

## MONTEREY COUNTY BOARD OF SUPERVISORS

**Date:** June 23, 2023

**Department:** Social Services

**TITLE:** Receive a report on the Food Bank for Monterey County long-term funding needs and authorize a contract to be negotiated in the amount of \$500,000.

### **RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. a. Consider receiving a report on the Food Bank of Monterey County long-term funding needs per Supervisor Phillip's Board Referral #2020.14; and
- b. Authorize the Department of Social Services to negotiate a contract with the Food Bank for Monterey County in an amount not to exceed \$500,000. This amount is inclusive of any disaster response funding discussed or agreed upon between the Food Bank for Monterey County and the Emergency Operations Center.

### **SUMMARY:**

On April 14, 2020, the Board of Supervisors approved the Department of Social Services establishing a management liaison with the Food Bank for Monterey County to assist the County in coordinating resource needs and planning to address increased hunger due to the COVID-19 Pandemic; and, to independently assess longer-term funding needs of the Food Bank to address hunger, with the understanding that the economic impact from the Pandemic will extend beyond shelter-in-place orders. On April 21, 2020, the Board approved the allocation of \$250,000 to fund the Food Bank (This was in addition to \$250,000 allocated on March 24, 2020). The Department of Social Services was asked to return to the Board with a projection of Food Bank needs across the next 6-12 months per Board Referral 2020.14.

### OPTIONS FOR CONSIDERATION

Below are options to consider for addressing additional support for the Food Bank for Monterey County:

- 1) Provide an additional \$3.4 million in Discretionary County General Funds for the Food Bank of Monterey County.  
Estimates from the Food Bank for Monterey County of longer-term needs are: \$3.4 million for the next 6 months, \$6.4 million for the next 12 months and \$9.2 million for the next 18 months. The Food Bank did not provide sufficient information that would allow the County's management liaison to independently assess this request.
- 2) Provide the Food Bank for Monterey County with an additional \$500,000 (inclusive of any agreement with the Emergency Operations Center for Federal Emergency Management Agency funding) as bridge funding with contractual obligations that the Food Bank for Monterey County:
  - a. Support the County in developing an independent assessment of needs
  - b. Provide information on all food distribution sites and schedules to the County Emergency Operations Center; and
  - c. Shall allow a management liaison of the County's choosing to have on-site access to program and financial records held by the Food Bank.

This additional \$500,000 financed through the Cannabis assignment fund would support the Food Bank in restoring its inventory, facilitate the establishment of meaningful coordination with the County's response to the COVID-19 Pandemic, and allow for an independent assessment of Food Bank needs as

the economic impact of the Pandemic unfolds in the coming months.

- 3) Provide no additional funding. Since the start of the shelter-in-place order, the County has already provided the Food Bank with an additional \$500,000 in resources for the purchase of food funded through cannabis assignment fund and \$721,541 funded through Community Development Block Grant funds for food supplies and the purchase of a truck to deliver food supplies.

## **DISCUSSION:**

### **INFORMATION FROM THE FOOD BANK OF MONTEREY COUNTY**

The Food Bank initially objected to giving the County's management liaison access to information to independently assess needs. The sum-total of information provided by the Food Bank to respond to your Board's referral of April 14<sup>th</sup> is included in **Attachment 2**, but was not adequate to conduct a thorough analysis responsive the Board's request

According to the Food Bank, they are serving 240,000 individuals each month since the shelter-in-place order was issued. As stated by the Food Bank, prior to March 2020 they were serving 13,000 families per month and are now serving 60,000 families. As a result, they have depleted 6 months of inventory in 7 weeks.

The Food Bank states that their financial needs are:

- For the next 6 months \$3.4 million
- For the next 12 months \$6.4 million
- For the next 18 months \$9.2 million

Increased demand results from increased unemployment and school closures leaving a gap in child nutrition from the Free and Reduced Meal Program. Additionally, costs to replace inventory have increased and supply chain issues have increased lead times for procurement of food with lead time currently running at between 8 and 12 weeks.

### **INDEPENDENT ANALYSIS BY MANAGEMENT LIAISON**

In considering longer term needs it is important to keep in mind the economic fall-out for many households is likely just beginning, and will not be fully felt until enhanced unemployment benefits expires at the end of the current month and the Pandemic Unemployment Assistance (PUI) expires at the end of December. Without extension of these benefits, the economic impact of the COVID-19 recession will much profoundly affect families and food security. During the Great Recession, which began in 2008, poverty levels peaked in 2012 – well after the start of the recession, where we are today. The analysis is included in **Attachment 1**.

## **FINANCING:**

The Department recommends amending the current contract and adding an additional amount of \$500,000 for the Food Bank of Monterey County for a term ending December 31, 2020 to support restoring The Food Bank's inventory due to its depleted state resulting from its early responses to the COVID-19 crisis.

If the Board gives direction to negotiate an agreement, the Department will bring the agreement back to the Board for approval and will request to increase appropriations and finance this emergency need through the

Cannabis Fund, BSA 001-3132. If other emergency funding does become available, the Cannabis Fund will be reimbursed.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

This Agreement correlates to the Health & Human Services Strategic Initiative adopted by the Board of Supervisors by working towards the goals of improving health and quality of life outcomes by providing supporting services to very low-income individuals and families.

Check the related Board of Supervisors Strategic Initiatives:

Economic Development

Administration

Health & Human Services

Infrastructure

Public Safety

Prepared by: Lori A. Medina, Director x4430

Approved by: Lori Medina, Director x4430



## INDEPENDENT ANALYSIS BY MANAGEMENT LIAISON

Prepared by: Elliott Robinson

**Unemployment:**

The Governor's May Revise projects that the unemployment rate in California will rise to 24.5 percent in the second quarter of 2020. After that, the May Revise assumes unemployment will gradually decline, reaching 10.6 percent in the fourth quarter of 2023. This projection assumes shelter in place orders will stay in place through most of the 2<sup>nd</sup> quarter of 2020. In the event that restrictions need to be extended, the May Revise assumes unemployment would peak at 31.2 percent in the first quarter of 2021.

Over the past five years Monterey County's unemployment rate averaged 2.1 percentage points greater than the State's. If that pattern holds during the COVID-19 recession, then the peak unemployment for Monterey County would rise to 26.6 percent; and, if restrictions are extended local unemployment would peak at 33.3 percent.

**Poverty:**

Poverty rates are strongly correlated with unemployment. With unemployment reaching 26.6 percent in the second quarter of 2020, the Monterey County poverty rate would be projected to reach 25.9%, nearly double the 2018 poverty rate of 13.4% (table 1).

MONTEREY COUNTY						
YEAR	Unemployment Rate	Peak Unemployment	Poverty Rate	<100% FPL	Est. < 130% FPL	Est. <230% FPL
2010	12.9%	17.6%	17.1%	17.1%	23.5%	48.5%
2011	12.8%	17.5%	17.4%	17.4%	27.0%	49.8%
2012	11.7%	16.3%	18.4%	18.4%	25.4%	48.8%
2013	10.4%	15.3%	17.9%	17.9%	26.4%	47.6%
2014	9.1%	13.4%	17.2%	17.2%	24.8%	50.9%
2015	8.2%	12.5%	15.3%	15.3%	23.0%	47.8%
2016	7.7%	11.8%	12.5%	12.5%	20.7%	42.9%
2017	7.3%	11.7%	11.4%	11.4%	19.8%	38.5%
2018	6.5%	10.2%	13.4%	13.4%	18.8%	37.3%
Projected with Peak Employment at 26.6%						
2020		26.6%		25.9%	33.4%	60.0%
2021		22.0%		22.3%	29.3%	53.6%
2022		17.3%		18.8%	25.1%	47.2%
2023		12.7%		15.3%	21.0%	40.7%
Projected with Peak Employment at 33.3%						
2020		33.3%		31.0%	39.3%	69.3%
2021		28.7%		27.4%	35.2%	62.9%
2022		24.0%		23.9%	31.1%	56.5%
2023		19.4%		20.4%	27.0%	50.0%

Table 1 – Unemployment and Poverty Rates Since 2010

It is estimated, that more than 54,000 additional Monterey County residents are losing enough income that they will fall into poverty in the current year (table 2).

Year - Peak Unemployment	Estimated <100% FPL	Estimated < 130 FPL	Estimated < 230% FPL	2020 Federal Poverty Level (FPL)
2018 - 13.4%	58,164	81,653	161,824	\$12,760 for individuals
2020 - 26.6%	112,282	144,822	260,574	\$17,240 for a family of 2
2021 - 22.0%	96,993	126,975	232,675	\$21,720 for a family of 3
2022 - 17.3%	81,703	109,129	204,776	\$26,200 for a family of 4
2023 - 12.7%	66,414	91,283	176,878	\$30,680 for a family of 5
<i>*Based on 2019 population of 434,061</i>				\$35,160 for a family of 6

Table 2 – Estimated Population Under <100% FPL, 130% of FPL and <230% of FPL.

**Unemployment and Public Assistance Resources**

- Unemployment Insurance Expansion

Both the Families First Act and the CARES Act expanded unemployment insurance benefits to workers no longer employed due to the COVID-19 Recession. Most notably, the CARES Act included a federally funded temporary emergency benefit increase of \$600 per week through July 31, 2020 and a federally funded Pandemic Unemployment Assistance (PUA) program to provide up to 39 weeks of UI benefits to individuals who do not qualify for traditional unemployment compensation, including business owners, the self-employed, independent contractors, individuals with limited work history, and other individuals not usually eligible for regular state UI benefits who are unemployed as a direct result of the COVID-19 pandemic. The PUA program runs through December 31, 2020. Increased and extended unemployment insurance ease the immediate impact of job losses.

- CalFresh Caseload and Supplements

CalFresh is available to households with incomes under 130% of poverty. Legal residency is required for household members who are aided. Residents without legal residency are not eligible for assistance. Additionally, still as of un-implemented policy changes related to public charge consideration in immigration proceedings have served as a deterrence for many qualified immigrants from applying.

Applications for CalFresh Assistance have more than doubled over prior levels since shelter-in-place orders were issued. Between, February and March the CalFresh program has grown 11 percent since February – climbing to 43,953 people served in April, over 39,746 served February. A period where caseloads typically experience seasonal decline. For context, the monthly CalFresh issuance in April was more than \$5.5 million

To address the immediate challenges many are experiencing with loss of income, the State of California applied for and received a waiver from the USDA to increase CalFresh Benefits to the maximum allowable with no deductions for income. There are no additional application requirements for CalFRESH recipients to receive this supplement. The March supplement was

issued on April 12th. The April supplement issued on May 10<sup>th</sup> reached 10,914 households with a total supplement of \$1,994,625. The May supplement issued on June 14<sup>th</sup> reached 11,792 households with a total supplement of \$2,220,325. The total additional support to needy household is expected to be approximately \$6M through June. This supplemental benefit will continue until such a time as the Secretary for Health and Human Services rescinds the public health emergency declaration.

- Pandemic-EBT

Families whose children are eligible for the Free and Reduced Lunch Program at their schools will get up to \$365 per eligible child on their P-EBT card to use on food and groceries. This amounts to the value of the school lunch program for each child for the period between March and June when the children would otherwise have been participating in the Free and Reduced Lunch Program. Families with children who receive CalFRESH, Medi-Cal or Foster Care benefits were not required to apply for the benefit. Families who are not receiving these benefits will have to complete an application by June 30th. According to the California Department of Education there are 56,299 children eligible for the Free and Reduced Lunch Program in Monterey County – this represents 72.7% of the total K-12 school enrollment. 1.8 million P-EBT cards were issued out for the Btate of Califironia.

- Great Plates

Provides up to 3 meals per day from local restaurants for eligible seniors who are 65 and older and adults 60-64 who are at high-risk, as defined by the CDC1 and who are unable to access meals while staying at home and are ineligible for other nutrition programs. Additionally, the program supports local restaurants who are struggling to remain open due to COVID-19 Pandemic. There are 125 eligible seniors currently receiving meals under the Monterey County Program.

### **Food Bank for Monterey County**

The income limit for the Emergency Food Assistance Program is approximately 230% of poverty. There is no residency requirements. Recipients of assistance are required to self-certify that their income falls within the income guidelines. There is no verification requirement. Distribution sites for the month of May from the Food Bank's website are attached.

There are two national expansions to the Emergency Food Assistance Program that were included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act

- Additional Funding for The Emergency Food Assistance Program

The Families First Corona Virus Response Act provides California with an additional \$48 million in funding for The Emergency Food Assistance Program (TEFAP) which is used to support local food banks throughout the State. It appears from publically available State documents that the Food Bank for Monterey County receives an allocation of roughly 1.5% of the Statewide, resulting in an estimate of \$670,000 for the Food Bank of Monterey County. It is anticipated this additional funding will be distributed sometime in June.

- **Corona Virus Food Assistance Program**

It is not possible at this time to estimate the local impact of the Corona Virus Food Assistance Program. State officials do not expect to these resources until July. From the Press Release on the program,

*“USDA will partner with regional and local distributors, whose workforce has been significantly impacted by the closure of many restaurants, hotels, and other food service entities, to purchase \$3 billion in fresh produce, dairy, and meat. We will begin with the procurement of an estimated \$100 million per month in fresh fruits and vegetables, \$100 million per month in a variety of dairy products, and \$100 million per month in meat products. The distributors and wholesalers will then provide a pre-approved box of fresh produce, dairy, and meat products to food banks, community and faith based organizations, and other non-profits serving Americans in need.”*

- **Emergency Food and Shelter Program**

The Emergency Food and Shelter Program (EFSP), administered locally by United Way of Monterey County, was appropriated supplemental funds under the Coronavirus Aid, Relief, and Economic Security (CARES) Act as well as its annual appropriation in FY 2020 in the amount of \$699,904. The Food Bank for Monterey County was one of 16 funded agencies and received a grant of \$70,821. Additional funding through the Emergency Food and Shelter Program is anticipated.

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**THE FOOD BANK OF MONTEREY COUNTY'S RESPONSE**

Date: May 18, 2020

From: Melissa Kendrick, Executive Director

Since Covid19 Shelter-in-Place Order, we are now serving 240,000 individuals each month. Even before this occurred, we were one of the hungriest counties in the nation as we were already serving 1 in 4 children and 1 in 5 residents in the county.

**Increase in need:**

- As a baseline, we were serving 13,000 families each month in our Emergency Food Assistance Program prior to March, we are now serving over 60,000 families and have had to completely reinvent our distribution model, as all of these sites must now comply with Covid 19 safety protocols, this entails converting them to drive-thru.
- We have created weekly sites in every city in the county. We have over 50 drive-thru sites, including several senior-only sites and school sites for students and families. Additionally, we are providing food deliveries to several senior-low income-housing residents throughout the county.
- Out of the 160 non-profits that we provide food, only 35 remain open, further increasing the need for our services, many have already expressed that they shall not be reopening.
- Over the course of the next 12 months due to historic unemployment, we anticipate an enormous need, as has been the case in every other recent economic downturn.
- Before Covid19, unemployment in Monterey County was 10% well above California's 2.5% unemployment rate.
- As both hospitality and Ag have been decimated the economic rebound in our county will most likely not begin until the 3<sup>rd</sup> or 4<sup>th</sup> quarter, consequently we anticipate need for our services to remain strong.

**Increase in Costs:**

**We depleted 6 months' worth of inventory in just 7 weeks.**

- Costs to replace this inventory:
  - 6 Months 3.4 million
  - 12 Months 6.4 million
  - 18 Months 9.2 million
- Examples of just a few price increases on our most basic staples since March include:
  - Pinto Beans up 64%
  - Peanut Butter up 67%,
  - Pasta Sauce up 82%



- Food sourcing has become increasingly difficult, the longer we wait to restock our inventory the more expensive and longer lead times impede our efforts. Currently lead times run between 8-12 weeks.

Eligibility Screening:

- Self-Certification: We turn no one away who is in need.
- Recipients are required to verify their income eligibility. Self-certification is based on Federal Poverty Guidelines posted at all sites.
- We serve low-income Monterey County residents at 150% of the Federal Poverty Level, which is determined at present by the Federal Government with one person earning \$29,140 annually or a 4-person household earning \$61,000.
- All are served on an equal basis in regard to race, ethnicity, gender, sexual orientation, age, physical ability, and/language.

