The Economic Costs of San Diego County's Ongoing Safety Net Failure

An analysis by the Center on Policy Initiatives and Partners for Progress San Diego

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EXECUTIVE SUMMARY

San Diego County's failure to enroll eligible residents in three major federal and state safety net programs – CalFresh, CalWORKs, and Medi-Cal – is costing the local economy nearly $1 billion a year. The County is failing its responsibility to get federal food assistance, cash assistance, and health care to local impoverished families. Besides depriving tens of thousands of families of adequate nutrition and services they need, the continuing low enrollment leaves federal and state money on the table year after year. These funds could greatly boost local businesses and the regional economy.

This report examines the current status of San Diego County's main safety net programs, explores the costs to families and the local economy of the County's failure to provide adequate services, and provides recommendations for improvements.

KEY FINDINGS

- Five years after San Diego County was exposed as having one of the worst records of food stamp enrollment in the United States, little has changed. **San Diego has barely edged up from dead last to 9th among the 10 largest California counties in enrollment of eligible residents into CalFresh**, the California version of the US Supplemental Nutrition Assistance Program (SNAP). And that makes it among the worst nationally, because California ranks 48th out of the 50 states and the District of Columbia.

- In 2014, San Diego County's low enrollment rate meant **only 49.5% of eligible residents received food stamps.** That is far below the latest national average of 75% enrollment.

- The County's failure to provide federally funded benefits through CalFresh and two other safety net programs, CalWORKs and Medi-Cal, has cost the local economy nearly **$1 billion per year.**

- The low enrollment rates in those three programs leave **$714 million in direct benefits** unclaimed every year that should go to struggling County residents. That federal and state money coming into the region could generate an annual total of $905 million in economic activity.
- The additional spending in local grocery stores and other businesses could create **6,450 local jobs**.
- The opportunity missed by leaving federal and state funding on the table also costs the County and other local governments an estimated **$4.73 million a year in sales tax revenue that could result from the infusion of hundreds of millions of additional** economic activity.

Estimated impacts of San Diego County's failure to enroll eligible residents in federal/state programs, 2014

Program	Direct benefits lost	Overall loss to local economy	Jobs that could have been created	Tax revenue lost
CalFresh	$394 million	$426 million	3,069	$2.84 million
CalWORKs	$155 million	$169 million	1,234	$1.14 million
Medi-Cal	$165 million	$310 million	2,147	$735,500
TOTAL	**$714 million**	**$905 million**	**6,450**	**$4.73 million**

Source: UC Berkeley Center for Labor Research and Education analysis using IMPLAN 3.0 2010 for San Diego County, adjusted into 2014 dollars

INTRODUCTION

One of the key functions of county government is to administer a reliable and accessible safety net of programs that alleviate economic hardship. Those programs provide access to food, health care and other basic necessities for individuals and families living in or near poverty. The Census Bureau's 2014 American Community Survey (ACS) data indicate that 604,190 San Diego County residents (14.7% of the population) live in families with incomes at or below the federal poverty level (FPL). Families near or below the poverty level are income-qualified for one or more of these federal and state-funded programs: CalFresh ("food stamps"), CalWORKs ("welfare to work"), and Medi-Cal (public health insurance).

In 2010, a study conducted by the Rose Institute of Claremont McKenna College identified San Diego County as one of the worst counties nationally as well as statewide in terms of enrollment of eligible residents into those key safety net programs.[1] A few months later, a study by the Food Research and Action Center (FRAC) found that San Diego County had the lowest participation in its food stamp program among 22 of the largest urban areas in the United States. While national enrollment levels were at 72%, San Diego County enrolled only 40%[2] of eligible individuals into CalFresh.

Around the same time, a CPI study of county finances revealed that the San Diego County Board of Supervisors had accumulated a $2.2 billion reserve, while restricting safety net services, despite a growing need for the services during the recession. The 2011 report showed that San Diego County took in much less revenue than other large counties in the state yet held onto a much larger surplus relative to its budget. Researchers noted that the huge surplus represented "a lost opportunity to benefit the local economy and the lives of county residents."[3]

The County responded to the FRAC and Rose Institute reports by making improvements in staffing and outreach. As a result, average processing times decreased and the share of eligible county residents receiving CalFresh benefits has increased. However, the improvements to date, while measurable, have been small. San Diego continues to rank poorly in terms of enrollment in CalFresh, CalWORKs, and Medi-Cal.

The County's failure to enroll eligible families in safety net services has not only harmed hundreds of thousands of vulnerable residents, but also has hurt the San Diego economy. The state and federal governments reimburse the County almost all the cost of safety net benefits. The county's relatively small cost to pay its share of program administration leverages millions in federal and state funds for the region. Because state and federal benefits such as CalFresh are allocated on a per beneficiary basis, the County could nearly double that revenue with better enrollment in the programs. As we discuss in more detail below, bringing additional federal and state dollars to San Diego County would significantly strengthen the local economy.

UNDER-ENROLLMENT

CALFRESH: San Diego ranks 9th out of the 10 largest California counties in food stamps participation

CalFresh is the California version of the federal Supplemental Nutrition Assistance Program (SNAP), also known as food stamps. CalFresh provides cash-equivalent food assistance to US citizens and legal permanent residents who cannot afford to buy enough to eat. Until 2014,[4] the eligibility requirements

[1] http://voiceofsandiego.org/wp-content/uploads/app/pdf/girardfoundation_finalreport_022010.pdf
[2] http://frac.org/wp-content/uploads/2011/01/urbansnapreport_jan2011.pdf
[3] Center on Policy Initiatives, April 2011, *San Diego County Revenue and Reserves: a Comparative Analysis of California's Largest Counties*, http://www.cpisandiego.org/san_diego_county_revenues_and_reserves
[4] Due to the passage of AB 191, which became effective January 1, 2014, and passage of SB 855, effective July 1, 2014, eligibility has expanded to include families with gross income up to 200% of the federal poverty level. Although efforts to

included households with gross incomes below 130% of the federal poverty level, as long as they did not receive Supplemental Security Income (SSI) [5] or certain other food assistance.

The federal government funds over 99% of the cost of CalFresh benefits, with the state paying the remaining share. While counties administer the benefits, they do not provide any of the funds that go to recipients. Even the costs to administer the benefit program are paid primarily by the federal and state governments. The only County expense for CalFresh is 15% of the administrative costs.[6]

Besides providing adequate nutrition for children, adults, and senior citizens, CalFresh benefits support the local economy by bringing in federal dollars to purchase food. When recipients spend food stamps at local stores, those businesses have more income and can generate more jobs, creating a multiplier effect as their employees spend money at many other local businesses. Analysis by the US Department of Agriculture, which funds the program, has shown that every dollar in SNAP expenditures generates $1.79 in economic activity nationally.[7] The multiplier effect is lower for local economies because many items purchased are not manufactured locally; in San Diego County, CalFresh benefits generate local sales and services creating a multiplier estimated at $1.08 in total economic activity per benefit dollar.

Federal food stamp dollars also generate tax revenue for states and local governments because recipients can spend more of their income on taxable items rather than food, the California Legislative Analyst's Office has found. People living at very low income levels often forgo many basic expenses and quickly make those purchases when their income increases, for instance with the addition of supplemental food benefits.[8]

San Diego County history of under-enrollment

Given the substantial economic as well as humanitarian benefits of fully enrolling eligible CalFresh recipients, San Diego County has a remarkable history of under-enrollment in the program.

In a 2005 national report, The Brookings Institution found that only one-third (33%) of eligible food stamp recipients in the San Diego County were signed up to receive food stamps. That placed San Diego in the bottom eighth nationally for food stamp participation. Among 97 metropolitan areas studied, only 10 had lower rates of enrolling eligible residents.[9]

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fully implement the changes in procedures for determining eligibility were in flux during calendar year 2014, this expansion of the pool of eligible residents means that our 2014 estimate of the enrollment rate is probably higher than the true rate. Some of the growth in the number of residents receiving CalFresh benefits is almost certainly due to the expanded eligibility, rather than an increase in the share of eligible residents enrolled.

[5] In California, SSI benefits include a cash supplement for food and so individuals receiving SSI benefits are not eligible for CalFresh benefits https://secure.ssa.gov/poms.nsf/lnx/0501801030/.

[6] http://www.lao.ca.gov/handouts/socservices/2014/CalFresh-Overview-031114.pdf

[7] Hanson, Kenneth. United States Department of Agriculture Economic Research Service, Economic Research Report Number 103, The Food Assistance National Input-Output Multiplier (FANIOM) Model and Stimulus Effects of SNAP, October 2010. Available at: http://www.ers.usda.gov/publications/err-economic-research-report/err103.aspx

[8] http://www.lao.ca.gov/analysis_2004/health_ss/hss_20_foodstamps_anl04.htm

[9] http://www.brookings.edu/~/media/research/files/reports/2005/5/childrenfamilies-fellowes/20050517_foodstamp.pdf

San Diego County had the worst enrollment level among 22 large urban counties in another national study, in 2011, by the Food Research and Action Center (FRAC). The report found that San Diego County had the lowest level of participation in food stamps, enrolling only 40% of eligible individuals, while the national enrollment level averaged 72%. Detroit, Louisville, and Washington DC all had between 96% and 98% of eligible residents enrolled.[10]

Also, in 2010, a study conducted by the Rose Institute of Claremont McKenna College identified San Diego County as one of the worst counties nationally and statewide in terms of enrollment of eligible residents into several major safety net programs, including CalFresh, Medi-Cal, and CalWORKs.[11]

Latest data on CalFresh enrollment in San Diego County

Under considerable pressure to improve its rock-bottom rankings, San Diego County has taken steps to increase local enrollment in CalFresh. However, progress has been limited and claims by County officials that the problems have been resolved appear to be premature. Data released this year by California Food Policy Advocates (CFPA) show San Diego's estimated enrollment rank has moved only from 48th to 44th among all 58 counties in California over the past four years.[12]

San Diego County previously had the worst enrollment rate among California's 10 largest counties. As of the latest available data, for 2013, it barely edged above Santa Clara County – by just one-tenth of 1 percentage point – to rank 9th out of 10 with 47.6% of eligible residents receiving food stamps.

CFPA estimated that San Diego County enrolled 47.6% of eligible residents in CalFresh in 2013. We combined their 2013 Program Access Index figure with 2014 caseload data and American Community Survey (ACS) data, to estimate that 49.5% of eligible people were receiving food stamps in San Diego County in 2014. This is an improvement from the under-enrollment estimates of about 40% of eligible recipients enrolled in CalFresh in 2008 and 2010, as found in the FRAC and CFPA reports. Yet, San Diego County continues to rank significantly below the statewide average for enrollment.

Not only is San Diego among the lowest of California counties, but California is among the worst performing states nationally in food stamp enrollment. In the most recent ranking by the USDA, California placed 48th out of the 50 states and DC.[13] Only North Dakota, Utah, and Wyoming have lower rates of enrolling people eligible for food stamps.

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10 Food Research and Action Center, SNAP Access in Urban America: A City-by-City Snapshot, January 2011. Available at: http://frac.org/new-frac-report-measures-snapfood-stamp-participation-in-22-large-us-cities

11 http://voiceofsandiego.org/wp-content/uploads/app/pdf/girardfoundation_finalreport_022010.pdf

12 http://cfpa.net/CalFresh/CFPAPublications/PAI-FullReport-2015.pdf

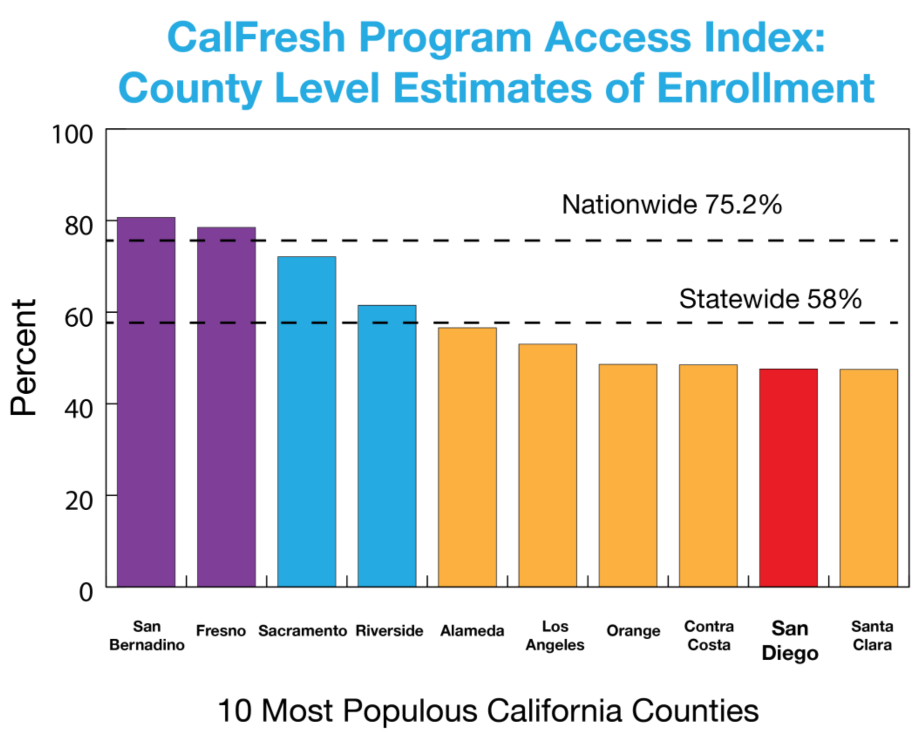
13 http://www.fns.usda.gov/calculating-supplemental-nutrition-assistance-program-snap-program-access-index-step-step-guide-2013

Table 1: Food stamp enrollment among California's 10 largest counties

Ranking (2013)	Geography	2013 CFPA Program Access Index (PAI)	2013 PAI California County Rank	2010 PAI California County Rank*	At or below 125% FPL (2014 ACS)	2014 Average Monthly CalFresh Caseload (Persons)
	Statewide	**58.0%**	**--**	**--**	**8,198,675**	**4,428,871**
1	**San Bernardino**	80.7%	3	5	533,174	391,794
2	**Fresno**	78.5%	5	3	329,037	226,953
3	**Sacramento**	72.1%	9	7	346,040	217,509
4	**Riverside**	61.5%	25	26	507,950	290,272
5	**Alameda**	56.6%	32	36	255,769	125,982
6	**Los Angeles**	53.0%	34	42	2,455,735	1,185,610
7	**Orange**	48.6%	41	46	535,932	258,603
8	**Contra Costa**	48.5%	42	38	150,618	73,884
9	**San Diego**	**47.6%**	**44**	**48**	**604,190**	**283,887**
10	**Santa Clara**	47.5%	45	40	216,287	113,254

Sources: California Department of Social Services, DFA 256– Food Stamp Program Participation and Benefit Issuance Report; 2014 1-Year American Community Survey (Table S1701); California Food Policy Advocates, "Program Access Index" 2015 & 2012

* 2010 PAI Rank is from California Food Policy Advocates "Program Access Index 2012", from "Table 4, SSI-Adjusted PAI," which is most comparable to the methodology reported in the 2015 report for the 2013 data.



CalWORKs: San Diego ranks 9th out of the 10 most populous California counties in enrollment

CalWORKs provides immediate, short-term cash assistance to help needy families with minor children pay for necessary expenses, such as, housing, utilities, food, and medical care. The program also provides welfare-to-work training, employment services, childcare, and other social services for some families. To be eligible for CalWORKs, families must have minor children, personal property valued under $2,000, and earnings less than the program limits, with no one in the household working more than 100 hours per month at the time of application. Eligibility for adults is limited to five years.

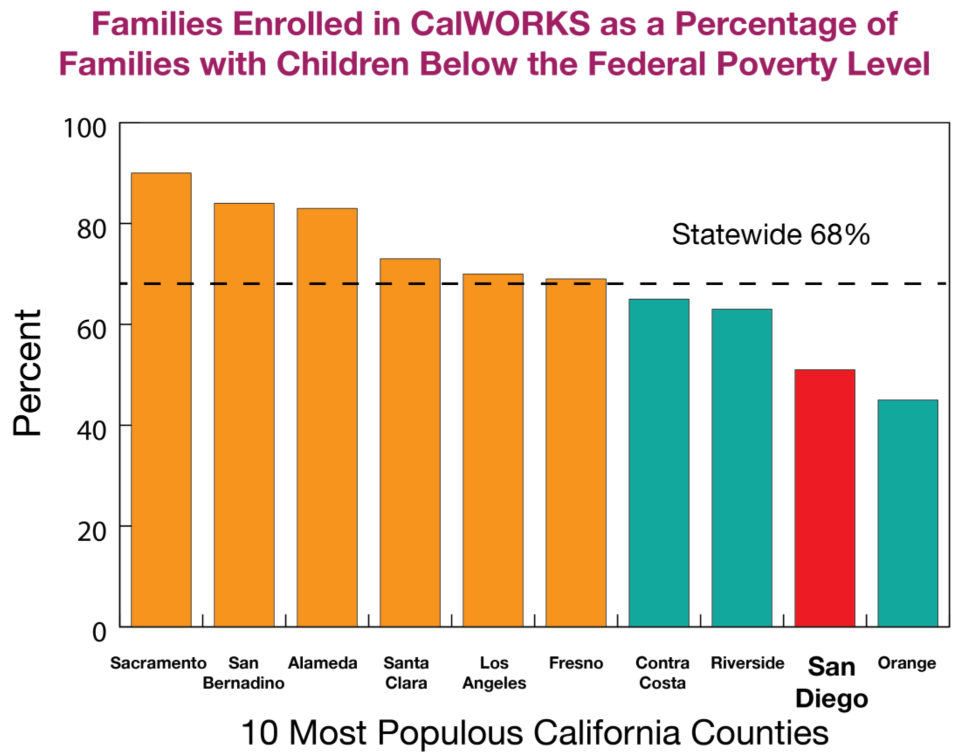
San Diego County continues to lag behind other counties in terms of providing this temporary cash support to unemployed and underemployed families with children. Comparing current population estimates of families with children who are below the federal poverty level to the number of open CalWORKs cases, San Diego County fails to provide this federal benefit to nearly half of poor families with dependent children. According to state caseload data for 2014, presented in Table 2, only 51% of families with children living in poverty are enrolled in the CalWORKs program.

This places San Diego County 9th out of the 10 most populous counties in California and far below Sacramento County's 90% enrollment estimate. In addition, San Diego has the third highest denial rate for CalWORKs applicants. San Bernardino provides an interesting comparison because it has both a high enrollment rate (84%) and a high rate of rejecting CalWORKs applicants, indicating that San Bernardino County casts a wide net, encouraging potentially eligible families to apply. Processing and rejecting applications from many individuals who are ineligible decreases the likelihood that eligible individuals are excluded. By contrast, the low enrollment combined with high rejection of cases in San Diego and Riverside counties may indicate insufficient outreach and/or overly restrictive application of the eligibility criteria.

Table 2: Monthly Average CalWORKs Cases in 10 largest California counties

Ranking	Geography	Number of Families Below Poverty with Children	Average Monthly CalWORKs Cases	Percent of Families Below Poverty with Children Receiving CalWORKs	Percent of CalWORKs Applications Denied
	Statewide	819,216	555,605	68%	43%
1	Sacramento	35,817	32,273	90%	43%
2	San Bernardino	61,475	51,630	84%	51%
3	Alameda	21,676	17,998	83%	40%
4	Santa Clara	15,968	11,578	73%	35%
5	Los Angeles	245,302	172,892	70%	35%
6	Fresno	39,809	27,664	69%	29%
7	Contra Costa	15,723	10,215	65%	45%
8	Riverside	52,342	33,200	63%	55%
9	**San Diego**	**58,908**	**29,757**	**51%**	**47%**
10	Orange	48,989	22,167	45%	36%

Sources: 2014 1 Year American Community Survey (Table S1702),
CalWORKs Cash Grant Caseload Movement Report (CA 237 CW)



MEDI-CAL

Medi-Cal is the California version of the national Medicaid program, the free or low-cost health insurance plan for children and adults with limited income and resources. The program covers low-income adults, families with children, seniors, the blind, persons with disabilities, children in foster care as well as former foster youth up to age 26, and pregnant women. The income-based eligibility threshold changed under the Affordable Care Act; currently adults with household incomes at or below 138% of the federal poverty level are eligible as are children in families with household incomes at or below 266% of the federal poverty level. For the first time, non-disabled childless adults are eligible for Medi-Cal.

In 2010, just as President Obama was signing the Affordable Care Act into law, the Rose Institute of Claremont McKenna College released a study concluding that San Diego's Medi-Cal enrollment rate for families was the lowest among the 12 largest counties in California.[14] While San Diego County had enrolled an estimated 46.9% of those eligible, San Francisco had full enrollment and other counties ranged up to 73.6%.

[14] Rose Institute of State and Local Government, Comparing San Diego County Services: A Twelve-County Analysis, Feb. 1, 2010, pp. 48-50. http://voiceofsandiego.org/wp-content/uploads/app/pdf/girardfoundation_finalreport_022010.pdf

The passage of the Affordable Care Act (ACA) created the biggest change in health care policy in generations. The new law has aimed to expand coverage, lower health care costs and enhance the quality of care for all Americans.[15] California is one of 14 states that have opted to set up a state-based marketplace[16] to maximize participation among residents. The California exchange, called Covered California, began providing health coverage in 2014 for families with incomes above the eligibility threshold of Medi-Cal, and also succeeded in boosting participation in Medi-Cal. Overall, the program has been successful, enrolling more than 1 million Californians and surpassing its enrollment goal.[17]

Given the recent changes to health care provision as a result of the ACA and Medi-Cal expansion, we lack adequate data to estimate county-level ratios of enrollment to eligibility for California counties.[18] However, based on research by the UC Berkeley Center for Labor Research and Education and the UCLA Center for Health Policy Research, an estimated 63,000 San Diego County residents who were eligible for Medi-Cal were projected to remain uninsured in 2014.[19] As of May 2014, the average monthly Medi-Cal capitation rate in San Diego County was $634 for newly eligible adults and $134 for previously eligible but newly enrolled parents and children.[20] Subtracting 10% for administrative costs that would mean an additional $165 million would flow to local health care providers if everyone else who is uninsured and eligible for Medi-Cal was enrolled.

[15] http://medicaid.gov/affordablecareact/affordable-care-act.html
[16] http://kff.org/health-reform/state-indicator/state-health-insurance-marketplace-types/
[17] http://www.health-access.org/health-care-reform/covered-california.html
[18] We rely on projections of Medi-Cal eligibility and enrollment in this section because reliable local level post-ACA enrollment data is not currently available due to renewal delays in some counties. See for example: http://www.californiahealthline.org/capitol-desk/2015/3/possible-explanation-for-slow-medical-data; http://www.californiahealthline.org/capitol-desk/2015/3/one-million-medical-renewals-up-every-month-termination-data-not-available
[19] UC Berkeley/ UCLA CalSIM 1.8 Regional Databook, http://healthpolicy.ucla.edu/programs/health-economics/projects/CalSIM/Documents/CalSIM_Regional.pdf
[20] UC Berkeley Center for Labor Research and Education analysis of Medi-Cal Managed Care Capitation Rates in San Diego County, May 2014, http://www.dhcs.ca.gov/dataandstats/reports/Pages/MMCDMonthlyCapRpt.aspx

THE ECONOMIC COST

San Diego County's failure to provide an adequate safety net costs the San Diego region an estimated 6,584 jobs and $924 million annually.

CalFresh:

Failure to enroll all residents eligible for CalFresh benefits is costing the County an estimated $426 million in economic stimulus annually, which would create an additional 3,069 jobs and generate $2.8 million a year in local tax revenues.[21] Currently, approximately 290,000 San Diegans are not receiving the CalFresh benefits to which they are entitled. If San Diego County were to enroll them in the program, an estimated $394 million in federal funds would flow into their pockets in the form of food stamps, and from there would flow into the local economy. The USDA calculates that each $1 in food stamp benefits generates $1.79 in economic activity within the U.S.,[22] of which approximately $1.08 would be generated locally while the rest goes to services and product manufacturers located elsewhere in the country.[23] That means the additional $394 million in direct benefits would increase by 8% as it is spent by recipients on local products and services, stimulating $426 million annually in local economic activity.

CalWORKs:

The County's poor performance in enrolling eligible families in CalWORKs costs the region an estimated $155 million in economic stimulus, 1,234 additional jobs, and $1.14 million annually in local sales tax revenue.[24] San Diego County is home to 7.2% of California families with children living at or below the federal poverty level. Nevertheless, due to the County's low enrollment of families into CalWORKs, the County's funds for CalWORKs are only 5.8% of the statewide spending on the program, the overwhelming majority of which comes to counties from federal and state sources. If the County were to receive 7.2% of the allocation in line with the percentage of families with children in poverty, the County would receive an additional $155 million each year in CalWORKs funds to benefit struggling San Diego families. People living in poverty tend to spend every new dollar they get on immediate needs, rather than saving.[25] Therefore, the unclaimed CalWORKs benefits that are due to San Diego County residents would reverberate through the local economy if enrollment was improved.

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[21] UC Berkeley Center for Labor Research and Education analysis using IMPLAN 3.0 2010 for San Diego County, results are in 2014 dollars

[22] http://www.fns.usda.gov/sites/default/files/bc_facts.pdf

[23] Information based on IMPLAN modeling multiplier for San Diego County.

[24] UC Berkeley Center for Labor Research and Education analysis using IMPLAN 3.0 2010 for San Diego County, results are in 2014 dollars

[25] The Bureau of Labor Statistics 2011 Consumer Expenditure Survey found that households with less than $40,000 in income had annual expenditures which exceeded their annual income. http://www.bls.gov/cex/2011/Standard/income.pdf

Medi-Cal:

The failure to enroll all individuals eligible for Medi-Cal benefits is costing the County an estimated $310 million in economic stimulus, 2,147 jobs, and $735,500 annually in local tax revenues:[26] Based on projected enrollment and eligibility numbers for the County, UC Berkeley and UCLA researchers projected that approximately 63,000 San Diego County residents who were eligible for the original and expanded Medi-Cal programs would remain uninsured in 2014.[27] If these individuals were enrolled in Medi-Cal, an additional $165 million in additional state and federal funds would flow to the local health care industry annually.[28] Because health care services are primarily local, these funds in turn would nearly double to generate an additional $310 million in local economic activity annually, adding jobs in the health care industry and other sectors such as restaurants and retail, and providing the basis for the County, local cities, and other agencies to collect additional sales tax revenue.

Estimated impacts of San Diego County's failure to enroll eligible residents in federal/state programs, 2014

Program	Direct benefits lost	Overall loss to local economy	Jobs that could have been created	Tax revenue lost
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TOTAL	**$714 million**	**$905 million**	**6,450**	**$4.73 million**

Source: UC Berkeley Center for Labor Research and Education analysis using IMPLAN 3.0 2010 for San Diego County, adjusted into 2014 dollars

[26] UC Berkeley Center for Labor Research and Education Center analysis using IMPLAN 3.0 2010 for San Diego County, results are in 2014 dollars

[27] UC Berkeley/ UCLA CalSIM 1.8 Regional Databook, http://healthpolicy.ucla.edu/programs/health-economics/projects/CalSIM/Documents/CalSIM_Regional.pdf

[28] This assumes that 90% of managed care capitation rates flow to the local health care industry from the managed care plans, after accounting for the plans' administrative costs. UC Berkeley analysis of Medi-Cal Managed Care Capitation Rates in San Diego County, May 2014, http://www.dhcs.ca.gov/dataandstats/reports/Pages/MMCDMonthlyCapRpt.aspx. The $165 million reflects the estimated net effect on the health care system assuming that the county could lose some Health Realignment funds under Assembly Bill 85 if these additional residents enrolled in Medi-Cal.

RECOMMENDATIONS

For years, the County of San Diego has increased its cash reserves to boost its credit rating and to set aside funds for a “rainy day.” Even when the rainy day became a deluge with the Great Recession, the County did not use those funds to meet the challenge of providing residents with the much-needed safety net to weather the storm. In fact, since 2008, the County has increased its general fund reserves by 46% to $1.7 billion, contributing to total reserves on hand of $2.6 billion at the end of fiscal year 2014.[29] Interestingly, use of County reserves to boost enrollment would likely have been a short-term and profitable investment, since the programs discussed in this report are largely financed by state and federal reimbursement of both programmatic and administrative costs.

Without a doubt, the choice not to use these reserves to aggressively respond to the economic recession contributed to and prolonged the suffering of some of San Diego’s most vulnerable residents. That choice has also hurt the San Diego economy overall, which means it impacted business owners and unemployed and underemployed residents who were adversely impacted by the slow recovery from the recession.

According to the estimates detailed in this report, if the County was fully enrolling all eligible applicants for CalFresh, CalWORKs, and Medi-Cal, there would be approximately 6,450 more jobs available in the County. The infusion of state and federal funds would generate $905 million in additional economic activity and $4.73 million more in sales tax revenues annually.

The County government must change its priorities and invest in San Diego by increasing enrollment in federal programs. The goal should be to make San Diego County the new gold standard for safety net coverage and services. Toward this end, the County needs to engage the community in drafting a strategic plan with the goal of reaching full enrollment across all three programs in 5 years. This strategic plan should consider but not limit itself to the following:

- **Achieving Full Enrollment**: The County should commit to meeting full enrollment of all those eligible for safety net programs by 2020. To achieve this goal, enrollment should increase from current levels by 10 percentage points annually.
- **Increasing Outreach:** The County needs to increase its outreach efforts throughout the County to locate and inform eligible residents. One focus should be identifying and increasing outreach to disproportionately underserved groups and neighborhoods. This may include communities with large numbers of recent immigrants and/or with high proportions of people with limited English proficiency. San Diego should also prioritize reaching out to undocumented families who are newly eligible for Medi-Cal coverage due to passage of legislation in June 2015.[30]
- **Expanding the Community Partner Network:** The County should build on its existing network of community organizations by partnering with additional community groups representing

[29] San Diego County Comprehensive Annual Financial Report for years ending June 30, 2008-2014.
[30] http://newamericamedia.org/2015/06/expanding-health-coverage-makes-fiscal-sense.php

underrepresented geographic areas and/or ethnic or linguistic groups. The County should provide funding for such organizations to improve outreach to under-enrolled groups and areas.

- **Supporting State Reform:** The County should proactively support legislative reform that would streamline the enrollment process and improve horizontal integration of the application process (integrating applications for multiple programs).
- **Providing Employee Training:** The County must provide training to all staff to allow them to adequately address policy and demographic changes that make eligibility determination more complex, particularly regarding immigrant communities and residents previously impacted by the criminal justice system.
- **Allocating More Resources:** The County needs to invest the resources required to ensure adequate staffing levels as well as an appropriate mix of a linguistically and culturally diverse staff and community partners to meet the demands of increased outreach and caseloads.

METHODOLOGY

Whenever possible, we have used publicly available data from standardized state and federal sources. CalFresh and CalWORKs enrollment data were obtained from the California Department of Social Services' Research and Data Reports. Individual and family poverty level data are derived from the U.S. Census Bureau's American Community Survey (ACS).

For CalFresh, the USDA calculates a "Program Access Index" (PAI) at the state level. The USDA PAI is an estimate of the program participation rate that relies on data from the ACS to estimate the population eligible for SNAP (the national program that includes CalFresh).[31] The formula for the USDA PAI for California[32] is:

$$\frac{[(\text{Sum of monthly SNAP caseload}) + (\text{Sum of monthly disaster SNAP caseload})]/12}{(\text{Population below 125\% of federal poverty level}) - (\text{SSI beneficiaries below 125\% FPL}) - (\text{FDPIR participants})^{33}}$$

In other words, the USDA PAI is the average monthly SNAP caseload for a given year, divided by an estimate of the eligible population calculated as the total population below 125% of poverty minus individuals who fall below 125% of poverty but are ineligible because they receive SSI or Food Distribution Program on Indian Reservations (FDPIR) benefits. While actual federal SNAP eligibility requirements allow income up to 130% of poverty, USDA uses 125% of poverty in its PAI measure because this data is publicly available on an annual basis from the Census Bureau.[34]

California Food Policy Advocates (CFPA) has adapted this methodology to generate PAI estimates at the county level in California.[35] In Table 1, we report the CFPA PAI based on 2013 data and also based on 2010 data (released respectively in 2015 and 2012). CFPA has not yet released estimates of county level 2014 PAI, because the ACS Public Use Microdata they use to estimate the number of people with income below 125% of poverty receiving SSI benefits is not available as of this writing. However, we produced an estimate of San Diego County's 2014 PAI as follows. We estimate for 2013 a factor, s, equal to:

$$\frac{(\text{Population below 125\% of federal poverty level}) - (\text{SSI beneficiaries below 125\% FPL}) - (\text{FDPIR participants})}{(\text{Population below 125\% of federal poverty level})}$$

In other words, s is the share of the population below 125% of poverty that is NOT ineligible due to receipt of SSI or FDPIR. We calculated the s implied by CFPA's estimates based on the 5-year 2013 ACS

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[31] http://www.fns.usda.gov/calculating-supplemental-nutrition-assistance-program-snap-program-access-index-step-step-guide-2013
[32] California is currently the only state in which persons receiving SSI benefits are ineligible for SNAP benefits.
[33] FDPIR is Food Distribution Program on Indian Reservations, another federally funded nutrition program.
[34] http://www.fns.usda.gov/calculating-supplemental-nutrition-assistance-program-snap-program-access-index-step-step-guide-2013
[35] http://cfpa.net/CalFresh/CFPAPublications/PAI-FullReport-2015.pdf

data to be 0.94942. We then assumed that same *s* applied in 2014. The 2014 PAI estimate for San Diego County presented here is:

$$\frac{\text{(Sum of monthly CalFresh caseload from CA DSS form DFA 256)/12}}{\text{(Population below 125\% of federal poverty level from 2014 1 year ACS) x 0.94942}}$$

We also note that during calendar year 2014, the combined effects of Assembly Bill 191 and Senate Bill 855 raised the eligibility threshold for CalFresh from 130% of poverty to 200% of poverty. Because the true pool of eligible persons in the denominator of a participation rate increased but our 2014 PAI estimate does not account for this larger pool of eligible persons, the PAI estimate overstates the enrollment rate, and some unknown share of the increase in PAI compared to 2013 is due to a larger eligible population rather than improved performance at enrolling eligible people. In other words, because of changes in eligibility requirements, our 2014 estimate almost certainly overstates the County's improvement in enrolling eligible persons.

Regarding CalWORKs, we provide two distinct estimates. First, for San Diego County and the other nine most populous counties in California, we calculate the CalWORKs caseload as a percentage of families with children below poverty. While the eligibility requirements for CalWORKs are complex, the main requirements are the presence of children in the household, and earnings that must be below federal poverty level. Depending on family size, region, and whether a family is newly applying or maintaining their eligibility, the thresholds for eligibility may be lower than the federal poverty level. For example, for a family of four in the lower-cost counties of California, earnings must be below 69% of poverty to initially apply and below 92% to maintain eligibility.[36]

However, the number of families with children below 100% of federal poverty level is available for all counties from the Census Bureau's American Community Survey (ACS), and we use this as a consistent estimate across counties of the number of families likely to be income eligible for CalWORKs. In Table 2, for each of the 10 most populous California counties, we report the average number of families receiving CalWORKs benefits per month (calculated as the sum of cases for all months of 2014 divided by 12). We also report the 2014 one-year ACS estimate of the number of families below 100% of federal poverty. We then divide the average monthly CalWORKs family caseload by the number of families with children below poverty and report this percentage. The table is ranked by the CalWORKs enrolled caseload as a percentage of the number of families with children in poverty.

To estimate the economic costs of San Diego County's relatively low enrollment in CalWORKs, we calculated that 7.2% of all California families with children below poverty reside in San Diego County, based on 2014 one-year ACS data (Table S1702). We then calculated that total statewide spending on CalWORKs in 2014 was $11,211,773,169 ($11.2 billion), based on expenditure data reported by all California counties to the State Controller's Office.[37] San Diego County's actual share of statewide

[36] http://www.cdss.ca.gov/cdssweb/entres/pdf/CalWORKsAnnualSummary2015.pdf

[37] Listed in the State Controller's Office data (https://bythenumbers.sco.ca.gov/Raw-Data/Counties-Raw-Data-for-Fiscal-Years-2003-2014/esdm-5xr2) as "Public Assistance Welfare," combining "Administration" and "Aid Programs –Cash (Grants).

CalWORKs spending was 5.8% in 2014 ($650,979,202). We calculated what San Diego's spending would have been if it had represented 7.2% of the statewide total ($806,214,279), and then took the difference between this and the actual 2014 spending ($155,235,077). This is our estimate of the additional spending in San Diego County if the County received funding proportionate to its statewide share of families with children below poverty level. Note that unlike our CalFresh estimate, this is not an estimate of the additional funds associated with achieving full enrollment. If San Diego County achieved full enrollment of eligible families in CalWORKs, the additional funding – and thus the induced economic activity, jobs, and additional sales taxes – would be higher than the estimates we present in this report.

While Medi-Cal is presently changing rapidly due to the implementation of provisions of the Affordable Care Act, we worked with researchers at the UC Berkeley Center for Labor Research and Education to produce estimates based on the projections reported in the UC Berkeley/UCLA CalSIM version 1.8 Regional Data Book, 2014 and 2019.[38] Using the UCB/UCLA projections, we expect that 19,000 of the 59,000 initially uninsured persons who are newly eligible for Medi-Cal remain uninsured (while 40,000 are newly insured).[39] Additionally, we expect that 44,000 of the 67,000 persons previously eligible for Medi-Cal but uninsured remain uninsured (while 23,000 are newly insured).[40] We calculate the additional Medi-Cal spending associated with full enrollment by assuming that each of the 19,000 remaining newly eligible uninsured is enrolled and associated with a monthly $634.22 Medi-Cal managed care capitation rate with a 90% assumed medical loss ratio. Additionally, each of the 44,000 previously eligible but uninsured is assumed to enroll at a Medi-Cal managed care capitation rate of$134.14 per month and with a 90% assumed medical loss ratio. Medi-Cal managed care capitation rates were estimated by the UC Berkeley Center for Labor Research and Education based on data from the California Department of Health Care Services.[41]

Information on the economic impact of public benefit enrollment was provided by the University of California Berkeley's Labor Center using IMPLAN 3.0 2010 for San Diego County which extracts the non-local impact of federal and state dollar infusions to calculate the purely local multiplier effect of job creation, economic activity and tax revenues.

[38] http://healthpolicy.ucla.edu/programs/health-economics/projects/CalSIM/Documents/CalSIM_Regional.pdf . For more information regarding the CalSIM methodology, see www.healthpolicy.ucla.edu/calsim.
[39] See http://healthpolicy.ucla.edu/programs/health-economics/projects/CalSIM/Documents/CalSIM_Regional.pdf, pg. 53
[40] See http://healthpolicy.ucla.edu/programs/health-economics/projects/CalSIM/Documents/CalSIM_Regional.pdf, pg. 54
[41] http://www.dhcs.ca.gov/dataandstats/reports/Pages/MMCDMonthlyCapRpt.aspx