

AB 191: Fiscal Talking Points

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A Small State Investment Will Bring Significant Federal Funding to California

- A relatively small State investment to cover the shared cost of administering CalFresh will bring significant federal dollars to California in the form of nutrition benefits.
- This investment will help ensure that families throughout California have enough nutritious food to ward off hunger and food insecurity.
 - *CalFresh supports the poorest Californians.* 94% of CalFresh households have incomes below 100% of the federal poverty level or no income at all.
 - *CalFresh supports children.* 61% of CalFresh households include children.
 - *CalFresh supports working families.* 36% of CalFresh households have income from earnings.
 - *CalFresh protects against food insecurity.* During the recent recession, food insecurity increased among low-income Californians but households participating in CalFresh were protected from this increase.

CalFresh Supports Low-Income Californians and Bolsters Economy Activity

- USDA has shown that every dollar in SNAP (CalFresh) expenditures generates \$1.79 in economic activity. In addition to helping households meet their nutritional needs, CalFresh benefits exert a multiplier effect that stimulates the economy.
- The Appropriation Committee's current analysis for AB 191 estimates that the bill could bring an additional \$425-\$435 million dollars in federal funds to California. That would generate more than \$760 million dollars in related economic activity.
- In these times of ongoing economic hardship, ensuring that CalFresh reaches all eligible households is an excellent strategy to bolster economic activity while helping the growing number of Californians in need.

The CalFresh Economic Stimulus Extends to Local Economies

- The California Legislative Analyst's Office (LAO) asserts that CalFresh benefits help "generate revenue for the state and local governments."
- CalFresh benefits can allow households to redistribute income that would normally be used to purchase 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.

AB 191 is an Opportunity to Increase Administrative Efficiency

- AB 191 encourages administrative efficiency by strengthening the connection between CalFresh and Medi-Cal and encouraging dual enrollment at a single point of application.
- Enabling Californians to access multiple benefits from one point of application would reduce the burden on households and administrators.
- By increasing CalFresh enrollment among households that include a Medi-Cal recipient, AB 191 also supports direct certification. Direct certification automatically certifies children in CalFresh households to receive free school meals without an additional application.