
SENATE COMMITTEE ON HUMAN SERVICES

Senator Hurtado, Chair
2019 - 2020 Regular

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Consultant: Taryn Smith

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SUMMARY

This bill requires the California Department of Social Services (CDSS) to take specific actions in order to increase client access to and retention of CalFresh benefits. Among other things, it requires CDSS to expand its participation in the federal Elderly Simplified Application Project (ESAP) by developing a user-centered application for seniors and waiving the semi-annual reporting for ESAP households. It also gives an individual the option to apply, report, and recertify for CalFresh in person, by mail, online, or by telephone and permits an individual to complete the interview requirement and client signature by telephone, as specified.

ABSTRACT

Existing Law:

- 1) Establishes under federal law the Supplemental Nutrition Assistance Program (SNAP) to promote the general welfare and to safeguard the health and wellbeing of the nation's population by raising the levels of nutrition among low-income households. (*7 United States Code [USC] Section 2011 et seq.*)
- 2) Requires that the SNAP certification period shall not exceed 12 months, except that the certification period may be up to 24 months if all adult household members are elderly or disabled. (*7 USC 2012 3(f)*)
- 3) Permits the state agency to require households that report on a periodic basis to submit reports not less often than once each six months, but not more often than once each month. (*7 USC 2015 Section 6(c)(1)(D)(i)*)
- 4) Specifies that nothing in the provisions of current law, as specified, shall prohibit the use of signatures provided and maintained electronically, storage of records using automated retrieval system only, or any other feature of a state agency's application system that does not rely exclusively on the collection and retention of paper applications or other records. (*7 USC 2020 (e)(2)(C)(i)*)

- 5) Allows a state agency to establish a system by which an applicant household may sign an application through a recorded verbal assent over the phone, and enumerates the criteria with which the system must comply. (7 USC 2020 (e)(2)(C)(ii))
- 6) Requires the state agency to verify all non-excludable income and household size. (7 USC 2020 11(e)(3))
- 7) Establishes, under federal regulations, eligibility requirements for receipt of SNAP benefits, including net income that is at or below 100 percent of the federal poverty level and is determined to be a substantial limiting factor in permitting a recipient to obtain a more nutritious diet, as specified. (7 CFR 273.9)
- 8) Requires an audio recording of a telephonic signature. (7 CFR 273.2(c)(7)(iii)(A), (B), and (C))
- 9) Requires the state agency to conduct an interview at certification and recertification. (7 CFR 273.2(e))
- 10) Requires the state agency to verify gross nonexempt income, utility expenses, medical expenses, social security numbers, residency, and identity. (7 CFR 273.2(f))
- 11) Allows certification periods to extend up to 24 months for elderly and disabled households. Requires the state agency to have at least one contact with each household every 12 months. Permits the state agency to use any method it chooses for this contact. (7 CFR 273.10(f)(1))
- 12) Requires households in which all adult members are elderly or have a disability, have no earned income and are certified for period lasting between 13 and 24 months to file a periodic report once a year. (7 CFR 273.12(a)(5)(iii)(B))
- 13) Establishes in California statute the CalFresh program to administer the provision of federal SNAP benefits to families and individuals meeting specified criteria. (WIC 18900 et seq.)
- 14) Requires each county welfare department to, if appropriate, exempt a household from complying with face-to-face interview requirements for purposes of determining eligibility at initial application and recertification, as specified. (WIC 18901.10)
- 15) Requires all CalFresh households to be assigned certification periods that are the maximum number of months allowable under federal law for the household type or, on a case-by-case basis only, a shorter certification period is required by the household's individual circumstances. (WIC 18910.1)
- 16) Exempts CalFresh households in which all adult members are elderly or disabled and in which the household has no earned income from being assigned certification periods. (WIC 18910 (b))

This Bill:

- 1) States a series of Legislative findings regarding inadequate nutrition and food insecurity, the CalFresh program, the growing number of seniors experiencing hunger and poverty, the need to connect health and nutrition for seniors and newly eligible Supplemental Security Income (SSI) recipients, and the need to improve CalFresh entry points and remove reporting requirements.
- 2) States Legislative intent to maximize the impact of federal safety net funding to reduce poverty, fight hunger, and improve health by simplifying enrollment and maintaining access to CalFresh for all eligible, low-income Californians.
- 3) Requires CDSS to participate in all elements of ESAP, a demonstration project operated by the United States Department of Agriculture, Food and Nutrition Service (FNS), in order to increase client access and retention within CalFresh, including the following elements:
 - a) Developing a CalFresh user-centered application for seniors that minimizes the burdens of the overall enrollment process, and
 - b) Waiving the semiannual reporting requirement under CalFresh for households enrolled under the ESAP.
- 4) Requires that, to the extent permitted under federal law, an individual shall have the option to apply, report, and recertify for CalFresh in person, by mail, online, or by telephone, and shall have the option to complete the interview and the required client signature by telephone.
- 5) Permits counties to implement any method of telephonic signature or electronic signature, in compliance with state and federal program requirements, that is supported by county business practices and available technology.
- 6) Requires CDSS to work with counties, representatives of statewide automated welfare system (SAWS) consortia, representatives of county eligibility workers, and advocates for CalFresh participants, to develop and execute a plan of support for counties that have not already implemented a telephone-based application and renewal process, and to provide technical assistance and resources.
- 7) Requires that the results of this planning effort, including, but not limited to, the resources identified as necessary for counties to implement a telephone-based application and renewal process, shall be reported to the Legislature during the 2021–22 budget hearings.
- 8) Requires, to the extent permitted under federal law, the application process shall satisfy both of the following criteria:

- a) Include simple, user-friendly language and instructions that incorporate user testing with CalFresh applicants, participants, eligibility workers, and application assisters, and
 - b) Require the eligibility, enrollment, and retention system to offer an applicant or recipient assistance with their application, required reporting, or recertification for the CalFresh program in person, over the telephone, and online, and in a manner that is accessible to individuals with disabilities and those who have limited English proficiency.
- 9) Requires counties currently using the Consortium IV (C-IV) or LEADER Replacement System (LRS) of the SAWS to comply with requirements of the bill beginning on or before January 1, 2022, and counties currently using the Welfare Client Data System of SAWS to comply beginning on or before January 1, 2023.

FISCAL IMPACT

This bill has not yet been analyzed by a fiscal committee.

BACKGROUND AND DISCUSSION

Purpose of the Bill:

According to the author, this bill “seeks to break the cycle of hunger, poor health, and poverty by ensuring that all low-income Californians, and especially older adults, have efficient and equitable access to CalFresh.” The author states that “SB 882 would simplify the CalFresh application for many older adults and people with disabilities, and eliminate burdensome, ongoing reporting requirements that cause many households to lose nutrition assistance, even though they remain eligible. It would also ensure all applicants and participants can complete the application and recertification interview processes by phone, including the required client signature.” Additionally, the author believes that “by easing the burden of enrolling and retaining CalFresh benefits, we can ensure older adults can live hunger free and age in place with dignity.”

CalFresh

CalFresh, California’s version of federal SNAP, provides monthly food benefits to qualified low-income individuals and families to assist with the purchase of the food they need to maintain adequate nutrition levels. With over 2 million households (and over 4 million people) receiving benefits, CalFresh is the largest nutrition assistance program in California. The program is administered by CDSS at the state level and California’s 58 counties are responsible for administering CalFresh at the local level. CalFresh benefits are 100 percent federally funded and national income eligibility standards and benefit levels are established by the federal government.

The program issues monthly benefits on Electronic Benefit Transfer (EBT) cards, which may be used to purchase food (and seeds or plants that grow food for human consumption) at any

grocery store or farmers' market that accepts EBT cards.

For most households in California, in order to be eligible for CalFresh monthly gross income must be at or below 200 percent of federal poverty level (FPL) or \$3,556 for a family of three. An eligible households' adjusted net income must be at or below 100 percent of FPL or \$1,778 for a family of three. The benefit amount a household may receive is dependent on circumstances such as size, countable income, and monthly expenses, such as housing and utilities. In January 2020, the average CalFresh household received about \$300 and the average CalFresh benefit per person was about \$123.

County welfare departments are responsible for determining if applicants are initially eligible and if recipients are continuingly eligible for CalFresh. In order to continue receiving CalFresh benefits, recipients must complete a Semi-Annual Eligibility Income Report (SAR 7) and comply with the yearly redetermination during the 12th month.

COVID-19 Impact and Response

On March 4, 2020, Governor Newsom declared a State of Emergency due to the COVID-19 pandemic. On March 19, 2020, Governor Newsom issued Executive Order #N-33-20 which was intended to reduce exposure to the virus by establishing a statewide stay at home order for non-essential workers and implementing social distancing when conducting essential business. Similar stay at home orders were put into place all over the country. The short-term economic repercussions of the stay at home orders were immediate and widespread as applications for public assistance and unemployment benefits spiked.

Since March 19, 2020, almost 4 million Californians have submitted initial unemployment claims. Applications for CalWORKs and CalFresh have drastically increased. Regarding demand for CalFresh assistance, applications increased from about 39,000 in March 2019 to 96,000 in March 2020. In response, CDSS moved to create flexibility within CalFresh and other public assistance programs to allow newly eligible persons to quickly receive benefits and to ease requirements for people already receiving benefits so that services may continue uninterrupted while county offices were closed or operating under reduced hours during the stay at home order.

One such program change was the federal waiver of telephone signature requirements, which was announced on April 2, 2020. Under this waiver, applicants may verbally attest to the information provided on the application and county welfare offices may document the attestation in the case record. This waiver may only be applied at initial application when an application is submitted over the phone or when a paper application is submitted without a signature. This waiver is effective from March 27, 2020 through May 31, 2020.

CDSS has also implemented the following emergency policy changes to the CalFresh program in response to increased need for CalFresh assistance during the COVID-19 pandemic and stay at home order:

- Redetermination of CalFresh eligibility was suspended for the months of March, April, and May 2020.

- New CalFresh applicants do not need to be interviewed as part of the enrollment process, as long as the required information is verified by the county welfare department. This change will remain in effect until May 31, 2020.
- Able-Bodied Adults Without Dependents (ABAWDs) will no longer be subject to the three-month time limits and related work provisions, effective April 1, 2020.
- California's request for authority to implement online purchasing for EBT cards was approved and has been implemented as of April 28, 2020.

CalFresh Participation Rate

California's CalFresh participation rate has been hovering around 70 percent for several years. In March 2019, the USDA released a report that measured each state's SNAP participation rate during federal fiscal year 2016. The report showed that, at 72 percent, California and Arkansas were tied at fourth and fifth place for lowest participation rates in the nation. While this is a two percent improvement in the participation rate from 2014, California was still 13 percent below the national participation rate. In comparison, seven states had 100 percent participation rates. Those states are Oregon, New Mexico, Vermont, Rhode Island, Washington, Illinois, and Michigan.

In recent years, California has made a number of program changes intended to increase CalFresh enrollment, including removing asset tests and finger imaging requirements, increasing guidance to counties for implementing online and phone applications, integrating other social service programs, including Medi-Cal, California Work Opportunity and Responsibility to Kids (CalWORKs), and Women Infant Children (WIC). Most recently, California eliminated the "cashout" policy, which made CalFresh newly available to about 500,000 SSI/SSP recipients.

Despite these efforts, an estimated 2 million eligible households are not receiving CalFresh.

Numerous factors contribute to California's low take up rate. Two reasons cited for low enrollment are the complicated enrollment and recertification processes, especially for people who are elderly or disabled. The fact that much of the enrollment and recertification processes are paper-based and somewhat complicated has also been cited as a barrier to program participation. A May 2018 article by National Public Radio states: "Lack of transportation, long lines at county offices and lack of flexibility in setting appointment times may also contribute to low [CalFresh] participation, county officials said. And paperwork often gets mailed to residences, making it harder for homeless people or those who move frequently to stay enrolled."

This bill seeks to address those barriers by requiring CDSS to implement simplified applications and waiving the semiannual annual report for households with elderly and disabled recipients. The bill also proposes to address these issues by facilitating the expansion of telephone-based and online application and renewal processes.

Electronic and Telephonic Signatures

Online and telephone applications are an attractive option for CalFresh clients, especially those in rural areas and those with limited transportation options. Currently, CalFresh applications may

be submitted online via the www.GetCalFresh.org or www.mybenefitscalwin.org websites. But use of telephone applications and signatures has not been implemented statewide (except for under a recently approved federal waiver that was issued in response to the COVID-19 pandemic, which is discussed above).

Federal authority to use electronic signatures has existed since 2008, when the 2008 Farm Bill (P.L. 110-234) allowed “the use of signatures provided and maintained electronically” and authorized a state agency to establish a system by which an applicant household may sign an application through a recorded verbal assent over the telephone. Under current law, California counties have the option, but are not required, to provide electronic signatures for CalFresh. CDSS has issued guidance to counties on how to implement electronic signatures, should a county choose to do so.

Federal guidance permits a variety of methods to capture an electronic signature, including handwritten signatures entered on electronic signature pads or screens, digitized versions of a handwritten signature, a typed name in an online application, a password or PIN, a telephone recording, clicking an “I agree” button, and digital signatures.

Telephonic signatures are a type of electronic signature. To meet the federal standards, telephonic signatures must capture an audio recording of the client’s assent to the information. All electronic signatures must be stored in a manner that links them (individually) to the relevant information, allows them to be retrieved and retained per retention policies, and provides protections against fraud.

While some counties allow electronic or telephonic signatures for at least one of the three CalFresh components (application, recertification and SAR 7), many do not. According to a 2019 survey conducted by the County Welfare Directors Association of California, 34 of responding counties indicated they use electronic/telephonic signatures for at least one of the three CalFresh components. Of the 34 responding counties, 18 said they offered telephonic/electronic signatures for all three components of the CalFresh program; 11 said they use it for two of the three components and most were planning to expand to three components; and five counties said they use it for one component and were planning to expand to two or three components. Twenty counties indicated they were planning to implement telephonic or electronic signatures but they needed some assistance related to funding, staffing changes/training and/or technology updates. Nine counties indicated they did not have plans to use telephonic or electronic signatures.

Residents living in the counties that do not allow electronic or telephonic signatures may complete the required interview by phone, but must receive, sign and return the paper application to the county welfare department. As the survey shows, the county-specific implementation has led to inequitable access and customer service for CalFresh recipients, as access and customer service depends on which county they are residing in. It also shows the level of service is uneven across counties that have implemented telephonic signature, in terms of differing functionality at application, recertification, and reporting.

Not all counties have the technology to complete applications telephonically, which is one reason for the sporadic implementation, but plans are underway to reconfigure the counties’ technology system (known as SAWS) to facilitate telephonic signatures.

Statewide Automated Welfare System (SAWS)

SAWS is the automated system used by all 58 county welfare offices in order to administer CalWORKs, Welfare to Work, CalFresh, Medi-Cal, Foster Care, Refugee Assistance, County Medical Services Program, and General Assistance/General Relief to children, families and individuals.

The SAWS “consortia” is made up of multiple systems that support functions such as eligibility and benefit determination, enrollment, and case maintenance at the county level. The Consortia includes three different IT systems: C-IV, LRS and CalWORKs Information Network (CalWIN).

In December 2016, the federal government issued a requirement for SAWS to be a single system by 2023 in order to continue receiving federal funds. On June 28, 2019, the 58 California counties came together as one Joint Powers Authority to initiate the California Statewide Automated Welfare System (CalSAWS) Project and Consortium, which will operate under one system by 2023. The CalSAWS System is intended be an automated, integrated eligibility and case management system that supports key public assistance programs.

The migration to CalSAWS is expected to facilitate telephonic signatures for the remaining counties, but that rollout is not happening until 2023. CalSAWS will have the capacity to accept telephonic signatures for all components of the CalFresh process (application, recertification, and SAR 7). The C-IV counties will gain this capacity first, followed by the CalWIN counties.

This bill provides staggered compliance dates intended to reflect CalSAWS implementation dates. However, project plans are somewhat fluid and the implementation dates outlined in the bill may need to be modified as the bill progresses through the legislative process.

Elderly Simplified Application Project (ESAP)

ESAP is a federal demonstration project intended to increase SNAP participation and streamline enrollment among households composed solely of elderly (60 years of age or older) or disabled members with no earned income. According to FNS’s ESAP guidance:

“The elderly are a historically underserved group and face many barriers to participation including limited mobility and minimal access to electronic equipment that can facilitate compliance with verification and reporting requirements. Similarly, disabled households struggle to make ends meet and the verification and paperwork requirements may be a hurdle to participation. However, low-income elderly and disabled households with no earned income often live in stable settings where factors like unearned income (e.g. social security, SSI), social security number, residency, etc., are readily verifiable through other means like data matches. As a result, the burden of the typical SNAP application process may hinder participation of these vulnerable groups, while contributing relatively little information that cannot be found and verified elsewhere. The ESAP demonstration projects work to minimize these barriers, while balancing the need for ESAP participants to get the full benefit they are entitled to receive.”

Several rules may be waived under ESAP in order to make it easier for elderly or disabled households with no earned income to obtain SNAP benefits. For example, qualifying households may be certified for a three-year period; interviews for recertification may be waived; counties may make use of data matches to reduce the amount of client-provided verification; and a simplified two-page application can be implemented.

California began participating in ESAP in 2017 when CDSS obtained a waiver from FNS that permitted the state to:

- Waive the recertification interview requirement for elderly or disabled households with no earned income;
- Make use of data matching to reduce client-provided verifications for elderly or disabled households with no earned income; and
- Extended the certification period to 36 months for elderly or disabled households with no earned income.

Since implementation, about 500,000 households have been certified under ESAP.

California has not adopted a simplified application form, nor has it adopted the waiver of the annual interim report (called a SAR-7 in California) for ESAP households, both of which are options under ESAP.

This bill requires CDSS to implement a simplified application for elderly and disabled households, which does not require a federal waiver. The current CalFresh application is 18 pages long and contains questions that can be irrelevant to elderly or disabled households with no earned income. Advocates assert that the 18-page application can be intimidating to this population and cite it as a factor affecting the state's low participation rate.

This bill also requires CDSS to seek the waiver necessary to no longer require ESAP households to complete the annual interim report, which is often cited as a dominant reason for "churn" in the CalFresh program. Churn occurs when otherwise eligible recipients are removed from the program because they did not complete the necessary paperwork and subsequently reenter the program upon completion of the paperwork. Churn is undesirable because it causes gaps in benefits that can strain a household's food budget and creates extra workload for county employees. Massachusetts obtained such a waiver in 2018.

California's ESAP waiver expires on December 31, 2021 and any changes to ESAP will require the existing waiver to be amended.

Related/Prior Legislation:

AB 2413 (Ting, 2020) requires each county welfare department, no later than January 1, 2022, to utilize text message communications for certain applicants and beneficiaries of CalFresh; streamlines certain aspects of the SAR process by requiring the CDSS to work with stakeholders to develop and implement necessary system changes to prepopulate SAR forms; and, requires counties, no later than July 1, 2021, to implement certain interview scheduling techniques in

addition to providing written notice, among other changes. This bill is in the Assembly Appropriations Committee.

SB 285 (Wiener, 2019) would have required CDSS to set statewide goals for CalFresh participation and to collaborate with stakeholders to increase CalFresh enrollment, participation and retention rates. The bill also would have required an individual to have the option to apply, report and recertify for CalFresh in person, by mail, online or by telephone, and to complete the interview and the required client signature by telephone, by specified dates. This bill was held in the Assembly Appropriations Committee.

AB 1811 (Committee on Budget, Chapter 35, Statutes of 2018) granted CalFresh eligibility to recipients of Supplemental Security Income, State Supplementary Payment, or both as of June 1, 2019, among other things.

SB 1147 (DeSaulnier, 2014) proposed the establishment of statewide, CalFresh performance goals and customer service standards, including publicly available, county-by-county measures of progress in meeting these goals and standards. This bill was held in the Senate Appropriations Committee.

SB 1002 (DeLeon, 2014) would have required designated state agencies to seek waivers that would align a household's Medi-Cal redetermination date with the same household's CalFresh certification date. This bill was vetoed.

AB 191 (Bocanegra, Chapter 669, Statutes of 2013) streamlined CalFresh eligibility for Medi-Cal recipients and their families by making low-income households with a Medi-Cal recipient (with gross income up to 200 percent FPL) categorically eligible for CalFresh, thereby removing a CalFresh income barrier, and improving alignment between CalFresh and Medi-Cal.

AB 6 (Fuentes, Chapter 501, Statutes of 2011) modernized CalFresh by moving California to semi-annual reporting, eliminating finger imaging for CalFresh, and implementing a "Heat and Eat" program.

AB 69 (Beall, Chapter 502, Statutes of 2011) allowed counties to identify, through the Social Security Administration (SSA) benefits database, seniors who may be eligible for CalFresh benefits in order to enroll them in the program and improve their nutrition.

AB 433 (Beall, Chapter 625, Statutes of 2008) required CDSS to establish categorical eligibility for the Food Stamp Program, thereby removing the asset test for CalFresh eligibility and application. The bill also renamed and rebranded food stamps as CalFresh since "food stamps" no longer existed.

COMMENTS

The complicated nature of the CalFresh program requirements became starkly obvious when applications spiked by 30 percent and counties had to quickly modify business practices during the COVID-19 stay at home order. As the effects of the stay at home order were developing, a number of CalFresh program requirements were modified or simplified on a temporary basis.

The administration has signaled interest in exploring the feasibility of extending or making permanent the waivers and other program modifications, to the extent the state remains in compliance with federal requirements.

This bill was introduced pre-COVID-19 but it reflects post-COVID-19 thinking in that CalFresh program requirements should be streamlined, where appropriate.

POSITIONS

Support:

California Food Policy Advocates, AARP California, California Association of Food Banks, Feeding San Diego, San Francisco Marin Food-Banks (Co-Sponsors)
Alameda County Community Food Bank
Bay Area Community Services
California Academy of Nutrition and Dietetics
California Alliance for Retired Americans
California Association of Area Agencies on Aging
California Catholic Conference
California In-home Supportive Services Consumer Alliance
Coalition of California Welfare Rights Organizations
Community Action Partnership of San Bernardino County
Community Action Partnership of Orange County
Community Clinic Association of Los Angeles County
County Welfare Directors Association of California (CWDA)
Feeding San Diego
Food Bank of Contra Costa and Solano
Food for People, the Food Bank for Humboldt County
Human Good, Lifes Garden
Hunger Action Los Angeles INC
Huntington Senior Care Network
Imperial County Public Administrator/area Agency on Aging
Imperial Valley Food Bank
Jewish Family Service of Los Angeles
Justice in Aging
Latino Coalition for A Healthy California
Leadingage California
Long Beach Alliance for Food and Fitness
Los Angeles Community Action Network – (LACAN)
Los Angeles Regional Food Bank
Lutheran Office of Public Policy - California
Mazon: a Jewish Response to Hunger
Meals on Wheels of Alameda County
Multipurpose Senior Services Program Site Association (MSA)
National Association of Social Workers, California Chapter

Placer Food Bank
Redwood Empire Food Bank
Sacramento Food Bank & Family Services
San Diego Hunger Coalition
Second Harvest Food Bank of Orange County
Second Harvest of Silicon Valley
Seiu California
Senior Services Coalition of Alameda County
Spectrum Community Services
Spur
St. Anthony Foundation
St. Mary's Center
The Arc and United Cerebral Palsy California Collaboration
The Marin Food Policy Council
The Resource Connection Food Bank
The Women's Building
UDW/AFSCME Local 3930
Western Center on Law & Poverty, INC.

Oppose:

None received

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