

# Semi-annual Reporting

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**Note:** AB 6 was amended before coming out of the Senate Committee on Appropriations and heading to the Senate Floor. The following fact sheet has been updated to reflect these amendments (Updated: 8.30.11).

## ►► ISSUE

An overly burdensome reporting system acts as a major barrier for households trying to access critical nutrition assistance through CalFresh (formerly the Food Stamp Program). The U.S. Department of Agriculture (USDA) estimates that about 50% of eligible California households do not participate in the program, ranking California second to last among states on measures of program participation. Increasing participation levels to near 100% of eligible households, as other states have done, could mean an additional \$4.9 billion in federal benefits for needy Californians. Moreover, increasing CalFresh participation has the potential to benefit all Californians through the more than \$8.7 billion in economic activity associated with those lost federal benefits. In times like these, we simply cannot afford to turn away valuable federal benefits and the related economic activity. Food insecurity continues to be a struggle faced by too many California families. We must work to implement strategies that reduce barriers in accessing benefits and increase CalFresh participation. As has been shown in 49 other states, one such strategy is the implementation of a semi-annual reporting system.

## ►► NEED

The federal government has long supported the use of semi-annual reporting as a way to reduce burdens on clients and workers, while simultaneously increasing program accuracy. In September of 2009, USDA rejected the California Department of Social Services' (CDSS) request to extend the current quarterly reporting waiver for an additional 4 years and instead gave CDSS 6 months to develop a plan for converting to a simplified reporting system. CDSS submitted a plan in February of 2010 and set a proposed timeline for implementation of semi-annual reporting. The plan timeline included necessary statutory changes, as well as a strategy for implementation. CDSS received an additional 12 month extension of the current reporting waiver and at the end of that extension (March 2011), California received an additional 6 month extension (expires at the end of September 2011) to demonstrate progress toward semi-annual conversion. This proposal seeks to promote progress in converting to semi-annual reporting by providing the necessary legislative vehicle to implement the needed statutory changes.

## ►► REQUEST

CFPA requests that the legislature require the state to move to a semi-annual reporting system for CalFresh and CalWORKs, as well as set an income reporting threshold (IRT) for CalWORKs households. In so doing the legislature would improve access to critical nutrition assistance and meet the recommendations and timelines set out by USDA.

## ►► HISTORY

California is the only state not using a semi-annual reporting system. In 2002, the federal government allowed states to implement semi-annual reporting. Since then, various attempts have been made to realize the change in California. In 2007, Governor Schwarzenegger proposed moving to simplified reporting, but a number of outstanding issues could not be resolved, including the IRT adjustment and concerns with upfront costs. The most recent legislative attempt to include a change to semi-annual reporting, AB 1642, sought to address these concerns, but died in committee due to fiscal constraints. During this most recent attempt, \$30 million in supplemental SNAP funding was made available through the Department of Defense Appropriations Act of 2010 for program improvements, such as the upfront costs of implementing semi-annual reporting, but was instead used to backfill the General Fund and supplant existing food stamp funding.

## ►► OUTCOMES

Semi-annual reporting has been shown to decrease burdens and simplify rules for clients, reduce administrative workload, and improving program accuracy. Combined with recent efforts to modernize CalFresh, a change in the reporting system is likely to help families stay on the program and increase participation.