2019	\$4,471,206	\$2,390,892	\$6,862,098
2020	\$7,528,098	\$4,902,704	\$12,430,802
2021	\$12,708,690	\$7,814,306	\$20,522,996
2022 *	\$6,518,021	\$5,325,535	\$11,843,556
<i>*Double Up Food Buck program reimbursement for qualifying SNAP purchases in grocery stores was suspended from August 1, 2022 through December 31, 2022.</i>			
<i>Source: Fair Food Network.</i>			