Recommended Investment of American Rescue Plan Act Funds for

FOOD

Introduction

The Nonprofit Association of the Midlands partnered with Nebraska Children and Families Foundation, OpenSky Policy Institute, Nebraska Association of Behavioral Health Organizations, and Coalition for a Strong Nebraska to understand how we might meaningfully impact our community with American Rescue Plan Act funds. More than 300 nonprofit representatives, community leaders, and elected officials attended at least one of three roundtable discussions to co-create recommendations based on their working knowledge and expertise in five areas: Early Childhood, Food, Health, Housing, and Workforce. The following recommendations address Food.

Recommendations

1. **Provide funding for stabilization grants** for food access providers ($75 to $150 million).

2. **Invest in resources for centralized data collection** on statewide food needs ($50 million).

3. **Create food innovation grants** to foster novel and unique distribution opportunities across the state ($50 million).

4. **Increase state support of the Double Up Food Bucks Program** ($150,000 annually)

Background and Strategies

The COVID-19 pandemic created an unprecedented need for food assistance. Following the Great Recession, it took 10 years for the total number of food insecure people in Nebraska to drop to pre-Great Recession levels. The economic impact of the pandemic is anticipated to rival, if not exceed, the needs that were created by the Great Recession.

Providers across the state continue to see record numbers of individuals and families needing food throughout Nebraska. The Food Bank for the Heartland, for example, distributed 25 million pounds of food between January and August of 2021 compared to 17 million pounds during the same period in 2020. The food purchase budget of $80,000 before COVID now exceeds $800,000.\(^1\) According to the U.S. Census Bureau, approximately 8% of Nebraskans, or 103,000 adults, reported that their households do not have enough food to eat, and 9% of adults living with children, or 45,000 adults, reported that their children are not eating enough because the household cannot afford enough food\(^2\) as of September 2021. As food insecurity typically lags economic recovery, it is vital that resources are made available to our providers across the state for several years to come.

The recommendations support the concept of transforming the state’s food distribution system. While intended to augment pandemic efforts to address ongoing food insecurity needs, the recommendations provide Nebraska with an opportunity to create sustainable solutions, build needed infrastructure, and contribute towards an equitable, resilient, and sustainable food system. The goal is to shorten the line for food. Until food systems are transformed and improved, we are simply servicing the food line.

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\(^1\) While this information reflects one entity in Nebraska, it demonstrates a dramatic pattern our statewide providers have seen since the pandemic began.

Provide Funding for Stabilization Grants
Funding is needed to support non-profits that are addressing the immediate food needs of Nebraskans who are currently experiencing food insecurity by providing them food. Additional support is needed to cover increased costs associated with labor, delivery, and food acquisition caused by pandemic. Support is also needed to increase infrastructure so that more organizations can offer fresh, nutritious food in a setting that allows people to safely select the food best for their situation. The lack of cold storage capacity, for example, limit food banks and pantries from distributing produce, protein, and dairy. This can be addressed by leveraging existing models to increase food distribution and helping existing food organizations expand their capacity to serve communities and people across the state.

Invest in Resources for Centralized Data Collection
A centralized database is needed to collect information regarding food insecure Nebraskans, allowing hunger relief organizations to make decisions that best serve neighbors in the most impactful manner possible. The centralized data clearinghouse would be used by providers, businesses, consumers, and community members to find information on available assistance, programs, and support. Data would be used to increase access to assistance and provide insight on the gaps in service across the state. This would ideally be developed through a governmental entity with a presence in all parts of the state.

Create Food Innovation Grants
The pandemic heightened our awareness of the need for innovative food systems that work for everyone. ARPA funding provides a unique opportunity to create an equitable, resilient, and sustainable food system, and concurrently address emerging needs from the pandemic. Food innovation grants for both public and private ventures focused on issues related to sustainability and equity will foster the development of a food system that can withstand future emergencies.

This grant program could be administered by the Department of Economic Development to provide start-up, ramp-up, and roll-out funding for programs/projects that promote a just food system statewide with minimal conditions to expedite funding. Grants might be used to expand on state and local partnerships that were optimized at the height of the pandemic to do such things as combine funding sources to provide new refrigerators and freezers to local community pantries. In addition, grants might be used for programs that address food deserts or promote dignified food delivery systems, such as self-select pantries. Preference would be given to the most promising projects, demonstrated by collaborative venture sources and public-private partnerships, a business development plan, and plans to spend funds quickly for maximum benefit.

Increase State Support of the Double Up Food Bucks Program
Double Up Food Bucks is an existing program that is not utilized to its full potential. Additional investment in this program will improve access to good nutrition, increase the capacity to offer fresh food to more people in a dignified way, and offset the higher costs of food acquisition, delivery, and staffing caused by the pandemic. Businesses need education and capacity for these programs to be fully utilized. Funding is needed to build capacity through farmer’s markets in smaller communities where need exists but the value of the program has not yet been realized. In addition, financial support is needed to administer the program, enable farmer’s markets access to card readers, and reach out to and enroll businesses. Building up the existing infrastructure within the Department of Agriculture will facilitate program upscaling.

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3 According to Feeding America’s Map the Meal Gap study, the counties with the highest food insecurity rate are rural counties, including counties like Thurston, Hooker, Arthur, and Sheridan.