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In reply, please refer to:  
File:

**City & County of Honolulu  
Committee on Parks**

**Bill 11, (2013), CD1 Relating To Executive Operating Budget and Program for the Fiscal Year July 1, 2013 to June 30, 2014.**

**Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.  
Director of Health**

**May 9, 2013**

1 **Department's Position:** The Department of Health (DOH) strongly supports the line items in  
2 Amendment List 16 (p. 39) of Bill 11, (2013), CD1 under "Recreational Services" in the amount  
3 \$90,000 for staffing and \$10,000 for EBT terminal installation and maintenance.

4 **Fiscal Implications:** N/A

5 **Purpose and Justification:** The Department of Health strongly supports Resolution 13-1 and funding  
6 in Bill 11, (2013), CD1 to support staffing and terminals to provide access to SNAP Electronic Benefit  
7 Transfer (EBT) benefits at the City and County People's Open Market ("POM") sites. The budget line  
8 items under "Recreational Services" in Amendment List 16 (p. 39) in the amount of \$90,000 for staffing  
9 and \$10,000 for EBT terminals are necessary and fully justified for the establishment of EBT access.

10 Currently, there are 62 farmers markets in the City and County of Honolulu. 25 of those markets  
11 are operated by the City and County POM program. In the entire county, only 6 markets provide EBT  
12 terminal access, of which POM market comprises only one (1). Currently, the EBT terminal access at  
13 that one POM exists only because the local community health center in the community voluntarily  
14 stepped forward to take responsibility for providing EBT access for their community.

15 EBT POS terminals are the means by which recipients of the Supplemental Nutrition Assistance  
16 Program ("SNAP") (formerly called Food Stamp Program) access the benefits allotted to them by the

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1 U.S. Department of Agriculture (“USDA”) Food and Nutrition Service (“FNS”) to purchase food and  
2 nutrition. Previously, SNAP recipients accessed their SNAP benefits through the exchange of paper  
3 food stamp coupons. In 1996, when the Federal government mandated that SNAP allocations be issued  
4 through electronic benefit transfer systems rather than paper coupons, the POM did not convert to  
5 provide for electronic access. POM still provides for paper transaction access only, but because it is  
6 cumbersome and an onerous procedure which often results in vendors not receiving their payments, it is  
7 rarely used or made widely known that it is available. The result is SNAP recipients are not able to  
8 easily access their benefits to buy fresh fruit and vegetables at farmers markets. Nationally, what  
9 resulted was a 71% decrease in SNAP redemption of fruit and vegetables at farmers markets in the  
10 period from 1994 to 2008.

11 It is important to note that the USDA-FNS most recently imposed a policy that only “sponsors”,  
12 (not non-profit or third-party organizations) may apply for EBT administration licenses at farmers  
13 markets. “Sponsors” are defined as administrative oversight agencies. Consequently, for the POM  
14 program, because the City and County is the administrative oversight agency, only the City and County  
15 is eligible to provide EBT administration and terminal access. In light of this new rule, this funding  
16 request will allow the City Administration to move forward to provide EBT terminal access.

17 The Department of Health is interested in this issue because the consumption of fruit and  
18 vegetables is a marker of a healthy diet. The ability to eat healthy is a critical element in the fight  
19 against the rising obesity epidemic in Hawaii and the reduction of the risks of chronic diseases such as  
20 heart disease, diabetes and cancer. In Hawaii, almost one in four adults was obese in 2010. Hawaii  
21 adult obesity has more than doubled between 1995 and 2010 and childhood obesity increased 29% from  
22 1999 to 2011. Obesity-related state funded medical expenditures in Hawaii were calculated to be over  
23 \$470 million in 2009, and are continuing to rise.

1           Hawaii’s low-income population has the highest levels of diet-related chronic diseases and the  
2 lowest levels of fruit and vegetable consumption in the State. Additionally, low-income populations  
3 have been documented to have less access to fresh fruits and vegetables.

4           Further, the Department is supportive of the original intent of at the POM program to provide the  
5 public, especially those with less income, opportunity to:

- 6           1. Purchase fresh agricultural and aquaculture products and other food items at lower cost,
- 7           2. Support the economic viability of diversified agriculture by providing market sites for  
8           local farmers and vendors, and
- 9           3. Create focal points for neighbors to come together and encourage healthy living.

10          This resolution would restore the intent of the program to provide access to affordable fresh fruits and  
11 vegetables in Oahu neighborhoods.

12

13          Thank you for the opportunity to provide testimony.

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