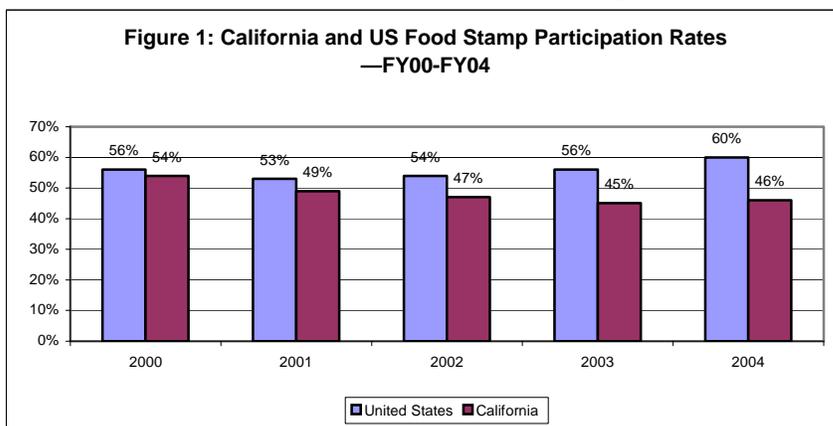


## 2. Statement of Need

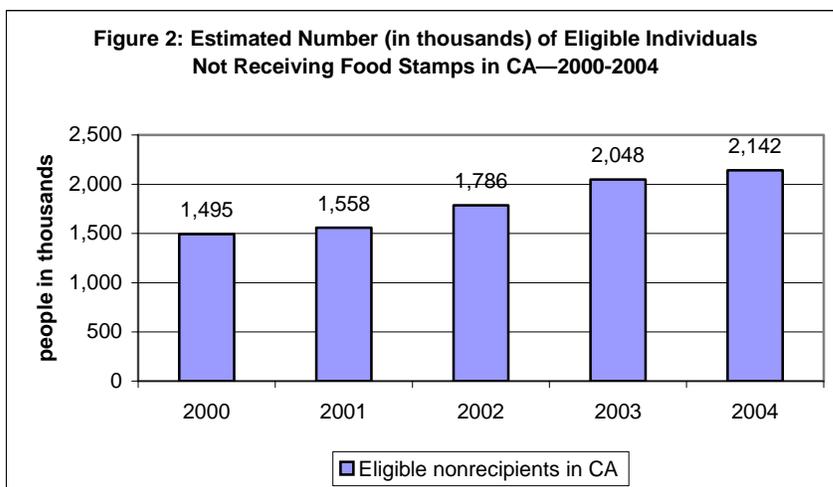
The need for strengthened effects to increase participation in California’s Food Stamp Program (FSP) is evident from unfavorable trends in food insecurity, poverty and FSP participation at the state and county levels. In addition, improved participation is needed to keep active Food Stamp nutrition education goals for healthier eating and, over the long term, reduced rates of overweight and obesity in low-income families with children.

### Trends in California’s Food Stamp Participation Rates and Food Stamp Program Participation

USDA estimates show California’s FSP participation rate (the percent of eligible people participating in FSP) dropped from 54 percent in 2000 to 46 percent in 2004 (see Figure 1).<sup>1</sup> California ranked last in the nation in FFY 2004. The percent of California’s eligible working poor who participated in FSP was even lower.



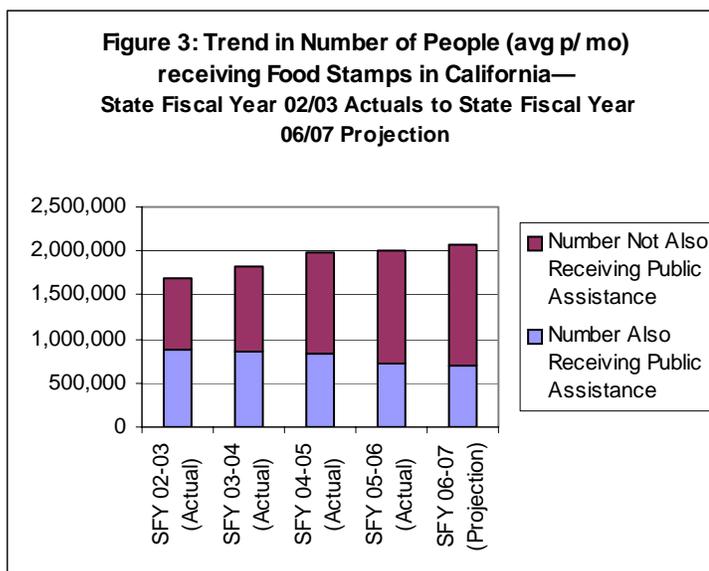
According to USDA estimates, over 2 million eligible people, in California are not receiving Food Stamp benefits; an increase of half a million in a five-year period (see Figure 2). The estimated number of eligible working poor not participating in FFY 2004 was almost 1.4 million, e.g., only 34 percent compared to 51 percent nationwide. (The “working poor” are defined as people who are eligible for Food Stamps and live in a household in which a member earns money from a job.



<sup>1</sup> Because estimates are based on fairly small household sample sizes, USDA advises that changes from year to year and comparisons between states need to be interpreted cautiously. For example, there is a 90 percent chance that California’s true participation rate in 2004 falls within a range of 44-49 percent; e.g., the confidence interval. The source for 2000-2001 California and U.S. participation rate is from Castner and Schirm (2005) Reaching Those in Need: State Food Stamp Participation Rates in 2002 USDA FNS. The source for 2002, 2003 and 2004 rate is from Castner and Schirm (2006) Reaching Those in Need: State Food Stamp Participation Rates in 2004 USDA FNS.

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**FSP Participation:** Since 2001, FSP participation has increased in California—a pattern which is seen nationwide. According to the most recently available California Department of Social Services (CDSS) data, the average monthly number of FSP recipients in California increased by 17.4 percent from SFY 2003 to SFY 2005; but, it increased only by 4.4 percent from SFY 2005 to SFY 2007.<sup>2</sup> An important dynamic in California’s caseload has been the relative decline of



FSP recipients who are receiving public assistance, as well as the increase of FSP recipients who are not. From January 2004 to January 2007, the number of California’s FSP recipients, also receiving public assistance, declined by 19.9 percent while the number **not** receiving public assistance increased by 42.1 percent over this same period. Prior to March 2003, more of the FSP recipients in California received public assistance than did not. However, by March 2007, twice as many FSP recipients were not receiving cash aid as were.

According to USDA’s Characteristics of Food Stamp Households, FFY 2005, FSP recipients in California are more likely (66 percent) to be children (under 18 years) and less likely (1.6 percent) to be “elderly” (60 years or older) than national figures (nationally, 50 percent and 8.2 percent, respectively). In addition, FSP households in California tend to be even poorer than national figures with only 5.9 percent in California having incomes above the poverty level compared to 11.5 percent nationally. California FSP recipients are also more likely to identify themselves as being Hispanic and less likely African American or White compared to national figures. In FFY 2005, 51 percent of the FSP recipients in California were Hispanic, 21 percent White, 18 percent African American and 10 percent “Other”.

**Poverty and Food Insecurity in California:** In recent years, California’s poverty rate has been higher than the national average rate—in 2003, 13.4 percent compared to 12.6 percent nationwide; in 2004, 13.2 percent compared to 12.7 percent nationwide. For 2005, the national and California poverty rates were the same, estimated 13.3 percent.<sup>3</sup> Because the federal poverty rate does not allow adjustments for high cost of living and has other methodological limitations, many argue that there are far more

<sup>2</sup> Since 2003, a number of policy changes were adopted, such as removal of the vehicle rule, offering Transitional Food Stamps potential for reducing the face-to-face interview requirement and offering benefits to certain rehabilitated drug offenders. Some changes, such as removing the vehicle rule (effective January 2004) increased the number of eligible people, so higher participant figures might not mean a higher participation rate.

<sup>3</sup> California and United States poverty rates from American Community Survey 2003, 2004 and 2005. (Accessed June 18, 2007 [http://factfinder.census.gov/servlet/DatasetMainPageServlet?\\_program=ACS&\\_submenuId=&\\_lang=en&\\_ts=](http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=ACS&_submenuId=&_lang=en&_ts=))

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persons functionally living in poverty than these figures reflect.<sup>4</sup> A recent Public Policy Institute of California report applies a “conservative adjustment for costs, based on housing rents” and concludes “California has substantially higher poverty than the rest of the nation: 16.1 percent versus 12 percent...only Washington, D.C., and New York have higher poverty than California. Furthermore, Los Angeles, Monterey, and San Francisco counties have poverty rates of about 20 percent—in the range of the 10 highest poverty counties in the nation.”<sup>5</sup>

Several sources corroborate that food insecurity—the uncertain or limited access to enough food for an active, healthy life—is high and the prevalence of “very low food security” not improving in California.

- An annual USDA survey reported that food insecurity in California households remained steady at 11.7 percent of all households (three year average for 2003-2005) compared to 11.7 percent (2000-2002), while food insecurity with hunger increased from 3.5 to 3.6 percent.<sup>6</sup>
- According to the California Women’s Health Survey, food security has been decreasing slowly among California women, from 78.3 percent in 1999 to 73.4 percent in 2004. The decrease was statistically significant.
- Among low-income adults (<200 percent FPL), the 2005 California Health Interview Study found that 30 percent experienced food insecurity in the past 12 months, which was a significant decrease from the 33.9 percent in 2003.
- However, there was no significant change in the percent experiencing very low food security—9.3 percent in 2005 compared to 10.3 percent in 2003 (referred to as food insecurity with hunger in previous years). An estimated 2.5 million low-income adults were food insecure in 2005 with more than three quarters of a million (775,000) classified as experiencing very low food-security.<sup>7</sup>

Food insecurity and poverty trends indicate the likely heightened importance of FSP for ensuring the health and adequate diets for low-income Californians.

### County-Level Poverty, Food Insecurity and FSP Participation

Table 1 provides information on county-level poverty, food insecurity and FSP participation including an estimated Program Access Index (PAI).<sup>8</sup> This information is

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<sup>4</sup> Besharov, DJ and Germanis, P. (2004) Reconsidering the Federal Poverty Measure. University of Maryland School of Public Policy. Welfare Reform Academy.

<sup>5</sup> Reed Deborah. Moving Beyond the Federal Measure. California Counts Population Trends and Profiles. Volume 7 Number 4 • May 2006 Public Policy Institute of California (Accessed July 2006 [http://www.ppic.org/content/pubs/cacounts/CC\\_506DRCC.pdf](http://www.ppic.org/content/pubs/cacounts/CC_506DRCC.pdf))

<sup>6</sup> Nord, M. Andrews, M. and Carlson, S. (2006) Household Food Insecurity in the United States, 2005. USDA Economic Research Service Economic Research Report Number 29.

<sup>7</sup> Harrison, G, Sharp, M., Manalo-LeClair, G, Ramirez, A., McGarvey, N and Sharp, M. (2007) Food Security Among California’s Low-Income Adults Improves, But Most Severely Affected Do Not Share in Improvement. UCLA Health Policy Research Brief.

<sup>8</sup> The Program Access Index (PAI) is “one of the measures the Food and Nutrition Service uses to reward States for high performance in the administration of the Food Stamp Program. The PAI is designed to indicate the degree to which low-income people have access to food stamp benefits. The PAI is not, strictly speaking, a measure of participation among people eligible for benefits. For most purposes, the participation rate among people eligible for benefits is a better measure of program performance.” FNS (2006) “Calculating the Food Stamp Program Access Index: A Step-by-Step Guide.” <http://www.fns.usda.gov/oane/MENU/Published/FSP/FILES/Other/PaI2005.pdf> . This poverty-based measure is less precise but more readily calculated than USDA’s FSP participation rate. Note: USDA’s method for calculating state’s PAI is applied here to the county level with two exceptions: 1) Food Distribution Program on Indian Reservations (FDPIR) figures are not factored into the index

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useful for considering counties where outreach activities might be expanded or prioritized. (Note the 22 counties in bold that have California Food Stamp Program Access Improvement Plan (AIP) subcontractors conducting FSP outreach). Unmet needs include:

- AIP subcontractors will be providing outreach services in two of the five counties with the highest overall rates of poverty, and, specifically, poverty among children (Fresno and Imperial) but not Del Norte, Madera and Tulare,
- AIP subcontractors will also be providing services in two of the five counties with the highest rates of food insecurity among low income adults (Fresno and Merced) but not Kings, Napa and Sutter.
- AIP subcontractors are providing outreach services in two of the five counties with the lowest PAI (San Luis Obispo and San Mateo) but not Mono, Napa and Plumas.

While the relatively poor performance for these seven counties is noteworthy, except for Tulare, they are relatively small counties with in total an estimated 110,000 potentially eligible persons (income <125 percent FPL and not receiving SSI or food stamps). These absolute figures of “potentially eligible persons” are rough estimates since eligibility factors, such as immigration status and asset ownership, are not factored into the index.

It is useful to identify counties having the greatest number of estimated eligible people not served in the state. From this perspective, the high need counties for FSP outreach are Los Angeles (35.4 percent), Orange (6.8 percent), and San Diego (7.8 percent). These three counties are home to 50 percent of the people having incomes less than 125 percent FPL but not receiving SSI or Food Stamps. Two counties are especially notable. While Orange and San Diego counties are, respectively, home to 4.0 and 4.3 percent of California’s FSP participants, almost twice as many of the state’s eligible non-participants live in these two counties— 6.8 percent in Orange County and 7.8 percent in San Diego County.

Humboldt, Imperial and San Diego have been selected as priority counties that will receive additional AIP funding based on county need and the opportunity for capacity building for the three CAFB subcontractors operating in these counties. Imperial County has the highest child poverty rate in California and a food bank with very strong, bilingual-bicultural Food Stamp outreach staff and activities but they currently have very little state share funding. Humboldt ranks high in terms of both overall and child poverty. Currently, the AIP sub-contractor is the only community based organization from which the county will currently accept FSP applications. As described above, San Diego is a high need county. As described in subsequent sections of the plan, the California Association of Food Banks has established a network of AIP subcontractors to amplify FSP outreach activities in this county.

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because not available on a per county basis; and 2) the SSI adjustment USDA calculates for California is uniformly applied to all counties and is not based on county specific data.