



CWDA

Advancing Human Services
for the Welfare of *All* Californians



February 4, 2022

To: The Honorable Dr. Joaquin Arambula
Chair, Assembly Budget Subcommittee No. 1

Honorable Members
Assembly Budget Subcommittee No. 1

The Honorable Susan Talamantes Eggman
Chair, Senate Budget Subcommittee No. 3

Honorable Members
Senate Budget Subcommittee No. 3

From: Cathy Senderling-McDonald, Executive Director
Libby Sanchez, Government Relations Advocate, SEIU California

RE: CALFRESH ADMINISTRATION FUNDING PATCH

The County Welfare Directors Association of California (CWDA) and the Service Employees International Union State Council (SEIU) respectfully requests \$60 million General Fund (GF) annually until the budget methodology for county administration is updated, so that counties' determinations of eligibility for the CalFresh program can be conducted more timely and accurately as more Californians seek access to CalFresh benefits.

County Workers Critical to Ensuring Access to CalFresh Benefits: As Californians seek CalFresh benefits to help pay for food, county workers play an important role in ensuring access to these critical benefits. County workers conduct eligibility determinations, manage clients' cases, process clients' mid-period report and annual recertification to the program, and respond to at least thousands, if not hundreds of thousands of programmatic inquiries each year (e.g., EBT cards, questions about notices, mid-period reports, renewals, household changes, address changes), all while adapting to business process changes as the CalFresh program continues to evolve due to new federal and state policies. Severe underfunding of CalFresh administration, however, has jeopardized counties' ability to effectively process and verify applications in a timely manner. Recently, counties have struggled to provide expedited service (ES) to eligible recipients timely (recipients who meet the ES criteria should receive benefits within three calendar days) due to the volume of CalFresh applications.

CalFresh Demand Continues to Increase: CalFresh benefits provide a lifeline for Californians who struggle with food insecurity and access to healthy and nutritious food. As of November 2021, approximately 4.1 million Californians received CalFresh benefits. The COVID-19 pandemic has exacerbated food insecurity leading to a significant increase in caseload, from 2.4 million to 2.7 million households, a 12.0 percent increase from 2020-21 to 2021-22.

Moreover, important new and expanded policy changes have also increased the CalFresh caseload:

- In 2019, the state adopted a policy change, with broad support by CWDA, counties, and food advocates, that expanded CalFresh eligibility and benefits to Supplemental Security Income (SSI)/ State Supplemental Payment (SSP) recipients. This momentous change increased the food security of approximately 400,000 new cases (approximately 10 percent increase in the ongoing CalFresh caseload) but ongoing funding for county administration to support the significant workload associated with the policy change was increased by less than two percent.
- In 2021, the CalFresh temporary student eligibility expansion and the expiration of unemployment benefits brought along a tidal wave of application submissions for counties to verify and process as many Californians became potentially eligible for CalFresh.
- Several CalFresh legislation changes were enacted in 2021 aimed at increasing CalFresh participation amongst college students, including requiring the designation of county staff liaison(s) at public higher education institution(s) located within the county. These exciting new policy changes will foster greater access to and participation in CalFresh by college students. But none of the additional caseload and workload associated with these changes is proposed to be funded in the 2022-23 budget.

CalFresh Administration Severely Underfunded: State funding for counties' administration of the CalFresh Program is woefully inadequate. Particularly, the budgeting methodology to determine the amount of state funding provided to pay for its share of CalFresh administration costs is based on costs as they existed 20 years ago and is only funding about 60 percent of current county costs. The outdated methodology began when the state experienced a recession in the early 2000s and stopped providing annual cost-of-living adjustments (COLAs) as a way to reduce state costs. Since then, the state has provided funding for most, but not all, of the caseload increases over the past two decades (at early 2000s cost levels), but has given no COLAs to cover operational cost increases over time. The result of this decades-long starvation of CalFresh administrative operations is inadequate county staffing levels, longer wait times for application processing and access to the program and increasing errors in eligibility determination. These issues are going to become more acute as a result of the current inflationary rate leading to rapidly increasing operational costs.

In acknowledgment of the need to address the inadequacy of state funding, the state budgeting methodology for CalFresh administration was supposed to be updated two years ago, but the COVID-19 pandemic has understandably delayed that work. The Administration has proposed another year delay in updating the budgeting methodology because of continued impacts of the pandemic and associated temporary administrative flexibilities on county operations. CWDA agrees that a continued delay is appropriate. In the meantime, however, demand for CalFresh continues to grow while funding provided to meet that demand lags further and further behind.

Proposed Solution – Funding Patch for CalFresh Administration: Until the budget methodology work can be completed, CWDA and SEIU request annual funding of \$60 million GF. This amount will not fully fund the shortfall in administrative funding, but will shore up county's current operational levels to ensure counties' administration of the CalFresh program to be conducted timely and accurately as more Californians seek access to CalFresh benefits.

For these reasons, we urge your support for this request.

cc: Chris Woods, Office of the Senate President Pro Tempore
Mareva Brown, Office of the Senate President Pro Tempore
Jason Sisney, Office of the Speaker of the Assembly
Kelsey Castillo, Office of the Speaker of the Assembly
Renita Polk, Senate Budget and Fiscal Review Subcommittee No. 3
Nicole Vazquez, Assembly Committee on Budget Subcommittee No. 1
Marisa Shea, Senate Human Services Committee
Debra Cooper, Assembly Human Services Committee
Rebecca Hamilton, Senate Republican Fiscal Office
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David Stammerjohan, Office of Senator Talamantes Eggman
Karen Jones, Office of Assembly Member Arambula
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Richard Figueroa, Office of the Governor
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Justin Garrett, California Association of Counties
County Caucus