



## Good Shepherd Food Bank testimony in support of LD 1299, An Act To Automatically Trigger Emergency Funding for Food Banks When a State of Emergency is Declared

April 22, 2021

Good morning Senator Dill, Representative O’Neil, and members of the Committee on Agriculture, Conservation and Forestry,

My name is Kristen Miale, and I am the President of Good Shepherd Food Bank. The Food Bank played a critical role in responding to the COVID-19 pandemic throughout the state of Maine, ensuring continued access to nutritious food despite challenges with availability and access to food compounded by a statewide heightened need.

This bill would automatically trigger emergency funding for food banks when a state of emergency is declared. We ask for your support of this bill.

When the pandemic hit Maine in March of 2020 and we were moved to a state of an emergency, I personally was scared. In my ten years at the Food Bank, we had never before been called to serve in an emergency capacity at this scale, even though that is clearly part of our mission. Indeed, we have an MOU with the Maine Emergency Management Association, citing the critical role the Food Bank will play to help the state respond to any emergency. I had thought we’d be taking direction and would be in charge of executing the plan for food distribution. I joined the first of what would be many, many calls over the next several months with other emergency responders across the state. When we got to the point in the conversation to discuss food, I was asked “so Good Shepherd, what’s the plan?” That was the moment that made me realize that we were in charge of the plan itself, and so we got to work.

We immediately implemented all CDC recommended accommodations at our two distribution centers and began providing our network of over 500 partners with information on how to implement these guidelines for their work. Many of these accommodations required investments in PPE and other supplies to adjust to low- and no-touch distribution models.

To respond to the significant spike in demand for shelf-stable food, we immediately began ordering as many truckloads of the products as we could. There was still great uncertainty regarding if the virus could be transferred on items so volunteers and our partners were very concerned about so many people touching the food products. Therefore, we shifted to a pre-backed box model and established a relationship with L.L. Bean to help us pack boxes at their fulfillment center in Freeport.

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And the list of adjustments and communications and planning went on and on, for months and months.

In total, the Food Bank spent \$8.5 million more in the pandemic year than in the prior year, with \$7.5 million of this cost growth directly attributable to the pandemic.

Summarized expenses include:

- \$2.5 million in additional purchased food to keep up with the growing need
- \$3.5 million in additional grants to partners whose capacity was strained by the pandemic
- \$840k in grocery gift cards distributed in place of food during times when we ran out of shelf-stable product as supply chains were jammed
- \$350k in hazard pay and overtime for staff reporting to one of our distribution centers during the early months of the pandemic
- \$250k in temporary help in distribution to allow us to operate at full capacity despite the need for quarantines and sick leave

On March 16, 2020, after Maine identified the first COVID-19 cases, Good Shepherd Food Bank advised employees who met any CDC criteria for transmission risk to stay home. Based on the CDC's guidance, several employees were unable to report to work. This left gaps in the Food Bank's ability to receive, store, pick orders, and distribute products at a time of increased demand. Good Shepherd Food Bank engaged temporary distribution associates for various periods, at the cost of over \$250,000 between March 16, 2020 and February 28, 2021. We continue to spend between \$7,000 and \$8,000 every week on temporary associates at the Food Bank's distribution centers.

In late April 2020, due to international supply chain issues that impacted grocers' donations and our ability to procure purchased products, Good Shepherd Food Bank could not supply our network of over 500 statewide partners with sufficient amounts of food. For two weeks, gift cards to Hannaford Supermarkets replaced most partners' food orders. As orders from Good Shepherd Food Bank's suppliers started arriving in May 2020, demand still exceeded supply intermittently through late June. It wasn't until August that sufficient food volume was on hand to consistently fulfill partners' orders. Good Shepherd Food Bank purchased \$1,000,000 in total gift card value and has distributed \$840,000 to date.

Good Shepherd Food Bank invested \$1.5 million in 417 partners statewide through our Capacity Building Grant program. Getting the right food to the right people at the right time is one of the most significant hurdles to achieving the Food Bank's mission. Investments in capacity enable

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our partner network to meet their community's needs and to transform food access to a model that prioritizes people's health. These investments also ensure they can provide affirming and supportive experiences, connect people to their community and other resources and support personal growth for long-term food security.

In response to the COVID-19 pandemic, our partner network provides food, as they do, and yet during these trying times, they're giving their communities so much more than food. Oftentimes, they would be the only ones checking in on some of our most vulnerable neighbors. Over 90-percent of pantries statewide continued to serve their communities during the pandemic, amending their operations to protect public health. Through their amazing dedication and hard work, 36 million meals were distributed to Mainers struggling with hunger during the 12 months of the pandemic. That's a 40-percent increase over the 12 months before the pandemic.

In addition, it became apparent early in the pandemic that communities of color, including tribal communities, in Maine were being disproportionately impacted by Covid-19 and that our network was not adequately meeting the needs of these communities. In response, we launched a Community Redistribution Grant, where in consultation with community leaders, we gave over \$500,000 in direct cash assistance to more than 20 organizations led by and serving communities of color. Grants were used to secure culturally appropriate food for emergency needs as well as to invest in longer-term projects to strengthen food security.

We were also called upon to provide water to the Sipayik community at Pleasant Point whose water contamination issues were reaching a crisis point.

Good Shepherd Food Bank purchased food without cost recovery by reducing the purchase price for our hunger-relief partners. The Food Bank handles and distributes four types of product:

1. Produce, whether donated or purchased, which is always available to our partners at no cost.
2. In partnership with DACF, we distribute food from two USDA programs, TEFAP and CSFP, also available to our partners at no cost.
3. Donated product, other than produce, is available to our partners with a maximum shared maintenance fee of \$0.16 per pound, which helps us underwrite a small amount of the costs incurred to inspect, sort, store, warehouse, and transport that product.
4. Purchased product is wholesale product that the Food Bank buys because the need is greater than donations, and if we don't have it, our partners must buy the product elsewhere, usually paying full retail price. The average pound of wholesale product costs the Food Bank between 0.80 and \$1.00/pound and is made available to our partners at the

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same price that we pay. We made a number of changes to Purchased Product during the pandemic. Product went out for free during the time period that we were allocating the L.L. Bean boxes. We also reduced all purchased products to 0.16 per pound, regardless of what the Food Bank paid for it, from January 11, 2020, through March 7, 2020. From March 8, 2020, through at least the end of this current fiscal year, we have committed to reducing all purchased product to 50% of our wholesale costs for our partners.

I am incredibly proud of what our team and this network accomplished. I'm sure many of you saw the national media footage of food distribution lines in other states stretching for miles as people had to wait hours to get food. We saw that footage too and we said "not in Maine". We can and we must do better. While on average 20% of food pantries across the country closed during the pandemic, in some states it was as much as 50%, in Maine, we had at least 90% of our partners remain open throughout the entire past 12 months. Other footage showed the national guard having to be called in to support food distribution efforts. Not in Maine – because this Food Bank, this network did what we do best – we responded and we fed people.

Based on our FY20 financials, 87 percent of revenue is attributable to private contributions and philanthropic grants. If you were to include the value of donated food, the percentage would go up to 96 percent. We had no idea how this pandemic would affect people's ability to give. So we went on blind faith when we started investing in our response. Thankfully, Mainers responded and through their generosity, we were able to cover this significant increase in expenses. But this is a very vulnerable and risky way to plan for emergency response. What if this emergency financially impacted more Mainers? What if they weren't able to respond and support our work?

As you can see, the cost of Good Shepherd Food Bank's response to the pandemic was significant. Our role in the state's emergency response is critical. We urge you to support this bill. Thank you for your consideration of my testimony. I am happy to take questions.

Sincerely,

Kristen Miale  
President  
Good Shepherd Food Bank