



CWDA

April 6, 2010

To: Honorable Mark Leno, Chair
Senate Budget Subcommittee No. 3

Honorable Members
Senate Budget Subcommittee No. 3

From: Frank J. Mecca, Executive Director

RE: CWDA Proposal – Temporary Waiver of Part of Food Stamps County Match

The County Welfare Directors Association of California (CWDA) requests your consideration of a proposal to allow counties to draw down a portion of their increased Food Stamps eligibility operations funding without a match requirement to ensure counties can meet the high demand for Food Stamps benefits due to the recession.

As you know, California's Food Stamps caseload has skyrocketed, with more than 3 million Californians now receiving assistance. To address the increased caseload, the Administration and Legislature have appropriated increased funding for Food Stamps eligibility operations over the past two years. To date, this funding has been provided at the regular sharing ratios of 50% federal/35% state/15% county funding. However, counties are having increasing difficulty meeting their share of cost and are in danger of being unable to staff up to meet the demand. This is causing the following problems:

- **County Match Exceeding Maintenance-of-Effort** – In addition to their 15 percent share of the costs of Food Stamp eligibility costs, counties have a combined maintenance-of-effort (MOE) requirement for Food Stamps administration and the CalWORKs single allocation. Beginning in 2008-09, due to the rapid growth of Food Stamps caseloads, providing the 15 percent Food Stamps match has caused many counties to exceed their MOE requirement. In 2010-11, it is likely that the county share of Food Stamps administration will exceed the CalWORKs/Food Stamps MOE in all counties.
- **Counties Unable to Match Increased Funding** – Given the impact of the current recession on county revenues and service demands, many counties will likely be unable to match the recent and proposed increases in funding for Food Stamps administration. If counties are unable to draw down this desperately needed eligibility operations funding, needy families and individuals will likely face delays in securing and retaining this 100 percent federally funded benefit as counties try to handle more cases with fewer staff.

- **Eligibility Delays Hurt Recovery** – Food Stamps have a recognized multiplier effect of \$1.84 for each \$1 in benefits, so delays have a significant adverse impact on the state's economy. Counties share the goal of serving all clients timely while also maintaining critical community outreach efforts designed to maximize the number of eligible households who apply for Food Stamps.

To address these problems, CWDA proposes that trailer bill language be enacted to enable counties for two years (2010-11 and 2011-12) to access the state and corresponding federal share of their Food Stamps eligibility allocation by waiving the required 15 percent county match as long as the county has met its required Food Stamps/CalWORKs MOE. Under this solution, counties would be able to draw down up to 70 percent of the additional funding (50-50 state and federal funds) without being required to put up a match. Counties that could supply matching funds could draw down their remaining funds (50-50 county and federal funds).

This solution would have no fiscal impact on the state, because the total state contribution to Food Stamps operations would not increase under the proposal. The proposal simply allows counties to draw down up to 70 percent of their additional funding without incurring a match, rather than risking leaving all of the additional funding on the table if county matching funds are not available.

There is historical precedent for our proposal. In 1995, SB 1344 was enacted to relieve counties that met certain criteria of administrative cost match requirements for AFDC, Food Stamps, and IHSS while still allowing these counties to draw down the state and federal share of AFDC and food stamps administration funding. Like now, the match waiver was needed during a severe recession (though not nearly as severe as the current downturn), so that counties could continue to effectively operate their AFDC, food stamp, and IHSS programs during a time when counties could not make their full match.

Thank you for your consideration of this proposal. Please do not hesitate to contact CWDA if you have any questions about this memo.

cc: Jennifer Troia, Consultant, Senate Budget Committee
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