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CalFresh Program Overview

LEGISLATIVE ANALYST'S OFFICE

Presented to:

Senate Human Services Committee

Hon. Leland Yee, Chair

Assembly Human Services Committee

Hon. Mark Stone, Chair





Background

- CalFresh Provides Food Assistance to Nearly 4.3 Million Low-Income Californians.** The CalFresh program is California’s version of the federal Supplemental Nutrition Assistance Program (SNAP) that provides food assistance to qualifying low-income individuals and households. As of December 2013, CalFresh provided assistance to nearly 4.3 million individuals (roughly 11 percent of the state’s population).
- Food Benefits Accessed Via Electronic Benefit Transfer (EBT) Cards.** Each month, households receive an allotment of food assistance that is placed on an EBT card (similar to a bank card) and may be used to purchase allowable food items at participating retailers.
- CalFresh Household Definition.** In contrast to some other major health and social services programs, households for CalFresh purposes are generally defined as individuals that purchase and prepare food together.
- Amount of Food Benefits Varies With Household Size and Income.** Households receive food benefits up to a maximum amount that depends on the household size. Maximum allotments are set by the federal government and are generally adjusted on an annual basis to reflect changes in the price of food. Actual benefits are adjusted downward from the maximum as households have more earnings.

CalFresh Summary Statistics	
<i>2012-13</i>	
Average monthly households	1,890,129
Average monthly individuals	4,124,373
Average household size	2.2
Average monthly benefit per household	\$333
Average monthly benefit per person	\$153



Basic Eligibility Requirements

Applicants must meet several eligibility criteria to be found eligible for CalFresh assistance. The following are some of the major eligibility requirements.

- Income Below Certain Thresholds.*** In order to be found eligible, most households must have gross income less than 130 percent of federal poverty guidelines (also known as the federal poverty level, or FPL) and net income of less than 100 percent of the FPL after certain deductions are applied.
- Citizenship/Immigration Status.*** Individuals must be U.S. citizens or have qualified legal immigrant status to receive CalFresh assistance.
- Drug Felony Convictions.*** Individuals convicted of drug-related felonies are generally ineligible to receive CalFresh assistance unless the conviction is for drug possession and a drug-treatment program is completed.
- SSI/SSP Recipients Ineligible Due to “Cash-Out.”*** In 1975, the state chose a federal option to increase the state supplementary payment (SSP) portion of the supplemental security income/state supplementary payment (SSI/SSP) grant rather than administer food stamps to SSI/SSP recipients. As a result of this decision, known as the cash-out, SSI/SSP recipients in California are ineligible for federal food assistance.
- Additional Eligibility Criteria for College Students.*** In order to be eligible for assistance, students attending an institution of higher education at least half-time must meet one of several additional criteria, including (1) caring for a dependent child under six years of age, (2) engaging in paid work for at least 20 hours per week, (3) participating in federal or state workstudy, (4) participating in education as part of a state or federal program intended to result in employment, or certain other criteria.



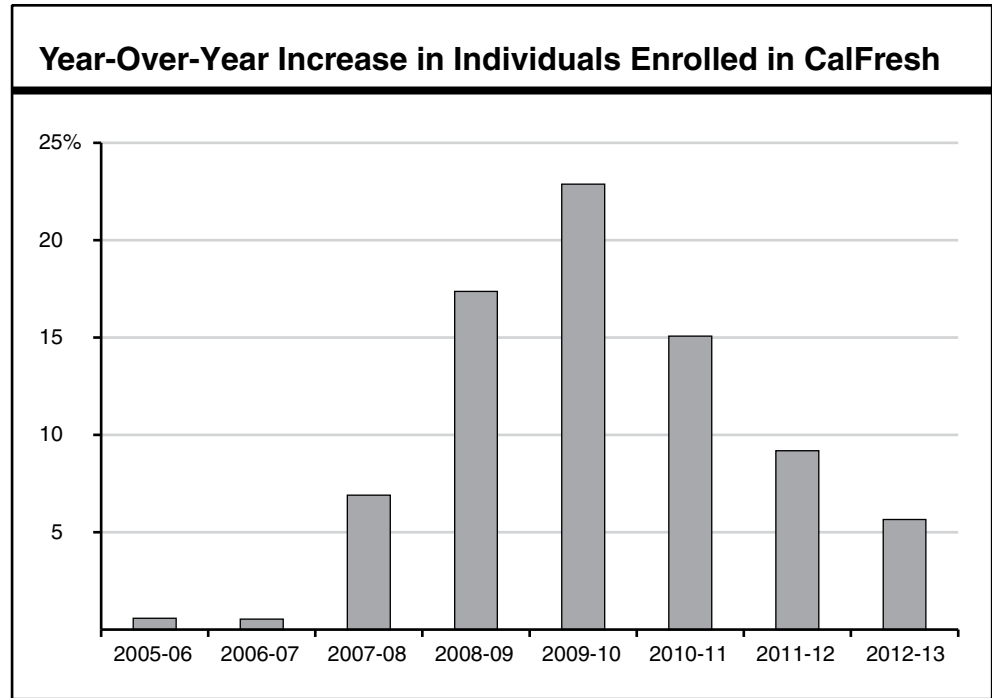
Program Funding

- Food Benefits Are Funded by Federal Government.*** Benefits in the CalFresh program are funded almost exclusively by the federal government (the General Fund covers a small portion of benefits—less than 1 percent—for certain qualified immigrants not eligible for federal assistance). During 2012-13, approximately \$7.6 billion in CalFresh benefits were distributed.

- Administrative Costs Are Shared by Federal, State, and County Governments.*** The CalFresh program is administered by counties. Administrative costs are split among the federal government, the state, and counties, with the federal government funding roughly 50 percent, the state 35 percent, and counties 15 percent. In 2012-13, estimated CalFresh administrative costs totaled \$1.7 billion (\$843 million federal funds, \$596 million General Fund, and \$250 million county funds).



Caseload Trend



CalFresh Caseload Increased Dramatically in Recent Years.

From 2006-07 to 2012-13, the number of individuals enrolled in CalFresh more than doubled from approximately two million to over four million. This rapid growth coincided with high levels of unemployment during the recent recession. While the caseload continues to increase, the rate of growth has slowed somewhat as the overall economy improves.



CalFresh Participation

☑ ***Despite Sharp Caseload Increase, California's Participation Rate Is Low.*** The United States Department of Agriculture (USDA), which administers SNAP at the federal level, estimates that 57 percent of eligible Californians participated in CalFresh during federal fiscal year (FFY) 2011. This rate is lower than the national average for the same period (79 percent) as well as the rates of every other state except Wyoming (which had a participation rate equal to that of California).

☑ ***Participation Rate Calculation.*** The USDA participation rate is calculated as follows:

$$\text{Participation rate} = \frac{\text{Actual number of participating individuals}}{\text{Estimated number of eligible individuals}}$$

- ☑ ***Participation Rate Has Limitations.*** While the USDA participation rate provides useful information, it has significant limitations.
- ***Annual Release of Participation Rate Is Delayed.*** Because of data limitations, the participation rate is generally not released until nearly two years after the fact.
 - ***Sample Data Are Incomplete.*** The sample data used to estimate the number of eligible individuals are incomplete, requiring the use of statistical adjustments that add uncertainty to the estimate.



Likely Underrepresented Populations

- Working Households.** The USDA estimates 44 percent of eligible individuals in households with earnings participated in CalFresh during FFY 2011—a lower rate of participation than among all eligible individuals. Some possible reasons for low participation at that time may include: (1) difficulty complying with an in-person interview requirement (currently waived) that could conflict with work schedules, (2) reluctance to have fingerprint images taken (no longer required), and (3) less willingness to comply with reporting requirements to receive a food benefit that could be less than average because of earnings that reduce the amount of the benefit.

- Seniors.** In proportion to the total caseload, few seniors in California receive CalFresh assistance relative to other states. Much of this is due to the cash-out; however, some seniors are eligible and do not participate. Confusion about the impact of social security retirement benefits on eligibility is thought to be one possible reason for low participation among seniors. Seniors are also likely to face similar challenges with in-person interview and fingerprint imaging requirements that have since been waived, and also may be more likely to receive a lower-than-average benefit.

- Immigrant Households.** California has a large population of noncitizens, including undocumented immigrants. Program administrators and advocates report that immigrant households in which some or all members are eligible may be reluctant to apply for CalFresh assistance on behalf of eligible members because of concerns about the impact of such an application on future citizenship status or deportation.



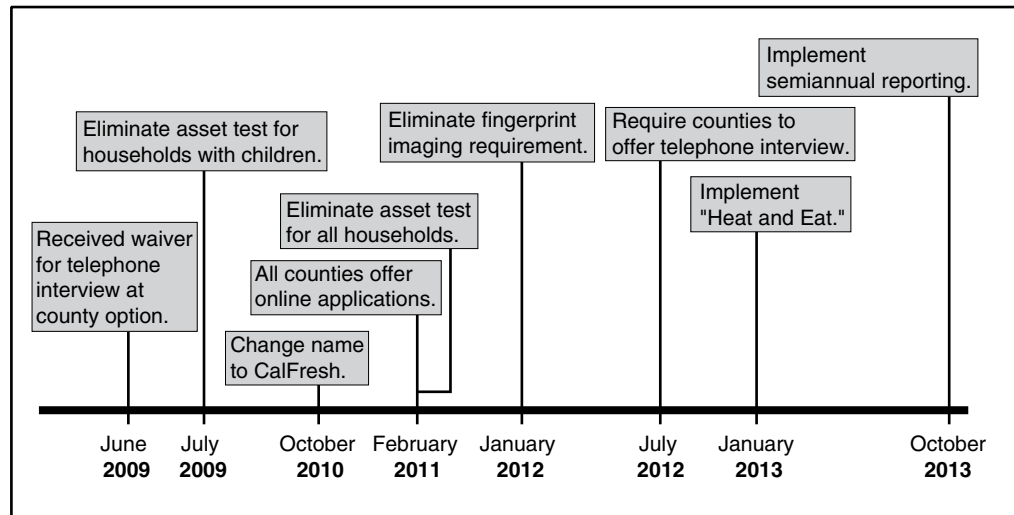
Likely Underrepresented Populations

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- Other Populations.*** The homeless and college students are two additional populations that are sometimes cited as being underrepresented in the CalFresh population. Not having a mailing address, as well as other possible challenges including poor mental health, may hinder compliance with CalFresh reporting requirements for the homeless. Students may be less likely to participate in CalFresh because of a lack of awareness of the program and the criteria under which they may be eligible for assistance.



Timeline of Recent Policy Changes to Increase CalFresh Participation



Recent Policy Changes Simplified CalFresh Enrollment Process.

The policy changes listed above reflect some of the actions taken in recent years by the Legislature, the administration, and counties to simplify the CalFresh enrollment and ongoing eligibility processes in order to decrease the burden on applicants and increase participation.



Additional Ongoing Efforts to Increase CalFresh Participation

- Federal SNAP Outreach Contracts.** Federal law provides 50 percent reimbursement of costs of certain optional SNAP outreach activities in states, with the other 50 percent provided through private contributions of more than 100 community-based organizations (CBOs) that perform the outreach activities. These activities include distributing CalFresh materials, assisting CBO clientele with CalFresh applications, and outreach at local events. Total estimated funding for SNAP outreach California in FFY 2014 is \$26 million.
- Senior Outreach Pilot.** In an effort to make CalFresh more available to seniors, the Department of Social Services (DSS) has partnered with the California Department of Aging and eight pilot counties to target senior enrollment through the Golden Advantage Nutrition Program (GANP). The GANP involves outreach to likely eligible seniors at congregate meal sites and through home-delivered meal providers.
- County Process Modernization.** In recent years, many counties have significantly updated their administrative processes in order to manage funding shortfalls and be more responsive to applicants and recipients of county-administered benefits in general. Major changes include transitioning to task-based case management for eligibility and enrollment processes, implementing customer service call centers, and examining retention processes to limit the number of recipients that are administratively discontinued, only to reapply a short while later (known as “churn”).
- Medi-Cal “In-Reach.”** Many counties are using available data systems to identify Medi-Cal recipients who are likely eligible for CalFresh but are not enrolled. Such households are contacted by phone, mail, or through regularly scheduled contacts, and offered assistance in applying for CalFresh.



Additional Ongoing Efforts to Increase CalFresh Participation

(Continued)



Leveraging ACA Implementation. As part of the implementation of the Patient Protection and Affordable Care Act (ACA), potentially more than one million adults are expected to newly enroll in Medi-Cal. Many of these are estimated to also be eligible for CalFresh, with some of this eligible population not enrolled. The state has taken some steps to leverage this large increase in Medi-Cal applicants, including the following: (1) allowing new health applicants to indicate interest in learning more about CalFresh, (2) distributing CalFresh information with Medi-Cal information packets, and (3) creating a new position at DSS to oversee the coordination of health and human services programs, also known as “horizontal integration.”



Program Changes in Recently Enacted Farm Bill

In February 2014, Congress enacted the Agricultural Act of 2014, also known as the Farm Bill, which reauthorized various federal programs including SNAP. The 2014 Farm Bill made several changes to the SNAP program that will affect California.

- Minor Changes to Eligibility Requirements.** The Farm Bill makes minor changes to SNAP eligibility criteria that, among other things, will limit eligibility for individuals with substantial lottery or gambling winnings and individuals convicted of certain felonies that do not comply with conditions of parole.
- Minimum Utility Assistance Amount for “Heat and Eat.”** Some states, including California, provide a nominal utility assistance payment through the federal Low-Income Home Energy Assistance Program (LIHEAP) to SNAP recipients in order to simplify the SNAP enrollment process and increase monthly food assistance for certain households. The Farm Bill establishes a requirement that such assistance be at least \$20 annually in order for SNAP benefits to be increased. California currently provides an annual LIHEAP benefit of 10 cents.
- Additional Program Integrity Measures.** The Farm Bill includes new measures to increase program integrity including, among other things, new data-sharing requirements and additional funds to reduce improper use of SNAP benefits.
- Opportunity to Test Strategies to Increase Employment.** The Farm Bill provides for up to ten states to receive additional federal funds to test new strategies to increase employment among SNAP recipient households.
- Access to Nutritious Foods.** The Farm Bill includes provisions intended to increase access to nutritious foods, such as requirements to increase the diversity of foods offered by participating retailers and other changes intended to make it easier for SNAP benefits to be used to purchase locally grown food.