

FEBRUARY 4, 2021

The 2021-22 Budget: Nutrition Access Programs



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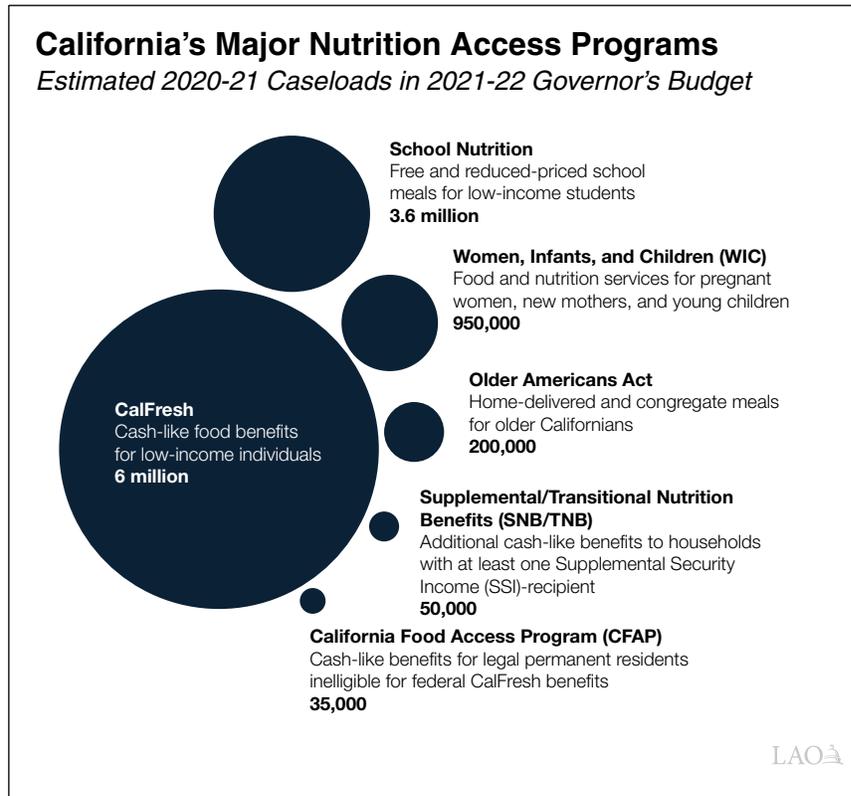
Food Insecurity During COVID-19

About 12 Percent of California Adults Reported Food Scarcity in 2020. This is according to the Census Bureau’s Household Pulse Survey. Food scarcity in this case is defined as “sometimes or often [worrying about] not having enough to eat.” Prior to the coronavirus disease 2019 (COVID-19) pandemic, about 4 percent of California adults reported food scarcity in the Current Population Surveys conducted between 2017 and 2019.

Notable Racial and Ethnic Disparities in Food Scarcity. In 2020, California’s rate of food scarcity varied within racial/ethnic groups from about 6 percent for Asian adults, 8 percent for white adults, 13 percent for black adults, to 20 percent for Hispanic/Latino adults.



California's Major Nutrition Access Programs



- Some individuals are served by two or more of these programs
- Aside from Supplemental and Transitional Nutrition Benefit (SNB/TNB) and California Food Assistance Program (CFAP), these programs are primarily supported by federal funding.
- Above figure does not cover support for emergency food providers or limited-time programs created in response to COVID-19.



California's Major Nutrition Access Programs

(Continued)

California's Emergency Food System. In addition to the programs mentioned on the previous page, California has many food banks and other emergency food providers. These providers receive some of their funding from the state and federal governments through programs such as The Emergency Food Assistance Program (TEFAP). Before the COVID-19 public health emergency, California's food banks estimated they served about 1 million Californians every week. Since COVID-19, these food banks estimate their demand has roughly doubled.



Recent State and Federal Actions in Response to COVID-19

Cash-Like Benefits for Students Affected by School Closings. The federal H.R. 748 (the Coronavirus Aid, Relief, and Economic Security, or CARES, Act) allowed states to provide increased CalFresh benefits to families impacted by school closings. California’s plan (which was approved by the federal government) already has provided a total of \$2 billion to the families of 3.7 million K-12 students, with average benefits of about \$540 per student. This program was recently extended for the duration of the current school year.

Increased CalFresh Benefits Since March. The federal government increased CalFresh benefits in two waves. First, the CARES Act increased CalFresh benefits to their maximum amount by household size from March 2020 through the duration of the state’s declared public health emergency. Through December, about \$2.5 billion in these CalFresh “emergency allotments” were awarded, with average benefits of about \$200 per month per benefitting household. Second, the most recent COVID-19 federal relief action further increased CalFresh benefits by 15 percent from January 2021 to June 2021, with an estimated total benefit to Californians of roughly \$750 million, or about \$40 per household per month.



Recent State and Federal Actions in Response to COVID-19

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Augmented Federal Funding for Several Programs. Federal coronavirus relief bills notably increased funding for the Women, Infants, and Children; TEFAP; and Older Americans Act nutrition programs, with California receiving more than \$100 million in augmented assistance across these programs since spring 2020. In addition, the state partnered with federal, local, and tribal governments to launch the Great Plates Delivered program which provides home-delivered meals from local restaurants to seniors and older adults at high risk from COVID-19. (Great Plates Delivered allocated about \$50 million through the end of June 2021, the most recent month for which we have data.)

Augmented State Funding for Food Banks. In the *2020-21 Budget Act* (and in related pandemic relief efforts), the state provided augmented funding for food banks (\$125 million).



CalFresh in the Governor's Proposed 2021-22 Budget

CalFresh Budget Summary^a (Dollars in Millions)				
	2020-21 Revised	2021-22 Proposed	Change From 2020-21	
			Amount	Percent
CalFresh Households	2,772,548	3,247,632	475,084	17%
CalFresh Individuals	6,023,162	7,082,440	1,059,278	18%
CalFresh Benefits^b	\$9,006	\$10,550	\$1,543	17%
CalFresh Administration				
Federal share	\$1,025	\$1,201	\$176	17%
State share	734	914	180	25
County share	292	292	—	—
Subtotals	(\$2,050)	(\$2,406)	(\$356)	(17%)
Totals	\$11,057	\$12,956	\$1,899	17%

^a Does not include funding for the California Food Access Program.

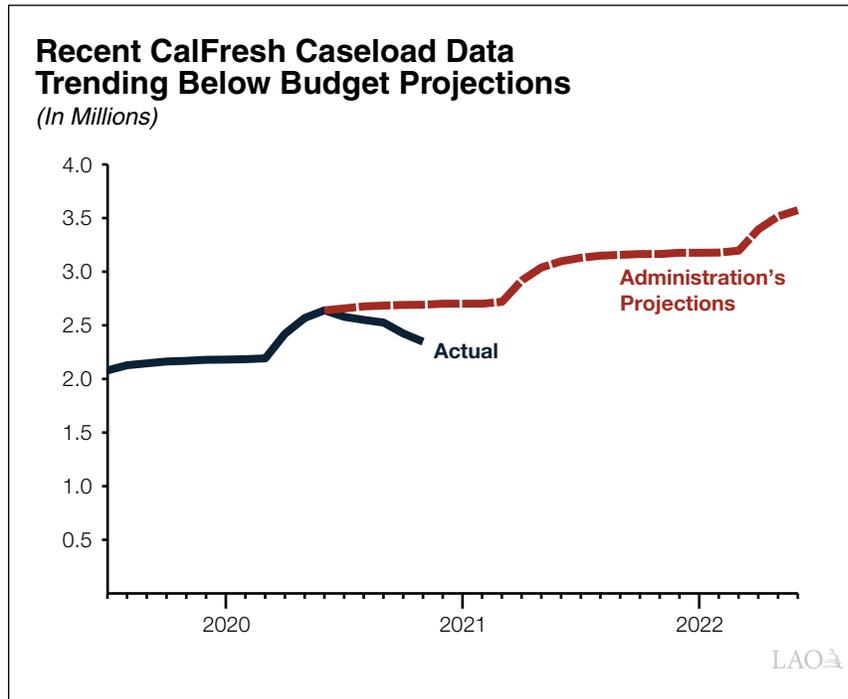
^b CalFresh benefits are 100 percent federally funded. The Governor's Budget estimates an average monthly benefit of \$125 per person or \$270 per household in each of these years.

- Although counties typically cover 15 percent of total CalFresh administrative costs, the *2020-21 Budget Act* temporarily froze counties' contributions at their 2019-20 level.
- The *2020-21 Budget Act* increased CalFresh administrative funding by somewhat less than the administration's projected caseload increase. The Governor's budget preserves this funding level for 2020-21, but proposes increasing it in 2021-22 in line with the projected increase in caseload.



CalFresh in the Governor's Proposed 2021-22 Budget

(Continued)



- **Caseload Coming in Below Projections So Far...** Although CalFresh caseload experienced an initial increase in the spring of 2020, recent caseload data have come in below the administration's projections, with caseload actually decreasing since June 2020. Although caseload currently is decreasing, it remains above its pre-pandemic levels.
- **...But Recent Federal Relief May Increase Caseload Going Forward.** However, two changes included in the most recent federal COVID-19 relief act could lead to future caseload increases:
 - Unemployment insurance benefits are now excluded from family income when determining CalFresh eligibility.
 - College students will temporarily be exempted from work requirements when applying for CalFresh.



CalFresh in the Governor's Proposed 2021-22 Budget

(Continued)

Recent Application Data Shows Increased Demand. In addition, CalFresh applications increased notably in December and January.

Recent Caseload Trends Deserve Additional Scrutiny. We will continue to scrutinize caseload data as more becomes available in the coming weeks. If the caseload continues to diverge from the administration's estimates, understanding the reasons for the lower-than-expected caseloads will be important to determine whether policy interventions should be considered to ensure that CalFresh benefits continue to reach eligible Californians.



Governor's Budget Includes a Few CalFresh-Related Food Proposals

Increased Benefits for CFAP. The Governor proposes increasing CFAP benefits by 15 percent (in proportion to federally increased CalFresh benefits) at an estimated cost of about \$33 million General Fund.

Adjusting SNB/TNB Benefits. The Governor proposes \$58.7 million General Fund in 2020-21 and \$81.1 million General Fund in 2021-22 to support SNB/TNB benefits. The 2021-22 budget includes over \$20 million in proposed funding to increase grant levels for the SNB (from \$103 to \$172 average grant levels) and TNB (from \$183 to \$260 average grant levels) programs to better mitigate CalFresh loses due to the expansion of CalFresh to Supplemental Security Income recipients.

Additional Funding for Food Banks. The Governor proposes \$30 million one-time General Fund in 2021-22 to support food banks.

