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August 19, 2013

The Honorable Kevin de León  
State Capitol  
Sacramento, CA 94249

Re: AB 191 (Bocanegra) Senate Appropriations Committee Analysis

Dear Senator de León,

California Food Policy Advocates (CFPA) is writing in strong support of AB 191 (Bocanegra), legislation that would strengthen the connection between CalFresh and Medi-Cal. AB 191 was recently placed on the Senate Appropriations Committee suspense file. While AB 191 is under consideration for passage to the Senate Floor, CFPA would like to highlight the economic opportunities that this legislation presents for all of California, particularly the opportunity to make a sound fiscal investment in California's safety net.

As the committee's analysis indicates, a relatively small state investment will result in hundreds of millions of dollars in federal nutrition benefits provided directly to low-income California families. This investment will help ensure that all Californians have enough nutritious food to ward off hunger and food insecurity. In addition, this investment will result in significant economic activity benefiting all Californians.

The United States Department of Agriculture (USDA) has shown that Supplemental Nutrition Assistance Program (SNAP, known as CalFresh in California) benefits exert a multiplier effect that stimulates the economy. Every dollar in SNAP expenditures generates \$1.79 in related economic activity. The committee analysis estimates that AB 191 could bring an additional \$425-\$435 million dollars in federal nutrition benefits to California in just one year. Based on USDA's estimates, this would generate more than \$760 million dollars in economic activity.

It is no surprise that economists consider SNAP one of the most effective forms of economic stimulus. The Congressional Budget Office (CBO) rated an increase in SNAP benefits as one of the two most cost-effective of all spending and tax options it examined for boosting growth and jobs in a weak economy.

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CFPA is a statewide policy and advocacy organization dedicated to improving the health and well being of low income Californians by increasing their access to nutritious, affordable food.

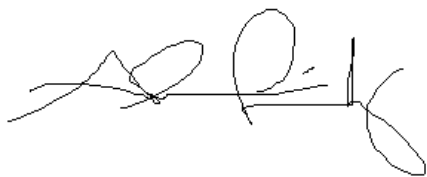
This economic stimulus effect can also be measured in terms of the impact on sales tax revenue. CalFresh benefits allow households to redistribute income that would normally be used to purchase food. A portion of this redistributed income can be spent on taxable goods, which generates sales tax revenue for the state and counties. The committee analysis indicates that the state could see additional sales tax revenue of almost \$8 million dollars in one year.

AB 191's other fiscal benefits include the opportunity to improve administrative efficiency, both for CalFresh and school meal enrollment. AB 191 promotes administrative efficiency by strengthening the connection between CalFresh and Medi-Cal and encouraging dual enrollment at a single point of application. AB 191 also supports direct certification. Direct certification automatically certifies children in CalFresh households to receive free school meals without additional paperwork.

CalFresh, California's most important anti-hunger program, helps just over 4 million low-income Californians afford a nutritionally adequate diet. Yet, there are nearly as many Californians eligible for CalFresh that do not participate. 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.

AB 191 provides a guaranteed return on investment that we simply cannot afford to pass up. CFPA strongly supports AB 191 and asks that the Senate Appropriations Committee do the same.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alexis Fernández', written over a horizontal line.

Alexis Fernández  
Nutrition Policy Advocate  
California Food Policy Advocates

CC: Assembly Member Bocanegra