

March 20, 2024

House Committee on Ways and Means 24 Beacon St. Room 243 Boston, MA 02133

Re: Fiscal Year 2026 Budget Requests for Massachusetts Food System

Dear Chair Michlewitz, Vice-Chair Ferrante, and Members of the Committee:

The Massachusetts Food System Collaborative works with hundreds of stakeholders around the Commonwealth on issues related to the local food system. Through our engagement with our partners over the past year, we have identified several state funding priorities that further a resilient, sustainable, and equitable food system. We respectfully share these items with you for consideration as you develop your proposed budget for fiscal year 2026, including:

- Healthy Incentives Program: \$25,000,000 (increase from H1)
  - o In addition to \$5,000,000 in a future fiscal year 2025 supplemental budget
- Massachusetts Department of Agricultural Resources: \$10,977,100 (as proposed in H1)
- Food literacy: \$250,000 (level funding from FY25 for School Wellness Coaching Program)
- Local Food Policy Council grants: \$250,000 (reinstatement of level funding from FY24)

Details about each of these items follow my signature line below.

Many farmers are teetering on the edge of financial sustainability and the local food system is suffering under the chaos of the federal administration. The cancellation of a number of grants, such as Local Food Purchase Cooperative Agreement<sup>1</sup>, Local Food For Schools, and Partnership for Climate Smart Commodities<sup>2</sup>, and the freezing of reimbursements for contracts come at the critical beginning of the season when many farmers are already taking on debt to get their farms up and running, and need security, not chaos. Massachusetts must continue its strong investments in the local food system. The cancellations of federal grant programs, along with the December 2024 state cut to the Healthy Incentives Program (HIP) benefit levels, has had a double impact on some Massachusetts farmers and providers of local food. Some of our partners have no way

 $<sup>^{1}\,\</sup>underline{\text{https://www.politico.com/news/2025/03/10/usda-cancels-local-food-purchasing-for-schools-food-banks-00222796}$ 

<sup>&</sup>lt;sup>2</sup> https://www.gazettenet.com/Guest-column-Core-Morenon-59571516

to fund purchases of food from Massachusetts farmers for their food insecure residents and many fear that their neighbors will go hungry and the farms will go out of business. Some farmers have reported that they are seeing a 50% reduction in their sales through HIP since the cut started, and customers, many of whom are seniors<sup>3</sup>, report the \$20 cap is not enough to attend the markets or support a healthy diet all month.

We also continue to support the Food Security Infrastructure Grant (FSIG) program, but believe per a budget brief<sup>4</sup> included in H1, that it will be moved to the Administration's capital budget starting in FY26 and moving forward.

These recommendations all support the goals of the <u>Massachusetts Local Food Action Plan</u>, developed by the state as a "vision and plan to increase agricultural production, processing, and distribution that will serve as economic stimulus and address multiple related public health and food security issues." The legislature has championed many of the issues raised in the Plan, and we look forward to working with you to continue that support through these priorities.

Thank you	for your	consideration.
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Sincerely,

Rebecca Miller, Policy Director

<sup>&</sup>lt;sup>3</sup> https://www.mass.gov/doc/healthy-incentives-program-fact-sheet-february-2025-pdf/download

<sup>4</sup>https://budget.digital.mass.gov/govbudget/fv26/budbriefpdf/11-fv26h1 bb eea.pdf



## **FY26 Local Food System Budget Priorities**

March 20, 2025

Massachusetts' local food system is central to ensuring food security, meeting the Commonwealth's climate goals, building a strong local economy, and many other social and economic issues. Farmers and fishermen, schools and community-based organizations all demonstrate their commitment to feeding their communities through their daily work, and are playing key roles in addressing the increase in food insecurity in Massachusetts.

By investing in the below programs and agency, the state will support long-term resilience of Massachusetts' local food system. Those investments will, in turn, support public health, the local economy, and our natural resources, for many years to come.

We urge the Committee to support the following programs, at the noted levels:

Healthy Incentives Program (4400-1004): \$25,000,000 (increase from H1)

The Healthy Incentives Program (HIP) provides a dollar-for-dollar match for SNAP benefits spent on fruits and vegetables purchased at participating farmers markets, farm stands, mobile markets, and community supported agriculture (CSA) programs across the Commonwealth. Since December 2024, HIP has faced a 50% cut to the monthly benefit cap, meaning all households regardless of size have only \$20 for HIP purchases each month. This cut has resulted in a -58% reduction in sales year over year, with some farmers facing bankruptcy in May if the benefit levels are not returned to their previous levels, and many consumers, the majority of which are seniors, reporting increased food insecurity. This cut is already having ripple effects across the local food system, and we are deeply concerned about its continuing impacts as it continues with no timeline for supplemental funding. The Campaign for HIP Funding's 300 member farms, farmers' markets, healthcare organizations, and advocates urgently request \$5 million in a future FY25 supplemental budget to restore the previous monthly benefit caps.

H1 proposed \$18.8 million for HIP, and the Administration estimated that that amount would be enough to raise the monthly benefit level to \$30 per household, regardless of size. We estimate that fully funding HIP with \$25 million in FY26 will allow DTA to reverse the 50% cut to the monthly benefit cap to the previous \$40 - \$80 caps, continue to operate HIP year-round, grow the

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<sup>&</sup>lt;sup>5</sup> https://www.mass.gov/lists/healthy-incentives-program-fact-sheets

number of SNAP households that utilize the program, and lay the groundwork to add new farmer vendors to be added to the program for the first time since 2022. DTA is currently transitioning its systems to a new SNAP third party processor, which will make HIP more accessible to SNAP recipients, and this in turn will increase the number of households that use the benefit. Unlike previous program suspensions where the program can be turned on or off in a day, the cut to HIP benefits will take a few weeks to reprogram, and several months to rebuild trust, as we have observed during prior program suspensions. Prior to the cut, HIP was increasing spending at a rate of 17.5% year over year, and if that rate of increase had held, the program would have spent \$21.6 million in FY25 if it was fully funded. If the program returns, after the reinstatement and rebuilding of trust, to its previous rate of increase in spending, or even a higher rate of spend down due to the changes coming that will make the program more accessible, either this spring or at the start of the new fiscal year, then we estimate it should spend through \$25 million in fiscal year 2026. Fully funding HIP would be a huge win for a sector that is facing increasing insecurity and risk.

## Department of Agricultural Resources Administration (2511-0100): \$10,977,100 (as proposed in H1)

Governor Healey's proposed budget for the Massachusetts Department of Agricultural Resources (MDAR) represents a roughly 1% cut to the line item compared to FY25. We request no further cut to the agency's administrative line item, as this line represents investment in agency staff, and any further cuts will reduce the agency's success. We also respectfully raise the need for a staff economist at MDAR, as there had been one previously several years ago, and the need for an economist remains significant to understand more deeply the impact the state's investments have had and their respective returns on investment.

## Food Literacy (7010-1192): \$250,000 (level from FY25)

We request that the Committee also fund \$250,000 towards food literacy in Massachusetts. This funding is used by the Department of Elementary and Secondary Education (DESE) to fund professional development for teachers and the Massachusetts School Wellness Coaching Program. By supporting this with funding in FY25, DESE was able to accept another cohort of a dozen districts to the program, and made courses at Framingham State University's John Stalker Institute deeply discounted for teachers that are members of their district wellness committee.

**Local Food Policy Council Grant program** (2511-0100): \$250,000 (reinstatement of *level funding from FY24*)

In 2023, Massachusetts launched the Local Food Policy Council grant, which aimed to help these organizations "accelerate their development, expand their capacity, and increase their connections and opportunities for peer-to-peer learning to support the Massachusetts local food system." The two rounds of the grant resulted in awards to 30 councils across the

Commonwealth. Local food policy councils help build connections between food access organizations and their clients, support local farmers by expanding client knowledge of the Healthy Incentives Program, and create opportunities for equitable community engagement and democratic decision-making astound the local food system. We respectfully ask for level funding of \$250,000 for a third round of this grant program. We thank the House for its override of the Governor's veto of this earmark in FY25.