

Report on Food Bank Long Term Funding Needs

(Referral #2020.14)

June 23, 2020
Agenda Item No. 13

Information provided by the Food Bank for Monterey County

According to the Food Bank, they are serving 240,000 individuals each month since the shelter-in-place order was issued - prior to March 2020 they were serving 13,000 families per month and are now serving 60,000 families. Six (6) months of inventory were depleted 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. 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

The Food Bank provided summary information only to the County, shown in attachment 2 of the Board Report. As a result this analysis only reflects the following:

- **Unemployment - projections based on Statewide projections, and the historical unemployment data (including the Great Recession that began at the end of 2008)**
- **Poverty – projections based on the historical relationship between poverty and unemployment**
- **CARES Act and other economic stimulus that mitigate the effects of short-term unemployment, poverty and hunger**

This analysis was not able to assess the adequacy or inadequacy of the Food Bank's projections or strategies to address emerging hunger challenges.

Summary - Independent Analysis

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 July 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 more profoundly affect the food security of vulnerable individuals, and families.

During the Great Recession, which began in 2008, poverty levels peaked in 2012 – well after the start of the recession, where we are today with the unfolding COVID-19 Recession.

Poverty and Unemployment - Independent Analysis

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

Poverty and Unemployment (Cont.)- Independent Analysis

It is estimated, that more than 54,000 additional Monterey County residents are losing enough income that they would fall into poverty in the current year without the effect of expiring CARES Act stimulus efforts.

Year - Peak Unemployment	Estimated <100% FPL	Estimated < 130 FPL	Estimated < 230% FPL
2018 - 13.4%	58,164	81,653	161,824
2020 - 26.6%	112,282	144,822	260,574
2021 - 22.0%	96,993	126,975	232,675
2022 - 17.3%	81,703	109,129	204,776
2023 - 12.7%	66,414	91,283	176,878
Based on 2019 population of 434,061			
Table 2 – Estimated Population Under <100% FPL, 130% of FPL and <230% of FPL.			

2020 Federal Poverty Level (FPL)
\$12,760 for individuals
\$17,240 for a family of 2
\$21,720 for a family of 3
\$26,200 for a family of 4
\$30,680 for a family of 5
\$35,160 for a family of 6

CARES Act Unemployment Resources Mitigating Need - Independent Analysis

Unemployment Insurance Expansion

Increased and extended unemployment insurance ease the immediate impact of job losses.

- Temporary emergency unemployment benefit increase of \$600 per week. This temporary increase runs through July 31, 2020.
- Pandemic Unemployment Assistance (PUA) program provides 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.

CalFRESH & CARES Act Nutrition Resources Mitigating Need - Independent Analysis

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 un-implemented policy changes related to public charge consideration in immigration proceedings are a deterrent 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 grew 11 percent – climbing to 43,953 people served in April – a period where caseloads typically experience seasonal decline. The monthly CalFresh issuance in April was more than \$5.5 million

CalFRESH & CARES Act Nutrition Resources Mitigating Need - Independent Analysis

CalFresh Caseload and Supplements (continued)

- Waiver from the USDA increasing Benefits to the maximum allowable with no deductions for income. The April supplement reached 10,914 households with a total supplement of \$2M, reaching \$6m by June approximately. 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 received up to \$365 per eligible child. 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.

Great Plates

- Provides up to 3 meals per day for eligible seniors who are 65 and older and adults 60-64 who are at high-risk, and who are ineligible for other nutrition programs and who are unable to access meals. Currently 125 eligible seniors are participating.

CARES Act Resources for Food Banks - Independent Analysis

Additional Funding for The Emergency Food Assistance Program

- The CARES 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.

Corona Virus Food Assistance Program

- USDA is partnering with regional and local distributors to purchase \$3 billion in fresh produce, dairy, and meat. The distributors and wholesalers will then provide a pre-approved box of fresh produce, dairy, and meat products to food banks, and other providers.

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 CARES Act. The Food Bank for Monterey County was one of 16 funded agencies and received a grant of \$70,821. An additional EFSP funding request in the amount of \$911,407 for food assistance was submitted to the Federal Government by United Way and the Food Bank, approval and final awards are pending.

Options For Consideration

1. Provide an additional \$3.4 million in Discretionary County General Funds to the Food Bank.

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. These estimates could not be independently assessed.

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 support the County in developing an independent assessment of needs, provide the Emergency Operations Center with information on all food distribution sites and schedules, and allow a management liaison of the County's choosing to have on-site access to program and financial records necessary for projecting need.

This additional \$500,000 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 taxes and \$721,541 funded through Community Development Block Grant funds for food supplies and the purchase of a truck to deliver food supplies.