Lost Dollars, Empty Plates

The Impact of CalFresh Participation on State and Local Economies

Tia Shimada

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California Food Policy Advocates

California Food Policy Advocates (CFPA) is a statewide public policy and advocacy organization dedicated to improving the health and well being of low-income Californians by increasing their access to nutritious, affordable food.

For more information about this report, please contact Tia Shimada at <u>tia@cfpa.net</u> or 510.433.1122 ext. 109.

For more information about CFPA, please visit www.cfpa.net.

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Table of Contents

Introduction	
CalFresh Overview	1
Impact on State and Local Economies	2
Impact on State and Local Budgets	2
Low CalFresh Participation Means Lost D	ollars for All2
Analysis	3
The Lost Dollars	3
Actions to Improve CalFresh Participation	13
County Data Tables	7
Table 1	
Table 2	10
Table 3	12
Methodology	14
Table 1	14
Table 2	15
Table 3	16
Appendix A: Adjunct Analysis	18
Table 4	
Table 5	20
Table 6	22
Appendix B: Adjunct Analysis Method	dology24
Table 4	
Table 5	
Table 6	
Deferences	26

Introduction

According to the U.S. Department of Agriculture (USDA), California ranks last among all states for participation in the Supplemental Nutrition Assistance Program (SNAP). The low rate of participation harms state and local economies as well as low-income Californians. The following analysis examines the impact that increased participation in CalFresh, known federally as SNAP, would have on state, local, and household budgets. In these times of ongoing economic hardship, ensuring that CalFresh reaches all eligible individuals and families is an excellent means of bolstering economic activity while supporting the growing number of Californians in need.

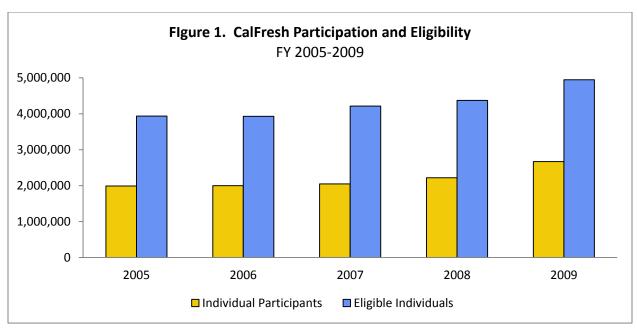
CalFresh Overview

CalFresh/SNAP is the nation's largest source of nutrition assistance. CalFresh provides benefits to supplement household food budgets when individuals or families cannot afford enough to eat. By providing access to a nutritious, affordable diet, CalFresh benefits support productivity, promote health, and help prevent hunger.

CalFresh benefits are fully federally funded. The federal government also funds 50 percent of CalFresh administrative costs, with the state and counties contributing the remaining 36 and 14 percent,² respectively. CalFresh has federal entitlement status, which means that federal funding must be made available to provide all eligible applicants with benefits.

The most recently available data from USDA show that 53 percent of all eligible individuals participated in CalFresh during fiscal year (FY) 2009.³ CalFresh enrollment has increased rapidly over the course of the recent recession. For example, the number of Californians participating in CalFresh increased by approximately 20 percent from FY 2008 to FY 2009. As shown in Figure 1, this increase in participation has not met the growing need for nutrition assistance.

As of December 2011, over 3.9 million Californians participate in CalFresh.⁴ This translates to more than \$585 million⁵ in monthly nutrition assistance benefits for eligible children, adults, and seniors. Households received an average of \$335 in monthly CalFresh benefits during FY 2011.⁶



Sources: USDA Annual State Level Data - Persons Participating (FY 2007-2009), available at: www.fns.usda.gov/pd/snapmain.htm; USDA State Activity Reports (FY 2005-2006 editions), available at: www.fns.usda.gov/pd/snapmain.htm; USDA Reaching Those In Need: State Supplemental Nutrition Assistance Participation Rates (2005-2009 editions), available at: www.fns.usda.gov/ora/MENU/Published/snap/snap.htm

Impact on State and Local Economies

CalFresh benefits support households by increasing their ability to purchase adequate amounts of nutritious food. But CalFresh benefits do more than help individual households. USDA has shown that every dollar in SNAP expenditures generates \$1.79 in economic activity.⁷ In addition to helping people put food on the table, CalFresh benefits exert a multiplier effect that stimulates the economy.

Impact on State and Local Budgets

The California Legislative Analyst's Office (LAO) asserts that CalFresh benefits help "generate revenue for the state and local governments." Receiving CalFresh benefits can allow households to redistribute income that would normally be allocated to purchasing food. A portion of this redistributed income can be spent on taxable goods, which generates sales tax revenue for the state and counties. This revenue-generating effect occurs soon after CalFresh benefits are issued, as eligible households are, by necessity, more likely to spend (rather than save) any additional income within weeks of its being received. 9

Low CalFresh Participation Means Lost Dollars for All

Low CalFresh participation means less for all Californians – less nutrition assistance for eligible households, less economic activity, and less sales tax revenue for the state and local governments. These losses can be mitigated by eliminating unnecessary barriers

to CalFresh participation. This report describes key steps California should take in improving CalFresh participation to recoup lost dollars and fill empty plates.

Analysis

The Lost Dollars

If CalFresh reached 100 percent^a of all eligible individuals, California would receive an estimated **\$4.9 billion** in additional federal nutrition benefits each year. Those benefits would generate an estimated **\$8.7 billion** in additional economic activity per year. (See Appendix A for details.)

Statewide Snapshot			
Eligible Non-Participants	3.5 million		
Lost Federal Dollars (Benefits)	\$4.9 billion		
Lost Economic Activity	\$8.7 billion		
Lost State Tax Revenue (GF)	\$86 million		
Lost County Tax Revenue	\$51 million		

By applying CalFresh benefits to their household food costs, CalFresh participants may have more dollars to spend on taxable goods. Using a methodology adopted from the California Legislative Analyst's Office, CFPA calculates that these dollars would result in an estimated **\$86 million** of additional sales tax revenue for the state general fund (GF). Similarly, CalFresh participation among all eligible individuals would generate an estimated **\$51 million** for county budgets through additional state and county sales tax.

Actions to Improve CalFresh Participation

With the lowest participation rate in the country, California should work to increase CalFresh participation among eligible individuals and families. Such an increase could improve the health and well-being of low-income Californians in this time of ongoing economic hardship. As this report shows, such an increase would also help to energize state and local economies.

There are several steps, described below, that should be taken to improve CalFresh participation across California. These priority actions will help ensure that CalFresh is equitably accessible to all eligible Californians.

Source: USDA, Reaching Those in Need: State Food Stamp Participation Rates in 2009. http://www.fns.usda.gov/ora/menu/Published/snap/FILES/Participation/Reaching2009.pdf

www.cpfa.net 3

^aAn estimated 100 percent of eligible individuals receive SNAP benefits in Maine. An estimated 99 and 95 percent of eligible individuals receive SNAP benefits in Oregon and Michigan, respectively. Twelve additional states have estimated SNAP participation rates above 80 percent.

Continue CalFresh Modernization

By enacting AB 6 (Fuentes), *The CalFresh Act of 2011*, California has created an opportunity to improve the CalFresh application process through continued modernization. AB 6 eliminates the finger imaging requirement, moves California from a quarterly to semi-annual reporting system, and establishes a "Heat and Eat" program.

The elimination of the finger-imaging requirement for all CalFresh households improves access to nutrition assistance without jeopardizing program integrity. Eliminating finger-imaging will allow applicants to complete the entire application process out of the office, strengthening the recent modernization efforts to support online and telephone applications. This change is particularly beneficial to the many working families who are eligible for CalFresh benefits but whose schedules make visiting county offices very difficult.

The move to semi-annual reporting will reduce paperwork for all clients, facilitate administrative efficiency and accuracy, and help clients maintain benefits, all while providing tens of millions of dollars in ongoing savings for the state.

Implementation of a utility assistance initiative or "Heat and Eat" program will increase benefits for a significant number of CalFresh households and streamline the application process for all CalFresh households. Collectively, the statutes established through AB 6 will create significant improvements in CalFresh access and administrative efficiency. Effective county-level implementation and communication with clients about pending changes are both necessary to maximize the impact of these new state policies.

More information about AB 6 is available at: http://cfpa.net/ab6.

Connect CalFresh to Health Care Reform

In 2014, with the expansion of Medi-Cal eligibility under health care reform, nearly two million Californians will be newly eligible for Medi-Cal, adding to the current caseload of 8 million. With the surge of people soon to be seeking coverage, California has an unprecedented opportunity to reach individuals and families that are eligible for, but not receiving, nutrition assistance. A significant portion of the CalFresh-eligible population is also eligible for Medi-Cal (and vice versa). Consequently, 2014 is an ideal time to enroll Californians in both Medi-Cal and CalFresh. Medi-Cal and CalFresh employ similar application questions. Given these similarities, policymakers should ensure that Medi-Cal applicants have the option of answering a few additional questions to simultaneously apply for CalFresh.

Align Health and Nutrition Programs

Further aligning CalFresh and Medi-Cal program rules would recognize, and allow clients to benefit from, the central role that nutrition plays in good health. Using a federal enrollment tool known as broad-based categorical eligibility, some Medi-Cal applicants could be made income-eligible for CalFresh. Broad-based categorical eligibility has two components: removing asset calculations from CalFresh eligibility criteria and raising the gross income threshold of CalFresh eligibility criteria.

In 2008, California passed AB 433, which established one component of broad-based categorical eligibility. AB 433 eliminated the asset test for CalFresh recipients, allowing low-income households to establish modest savings and still receive nutrition assistance. Adopting the second component of broad-based categorical eligibility would mean that Medi-Cal recipients are not subject to a gross income test for CalFresh, though their incomes would continue to determine the amount of nutrition assistance received. This use of categorical eligibility would help ensure that families with modest incomes and high expenses (e.g., medical bills or child care costs) do not lose out on federal nutrition assistance.

If California were to adopt such a strategy, any household that receives Medi-Cal and has a gross income at or below 200 percent of the federal poverty level (FPL)^b would be income-eligible for CalFresh. Assemblymember Felipe Fuentes has introduced AB 1560, sponsored by California Food Policy Advocates, to make this change. AB 1560 would provide families who rely on Medi-Cal with a more comprehensive package of assistance; they could receive nutrition benefits and be eligible for free school meals^c in addition to receiving health coverage.

The U.S. Department of Agriculture encourages states to use broad-based categorical eligibility to "simplify the administration of SNAP and help low-income households meet their nutritional needs." Employing categorical eligibility for households receiving Medi-Cal would bring California in line with 27 other states that have boosted enrollment in nutrition assistance by removing asset tests and raising the gross income threshold above 130 percent FPL.¹²

Test Innovative Strategies to Reach Seniors

In July 2012, several counties will begin working with the Social Security Administration to streamline senior enrollment in CalFresh. These efforts are a result of AB 69 (Beall),

^b Generally, CalFresh-eligible households must have a gross income below 130 percent FPL.

^c Under a policy known as direct certification, children in households receiving CalFresh are automatically certified to receive free school meals.

signed into law last year. Seniors that apply for retirement benefits should have the option to share their personal information, such as income, with county CalFresh workers who can help them apply for nutrition assistance. From the information provided for retirement benefits, the Social Security Administration (SSA) holds enough data to populate the majority of a CalFresh application. If a senior gives consent, a CalFresh worker could access this information and follow-up via phone in order to complete a CalFresh application. Data sharing and short, simple applications are a critical tool to boosting senior enrollment in CalFresh.

More information about AB 69 is available at: http://cfpa.net/ab-69.

Connect the Dots through Transition Points

Throughout our lifetimes, there are a variety of occasions on which we must share personal information with government agencies. Often called "transition points," these events include registering for a driver's license, filing income tax returns, enrolling a child in school, applying for retirement benefits, and enrolling in health coverage (come 2014). Transition points should be an opportunity to inform households of benefits that may be available to them. For instance, transition points should be used to inform low-income families of their potential eligibility for CalFresh and other forms of assistance that can provide a much-need safety net of resource during tough times.

In addition to indicating potential eligibility for benefits, a transition point can facilitate the application process by providing households with the option to use personal information they have already provided. This use of data streamlines the application process for everyone involved. Struggling households should only be required to provide their personal information one time (no matter which government agencies they interact with) and have the option to share that information across agencies. Doing so saves time and minimizes duplicative paperwork for both families and administrators. Most importantly, streamlining application processes ensures that the greatest number of families in need receive the benefits for which they are eligible.

County Data Tables

The following tables describe the impact of CalFresh underutilization on California's local economies. As detailed in the Methodology section, these county-specific results incorporate the Program Access Index (PAI). The PAI is designed to estimate CalFresh utilization among income-eligible individuals.

USDA calculates a state-specific PAI that is one measure used to assess states' administration of SNAP. The county-specific PAI used for this *Lost Dollars, Empty Plates* analysis was generated by CFPA using a methodology adapted from USDA. The county-specific PAI serves as the basis of the *Lost Dollars, Empty Plates* county-specific analysis because it helps describe county-by-county variation in CalFresh utilization.

Please note that an adjunct set of tables, based on the statewide participation rate for CalFresh (published by USDA), is located in Appendix A. The methodology used to generate those tables can be found in Appendix B.

Table 1 (The estimated number of income-eligible individuals and income-eligible non-participants is based on the 2010 PAI.)

County	Column A Average Monthly CalFresh Participants	Column B Estimated Number of Income-Eligible Individuals	Column C Estimated Number Income-Eligible Non- Participants
Alameda	100,748	221,942	121,194
Alpine	145	196	52
Amador	2,515	4,828	2,314
Butte	24,696	52,072	27,375
Calaveras	4,153	5,943	1,790
Colusa	1,624	5,502	3,878
Contra Costa	56,920	130,363	73,443
Del Norte	4,923	5,676	752
El Dorado	9,435	20,666	11,231
Fresno	191,811	269,857	78,047
Glenn	3,084	6,998	3,914
Humboldt	13,840	31,497	17,657
Imperial	31,479	49,422	17,943
Inyo	1,640	3,183	1,543
Kern	124,565	234,180	109,615
Kings	20,281	38,667	18,386
Lake	8,361	17,045	8,684
Lassen	2,881	4,372	1,491
Los Angeles	910,744	2,199,837	1,289,093
Madera	22,553	41,754	19,201
Marin	7,660	25,681	18,021
Mariposa	1,413	3,435	2,022
Mendocino	11,726	19,379	7,653
Merced	46,381	78,374	31,993
Modoc	1,051	2,480	1,429
Mono	513	3,111	2,598
Monterey	34,109	94,172	60,063
Napa	5,939	21,592	15,653
Nevada	5,174	13,604	8,430

Table 1 (The estimated number of income-eligible individuals and income-eligible non-participants is based on the 2010 PAI.)

County	Column A Average Monthly CalFresh Participants	Column B Estimated Number of Income-Eligible Individuals	Column C Estimated Number Income-Eligible Non- Participants
Orange	160,808	455,848	295,040
Placer	14,290	33,371	19,081
Plumas	1,215	3,969	2,754
Riverside	208,105	436,323	228,218
Sacramento	177,943	259,002	81,059
San Benito	5,643	10,417	4,775
San Bernardino	292,966	444,327	151,361
San Diego	182,488	530,981	348,493
San Francisco	42,188	111,162	68,974
San Joaquin	86,460	148,653	62,193
San Luis Obispo	14,653	46,141	31,488
San Mateo	18,759	76,131	57,372
Santa Barbara	28,417	92,177	63,761
Santa Clara	89,948	205,478	115,530
Santa Cruz	18,691	50,008	31,317
Shasta	21,120	36,737	15,617
Sierra	249	439	190
Siskiyou	5,213	10,779	5,566
Solano	34,809	55,647	20,838
Sonoma	25,767	73,283	47,516
Stanislaus	73,059	118,373	45,314
Sutter	10,202	20,525	10,323
Tehama	8,621	17,182	8,561
Trinity	1,342	3,020	1,678
Tulare	97,891	145,011	47,120
Tuolumne	4,923	8,370	3,447
Ventura	56,092	119,633	63,541
Yolo	14,340	42,708	28,368
Yuba	12,172	18,358	6,186

Table 2 (These data incorporate the 2010 PAI as a measure of CalFresh utilization among income-eligible individuals).

County	Column A Estimated Additional Federal Benefits Received Annually through CalFresh	Column B Estimated Resulting Increase in Annual Economic Activity
Alameda	\$182,666,809	\$326,973,588
Alpine	\$80,118	\$143,411
Amador	\$3,543,533	\$6,342,924
Butte	\$39,550,763	\$70,795,866
Calaveras	\$2,636,624	\$4,719,558
Colusa	\$4,341,522	\$7,771,325
Contra Costa	\$106,505,997	\$190,645,735
Del Norte	\$1,115,406	\$1,996,577
El Dorado	\$17,231,328	\$30,844,078
Fresno	\$98,478,553	\$176,276,611
Glenn	\$4,705,290	\$8,422,469
Humboldt	\$28,507,436	\$51,028,311
Imperial	\$21,152,029	\$37,862,132
Inyo	\$2,351,891	\$4,209,886
Kern	\$134,427,014	\$240,624,355
Kings	\$23,383,609	\$41,856,660
Lake	\$12,833,180	\$22,971,391
Lassen	\$2,136,077	\$3,823,579
Los Angeles	\$1,869,803,749	\$3,346,948,711
Madera	\$23,259,074	\$41,633,743
Marin	\$33,484,221	\$59,936,756
Mariposa	\$2,861,047	\$5,121,274
Mendocino	\$12,041,829	\$21,554,874
Merced	\$38,730,034	\$69,326,761
Modoc	\$1,820,626	\$3,258,921
Mono	\$5,028,358	\$9,000,761
Monterey	\$79,622,639	\$142,524,525
Napa	\$22,425,728	\$40,142,054
Nevada	\$12,728,140	\$22,783,370

Table 2 (These data incorporate the 2010 PAI as a measure of CalFresh utilization among income-eligible individuals).

County	Column A Estimated Additional Federal Benefits Received Annually through CalFresh	Column B Estimated Resulting Increase in Annual Economic Activity
Orange	\$393,067,458	\$703,590,749
Placer	\$25,600,728	\$45,825,304
Plumas	\$3,682,639	\$6,591,923
Riverside	\$273,535,646	\$489,628,806
Sacramento	\$109,058,142	\$195,214,074
San Benito	\$6,337,620	\$11,344,340
San Bernardino	\$186,368,140	\$333,598,970
San Diego	\$461,237,391	\$825,614,930
San Francisco	\$140,298,938	\$251,135,098
San Joaquin	\$74,936,173	\$134,135,750
San Luis Obispo	\$49,070,065	\$87,835,417
San Mateo	\$84,771,635	\$151,741,227
Santa Barbara	\$87,083,759	\$155,879,929
Santa Clara	\$164,320,790	\$294,134,214
Santa Cruz	\$47,499,712	\$85,024,484
Shasta	\$22,926,908	\$41,039,165
Sierra	\$254,701	\$455,914
Siskiyou	\$7,575,840	\$13,560,754
Solano	\$31,296,639	\$56,020,984
Sonoma	\$76,027,084	\$136,088,479
Stanislaus	\$60,496,836	\$108,289,337
Sutter	\$12,665,800	\$22,671,782
Tehama	\$11,169,932	\$19,994,179
Trinity	\$2,377,538	\$4,255,793
Tulare	\$58,305,745	\$104,367,284
Tuolumne	\$5,361,438	\$9,596,974
Ventura	\$93,039,983	\$166,541,569
Yolo	\$39,185,705	\$70,142,412
Yuba	\$8,324,658	\$14,901,139

Table 3 (These data incorporate the 2010 PAI as a measure of CalFresh utilization among income-eligible individuals.)

	Column A	Column B	Column C
	Estimated Additional	Estimated Additional	Column C Estimated Additional
County	State Sales Tax	State Sales Tax	Sales Tax Revenue for
	Revenue (General	Revenue (non-General	
	Fund, Annual)	Fund, Annual)	Counties (Annual)
Alameda	\$3,236,628	\$1,900,876	\$2,055,002
Alpine	\$1,420	\$834	\$361
Amador	\$62,787	\$36,875	\$23,919
Butte	\$700,790	\$411,575	\$177,978
Calaveras	\$46,718	\$27,437	\$11,865
Colusa	\$76,926	\$45,179	\$19,537
Contra Costa	\$1,887,153	\$1,108,328	\$958,554
Del Norte	\$19,764	\$11,607	\$5,019
El Dorado	\$305,318	\$179,314	\$77,541
Fresno	\$1,744,917	\$1,024,792	\$764,440
Glenn	\$83,372	\$48,964	\$21,174
Humboldt	\$505,116	\$296,656	\$128,283
Imperial	\$374,788	\$220,113	\$142,776
Inyo	\$41,673	\$24,474	\$15,875
Kern	\$2,381,879	\$1,398,881	\$604,922
Kings	\$414,328	\$243,336	\$105,226
Lake	\$227,388	\$133,545	\$57,749
Lassen	\$37,849	\$22,229	\$9,612
Los Angeles	\$33,130,585	\$19,457,645	\$21,035,292
Madera	\$412,122	\$242,040	\$156,999
Marin	\$593,299	\$348,445	\$263,688
Mariposa	\$50,694	\$29,773	\$19,312
Mendocino	\$213,366	\$125,310	\$54,188
Merced	\$686,248	\$403,034	\$174,285
Modoc	\$32,259	\$18,946	\$8,193
Mono	\$89,096	\$52,326	\$22,628
Monterey	\$1,410,814	\$828,573	\$358,302
Napa	\$397,356	\$233,368	\$151,374
Nevada	\$225,527	\$132,452	\$64,436

Table 3 (These data incorporate the 2010 PAI as a measure of CalFresh utilization among income-eligible individuals.)

	Column A	Column B	
	Estimated Additional	Estimated Additional	Column C
County	State Sales Tax	State Sales Tax	Estimated Additional
	Revenue (General	Revenue (non-General	Sales Tax Revenue for
	Fund, Annual)	Fund, Annual)	Counties (Annual)
Orange	\$6,964,664	\$4,090,358	\$2,653,205
Placer	\$453,613	\$266,408	\$115,203
Plumas	\$65,252	\$38,322	\$16,572
Riverside	\$4,846,710	\$2,846,480	\$1,846,366
Sacramento	\$1,932,374	\$1,134,886	\$736,142
San Benito	\$112,295	\$65,951	\$28,519
San Bernardino	\$3,302,210	\$1,939,393	\$1,257,985
San Diego	\$8,172,550	\$4,799,752	\$3,113,352
San Francisco	\$2,485,922	\$1,459,986	\$1,420,527
San Joaquin	\$1,327,775	\$779,805	\$505,819
San Luis Obispo	\$869,460	\$510,635	\$220,815
San Mateo	\$1,502,047	\$882,155	\$762,945
Santa Barbara	\$1,543,015	\$906,215	\$587,815
Santa Clara	\$2,911,559	\$1,709,963	\$1,478,887
Santa Cruz	\$841,636	\$494,294	\$374,060
Shasta	\$406,236	\$238,583	\$103,171
Sierra	\$4,513	\$2,650	\$1,146
Siskiyou	\$134,234	\$78,836	\$34,091
Solano	\$554,537	\$325,681	\$158,439
Sonoma	\$1,347,105	\$791,157	\$598,713
Stanislaus	\$1,071,928	\$629,545	\$306,265
Sutter	\$224,422	\$131,803	\$56,996
Tehama	\$197,917	\$116,237	\$50,265
Trinity	\$42,127	\$24,741	\$10,699
Tulare	\$1,033,105	\$606,744	\$393,564
Tuolumne	\$94,998	\$55,792	\$24,126
Ventura	\$1,648,552	\$968,197	\$418,680
Yolo	\$694,322	\$407,776	\$176,336
Yuba	\$147,503	\$86,628	\$37,461

Methodology

The following is a description of the data sources and calculations used to complete the *Lost Dollars*, *Empty Plates* analysis. This methodology is organized according to the data tables above.

Table 1

Column A: Average Monthly CalFresh Participation

Monthly CalFresh participation data were obtained from the California Department of Social Services' DFA 256¹³ reports for January-December 2010. Monthly participation was averaged across the calendar year to account for seasonal differences in CalFresh participation.

Columns B and C: Estimated Number of Income-Eligible Participants and Income-Eligible Non-Participants

CFPA's 2010 Program Access Index (PAI) analysis was used to identify the "estimated number of income-eligible individuals" and "estimated number of income-eligible non-participants." The PAI is a county-level estimate of CalFresh utilization among income-eligible individuals. Individuals who are income-eligible for CalFresh may not meet all other eligibility criteria.

CFPA's PAI methodology is detailed in the report *Measuring County CalFresh Performance 2010.*¹⁴ The formula used to calculate a county's PAI is:

Due to limitations in data available from the US Census Bureau (American Community Survey), the income-eligible population is defined as those living below 125 percent of the federal poverty guidelines, though actual income criteria for CalFresh are slightly higher (130 percent of the federal poverty guidelines). Individuals participating in the Food Distribution Program on Indian Reservations (FDPIR) and individuals receiving Supplemental Security Income (SSI) are removed from the income-eligible population as those individuals are ineligible to receive CalFresh benefits.

In iterations of the *Lost Dollars, Empty Plates* report published prior to 2009, the USDA-generated, statewide participation rate for CalFresh was used to estimate the number of eligible non-participants. At the county level, CalFresh participation can vary widely; the statewide rate does not reflect the reality of CalFresh participation in many counties.

Unfortunately, USDA does not calculate county-level participation rates. The PAI serves as the basis of the county-level *Lost Dollars, Empty Plates* analysis because, unlike the statewide participation rate, it helps describe county-by-county variation.

Table 2

Column A: Additional Federal Benefits Received Through CalFresh

To calculate the value of additional federal benefits that would be received through CalFresh if participation reached 100 percent of eligible individuals, it is necessary to estimate the average monthly CalFresh benefit for eligible individuals. The average benefit that current non-participants *would* receive may be significantly different than the average benefit that current participants *do* receive. To account for the potential discrepancy, this analysis used an estimate of the average monthly CalFresh benefit for *eligible* households in the 2011 fiscal year. "Eligible households" include both eligible participants and eligible non-participants. The estimate (\$262)^d, which was calculated by Mathematica Policy Research, Inc., is lower than the USDA's preliminary calculation of the actual, average household benefit (\$335) received by CalFresh participants for the fiscal year 2011.¹⁵

The average monthly benefit for eligible individuals was estimated from the average monthly benefit for eligible households using the following calculation:

Estimated Household Benefit for Eligible Households ÷ Average Household Size = Estimated Monthly Benefit for Eligible Individuals

Average household size is a county-specific statistic calculated with data from the 2010 CDSS DFA 256 reports¹⁶ using the following calculation:

Total Individuals Receiving Federal Benefits from January through December ÷ Total Number of Households Receiving Federal Benefits or Federal and State Benefits from January through December = Average Household Size

The value of "additional federal benefits received annually through CalFresh" if CalFresh reached 100 percent of income-eligible individuals was estimated with the following calculation:

Income-Eligible Individuals Not Receiving CalFresh Benefits x Average Monthly Benefit for Eligible Individuals x 12 = Additional Federal Benefits Received

www.cpfa.net 15

^d This estimate was calculated using the 2011 Baseline of the MATH SIPP+ model and provided directly to CFPA from Mathematica Policy Research, Inc.

Annually through CalFresh with 100% Participation Among Income-Eligible Individuals

Column B: Resulting Increase in Economic Activity

According to USDA, every federal dollar spent on SNAP expenditures generates \$1.79 in economic activity. The "resulting increase in annual economic activity" generated from the receipt of additional CalFresh benefits was estimated with the following formula:

Additional Federal Benefits Received Annually through CalFresh x \$1.79 = Increase in Economic Activity with 100% CalFresh Participation of Income-Eligible Individuals

The estimate of economic stimulus generated by SNAP expenditures is based on a national analysis that examined the impact of SNAP on Gross Domestic Product (a nationwide measure of economic activity). The estimate is applied at the state and local levels for this *Lost Dollars, Empty Plates* analysis because no state- or county-specific estimates are currently available.

Table 3

Columns A and B: Additional State Sales Tax Revenue

The California Legislative Analyst's Office (LAO) reports that CalFresh benefits positively impact the state economy by freeing up household dollars for food and non-food purchases, 45 percent of which will constitute taxable purchases:¹⁸

Research shows that low-income individuals generally are not able to save money because their resources are spent on meeting their daily needs, such as shelter, food, and transportation. Therefore, for every dollar in food coupons that a low-income family receives, an additional dollar is available for the consumption of food or other items. Research done at the University of California and elsewhere indicates that individuals with income low enough to be eligible for food stamps would, on average, spend about 45 percent of their income on goods for which they would pay sales tax. The state General Fund receives about 5 cents for every dollar that is spent on a taxable good. Local governments and special funds receive the remainder of the sales tax revenue (generally about 2.25 percent). Because additional food coupons would result in low-income families spending more of their other resources on taxable goods, the receipt of federal food coupons helps to generate revenue for the state and for local governments.

Updating the LAO premise to reflect current sales tax rates and uses, the state general fund receives nearly four percent (\$0.039375) of every dollar spent on taxable goods. ¹⁹ Over two percent (\$0.023125) of each dollar spent on taxable goods is slated for non-general fund expenses that are under state jurisdiction. ²⁰ Applying the LAO premise, the following calculations were used to estimate additional state sales tax revenue that would be generated if CalFresh participation included 100 percent of income-eligible individuals:

Additional Federal Benefits Received Annually through CalFresh x 45% x \$0.039375 Sales Tax = Additional State Sales Tax Revenue Generated Annually for the General Fund

Additional Federal Benefits Received Annually through CalFresh x 45% x \$0.023125 Sales Tax = Additional State Sales Tax Revenue Generated Annually for Non-General Fund Expenditures under State Jurisdiction

Column C: Additional Sales Tax Revenue for Counties

Because California counties/cities receive one percent of state sales tax (\$0.01 of every dollar spent on taxable goods), ²¹ the LAO premise can be applied to estimate the impact of CalFresh benefits on county budgets. To fully account for the impact of CalFresh benefits on local economies, county-specific sales tax rates must be included in any calculations. The following formula was used to estimate the "additional sales tax revenue for counties" that would be generated annually if CalFresh reached 100 percent of income-eligible individuals:

[(County sales tax rate - state sales tax rate) +.01] x (Additional Federal Benefits Received Annually through CalFresh x 45%) = Additional Sales Tax Revenue Generated Annually for the County

County sales tax rates were taken from the November 2011 *California Board of Equalization Publication 71.*²² These rates do not include and city-or district-specific taxes within each county.

Appendix A: Adjunct Analysis

The following tables describe the impact of CalFresh underutilization on California's state and local economies. These tables are based on the USDA-generated, **statewide participation rate** for CalFresh, not the county-specific PAI. The methodology used to generate these tables is detailed in Appendix B.

Table 4
(The estimated number of individuals eligible for CalFresh is based on statewide participation rate of 53 percent.)

	Column A	Column B	Column C
County	Estimated Number of	Individual CalFresh	Estimated Number of
222 2000	Eligible Individuals	Participants (12/11)	Eligible Non-Participants
Statewide	7,366,225	3,904,099	3,462,126
Alameda	226,194	119,883	106,311
Alpine	262	139	123
Amador	5,694	3,018	2,676
Butte	53,175	28,183	24,992
Calaveras	9,102	4,824	4,278
Colusa	2,923	1,549	1,374
Contra Costa	125,234	66,374	58,860
Del Norte	9,996	5,298	4,698
El Dorado	21,092	11,179	9,913
Fresno	395,847	209,799	186,048
Glenn	6,268	3,322	2,946
Humboldt	28,315	15,007	13,308
Imperial	66,225	35,099	31,126
Inyo	3,591	1,903	1,688
Kern	254,455	134,861	119,594
Kings	42,458	22,503	19,955
Lake	18,766	9,946	8,820
Lassen	5,526	2,929	2,597
Los Angeles	1,981,819	1,050,364	931,455
Madera	48,536	25,724	22,812
Marin	16,566	8,780	7,786
Mariposa	3,215	1,704	1,511
Mendocino	25,011	13,256	11,755
Merced	97,417	51,631	45,786
Modoc	1,883	998	885

Table 4
(The estimated number of individuals eligible for CalFresh is based on statewide participation rate of 53 percent.)

County	Column A Estimated Number of Eligible Individuals	Column B Individual CalFresh Participants (12/11)	Column C Estimated Number of Eligible Non-Participants
Mono	1,285	681	604
Monterey	79,530	42,151	37,379
Napa	13,070	6,927	6,143
Nevada	12,140	6,434	5,706
Orange	388,868	206,100	182,768
Placer	33,374	17,688	15,686
Plumas	2,909	1,542	1,367
Riverside	482,075	255,500	226,575
Sacramento	371,368	196,825	174,543
San Benito	11,464	6,076	5,388
San Bernardino	647,934	343,405	304,529
San Diego	446,832	236,821	210,011
San Francisco	93,072	49,328	43,744
San Joaquin	194,853	103,272	91,581
San Luis Obispo	32,764	17,365	15,399
San Mateo	48,238	25,566	22,672
Santa Barbara	57,658	30,559	27,099
Santa Clara	185,987	98,573	87,414
Santa Cruz	37,858	20,065	17,793
Shasta	45,932	24,344	21,588
Sierra	485	257	228
Siskiyou	11,149	5,909	5,240
Solano	73,772	39,099	34,673
Sonoma	59,647	31,613	28,034
Stanislaus	159,791	84,689	75,102
Sutter	21,608	11,452	10,156
Tehama	17,362	9,202	8,160
Trinity	2,809	1,489	1,320
Tulare	200,055	106,029	94,026
Tuolumne	9,687	5,134	4,553
Ventura	118,826	62,978	55,848
Yolo	30,206	16,009	14,197
Yuba	24,045	12,744	11,301

Table 5 (These data incorporate the statewide CalFresh participation rate of 53 percent.)

County	Column A Estimated Additional Federal Benefits Received Annually through CalFresh	Column B Estimated Resulting Increase in Annual Economic Activity
Statewide	\$4,869,410,056	\$8,716,244,001
Alameda	\$164,836,598	\$295,057,510
Alpine	\$211,894	\$379,290
Amador	\$4,405,159	\$7,885,235
Butte	\$37,234,748	\$66,650,199
Calaveras	\$6,674,653	\$11,947,628
Colusa	\$1,781,580	\$3,189,029
Contra Costa	\$87,238,882	\$156,157,598
Del Norte	\$7,037,102	\$12,596,413
El Dorado	\$15,975,672	\$28,596,454
Fresno	\$240,872,992	\$431,162,656
Glenn	\$3,688,624	\$6,602,637
Humboldt	\$21,847,359	\$39,106,773
Imperial	\$38,249,607	\$68,466,797
Inyo	\$2,565,029	\$4,591,403
Kern	\$152,011,451	\$272,100,497
Kings	\$25,993,228	\$46,527,877
Lake	\$13,611,384	\$24,364,378
Lassen	\$3,797,359	\$6,797,272
Los Angeles	\$1,373,656,904	\$2,458,845,858
Madera	\$28,234,840	\$50,540,364
Marin	\$14,693,158	\$26,300,752
Mariposa	\$2,269,493	\$4,062,393
Mendocino	\$19,089,953	\$34,171,015
Merced	\$57,969,665	\$103,765,701
Modoc	\$1,143,111	\$2,046,169
Mono	\$1,193,296	\$2,136,000
Monterey	\$50,575,689	\$90,530,483
Napa	\$9,002,696	\$16,114,825
Nevada	\$9,055,669	\$16,209,648

Table 5 (These data incorporate the statewide CalFresh participation rate of 53 percent.)

County	Column A Estimated Additional Federal Benefits Received Annually through CalFresh	Column B Estimated Resulting Increase in Annual Economic Activity
Orange	\$254,236,238	\$455,082,866
Placer	\$21,975,611	\$39,336,343
Plumas	\$1,879,163	\$3,363,702
Riverside	\$286,837,205	\$513,438,596
Sacramento	\$241,299,568	\$431,926,226
San Benito	\$7,246,208	\$12,970,713
San Bernardino	\$394,523,832	\$706,197,658
San Diego	\$295,410,537	\$528,784,861
San Francisco	\$89,795,547	\$160,734,029
San Joaquin	\$115,454,205	\$206,663,027
San Luis Obispo	\$24,613,130	\$44,057,503
San Mateo	\$34,204,110	\$61,225,357
Santa Barbara	\$37,307,238	\$66,779,956
Santa Clara	\$127,462,446	\$228,157,779
Santa Cruz	\$27,590,795	\$49,387,523
Shasta	\$33,387,204	\$59,763,095
Sierra	\$342,933	\$613,851
Siskiyou	\$7,240,632	\$12,960,731
Solano	\$53,391,645	\$95,571,045
Sonoma	\$46,251,384	\$82,789,977
Stanislaus	\$104,672,717	\$187,364,164
Sutter	\$13,045,405	\$23,351,275
Tehama	\$10,987,805	\$19,668,172
Trinity	\$1,979,534	\$3,543,365
Tulare	\$115,710,708	\$207,122,168
Tuolumne	\$7,544,532	\$13,504,713
Ventura	\$84,077,204	\$150,498,195
Yolo	\$20,389,196	\$36,496,661
Yuba	\$15,635,527	\$27,987,594

Table 6 (These data incorporate the statewide CalFresh participation rate of 53 percent.)

County	Estimated Additional State Sales Tax Revenue (General Fund, Annual)	Estimated Additional State Sales Tax Revenue (non- General Fund, Annual)	Estimated Additional Sales Tax Revenue for Counties (Annual)
Statewide	\$86,279,859	\$50,672,298	\$39,208,400
Alameda	\$2,920,698	\$1,715,331	\$1,854,412
Alpine	\$3,754	\$2,205	\$954
Amador	\$78,054	\$45,841	\$29,735
Butte	\$659,753	\$387,474	\$167,556
Calaveras	\$118,267	\$69,458	\$30,036
Colusa	\$31,567	\$18,540	\$8,017
Contra Costa	\$1,545,764	\$907,830	\$785,150
Del Norte	\$124,689	\$73,230	\$31,667
El Dorado	\$283,069	\$166,247	\$71,891
Fresno	\$4,267,968	\$2,506,585	\$1,869,777
Glenn	\$65,358	\$38,385	\$16,599
Humboldt	\$387,108	\$227,349	\$98,313
Imperial	\$677,735	\$398,035	\$258,185
Inyo	\$45,449	\$26,692	\$17,314
Kern	\$2,693,453	\$1,581,869	\$684,052
Kings	\$460,568	\$270,492	\$116,970
Lake	\$241,177	\$141,643	\$61,251
Lassen	\$67,284	\$39,516	\$17,088
Los Angeles	\$24,339,483	\$14,294,617	\$15,453,640
Madera	\$500,286	\$293,819	\$190,585
Marin	\$260,344	\$152,901	\$115,709
Mariposa	\$40,213	\$23,617	\$15,319
Mendocino	\$338,250	\$198,655	\$85,905
Merced	\$1,027,150	\$603,247	\$260,863
Modoc	\$20,254	\$11,895	\$5,144
Mono	\$21,144	\$12,418	\$5,370
Monterey	\$896,138	\$526,303	\$227,591
Napa	\$159,517	\$93,684	\$60,768
Nevada	\$160,455	\$94,236	\$45,844

Table 6 (These data incorporate the statewide CalFresh participation rate of 53 percent.)

County	Estimated Additional State Sales Tax Revenue (General Fund, Annual)	Estimated Additional State Sales Tax Revenue (non- General Fund, Annual)	Estimated Additional Sales Tax Revenue for Counties (Annual)
Orange	\$4,504,748	\$2,645,646	\$1,716,095
Placer	\$389,380	\$228,684	\$98,890
Plumas	\$33,296	\$19,555	\$8,456
Riverside	\$5,082,397	\$2,984,900	\$1,936,151
Sacramento	\$4,275,527	\$2,511,024	\$1,628,772
San Benito	\$128,394	\$75,406	\$32,608
San Bernardino	\$6,990,469	\$4,105,514	\$2,663,036
San Diego	\$5,234,305	\$3,074,116	\$1,994,021
San Francisco	\$1,591,065	\$934,435	\$909,180
San Joaquin	\$2,045,704	\$1,201,445	\$779,316
San Luis Obispo	\$436,114	\$256,130	\$110,759
San Mateo	\$606,054	\$355,937	\$307,837
Santa Barbara	\$661,038	\$388,228	\$251,824
Santa Clara	\$2,258,475	\$1,326,406	\$1,147,162
Santa Cruz	\$488,874	\$287,117	\$217,278
Shasta	\$591,580	\$347,436	\$150,242
Sierra	\$6,076	\$3,569	\$1,543
Siskiyou	\$128,295	\$75,348	\$32,583
Solano	\$946,033	\$555,607	\$270,295
Sonoma	\$819,517	\$481,303	\$364,230
Stanislaus	\$1,854,670	\$1,089,250	\$529,906
Sutter	\$231,148	\$135,754	\$58,704
Tehama	\$194,690	\$114,342	\$49,445
Trinity	\$35,075	\$20,600	\$8,908
Tulare	\$2,050,249	\$1,204,115	\$781,047
Tuolumne	\$133,680	\$78,510	\$33,950
Ventura	\$1,489,743	\$874,928	\$378,347
Yolo	\$361,271	\$212,175	\$91,751
Yuba	\$277,042	\$162,707	\$70,360

Appendix B: Adjunct Analysis Methodology

The following is a description of the data sources and calculations used to complete the *Lost Dollars, Empty Plates* analysis using the statewide CalFresh participation rate. The methodology is organized to reflect the data tables in Appendix A.

Table 4

Columns A, B, and C: Eligible Individuals Participating and Not Participating The U.S. Department of Agriculture (USDA) reports that 53 percent of eligible Californians participate in CalFresh/SNAP.²³ The following formula was used to estimate the number of individuals eligible for CalFresh:

(Individuals Participating in CalFresh x 100) \div 53 = Individuals Eligible for CalFresh

The number of current CalFresh participants was determined using monthly CalFresh participation data from the CDSS report DFA 256²⁴. Rather than averaging the monthly participation data over an entire year, the most recently available participation data (December 2011) were used for this determination.

Averaging monthly participation data across an entire calendar year does account for seasonal differences in CalFresh participation. However, the dramatic, statewide increase in monthly CalFresh participation, reported since early 2008, warranted use of the most recent participation data for this analysis.

The following formula was used to estimate the number of eligible individuals not participating in CalFresh:

(Individuals Participating in CalFresh \div 0.53) x 0.47= Eligible Individuals Not Participating in CalFresh

Table 5

Column A: Additional Federal Benefits Received Through CalFresh

The value of "additional federal benefits received annually CalFresh" if CalFresh reached 100 percent of eligible individuals was estimated with the following calculation:

Eligible Individuals Not Participating in CalFresh x Average Monthly Benefit for Eligible Individuals x 12 = Additional Federal Benefits Received Annually through CalFresh with 100% Participation Among Eligible Individuals

For additional details on Column A and details on Column B, please see the methodology for Table 2.

Table 6

Please see the methodology for Table 3.

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Lost Dollars, Empty Plates The Impact of CalFresh Participation on State and Local Economies

For more information about this report, please contact Tia Shimada at <u>tia@cfpa.net</u> or 510.433.1122 ext. 109.

California Food Policy Advocates

www.cfpa.net

Oakland Office 436 14th Street, Suite 1220 Oakland, California 94612 T: 510.433.1122

F: 510.433.1131

Los Angeles Office 205 S. Broadway Street, Suite 402 Los Angeles, CA 90012 P: 213.482.8200

F: 213.482.8203

