

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 11, 2011
POSITION: Oppose

BILL NUMBER: AB 581
AUTHOR: J. Perez
RELATED BILLS: AB 2720

BILL SUMMARY: Public Health: Food Access

This bill would establish, until January 1, 2015, the California Healthy Food Financing Initiative (CHFFI). This bill would require the California Department of Food and Agriculture (CDFA), in consultation with the State Department of Public Health (DPH) and the State Department of Social Services (DSS), to provide recommendations by July 1, 2012 to the Legislature regarding actions that need to be taken to promote food access in the state.

FISCAL SUMMARY

The cost of this bill is unknown because the requirements of the federal 2010 Healthy Food Financing Initiative have not been identified. The federal program could require a General Fund state match or require state funds be used to continue the program in the future.

While the bill is not specific as to what must be done by the various departments, the following fiscal impact is the best estimate of the participants.

The CDFA estimates that in order to properly administer the provisions of this bill (including development of a legislative report), it would require approximately \$114,000 General Fund annually to fund a quarter of an Office Technician position, a quarter of an Agricultural Program Supervisor I position, and half of an Associate Governmental Program Analyst position, as well as advisory committee expenses, office supplies, and other costs.

The DPH indicates any costs associated with this bill would be minor and absorbable.

The STO and the DSS indicate this bill would have no fiscal impact on their offices.

COMMENTS

The Department of Finance is opposed to this bill because it would impose additional General Fund costs on the state. Further, it is premature as we do not yet know the terms of the federal funding which could require a General Fund state match or require state funds to continue funding for program. Additionally, it is unclear whether state, philanthropic, or private funds will be available to administer its provisions.

Existing law:

- Requires the CDFA to promote and protect the agricultural industry of the state.
Authorizes California farmers to transport for sale and sell California-grown fresh fruits, nuts, and vegetables that they produce directly to the public.
Provides for the collaboration of the CDFA with the DPH on joint issues such as the WIC Farmers' Market Nutrition Program.

(continued)

Analyst/Principal Date Program Budget Manager Date
(0221) J. Fitzpatrick Lisa Ann L. Mangat

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

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**COMMENTS (continued)**

- Provides funding for senior citizens to purchase fresh fruits, nuts, and vegetables at certified farmers' markets via the CDFA Senior Farmers' Market Nutrition Program.
- Requires, until January 1, 2013, the DPH to develop a "Healthy Food Purchase" pilot program to increase the sale and purchase of fresh fruits and vegetables in low-income communities, as provided.

This bill, among other things, would:

- Establish the CHFFI and require (by July 1, 2012) the CDFA, in consultation with the DPH and the DSS, to prepare recommendations (to be presented upon request of the Legislature) regarding actions that need to be taken to promote food access in the state.
- Authorize the Secretary of Food and Agriculture to establish an advisory group, as provided, to assist in the preparation of recommendations.
- Authorize the CDFA, in consultation with the DPH, the DSS, and the State Treasurer's Office, to coordinate efforts to maximize the funding opportunities provided by the federal 2010 Healthy Food Financing Initiative.
- Require the CDFA, in consultation with the DPH, the DSS, and the State Treasurer's Office, to implement the CHFFI if federal funds are made available for this purpose.
- Establish the CHFFI Fund in the State Treasury, as provided.

The intent of this bill is to promote food access in the state through the federal 2010 Healthy Food Financing Initiative.

This bill is premature as the requirements of this federal program are not yet known. Additionally, to some extent, collaborative efforts between CDFA and DPH are fulfilling the intent of this bill via the WIC Farmers' Market Nutrition Program and the Senior Farmers Market Nutrition Program.

Finance notes that funding details for this federal initiative have still not been released.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)								Fund Code
	SO	(Dollars in Thousands)							
	LA	CO	PROP	FC	2011-2012	FC	2012-2013	FC	
	RV	98							
0950/St Treasurer	SO	No			-----	See Fiscal Summary	-----		0001
4265/PublicHealth	SO	No			-----	See Fiscal Summary	-----		0001
5180/Social Svcs	SO	No			-----	See Fiscal Summary	-----		0001
8570/Food & Ag	SO	No			-----	See Fiscal Summary	-----		0001