Chapter 3

NUTRITION

I. CONDITION INDICATORS

alifornia's hungry children are not highly visible. The brain is vulnerable to damage from undernutrition far short of gross physical symptoms, particularly for children under six years of age. A national study published in 1998 found that 13.4% of children and 29% of poor children lived in households experiencing food insecurity without hunger evident from physical appearance. Even where severe malnutrition produces apparent emaciation, the preschool children who are most vulnerable are not commonly seen by the "mandated reporters" relied upon to detect child abuse and neglect by California law (e.g., school nurses, teachers, school counselors). And parents of hungry children do not readily admit to their failure to provide basic nutrition. Hence, food-insecure households do not easily report the hunger of their children.

Far short of apparent severe malnutrition, the more common "undernutrition" can cause serious and permanent damage, particularly if chronic. The children who lack nutrition live long lives with a higher incidence of disability, and short of the potential their creative minds offer us. We refer to "hunger" and "undernutrition" interchangeably in this chapter to refer to such shortfalls in nutrition.

For pregnant women and young children, such undernutrition correlates statistically with low birthweight babies, retarded physical growth, higher infant mortality, brain underdevelopment, cognitive disability, language dysfunction, and other long-run costs (see below for a discussion of consequences). It also correlates with measurable cognitive and concentration shortfall, in turn reflected in school performance.²

A. Clinical Condition Indicators

In terms of the commonly-accepted clinical indicators, an increasing number of California children show evidence of poverty-related undernutrition. One example is the empirical measurement of iron deficiency anemia resulting from nutritional deficits.³ The federal "Healthy People 2000" goal for anemia, adopted by California, is prevalence under 3% by 2000. The state did not meet this goal. Of slightly more than one million screens in 1993 by California's Child Health and Disability Prevention (CHDP) program of children living below 200% of the federal poverty line, 15.4% fell below the 5th percentile, a clinical indicator of anemia.⁴ The highest rates, over 20% of those tested, were for infants and toddlers.⁵ The rates for those living below 150% of the poverty line or below the line itself, are inferentially much higher. The trend in California rent inflation above poverty line increase, and safety net cuts since the mid-1990s suggests serious anemia among the 2.6 million children below the poverty

line in 2002, (see recent 10 studies of California hunger incidence discussed below).

The federal Centers for Disease Control and Prevention believes that for each such case of iron deficiency anemia, there is a corresponding case of iron deficiency without anemia. Therefore, among the one million screened, nutritional deficits may affect 300,000 of these California children.⁶ This finding confirmed earlier CHDP 1991 screens, which found 18.1% of children examined to be anemic, and 7.1% of them undernourished to the point they were growth-stunted.⁷ Projecting the empirical rate of iron undernutrition across California's children at similar levels of impoverishment suggests that 800,000 children currently have serious iron deficiency—half of whom indicate anemia.⁸

B. Nutrition and Poverty Relationship and Indicators

Research into the relationship between child poverty and nutritional shortfall by the respected Tufts University School of Nutrition found that the clinical findings cited above understate California child undernutrition. Table 3-A and Figure 3-A display results from the national study by Tufts of U.S. children. It showed significant nutritional deficits for children at or below 130% of the poverty level. Compared to the non-poor, these children had significantly greater incidence of deficits for ten of the sixteen nutrients measured, including food energy and critical vitamins and minerals. The deficit in calories helps explain the observation that hungry children have less energy to interact socially, explore their environment actively, and attend to tasks at school. Other deficits, particularly the substantial lack of zinc, iron, and vitamin E, have developmental implications.

Increasing child undernutrition is associated with increases in both the prevalence and the depth of poverty. The original federal poverty level (FPL) assumed that adequate nutrition requires one-third of a family's income. However, food costs have risen faster than the general inflation rate used to annually adjust the federal poverty line, and other costs—especially housing costs in California—consume a far higher share of a poverty-level income than was formerly the case.

Nutrient	Poor*	Non-Poor	Rel. Risk**	Deficiency Effect
Food Energy (calorie intake)	15.8%	6.0%	2.6	attention, concentration; learning deficits, cognitive disorders
Folate	13.2%	6.3%	2.1	anemia, forgetfulness, immune response, depression, mental functions
Iron	40.8%	25.2%	1.6	anemia, fatigue, distractibility, cognitive development
Magnesium	11.7%	2.3%	5.1	weakness, growth failure; teeth, protein building
Thiamin	3.5%	0.0%		nervous and cardiovascular systems, energy production, cell reproduction
Vitamin A	11.1%	1.9%	5.8	vision, bones, teeth, reproduction; infectious, chronic diseases
Vitamin B6	16.9%	6.4%	2.6	weakness, ir ritability; red blood cells
Vitamin C	18.2%	6.2%	2.9	bone strength, wound healing, infection resistance
Vitamin E	33.2%	18.8%	1.8	muscle coordination, nervous system
Zinc	51.2%	34.8%	1.5	immune response, blood clotting, mental lethargy, growth, night blindness

Nutrients with non-significant differences: calcium, niacin, phosphorus, protein, riboflavin, vitamin B12 (for all, prevalence for poor>non-poor).

TABLE 3-A. Percent of Children Aged 1-5 With Nutrient Intakes Less Than 70% of RDA by Income Level and Nutrient

The condition indicator "hunger," indicating both malnutrition and undernutrition, is now being augmented with the concept of "food insecurity," where persons may be receiving adequate nutrition, but their supply of food is precarious. More persons will be "food insecure" than will be hungry, but food insecurity is considered by leading nutrition experts to be a precursor to hunger. More important, food insecurity identifies a population at risk where food shortages or income cuts from vulnerable populations are predicted. ¹³

^{*}Poor: below 130% of federal poverty threshold. ** Relative Risk: Ratio of Poor to Non-Poor Prevalences.

Source: J Cook & K Martin. "Differences in Nutrient Adequacy Among Poor and Non-Poor Children." Tufts Univ., 1995.

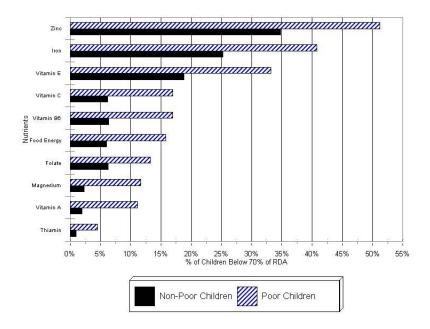


FIGURE 3-A. Percent of Children Aged 1-5 With Nutrient Intakes less Than 70% of RDA by Income Level and Nutrient

Consistent with this evolving terminology, the University of California at Berkeley School of Public Health's report to the Senate Office of Research concluded six years ago that California's recession, AFDC cuts to poor children, and the state's higher cost of living all combined to place those at or below the poverty line (2.5 million children in 1994) at extreme risk of hunger, while those up to 185% of the FPL (another 4 million children) suffered "food insecurity" or moderate risk of hunger.¹⁴

The number of children both under the poverty line and under 185% of the line has increased since 1994. The child poverty rate has remained above 21.5%, and is currently leveling at 22% to 25%. Hence, for seven years or more, about 1.8 million of California's 2.6 million children in families with incomes less than 100% of the federal poverty level have been at "extreme risk of hunger" over an extended period.

C. Early 1990 Indicators of Hunger Incidence¹⁶

The 1990 Community Child Hunger Identification Project (CCHIP) Central Valley survey¹⁷ found that 36% of families sampled faced severe hunger and regular problems getting enough food. The average household spent 44% of its income on shelter, with one-third of hungry households spending more than half of their income on shelter. Hungry children faced more health risks and experienced twice as many specific health problems as did families without hunger, and were also more likely to receive no or inadequate health care. ¹⁸ Families exhibiting substantial hunger averaged incomes at 72% of the poverty line. ¹⁹ Since that survey, the level of benefits provided by safety net programs, including AFDC/TANF and food stamps, has now declined to 73% of the poverty line for the benchmark family of mother and two children (see Chapter 2 discussion).

A study released in 1997 using 1992 data measured a well known result of nutrition shortfall: stunting (low height for age). According to the U.S. Public Health Service, the Surgeon General's 1990 goal of eliminating growth retardation of infants and children caused by inadequate diets was not met because significant numbers of low-income children continued to suffer retarded growth. In 1992, almost twice as many low-income children as would be expected were short for their age. ²⁰

Another indicator of nutrition need is lines at soup kitchens and charitable outlets. A survey of AFDC recipients in 1993–94 found 28.9% seeking some help from charity to feed themselves or their

children; this share amounts to 751,400 persons, of whom 511,000 are children.²¹ Food banks and private food distribution centers have reported increased demand to provide more meals to more people—a demand they often have been unable to meet.²²

D. Recent Indicators and Studies of California Child Hunger Incidence

In 1995, the average monthly rent of a TANF family was \$346 per month. ²³ In 1996 it rose to \$354 and by March 1998 it stood at \$369. ²⁴ Average rents are now well above \$450 in the 17 Region 1 urban TANF counties where most recipients live. Median rents in California's urban centers now exceed \$600 per month. Most have utility bills from \$155 to \$180 per month. ²⁵ The 1996 survey cited above found that during the prior twelve months, 24% of the sample had been unable to pay rent on time on three or more occasions. Only 55% made all of the previous twelve monthly payments when due. ²⁶ In 1996, 4.9% were unable to pay anything for housing, representing a population relying on shelters or other charity, homeless, or delinquent. That percentage climbed in the October 1997 to September 1998 period to 17.6%, representing 124,770 families with children. ²⁷

A survey of food stamp recipients using data from 1998 found an average net earned income of \$409 per month per household. In terms of resources, 79.6% had no savings or checking account monies whatever; of the 20.4% who did, the average amount was \$611. No vehicle was owned by 75.6% of households receiving food stamps.²⁸ As discussed in Chapter 2, these indicators of child poverty have not assuaged substantially since 1998. While the number of children receiving TANF has declined by 500,000 since that time, the majority of those children have not risen above the poverty line, and many have lost previous food stamp support. For example, the most recent study of savings indicates the average TANF family now has only \$400 in total savings rather than the \$611 found in 1998.²⁹

Apart from these indicators of extreme poverty, nine studies of hunger incidence directly since 1997 confirm high hunger levels among the state's impoverished children. All include California results or surveys:

- ♦ On October 22, 1997, the Tufts University School of Nutrition Science and Policy released its "state-level breakout" study of food insecurity, finding California to be one of the nation's ten most food-insecure states, with 14.4% of its households affected and 4.767 million persons—most of them children.³⁰
- ♦ On May 7, 1998, Physicians for Human Rights released a study of hunger among immigrant populations in three states (California, Texas, and Illinois). The study found overall moderate hunger incidence at 3.3% nationally, but at 25.2% within the target population; it found "severe hunger" at 0.8% nationally but afflicting 8.5% of the subject population.³¹ The 33.7% of immigrants experiencing moderate to severe hunger at the thirteen sites studied among the three subject states is alarming; the levels extant have not brought media attention or public consciousness, notwithstanding their breadth and implications.
- ♦ On May 27, 1998, a respected California nonprofit released its survey of randomly-selected immigrant families in Los Angeles (403 families were surveyed in November 1997 and 376 were surveyed in March 1998). The survey found "severe hunger" in 40% of the households where at least one member had lost food stamps. By March, the number had risen to 50%. That rate translates to 69,000 children across the legal immigrant population affected by food stamp cuts. The study calculated that families losing stamps were 30% more likely to suffer extreme hunger. A January 1998 survey of 241 San Francisco households included random samples of those with children and those without, and had similar results.³² There, 33% of children living in immigrant households with food stamp cuts were experiencing moderate to severe hunger. The findings underline the obvious fallacy that cutting "the parent's share" will not harm children in the same family.
- ♦ A survey of 30 cities across the nation revealed that from 1997 to 1998, requests for emergency food assistance by families with children increased by an average of 14%. Of greater

concern, a 1999 update found that during 1999 "emergency food assistance increased (further) by 18%.³³ On average, 21% of the requests for emergency food assistance are estimated to have gone unmet during the last two years. Fifty-eight percent of the people requesting emergency food assistance in 1999 were members of families—children and their parents. Contrary to common perception, 67% of the adults asking for food in 1999 were employed at least part time. That percentage had increased substantially for previous numbers, further indicating that welfare reform is producing employment, but not protecting children or moving families out of harsh poverty. Low-paying jobs lead the list of causes of hunger identified by the city officials. Other causes cited, in order of frequency, include high housing costs, unemployment and other employment-related problems, food stamp cuts, poverty or lack of income, low benefits in public assistance programs and substance abuse.³⁴ Notwithstanding increasing need, the 1999 results report that 73% of city emergency food assistance facilities have had to decrease the number of bags of food provided and/or the number of times people can receive food.³⁵

- ◆ According to a Food Research and Action Center survey of families living below 185% of poverty (making up over one-third of California's children), hungry children suffer from two to four times as many individual health problems, such as unwanted weight loss, fatigue, headaches, irritability, inability to concentrate, and frequent colds, as low-income children whose families do not experience food shortages.³⁶
- ◆ The VanAmburg Group's 1997 study found that the current food inventories of charities cannot meet the demand of increasing hunger. Its research found that between 77,000 to 150,000 people were turned away by local charities due to resource shortfall. He also found that children who participate in school meal programs turn to emergency providers during the summer. The study also found that 54% of recipient households are headed by a single parent and 38% are children requesting food directly. Eighty percent have annual household income below \$15,500, and 35% report having to choose between rent and food.³⁷ The Group's findings precede the full impact of welfare reform safety net diminution of 1998–2000.
- ♦ In January 2000, the Center on Hunger and Poverty of Tufts University released its review of the impact of welfare reform to date on the impoverished, including California data and studies. The Center concluded that despite a strong economy, welfare reform dynamics have increased damaging undernutrition, particularly among impoverished children and immigrant families. This thesis is of special concern for California, which has disproportionately high populations of both groups.

The report's findings include the following: (1) workers with earnings below the poverty line report little job security; (2) about 15% of Americans with children were food insecure in 1995 through 1998, including 12.4 million children; (3) nearly one in three single parent households is food insecure, and one in ten is hungry; (4) families leaving welfare struggle to provide food for their children; (5) emergency food programs are reporting increasing demand of 14% to 38%; (6) children leaving the food stamp program number three times as many as those rising above the poverty line; (7) the percentage of poor children whose families received food stamps dropped from 94% in 1994 to 75% in 1998; and (8) immigrants are in particular difficulty, with over 500,000 immigrants ineligible for federal food stamps and leery of any participation in the program (even where states make assistance available.³⁸

♦ In May of 2000 the Manpower Demonstration Research Corporation released its findings from a sample of 4 cities, including Los Angeles, California. The study covered 1998-1999 data on 3,765 single mothers to measure the effect of the PRA on mothers with children. One third of the sample was working without benefits (e.g., CalWORKs placed parents), just over one-half were receiving TANF benefits, with one-third of these parents working, 11% were neither working or receiving benefits. The study found that about half of the families were food insecure and in nearly one-third of the surveyed families, children had reduced-quality diets or suffered hunger, compared to 9% of children nationally. Food insecurity was lowest among those off welfare and working, but even in this group 45% suffered from food insecurity. Food hardships varied significantly among the four surveyed sites in four states, with families in Los Angeles, California at the highest level of 66%. The study concluded: "These results are broadly consistent with evidence that working poor women experience as much material hardship

as welfare-reliant women and that employment as a supplement to welfare does not necessarily ameliorate food hardships." The study added that "food stamps by themselves do not guarantee food security...other reforms targeting nutrition assistance to low-income workers and their children may be needed..."³⁹

- ♦ A summary of the evidence available in July 2001 of the fate of former CalWORKs recipients in four counties concluded that over half the leavers surveyed were working, but that earnings are barely above the poverty line and well below self-sufficiency levels, with a median wage of from \$8.80 to \$9.26 per hour, about one-half the level necessary to pay for food and other necessities. Remarkably, less than 20% are receiving food stamp benefits, although almost all CalWORKs families qualify (given the 130% of poverty line eligibility).⁴⁰
- ♦ The Wave 2 Findings of the respected welfare reform study by the four-university consortium in April of 2002 found that CalWORKs women have moved into low-wage jobs, raising the income of those working. However, unlike some of the national studies, average income in California for those now employed remains at just over \$12,000 annually—still below the poverty line. Related measures of economic well-being show little improvement. For example, "almost one fifth of all mothers recently cut the size of meals because they didn't have enough money to buy more food—three times the rate reported by all adults nationwide." Moreover, this study focused on those women who have obtained employment. The fate of two other large groups of children has not been carefully assessed include (a) those one million children who remain dependent on TANF aid, now cut to 70% of the poverty line (including the average allotment of food stamps) as proposed for 2002–03, and (b) the approximately 400,000 children whose parents have left TANF, have not obtained employment, and most of whom are also not receiving food stamps as well. Although not receiving pubic or media attention, this "out of sight—out of mind" large group of children are likely to be dependent upon the happenstance of charity; many are likely to be in desperate straits and suffering irreparable harm.

E. California's National Standing

A national survey of hunger published in 1996 found California to rank 49th among the 50 states in alleviating hunger among children under the age of twelve; only Louisiana had a higher percentage of undernourished children. California's incidence projects to 867,600 affected children under twelve years of age.⁴² The criteria employed are relatively conservative, and include only the bottom 40% of those living under the poverty line.

In September 1997, the U.S. Department of Agriculture released its Food Security Measurement Study from April 1995, finding nationally 11.9 million households with 34.7 million persons threatened by hunger. Then in early 2000 the Department analyzed data from September 1996, April 1997, and August 1998 to rank the states according to "food insecurity" of its residents. Food insecurity is defined narrowly as: "limited or uncertain access to enough safe, nutritious food for an active and healthy life. These households have reduced quality...and may have irregular food intake. There may be a need for recourse to emergency food sources or other extraordinary coping behaviors to meet their basic food needs." The Department concluded: "Although most U.S. households are food secure, during the period 1996–1998 some 10 million households (9.7%) were food insecure... The incidence is significantly above the national average in eleven states—Arizona, Arkansas, California, Florida, Louisiana, Mississippi, New Mexico, Oklahoma, Oregon, Texas, and Washington." With a hunger incidence almost 20% above the national average, and affecting over one million children, one of the wealthiest states in the union provides for its children at a level extant in Mississippi, Arkansas, and Louisiana, and over 20% above hunger incidence in West Virginia.

The thirteen state 1999 study cited above ranked California substantially higher in its food insecurity measure than the average of the other twelve states surveyed.

II. MAJOR PROGRAMS AND BUDGETS

alifornia's major programs to prevent childhood hunger, apart from the TANF grants presented in Chapter 2, are (1) food stamps, (2) child nutrition programs (various school and child care meal subsidies), and (3) the Special Supple mental Food Program for Women, Infants, and Children (WIC). Making adequate nutrition available to children in need is the goal of these accounts. Food stamp spending, although declining sharply since the mid -1990s remains the largest child nutrition program at \$1.64 billion, with direct child nutrition (breakfast/lunch) programs and WIC now approaching it in spending levels, at \$1.4 billion and \$1 billion, respectively.

A. Participation

Table 3-B presents recent participation data for each of the major child food safety net programs. The number of food stamp recipients reached its zenith in 1995–96 at 3,157,167 Californians, and has since fallen precipitously to 1,728,051 in the current year, and 1,779,693 as projected for 2002–03 (see Table 3-C). Over two-thirds of the recipients are children. This remarkable 45% drop in six years is substantially the result of TANF roll diminution. As with medicaid cut-offs (see Chapter 4), those who leave TANF caseworker attention do not pick up attendant benefits (food stamps/medical coverage for children) for which they remain qualified. That remaining qualification includes the more than 30% who do not obtain employment but lose benefits, and approximately half of those who do obtain employment but remain below or close to the poverty line. As discussed in Chapter 2, the number of children living in poverty has not declined substantially—approximately 200,000 children. However, over 1 million have lost food stamp coverage. The Governor's May 2002 Revise proposal to cut county administration by 20% and remove 883 CalWORKs social workers exacerbates this loss since caseloads or other factors already inhibit proper safety net protection of children whose families leave TANF enrollment. In addition, as discussed below, the Davis administration would cut 976 local social workers directly administering the food stamp program as well.

PR OG RAM	CALIFORNIA PARTICIPATION							
Food Stamps	1,728,051 (Feb. 2002) (65% children)							
School Lunch	2,670,714 children participating (Feb. 2002) ◆ 491,400,211 lunches served (FY 2001) ◆ 69% of children received free lunches ◆ 9% of children paid the reduced price ◆ 22% of children paid the full price							
School Breakfast	854,339 children participating (Feb. 2002) ◆ 165,535,510 breakfasts served (FY 2001) ◆ 88% of children received free breakfasts ◆ 6% of children paid the reduced price ◆ 6% of children paid the full price							
w IC	1,259,322 participants (Feb. 2002) ◆ average monthly food cost per person: \$37.09 (FY 2001)							
Child & Adult Care Food Program	305,537 average daily attendance (FY 2001) ◆ 187,277,028 total meals served (FY 2001)							
Summer Food Service Program	184,033 participants (FY 2001) ◆ 9,279,208 meals served (FY 2001)							
The Emergency Food Assistance Prog	ram 100,000 participants (projected 2002-03)							

 $Sources: California\ Department of Social Services, California\ Department of Education, USDA Food and Nutrition Service, Food\ Research and Action Center, California\ Profile\ (http://www.frac.org/html/federal_food_programs/states/ca.html).$

TABLE 3-B. Nutrition Program Participation in California

All of the remaining numbers in Table 3-B cover only children, except for the Temporary Emergency Food Assistance Program. Despite the apparently large number of programs and substantial raw numbers of child participants, their combined effect does not assure minimal nutrition for impoverished children, and mitigate a declining portion of this critical deficiency. Moreover, the additional numbers of children lowered into "extreme poverty" (below 50% of the poverty line) as discussed in Chapter 2, in combination with the empirical findings and food stamp disenrollment, suggests that a record number of California children are suffering serious nutritional shortfall.

As noted above, the two largest programs are food stamps and direct nutritional programs, particularly school lunches. Food stamps provide less than one-half the amount necessary for child nutrition and is now being received at a substantially smaller scale. School lunches have not been cut and benefit from wide participation, but account for only 25% of the nutritious meals needed by children aged 5 to 18. WIC, covering pregnant women and children aged 0 to 5, is successful as to pregnant women and newborns, but still falls short of full participation for children over one year of age. The children most at risk as these programs interact are those aged 2 to 5—a critical period for brain development. These children have low WIC participation, and are not in school for subsidized lunches. The other programs, intended to partially fill these gaps, suffer from relatively low funding and participation, as discussed below.

B. Food Stamps

Under the Food Stamp Act of 1964, low-income households are provided with coupons which are redeemable for food at retail food stores. The federal government pays for 100% of the coupons. The program is administered on the federal level by the U.S. Department of Agriculture (USDA) and in California by the state Department of Social Services (DSS) and by county social services offices. The state pays 44% and the counties 15% of the limited "administrative costs" of the program.

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			Budge	Estimated	Proposed		t Change			
	1989-90	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	'89-'01	Proposed
General Fund	\$0	\$7,409	\$8,257	\$18,190	\$63,018	\$88,259	\$87,911	\$7,860	-	-91.6%
Federal Trust Fund	\$0	\$13,117	\$13,477	\$13,648	\$12,364	\$13,625	\$13,360	\$13,326	_	-0.3%
Reimbursements	\$0	\$0	\$0	\$0	\$153	\$0	\$0	\$0	_	-
Emerg. Food Assist. Program Fund	\$0	\$0	\$0	\$0	\$0	\$559	\$333	\$309	_	-7.2%
BenefitsFederal (Coupon Value)	\$900,870	\$2,463,610	\$2,428,740	\$1,759,431	\$1,624,368	\$1,509,146	\$1,543,348	\$1,648,563	71.3%	6.8%
Total	\$900,870	\$2,484,136	\$2,450,474	\$1,791,269	\$1,699,903	\$1,611,589	\$1,644,952	\$1,670,058	82.6%	1.5%
Adjusted Benefits	\$1,246,083	\$2,854,521	\$2,762,664	\$1,986,159	\$1,846,435	\$1,689,751	\$1,644,952	\$1,607,598	32.0%	-2.3%
Total # of Recipients	1,874,249	2,814,761	2,259,069	2,027,089	1,831,697	1,668,351	1,728,051	1,779,893	-7.8%	3.0%
Total # of Cases	666,366	1,045,260	865,312	745,994	672,198	622,602	654,562	687,290*	-1.8%	5.0%
Benefits/Person/Mo.	\$40.05	\$70.22	\$74.50	\$73.84	\$74.58	\$79.02	\$81.98	\$83.00*	104.7%	1.3%
Adjusted Benefits/ Person/Mo.	\$55.39	\$80.69	\$83.99	\$81.87	\$80.93	\$82.85	\$81.98	\$79.90*	48.0%	-2.5%
Benefits/Case/Mo.	\$112.50	\$189.08	\$194.51	\$200.64	\$203.23	\$211.76	\$209.42	\$212.03*	86.2%	1.2%
Adjusted Benefits/ Case/Mo.	\$155.61	\$217.27	\$219.29	\$222.47	\$204.11	\$222.03	\$209.42	204.10*	34.6%	-2.5%

Dollar amounts are in \$1,000s except per capita or as noted. Sources: Governor's Budgets, USDA Food and Nutrition Service Food Stamp Program Data; estimates based on USDA and CDSS documentation. Adjusted to CNI (2001–02=1.00). *Estimates. Adjustments and estimates by Children's Advocacy Institute.

TABLE 3-C. Federal Food Stamp Program

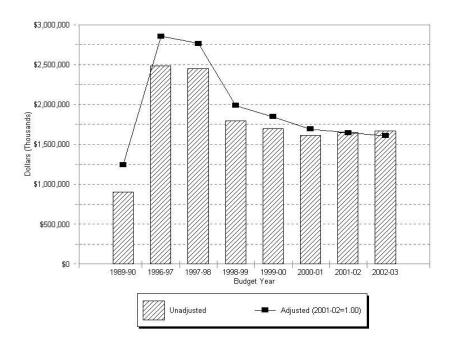


FIGURE 3-B. Food Stamp Spending, 1989–2002

Table 3-C and Figure 3-B reflect the substantial recent increase in the number of food stamps recipients to 1995, one impact of California's recession in the early 1990s on the poor. Caseloads increased by 80% from 1989 through 1994, but then leveled. After reaching 3.2 million recipients in January 1996, they declined to 2.8 million in 1997 and to 2 million by January 1999 and are estimated at 1.728 million for current 2001–02. This decline in food stamp assistance is among the steepest in the nation over this period.⁴⁷

The decline of 1.47 million recipients (including one million children) in six years can be good news if parents have found employment and lifted their children from poverty. But as discussed above and in Chapter 2, substantial numbers of families, although no longer receiving TANF or food stamps, remain in poverty and now lack safety net protection as well. Without question 750,000 or more of the children losing food stamp coverage are in substantially greater poverty and conditions of undernutrition than was the case in 1995, prior to welfare reform.

Table 3-C includes "federal benefits" in coupon value. The total and adjusted benefits row reflects overall spending, not per capita benefits received, which are displayed in the bottom four rows. The increase in adjusted benefits from 1989 is the result of caseload fluctuation since benefits remain an entitlement to those who qualify. Benefit level changes are discussed below. The top two rows reflect administrative costs, except they also include the California Food Assistance Program designed to provide state-only benefits to legal immigrants excluded from federal coupons, as discussed below. The proposed 2002–03 figure shows a reduction of \$80.1 million in general fund monies, which represents the Governor's January judgment that federal reauthorization of the Food Stamp Act of 1996 will pick up all legal immigrants. That did not happen and hence in his May Revise he increases that amount by \$92 million to fund the most recent estimate of those costs (see discussion below). Of remaining significance is the underlying administrative cost spending of the state absent CFAP monies. That sum is at \$21.1 million, the same level as in 1996, and about 15% lower as adjusted. These monies for county administration have then been cut another 20% in the May Revise, requiring the estimated dismissal of 976 local food stamp administrative personnel. These changes are not reflected in the January 2002 numbers of Table 3-C above. The first two rows separate and apart from CFAP represent critical spending because this line item could include outreach and aggressive assurance of coverage of the one million eligible children who have lost it. Moreover, the benefits thus obtained are financed almost entirely from the federal treasury, which does not have the budget deficit crisis facing the state. Hence, sums increased here could leverage significant benefits for children in need of additional nutrition. Instead, this spending has been reduced for insubstantial immediate savings.

1. Recipients

California food stamp recipients have the following statistical profile:48

◆ Age of head of household: 35.1 years

◆ Household heads under 20 years of age: 5%

◆ Age of child: 7.6 years

◆ U.S. Citizens: 89.9%

◆ Ethnicity: White—5.3%; Hispanic—30.5%; Black—25.9%; Asian—7.6%

◆ Persons/household: 2.7

◆ More than twelve years' of education: 57%

♦ With some earned income in 1993: 19.7%

♦ With some earned income in 1998: 46.3%

◆ Average earnings of those working 1998: \$643/month

◆ Average net income from all sources/all households: \$409/month

◆ Receiving TANF: 71.2%

◆ Average food stamp allotment to household: \$189/month

Consistent with the data in Chapter 2 covering the closely related TANF population, the recipient profile is not the pregnant or teen mother or recent immigrant. The profile does not have a large number of children and the average amount received per month is modest.

Food stamps are generally considered the nation's most basic safety net program, because there are no eligibility restrictions other than income, assets, and citizenship. The program includes TANF recipients by operation of law, but is somewhat more expansive. Hence, some parents leaving TANF for employment, or who are disqualified from TANF, may qualify for food stamp assistance for their children. Food stamps are available to any household with a gross income below 130% of the federal poverty line, a net income below the poverty line, and less than \$2,000 in disposable assets (higher for people over 65). In California, SSI/SSP recipients receive food stamps benefits in cash in lieu of coupons. Benefits have never been claimable by undocumented immigrants for themselves.

Categorical food stamps are well targeted to people below 130% of the federal poverty threshold; over half the benefits go to families with incomes less than half of the poverty level. Families with children receive over 80% of food stamp benefits. Of the families receiving food stamps, 46.6% of the children in these families are under six years of age—during active brain development—and 71% are under eleven years of age. Studies indicate that the Food Stamp Program has historically increased the nutritional intake of impoverished children by 20–40%.

Studies in the middle 1990s estimated that 60% of persons legitimately needing and qualifying for food stamps receive them. ⁵² The percentage now is substantially below 40%. Many thousands of persons who could qualify for food assistance—most of them children—remain unserved. A Central Valley hunger study indicated that while 98% of the poor know about food stamps, about half of those eligible don't know that they qualify, are embarrassed to seek assistance, or are intimidated by the paperwork required. ⁵³ Even among the California households still receiving TANF and who obviously need this assistance for their children, 20% do not get it. ⁵⁴ As Figure 3-B indicates, total benefits, adjusted for caseload and inflation changes, rose until 1995–96, but have remained flat since then. The rise in California's food stamp demand has been driven by increasing poverty, unemployment, and the substantial cuts in TANF benefits since 1989. In that regard, simply counting the number of children living in poverty misses part of the problem: the greater *degree* of poverty for those subject to TANF cuts. The combination of TANF and food stamps—the basic safety net for children—has declined from 89% of the poverty line for a family of three in 1989, to 74% in 20001-02 and is estimated at a record low for the state of 70% of the line for 2002–03 (see discussion in Chapter 2).

2. Recent Benefit Levels

The basis for food stamps benefits, USDA's Thrifty Food Plan, has been judged to be inadequate to meet nutritional needs, and to significantly underestimate the actual costs of purchasing the necessary component foods. Consistent with the Tufts University study cited above, USDA studies indicate that among low-income families whose total spending for food equaled the value of food stamps, only 12% obtained the minimum recommended daily allowances (RDAs) of basic nutrients. For those spending between 1.5 and two times that amount for food, 66% obtained the RDAs, as did 92% of those spending three times the food stamps levels for food. For food, 66% obtained the RDAs, as did 92% of those spending three times the food stamps levels for food.

California magnifies the inadequacy because of its higher housing and other costs of living, leaving less money under the national poverty line available for food. Historically, food stamps have not covered the nutritional needs of children.

As noted above, food stamp benefits are based on income, and so increase at least somewhat as TANF benefits decline. However, these increases only amount to \$3 for every \$10 in TANF reduction. As indicated by Table 3-C, adjusted food stamp value peaked at \$83.99 in 1997–98, partly reflecting average increases historically keyed to TANF decreases from 1989. In the 1997–98 year, both TANF and food stamps were cut simultaneously for the first time. The PRA both cut off groups of children from food stamp eligibility, and reduced benefits for those still eligible (see discussion below). The small (4.9% real spending restoration) increase in TANF benefits effective in 1998–99 actually reduced food stamp benefits (by the same 30% ratio to TANF change noted above). Finally, there is no food stamp upward adjustment allowed by law where lower TANF benefits are the result of sanctions or the termination of lifetime TANF benefits at the 60 month mark. Hence, for the increasing number of families suffering the one-half to one-third cut in benefits (the "parents' share cut") food stamp coupons do not increase by 30% but remain, requiring the full reduction to be absorbed by a population receiving total safety net assistance well under available rent levels where most of the affected children live.

The average food stamp amounts in Table 3-C do not reflect the total changes in benefits year to year because they do not include the cessation of all assistance by the one million children no longer receiving food stamp help since 1995–96. Among those still receiving help, the adjusted per capita assistance received has fallen from \$83.99/month per person to \$81.98 in the current year and is scheduled for a further cut as adjusted to \$79.90 for 2002–03.

USDA estimates for January 2000 that a nutritionally adequate diet under a "low-cost plan" costs an average of \$139.50 per month for a woman adult from 20 to 50 years of age, and \$159.50 for a man of the same age. The cost of a child varies from \$83.60 per month up to two years of age, increasing to \$159.50 for a child 15 to 19 years of age. ⁵⁷ Using the profile of the average food stamp family above as a guide, the benchmark family of a mother and two children 7 to 8 years of age would require \$402.50 per month for the low cost plan. ⁵⁸ The average food stamp benefits paid are less than one half these

levels. Hence, if rent and utilities consume the cash from TANF assistance and/or earnings, the food stamp allotment will not meet nutritional needs, even where all food is prepared at home on a low cost basis. As discussed above and in Chapter 2, TANF reductions and rent increases, even given important increases in earned income for some, do not provide excess cash beyond shelter and clothes to supplement food stamp assistance.

3. Personal Responsibility Act Related Changes

California's child nutrition programs have the largest federal percentage contribution of all child accounts. The U.S. government provides virtually all of the funding for nutrition benefits. This is true even for the WIC program, because the difference between WIC's federal funds and total funds derive from a negotiated manufacturer's rebate on formula, rather than by any additional state funds. The state does provides some supplemental funds to sites participating in federal meals programs and underwrites administration of the programs. Otherwise, the state's primary function for these programs is to facilitate the delivery of needed food and to finance outreach to make sure those who are eligible have practical access to this safety net protection for their children.

California's dependence on federal funding for nutrition programs makes them particularly susceptible to Washington's budget decisions. The PRA retains the nutrition funding's current structure as an uncapped, individual entitlement, but benefits are now being denied to most legal immigrants and their non-citizen children. The Act also lowers food stamp benefits appreciably to all families—as TANF grants are being cut down and cut off.

As discussed above, one result of the PRA has been the premature disenrollment of those leaving TANF from food stamp help for their children. Large numbers of the working poor are eligible for some (albeit reduced) nutritional help. For example, a typical parent with two children leaving TANF and working 34 hours a week at \$6.50 per hour remains eligible for \$150 per month or \$1,800 per year in food stamp help to assure proper nutrition for her children. However, TANF caseworkers do not consistently inform such parents of available help. Other parents long off of welfare share a similar ignorance. Over one-half of California's children below the poverty line (2.6 million) receive no food stamp help (1.44 million). Because some benefits can be paid over the poverty line, over two-thirds of the children eligible for some food stamp aid do not receive it. California has done little to get it for them.

a. Cut-Offs to Legal Immigrants

As Chapter 2 discusses, food stamp cut-offs were initially mandated for most legal immigrants. However, a substitute food stamps program to reach a portion of those cut off by the PRA, ⁶¹ the California Food Assistance Program (CFAP), was put in place on September 1, 1997, when federal law was set to deny food stamps to most lawful immigrants.

Of special concern is the group arriving post-1996, whose children are barred from most safety net protection. The ban did not include refugees and asylees (making up about 16% of legal immigrants). 62 Although citizenship makes these refugee families eligible, there is a five-year mandatory waiting period applicable to immigrants during which food stamp assistance is categorically barred for adults and children. 63

All of this post-1996 group—which includes 170,000–230,000 persons arriving in California annually from other nations by permission—will also suffer categorical ineligibility for TANF. Some will suffer illness, layoff, or misfortune. Assuming the same incidence of claims now extant for current legal immigrants, over 80,000 in need—most of them children—will be denied it from federal sources, a number which will grow substantially as numbers of immigrants arriving after 1996 accumulate. ⁶⁴ This group will not qualify for SSI for disabled adults or children. They will also not qualify for TANF. These children, should misfortune strike their families, are categorically abandoned by their new nation and state for the five-year period after arrival—during which they are ineligible to become citizens.

A limited number of children of the newly arrived—those born post arrival—will be eligible as U.S. citizens at birth. However, those infants and toddlers falling in this category will be affected by the categorical denial of food stamp assistance to parents and siblings within the same family where misfortune creates a need for help. Food stamp (and TANF) benefits are based on the number of *eligible* persons in a family.

b. The California Food Assistance Program (CFAP)

The state appropriated \$35.6 million to its California Food Assistance Program (CFAP) for the tenmonth period of September 1, 1997 to June 30, 1998. As initially enacted, it covered children and the elderly arriving before August 22, 1996—who at that time were barred from federal food stamps by the PRA. The state-only food stamps did not reach parents in 1997–98. Hence, a family of two unemployed parents and a child who are in need and otherwise qualified received only \$74 of the \$222 the family would have received. The nutritional health of children is necessarily affected by the cut-off of assistance to their parents, which the state add-on program does not ameliorate. In Los Angeles County, for example, a survey revealed that 91,000 legal immigrants lost food stamps. About half of them are parents of children necessarily affected by that loss given the marginal incomes of affected families. Statewide, 241,000 legal immigrant adults lost food stamps (25% of the nation's total), with half of them in Los Angeles County.

In 1998, Congress enacted amendments to provide food stamp assistance to the same group covered by the CFAP: children and the elderly who arrived before August 22, 1996 and had been barred by the PRA. 66 Accordingly, California's statute was amended to move its coverage to the pre-1996 adults (ages 18 to 65) who were not covered by this federal restoration. This expansion of CFAP was important given the consequences to children of the denial of food stamps to their income and asset qualified parents. The state estimated that in 1998–99, the program served 40,000 persons, 36,000 of whom were children.

Effective October 1, 1999, CFAP was expanded to include legal immigrants arriving after August 22, 1996⁶⁷ who remain barred federally. The 1999–2000 budget for CFAP was set at \$73.6 million, reflecting the different population covered. As with the prior year, it remains a state general fund account, which operates as an entitlement (changing in total as determined by the number of eligible recipients).⁶⁸

In September 2000, the current expanded program was scheduled to sunset but was extended by indefinitely in 2001 by AB 429 (Aroner). The Governor's budget had to add \$21.9 million in current 2001-02 due to an increase in caseload as the economy turned down—to a total of \$94.4 million. His proposed budget in January 2002 cut the entire line item for CFAP, anticipating federal further expansion to include immigrants who arrived after 1996. However, the federal budget proposals now extant would only restore food stamps to a small number of immigrants in October of 2002, and will reach approximately 75% of excluded recipients in April of 2003, and then all legal immigrant children on October 1, 2003. Accordingly, the Governor augmented the CFAP in his May Revise 2002 by \$92.2 million, anticipating needed coverage to approximately 90,000 recipients. ⁶⁹

c. Evidence of Coverage Flight

Reducing welfare rolls is desirable only if the need for assistance, particularly for children, has been assuaged. The purpose of a public safety net is to provide a sustenance floor for children. That policy fails if those leaving welfare assistance are not climbing above that floor to no longer need it, but are falling through it and forsaking its protections to their developmental detriment. The evidence that many legal immigrant children are suffering this fate is substantial (see Chapter 2). The most recent DSS Food Stamp Characteristic Survey provides additional evidence and detail concerning one major area of child jeopardy from the failure of needed assistance. The percentage of non-citizen households receiving food stamps in 1993 was 19.8%; by 1998 that figure had dropped to 12.1%, declining from 127,000 households to 77,000. The children in the households removed from food stamp coverage in

this category number 94,595. Further analysis of the data reveals that the largest immigrant subpopulation leaving the rolls are the children of refugees, 63,693 of whom left assistance from 1993 to 1998.⁷⁰ This finding is ironic given the media attention paid in 2001 to a single child refugee from Cuba.

d. Reductions to All Families

Historically, the food stamp voucher has been viewed as a last resort protection for the impoverished. As noted above, as TANF grants declined in amount, food stamp grants increased—not enough to offset the cash reduction, but mitigating by 20–30% the loss of TANF money usually needed for rent. However, under the TANF formula, recipients as of 1998 began with both a lower TANF grant and a reduced food stamp benefit rate.

The PRA continues the food stamp "entitlement," but reduces the value, with annual further reductions from inflation. Tongress has cut \$23 billion from food stamp benefits over six years—not including the reductions discussed above applicable to legal immigrants. Nearly one-half of the federal balanced budget "savings" anticipated through welfare reform is attributed to these cut-downs.

e. Work Requirements

Traditionally, food stamp recipients have been required to "register for work." The PRA allows states to require recipients with children over the age of one to work in order to receive benefits. It retains funding for food stamp employment and training (included in the EDD and GAIN accounts presented in Chapter 2 above). However, as discussed in Chapter 2, the amounts will not fund training for all those required to be employed under federal "work participation" standards—a standard proposed for increase to 70% of all recipients in the now pending administration TANF reauthorization proposal for 2003.

Quite apart from TANF, California is expected to disqualify persons from food stamps who refuse to work or voluntarily quit "without cause." The state currently has the most extensive food stamp "workfare" program in the nation, with over 100,000 adults working in order to receive food stamp benefits. If expanded, the PRA provision authorizing work requirements for able-bodied adults without children within 90 days would affect children indirectly by adding substantially to the pool of persons competing for a limited number of jobs, and by potentially burdening counties to provide yet more workfare as over 200,000 TANF parents are similarly obligated to find jobs or receive county-arranged public employment (see Chapter 2's discussion of problems facing children and counties as community service and public employment requirements apply to a large population during 2002–03).

The Governor's proposed 2002–03 budget includes \$46.9 million to support "job search, workfare, education, and training activities" for food stamp recipients not enrolled in CalWORKs, an increase of \$1.4 million from current 2001–02 levels. However, these levels are likely to be grouped within larger sums under the new coordinated labor agency proposed by the Governor in January 2002 (see discussion in Chapter 2). Of great concern is the combination of this work requirement and its relatively small appropriation given numbers of recipients with the Governor's 20% cut in county administration, reducing food stamp case workers (administration) by 976 persons (and CalWORKs local administration by 863). These cuts occur in the context of limited county revenue authority, his coextensive reduction in existing county CalWORKs incentive payments banked by most counties as a reserve, and the now increasing unemployment rate.

Perhaps most egregious is the current food stamp requirement that applicants must work at least 20 hours per week to receive food stamps for more than three months every three years. The 20-hour minimum requirement is imposed notwithstanding job availability or work willingness. It does not apply to recipients with dependents, but its application to youth is problematical given their unemployment rate at three times the prime age adult rate (see discussion in Chapter 2).

4. California Food Stamp Error Rate Federal Penalty

In April of 2002, the federal Department of Agriculture announced its audit results of California's food stamp program, finding a large error rate in both overpayments and underpayments, with 124,520 households receiving more coupon value than the program provides, and 68,500 families under paid. The wrong amount was issued by the state in 17.4% of the cases audited. The Department assessed California a \$115.8 million "liability" for its net over payments, based on its error rate being 8.7% above the national average. The Agriculture Department publicly estimated that the state will end up required to pay a penalty of 40% of this amount, or \$46 million to Washington. The Governor included only \$11.6 million of this sum in his May Revise 2002, noting that the remainder "will be assessed to those counties" based on their error rates. It is unclear how this additional penalty, combined with the 20% overall cut in county administration discussed above, will improve error rates.

5. Monthly to Quarterly Reporting/Electronic Benefits Transfer/Access Enhancement

The May Revise 2002 adopts a change from monthly recipient reporting to quarterly reporting—for both CalWORKs qualification, and food stamps (see AB 2415 (Keeley) the "Red Tape Reduction Act for Hungry, Working Californians"). That change is consistent with the policy in 42 other states and could save some administrative costs and barriers—of some importance given the administrative cuts and penalties to be imposed in 2002–03. Indeed, the requirement of monthly reports and the massive paperwork record thereby produced is one of the factors leading to California's disproportionate error rate, and resulting penalty, discussed above.

The state has also accelerated its Electronics Benefit Transfer program, increasing from \$18.6 million currently to \$56.8 million for 2002–03 the federally mandated system to allow food stamp redemption electronically. A plastic benefits card will replace the paper vouchers currently in use, to be used as a debit card at grocery stores. Child advocates argue that such electronic capacity should be generalized to include all available benefits, with basic family information relevant to qualification updated quarterly, and a swipe of the card informing a parent of all benefits available for her children based on her income, number and age of children, and other factors. The same card could then function as a payment vehicle, as the EBT system in implementing for food stamps standing alone.

Another and related access enhancement is marginal in amount, but important in subject matter. The U.S. Department of Agriculture announced in 2001 a grant program of \$5 million (nationally) for grants to non-profits of from \$100,000 to \$350,000 each to facilitate food stamp access. Projects may extend for up to 24 months.

6. Vehicle Asset and Other Limitations of Food Stamps

One of the barriers to food stamp coverage has been the vehicle resource rules applicable to both food stamps and CalWORKs. As noted in Chapter 2, the current value of a motor vehicle owned by a recipient cannot exceed \$4,650, a number which has not been adjusted to increases in vehicle costs over the past decade. In 2001 AB 144 (Cedillo) was introduced to raise the limit to a \$15,000 market value "where the applicant is working" or is required to engage in work related activity. The measure passed the legislature, but was vetoed by the Governor.

Also vetoed was a bill to create some limited exceptions to a current lifetime ban on Food Stamps (and CalWORKs) for persons convicted of felonies involving use or possession (not sale) of a controlled substance (AB 767, Goldberg).

7. Federal Food Stamp Reauthorization for 2003

Of greatest import is the Food Stamp Act of 1996 Reauthorization, enacted through the Nutrition Title of the 2002 Farm Bill.⁷⁴ The legislation does not add new restrictions to food stamp receipt, and as discussed above, includes full federal food stamp funding for children of all lawful immigrants after October 1, 2003. Other changes helpful to impoverished children include: (1) indexing of the standard

deduction to inflation; (2) a five month transitional benefit for people leaving TANF coverage (an important change given the immediate fall-off from coverage with TANF disenrollment noted above); (3) a marginal increase in resource (savings) limits from \$2,000 to \$3,000 per household where one member is disabled, and the right to exclude "uncommon" income sources where a state also excludes it from income for medicaid or TANF qualification; (4) state permission to move to semi-annual reporting for food stamp eligibility (as noted above, California has just moved from monthly to quarterly).

However, advocates for children and the poor lost most of the changes they sought for the protection of impoverished children, including: (1) an increase in benefit levels to the "low-cost" food plan which more realistically calculates food costs (rather than the "thrifty food plan" of USDA); (2) indexing of benefit levels to inflation; (3) exclusion of one car per household (particularly important for California); (4) mitigation harsh time limits for unemployed workers by allowing at least 6 months of food stamps while looking for work and continuing benefits so long as work is sought and not unreasonably refused, particularly for youth under 25 years of age given extraordinary youth unemployment rates; (5) allowance of some exceptions to the lifetime ban on safety net help for persons convicted of drug possession felonies where a clean start has been made (enacted in 28 states); (6) increase of the minimum benefit by \$25, its indexing to inflation, and adjustment of the shelter allowance cap by the urban area median rent, (7) exclusion of reasonable retirement and educational savings from asset limitations; (8) substantial federal funds to stimulate and finance state streamlining of for easier access to benefits.

C. Child Meal Programs

The programs presented in Table 3-D include the National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program, Special Milk Program, Summer Food Service, and Commodities Aid program. More than 26 million children (66% of children aged 6–10) participate in the National School Lunch Program daily; for some 10-year-olds, approximately 50–60% of their total daily intake of energy, protein, cholesterol, carbohydrate, and sodium comes from school meals.⁷⁵

1. School Lunch/School Breakfast

Current federal law requires that the National School Lunch Program be available free to every child with income up to 130% of the poverty line, and that it provide children with at least one-third of their daily nutritional requirements. Studies indicate that the noon meal is important to children's health. In addition, smaller programs provide summer food service to children, school breakfasts, and a child care food program. Children from families below 130% of the poverty line are subsidized with a free meal; children from families below 185% of the poverty line receive a reduced-price meal; and those above 185% of the poverty line pay full price.

The programs are administered nationally by USDA, and in California by the state Department of Education's Child Nutrition and Food Distribution Division and by participating local school districts and nonprofit sponsors. The lunch program started in 1946, after the Army found high levels of nutritional problems in its recruit pool. Beginning in the 1960s, the scope was expanded to include breakfasts, summer lunches, and child care meals.

Table 3-D shows the trends in spending for these programs to provide school and child care meals for needy children. The federal meal programs remain as entitlements; all meal providers that have applied and are qualified may be reimbursed for meals provided to eligible children. In addition to the federal funding, which underwrites over 90% of the meal benefits, California also provides a state supplement targeted for meal programs for the neediest children. This state money adds about 11.5 cents per meal for local providers serving free meals to the lowest-income children and is proposed in January 2002 for an increase to 13 cents for the proposed budget year. The state portion of this account is included in the budget of the Department of Education.

	Budget Year							Proposed	Percent	Change
	1994-95	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	'94-'01	Proposed
General Fund	\$64,700	\$68,952	\$72,212	\$72,699	\$63,011	\$65,769	\$70,963	\$72,489	9.7%	2.2%
Federal Trust										
Fund	\$878,424	\$987,460	\$1,182,766	\$1,215,106	\$1,290,106	\$1,333,256	\$1,379,256	\$1,409,456	57.0%	2.2%
Total	\$943,123	\$1,056,412	\$1,254,978	\$1,287,805	\$1,353,117	\$1,399,025	\$1,450,219	\$1,481,945	53.8%	2.2%
Adjusted Total	\$1,172,960	\$1,212,339	\$1,407,693	\$1,404,495	\$1,439,903	\$1,438,182	\$1,450,219	\$1,434,447	23.6%	-1.1%

Dollar amounts are in \$1,000s. Sources: Governor's Budgets.

Adjusted to age 0–19 population and deflator (2001–02=1.00). Adjustments by Children's Advocacy Institute.

TABLE 3-D. Child Nutrition

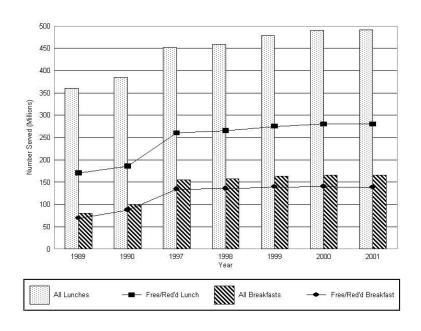


FIGURE 3-C. Total School Meals Served, 1989-2001

The subsidized school lunch program is an important source of nutrition for millions of Americans. In February 2002, 27.8 million children nationally (2.7 million in California) received free or subsidized lunches. Of all children eating lunch at public schools in February 2002, 57.1% received free or subsidized lunches; of all children eating breakfast at public school, 82.7% received free or subsidized breakfasts. Those figures are slightly higher in California, with an estimated 75.5% of students eating lunch at school receiving such meals free or at reduced prices, and 91.1% of students eating breakfast at school receiving such meals free or at reduced prices. Participation by school districts and schools within California is substantial, with 923 school districts and 9,344 schools offering free or lower cost lunches. California participants pay an average of \$1.57 for school lunches and \$0.85 for school breakfasts.

While getting one meal on about half the days of the year is important, it is not enough to ensure adequate nutrition. Among TANF children, only an estimated 60% are of school age and able to take advantage of school lunch assistance. The other programs are designed to help fill the gaps left by the school lunch program; while useful, they have been utilized by many fewer sites, and served far fewer daily meals, than the lunch program. Figure 3-C compares the lunch and breakfast programs in terms of number of total and reduced-price meals served. The number of students receiving school breakfast assistance has increased by more than 82% since 1990, and breakfasts are now offered by 76% of all California schools. However, the state ranks 31st in the nation in its percentage of schools that offer breakfast. AB 2395 (Goldberg), the Feeding Hungry Minds in Low Performing Schools Initiative now pending in the Legislature would bring the school breakfast program to the 70 lowest performing schools in the state lacking it. Its passage is problematical given the projected deficit and current categorical rejection of new revenues.

The underutilization of the breakfast programs might be addressable through outreach and start-up

spending to stimulate school participation. The PRA eliminated all federal outreach and start-up spending for school breakfast accounts. In 1999, an attempt by child advocates to include a modest \$2.9 million for outreach to stimulate breakfast enrollment for children in need was vetoed by Governor Davis, whose veto message termed the program "too expensive." The measure would have facilitated sign-ups by the 2,500 schools who still fail to offer these meals, and brought California closer to the national average of schools offering this important meal for impoverished school children..

SB 19 (Escutia, Speier), The "Pupil Nutrition, Health and Achievement Act", was signed by the Governor in October of 2001 and includes an array of measures for child nutrition. It addresses a growing threat to child health—the disturbing trend toward obesity among youth, partly driven by food offerings from the commercial sector and unmitigated by schools meals or adult influence. The law requires local school districts to create nutrition and education committees to develop local policies for child health. The Act's guidelines are intended to increase the supply of fresh fruit and vegetables, integrate nutrition into the curriculum, and develop business relationships to stimulate healthier food habits. The law also increases the state's share of school lunch reimbursements by 23 cents for free or reduced price meals, and 10 cents for fully paid meals. It also authorizes pilot projects in 10 middle and 10 high schools which would ban sodas and high-fat, high-sugar foods during school hours. Participating schools would receive higher meal reimbursement rates.

However, while the Governor signed the bill with a flourish, he also cut all of its associated funding (\$5 million) and has not included it in his 2002–03 proposed budget. As an "unfunded mandate" to school districts, it will be ignored at least until 2003–04 when funding could theoretically revive it.

The new budget does increase the state school lunch contribution by 1.5 cents (to 13 cents) per meal in proposed 2002-03. The major school lunch quality augmentation comes from federal monies: \$4 million to implement a small part of SB 19—a three year pilot program to "examine the nutritional value of meals" served in California schools.

2. Summer Program

The summer program is considered a nutritional bridge during vacations, when school lunches and breakfasts are not available to many children who depend on them. The damage from malnourishment over a three-month period can be irreparable. However, the program is available to only a small fraction of the California children who could use it. Many counties and school districts do not have any summer food programs.

The PRA cut summer food operating cost reimbursements substantially: Lunch reimbursements were cut from \$2.16 to \$1.97 in 1997; and were set at \$2.13 for calendar year 1999, but are generally not matching inflation. Breakfast and snack reimbursements were reduced as well.⁸⁵ As with school breakfast programs, the PRA also eliminated "start-up" funding to facilitate adding sites and additional hungry children.

California's participation rate is higher than many states, with 30% of her school lunch recipients participating in either summer food service or summer school programs. The program is in a flat holding pattern, with minimal change from 1999 to 2002.

California has committed only token funding (\$1 million) in 2001–02 for expansion and start up funding for summer food programs.⁸⁶ The proposed 2002–03 budget maintains this funding at that minimal level.

3. Child Care Food Program

The child care food program serves about a quarter of a million children daily at some 31,520 sites (305,000 including adults served). The program could reach millions of children under the age of five, but only a small proportion of children under age 13 attend participating day care centers, family day

care, or after-school programs.

The PRA does not change the entitlement status of the child care food program, but it restructures benefits into two tiers for family day care homes, with reductions totaling \$340 million over five years. The cuts will reduce incentives to offer meals and lead to fewer family day care offerings. And, in a provision which took effect on August 22, 1996, the new standards eliminate the subsidized option of serving a second meal or snack to children who are in child care centers for more than eight hours—a significant change given the hours of work requirement and the number of children in care for ten to twelve hours. The reductions here are particularly regrettable given the gap in other programs for children from 2 to 5 years old—many of whom can be reached only through this program.

4. Commodities Aid Program (Food Banks, Emergency Help)

The PRA combined the Temporary Emergency Food Assistance Program (TEFAP) and Soup Kitchen/Food Bank commodity programs. This program provides direct food supplies to 2,300 local food banks and soup kitchens in California—a last resort source of nutrition for children. The recent Manpower Demonstration Research Corporation findings for the Los Angeles sample discussed above emphasized the increasing reliance of California parents on this source of nutrition as a last ditch alternative as child hunger grows with nutrition safety net contraction—particularly food stamps. 89

A single lead state agency has been allocated \$100 million in federal TANF funds per year through 2002. USDA had provided TEFAP with another \$80 million per year, but the federal budget for 1999–2000 increased this spending to \$145 million. The California share was \$22.4 million from the latter fund for 1997, increasing to approximately \$35 million in 1999–2000 and the current year, for up to \$135 million potentially available from federal funds.

The 2002–03 budget proposes only \$70 million in total funding for food supplies to the state's local food banks and soup kitchens. ⁹⁰ Spending for this purpose is supplemented at a token level by the Emergency Food Assistance Program Fund which is included in Table 3-C. That Fund is a voluntary check-off item in state income tax forms authorized by new legislation in 1998. ⁹¹ In 2000–01 the Fund added \$559,000 and is projected to yield \$309,000 in the proposed year. Advocates for the poor contend that these levels suggest the problems in relying on "point of light" donations—even where organized by the state—to assure safety net nutrition for the impoverished.

5. Outreach/Start-Up Spending Inadequacy

The major nutrition programs involve use of federal funds. As discussed above, the state's burden is part of administration. Hence, state monies expended for outreach and start up costs returns many times its expenditure, and for an account with substantial long range benefits given nutritional shortfall levels and their implications. As the accounts discussed above indicate, state investment for these purposes remains marginal and will suffer indirectly from the larger local cuts discussed above and in Chapters 2 and 7 (county administration reductions, and education cuts affecting the Department of Education nutrition programs, and county offices of education funding).

6. 1998 Federal Legislation Changes

The 1998 reauthorization legislation for child nutrition programs opens up the possibility of some future coverage expansion in two areas. First, the Child and Adult Care Food Program in After Schools programs allows schools or private non-profits to offer meals after school hours to children from 12 to 18 years of age for the first time. The authority is limited to low income areas⁹² and will consist of snacks rather than dinner. Paperwork is also streamlined for private non-profits providing after school snacks. Second, a wider range of private non-profits are eligible to provide summer meals. Thus far, California has made relatively little use of these new opportunities.

7. Undocumented Immigrant Children

Although states must maintain the school lunch and breakfast programs described above for undocumented or unqualified aliens, they have the option to cut those children entirely from summer food, child care food, Temporary Emergency Food Assistance, and WIC. Former Governor Wilson, perhaps due to the federal funding of these programs, did not cut these children from food assistance. Proposition 187 would have compelled removal of the children of undocumented aliens from public school, depriving them of the situs for the nutrition assistance they receive. An estimated 100,000 of this estimated 335,000 student population currently qualify for school lunch and breakfast aid. Although Proposition 187 was enjoined by a federal district court and the case settled on terms favorable to immigrant children by the Davis administration, its shadow affects the children of undocumented immigrants, even where those children are U.S. citizens themselves. The "public charge" definition discussed in Chapter 2 makes it clear that non-cash subsidies are categorically not a "public charge" imposition which could bar citizenship or otherwise prejudice the undocumented. However, administrations change, and the undocumented immigrant population is understandably fearful of any visibility or government contact given their unlawful status.

D. WIC

The Special Supplemental Food Program for Women, Infants, and Children (WIC) provides vouchers for nutritious foods, assessment, counseling, and health care referrals for low-income pregnant, breastfeeding, and post-partum women, their infants, and children under the age of five, based on income level below 185% of FPL and their having been assessed as being at nutritional risk.

WIC is widely regarded as one of the most successful federal benefit programs in terms of benefits conferred and costs saved. A USDA study concluded that for every WIC dollar spent on prenatal care, between \$1.92 and \$4.21 is saved in later Medicaid expenses during the first few months after birth. A U.S. General Accounting Office study concluded that the \$296 million spent by the federal government during 1990 on WIC prenatal assistance will save more than \$1 billion in health-related costs over an eighteen-year period. Savings to states are estimated at 31% of that total. He WIC program has been evaluated as successful in preventing poor birth outcomes (such as infant mortality and low birthweight), and facilitating earlier use of prenatal care and healthier pregnancies, births, and infants.

Table 3-E presents the 1989–90 to present year and proposed budget figures for WIC. Note that the account has two components—the federal appropriation to the state, plus a "reimbursement" negotiated by the state with the contractor supplying formula for the program. This reimbursement is then reinvested in the state's WIC program. About 80% of the WIC budget is spent on nutrition directly, and 20% is devoted to nutrition education, breastfeeding promotion, and administration.

	Budget Year								Proposed	Proposed Percent	
	1989-90	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	'89-'01	Proposed
General Fund	\$0	\$102	\$0	\$229	(\$51)	\$0	\$0	\$0	\$0	0.0%	0.0%
Federal Trust Fund	\$228,411	\$596,865	\$635,059	\$649,649	\$707,950	\$857,358	\$806,757	\$779,323	\$780,000*	241.2%	0.0%
Reimbursements	\$0	\$158,560	\$199,951	\$207,222	\$219,521	\$218,536	\$250,001	\$250,001	\$262,401	n/a	5.0%
Other	\$0	\$0	\$0	\$70	\$100	\$28	\$100	\$100	\$0	n/a	-100.0%
Total	\$228,411	\$755,527	\$835,010	\$857,170	\$927,520	\$1,075,922	\$1,056,858	\$1,029,424	\$1,042,401	350.7%	1.3%
Adjusted Total	\$350,123	\$859,462	\$950,778	\$965,987	\$1,032,548	\$1,172,874	\$1,112,326	\$1,029,424	\$995,689	194.0%	-3.3%

Dollar amounts are in \$1,000s. Sources: Governor's Budgets. *Estimate of the Children's Advocacy Institute. Adjusted to 0–4 population and CNI (2001–02=1.00). Adjustments by Children's Advocacy Institute.

TABLE 3-E. WIC

WIC is a categorical program, funded from an annual federal appropriation. States' shares are allocated based on a distributional formula, which until recently underfunded California relative to its population and need. California's eligible children were served at one of the lowest rates of any state. Federal funding of WIC was increased, and the state distribution formula was corrected through regulation. The resulting increase in California's allocation has expanded WIC's coverage of children, who had been the lowest priority eligibility group (behind pregnant and lactating women, and infants).

The increase in children in the program can be clearly seen in Table 3-E and Figure 3-D. The President has pledged "full funding" for WIC for four consecutive years, acknowledging that current levels will not allow about 20% of eligible women, infants and children to receive the intended nutrition. Those excluded from coverage currently are concentrated in the eligible children from 1 to 4 years of age. Full funding of all who are eligible depends on both appropriation levels, and outreach efforts undertaken.

The state supplements specified appropriations by negotiating rebates for bulk purchase of formula and food. Federal law requires states to enter into "cost containment" contracts for infant formula purchases, saving over \$1 billion nationally per year. 96 California, the first state to expand its program to include juice products, may collect \$12 million in annual rebates from this single product. 97

Related to this issue is the troublesome matter of artificially inflated milk price. California's prices are among the highest in the nation. Advocates for pregnant women cite the high prices as a major impediment to WIC expansion. Prices are commonly 25% to 75% above comparable prices in other states—notwithstanding the status of California as a major dairy producing jurisdiction. Cited causes for this dichotomy include: (1) horizontal price fixing by large chain supermarkets (where prices are often higher than in usually more expensive neighborhood stores);⁹⁸ (2) collusion at the producer level (by the dairy industry) facilitated by marketing order coordination through the California Department of Agriculture; (3) state law which imposes a slightly different formula from USDA standards applicable to every other state and impeding out-of-state (e.g., Arizona) competition;⁹⁹ and (4) a separate below-cost prohibition applicable only to milk and imposing an excessively high minimum floor.¹⁰⁰ Legislation has been introduced in 1999 to address the latter two problems, where evidence is particularly compelling; however, the dairy industry successfully defeated it.

The Congress has added a Farmer's Market Nutrition Program to WIC to provide fresh fruits and vegetables from certified farmer's markets to low-income pregnant women, infants and children participating in WIC. The program includes nutrition education unsurprisingly emphasizing the value of fresh fruits and vegetables. California failed in the current 2001–02 to allocate its required \$500,000 in funding to receive the federal match. Early surveys in other states suggest that both farmer's markets and child nutrition benefit from the program.¹⁰¹

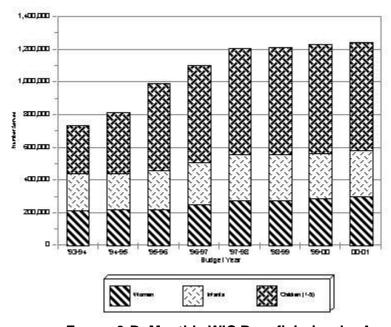


FIGURE 3-D. Monthly WIC Beneficiaries, by Age

Table 3-E and Figure 3-D detail WIC spending trends. Substantial federal funding increases have occurred each year from 1991–92 to 1999–00. WIC's enrollment during 2000–01 included 1,243,509 California participants.¹⁰²

Approximately 24% of participants are pregnant or postpartum women; 23% are infants; and 53% are young children (1–5 years of age). The majority of participants are Latino (70%), followed by White (15%); African-American (10%); Asian (1%); and 4% other. Asian (1%); and 4% other.

Unlike other states which supplement federal WIC funds with state money, California makes no contribution from state funds to its program. However, the PRA gives the state the option of barring WIC assistance to the children of undocumented and legal immigrants, which California has declined to do, as discussed above.

As with other nutrition programs, the PRA removes funds and imposes requirements which impede food for hungry children legally qualified for it in a variety of indirect ways. For example, WIC's authority to serve pregnant women in juvenile detention facilities is removed. The PRA removes required USDA outreach functions, allows services and materials to be provided in English only, and cancels the requirement that WIC inform mothers about food stamps and other nutrition programs for their children.

Funding levels peaked in 1999–2000 and leveled last year and the current 2001–02 year. The proposed year will accomplish an adjusted reduction of 3.3% to the lowest real spending level in five years. The decline in spending is a reflection of state disinvestment in outreach, promotion, and red tape streamlining. The lowest participation rate continues to be infants and young children who are not eligible for school nutrition programs. Given the retraction in food stamp coverage, the 1 to 4 year old pre-school population is particularly at risk, and state funding of outreach and streamlining (e.g., the creation and extension of Electronic Benefit Transfer credit cards for all child benefit uses—beyond the food stamp use now being implemented) could return substantial nutritional value from federal funds for the most nutritionally at-risk group of California children. That investment has not been made in the current year and is not proposed for 2002–03.

III. SUMMARY AND RECOMMENDATIONS

he adjusted spending for the nutrition child accounts from 1989 to the current year and as proposed is not the critical factor influencing the supply of needed food. As a continuing "entitlement," spending is not driven by these numbers. The numbers reflect three factors: (1) qualification rules and exclusions; (2) level of benefits afforded; and (3) outreach efforts and inducements to provide. These three factors drive benefit increases or decreases in relation to need. In all three respects, as discussed above, the trend over the last three years has been down. That reduction is substantially in excess of child poverty diminution—indicating growing nutritional shortfall for impoverished children.

A. Consequences

Longstanding research has established a strong connection between nutrition and optimum brain development. One leading source has concluded that even moderate but chronic undernutrition correlates with lower scores in cognitive function tests, and found "substantial relations between nutrition and mental development." Many scholars agree that a valuable source of data about nutrition and child development comes from a longitudinal intervention study begun in 1968 by the Institute of Nutrition of Central America and Panama (INCAP). Children and pregnant women in two villages were provided with a protein-calorie supplement. Two control group villages were provided a supplement with no protein. A wide variety of data was collected, including measures of growth, cognitive development, and home environment to isolate and measure different independent variables. Scholarly review of the INCAP data is unambiguous: Nutritional factors are highly correlated with cognitive competence, especially between ages 3 and 7. There is a remarkable relationship between nutrition and language test performance. 106

Research indicates that the harm is complex: It may depend upon the specific nutrient deficiency,

the degree of shortfall, the age of the child, other health deficiencies, and the length of time of undernutrition. Some harm is permanent—particularly where malnutrition occurs during the first five years of brain development. Recent research shows that even low levels of malnutrition for various nutrients harm children in a variety of ways; some—but not all—are irreversible. These develop-mental, growth, health, and educational effects are all preventable—and some can be wholly or partly reversed—if children are properly fed. 107

B. California Children's Budget Recommendations

Recommendation #1. The state should allocate substantial state funds for outreach and start-up of summer school, child care, and other nutrition-related programs involving substantial federal funding. *Estimated cost:* \$40 million

Such an effort would produce substantially more in federal funds for children than the state expends arranging for school start-ups and engaging in outreach to child care and school administrators, parents, and students. Further, given the TANF and immigrant cut-offs yet to take place, the nutritional programs for children take on special priority and urgency.

WIC has been a remarkable success, and its expansion among one- to four-year-old eligibles must continue, especially given the looming TANF cuts.

Recommendation #2. The state's outreach must include WIC provision to pregnant women and children to age 5; it should include the recruitment of child welfare services, legal aid, religious groups and charitable organizations to mitigate the damage to developing brains from PRA safety net cut-downs and cut-offs. Estimated cost: \$7 million

The food stamp program is set for reductions in amount and new bases for denial. Most important, it is to be denied categorically to immigrant families with 83,775 more children—and their parents—who will statistically need it, as they arrive over at least the next five years. There is a five-year wait to naturalize. Food stamps which provide minimum sustenance to a child hardly constitutes an inducement to immigrate for "freeloading" purposes. These are vouchers for food—70% spent on feeding children. The data confirm that few immigrants claim benefits during the first year after arrival, but some immigrants will—at some point during the first five years—fall upon hard times from illness, accident, or layoff. The children involved should be protected.

Recommendation #3. Families leaving TANF rolls should remain presumptively eligible for food stamps for at least one year. Those eligible for Medi-Cal should be automatically enrolled in food stamp coverage. Estimated cost: \$40 million

Local social workers are primarily organized around TANF benefits. The food stamp coverage extends beyond TANF eligibility and few CalWORKs parents entering the labor force will have income above qualification within the first year after leaving TANF. Similar presumptive coverage should be provided for Medi-Cal which is having the same benefit drop off as TANF rolls decline—although substantial evidence indicates children still qualify for and need food stamp and Medi-Cal coverage.

Recommendation #4. The 20% reduction in county administration costs should be rescinded. Estimated Cost: \$101 million.

The 976 food stamp administrators to be removed under the May Revise proposed budget for 2002–03 promises substantial delays and obstacles to nutrition safety-net provision.

Recommendation #5: The Food Stamp Electronic Benefit Transfer system (card) should

be expanded into a "child protection benefit card" to include coverage for medical care, special needs, and TANF as well as food stamps. *Estimated Cost: \$50 million*.

The benefits of electronics have been long used by the private sector to accomplish efficient market transactions. A single magnetic strip is keyed to an identity, which together with a confirming code can access a computer-based quarterly updated profile of each recipient family. That profile can include information pertaining to income, assets, number, age and special needs of children. The underlying information would be update quarterly, consistent with 2002 changes to TANF and food stamp reporting. A single swipe of the card at a state terminal could array the safety net programs to which a family's children are entitled. The card may then be used to "purchase" as eligible, with a central record preventing duplicative or fraudulent use. Such a system would facilitate access to benefits intended to provide minimal safety net protection for children. Rather than viewing that provision as an affront or assault appropriate for multiple barriers, the state properly embraces it as a high priority mission. While emphasizing the importance of (a) reproductive responsibility, and (b) the need for work and self-sufficiency, the provision of immediate shelter, food, and medical care for children is a coextensive and immediate urgency.

Chapter 3

ENDNOTES

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 Hunger and Food Insecurity in California, California Policy Seminar Brief (Berkeley, CA; April 1995) at 2
 (hereinafter "Hunger in California").
- 3. California Food Policy Advocates, *Pediatric Anemia Among Low-Income California Children: Causes, Consequences, Solutions, Executive Summary* (San Francisco, CA; Feb. 1995) at 2.
- 4. *Id.* at 6.
- Id. at 8.
- 6. Id. at 6.
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- 8. The 30% rate is applied to the California children living below the poverty line (2.61 million currently, see Table App.-C—State Poverty, in Appendix A herein).
- John T. Cook and Katie S. Martin, Tufts University School of Nutrition Science and Policy, Center on Hunger, Poverty and Nutrition Policy, Differences in Nutrient Adequacy Among Poor and Non-Poor Children Policy (Medford, MA; Mar. 1995) at 7.
- 10. Hunger in California, supra note 2, at 5.
- Id. at 6; see also Center on Budget and Policy Priorities, Discussion of Selected Food Stamp Provisions in the Personal Responsibility Act (Washington, D.C.; Apr. 7, 1995) at 1–2 (hereinafter "CBPP Food Stamps-PRA").
- 12. Hunger in California, supra note 2, at 6. For a discussion of the benefit level for food stamps, based on a Thrifty Food Plan established in 1975, see CBPP Food Stamps-PRA, supra note 11, at 1.
- See J. Larry Brown, Tufts University School of Nutrition Science and Policy, Center on Hunger, Poverty and Nutrition Policy, Upcoming Federal Hunger Prevalence Measures (memorandum to national poverty and hunger leaders) (Medford, MA; July 12, 1996) at 1-3.
- 14. Hunger in California, supra note 2, at 31-32.
- See Chapter 2 above and Appendix A below.
- 16. For a recent summary of these studies, combined with an estimate of the extent of the problem in California, see *Hunger in California, supra* note 2, at 3-4.
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- 18. *Id.* at 8.
- 19. *Id.* at 12.
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- 21. California Department of Social Services, California Work Pays Demonstration Project Survey 1993–94 (Sacramento, CA; 1997) at AFDC Chart 8 (hereinafter DSS Demonstration Project Survey 1993–94"). The survey found 3.6% receiving free food weekly, 4.4% a few times per month, and 20.9% once a month, for a total of 28.9%

- seeking help to eat over the immediately prior twelve months.
- 22. Hunger in California, supra note 2, at 13. News articles also periodically report the increasing pressures on private charity food providers. See, e.g., "The Hunger Wars," L.A. TIMES, Nov. 20-23, 1994 and "Food bank faces rise in demand," OAKLAND TRIBUNE, Apr. 1, 1996.
- 23. The average rent paid by an TANF-FG family of three was \$328 per month, and for a TANF-U family it was \$418, with the latter representing 20% of TANF households. Department of Social Services, AFDC Characteristics Survey: October 1996 (Sacramento, CA; October 1996) at 21 (hereinafter AFDC Characteristics Survey 1996").
- 24. California Department of Social Services, TANF Characteristics Survey 1998, Supplemental Report (Sacramento, CA; 2000) Table B at 3 (hereinafter "TANF Characteristics Survey 1998"). Note that March 1998 is referenced because the report covers an average over the federal fiscal year from 10–97 to 9–98 (see website at www.dss.cahwnet.gov).
- 25. In 1995, 54.5% of TANF families had a utility bill of from \$140-\$160 each month; these figures assume a conservative 12% increase over five years, matching inflation. See AFDC Characteristics Survey 1996, supra note 23, at Table 25.
- 26. DSS Demonstration Project Survey 1993–94, supra note 21, at AFDC Chart 7.
- 27. TANF Characteristics Survey 1998, supra note 24, Table B at 3.
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- 39. Food Security Institute, Center on Hunger and Poverty, Household Food Security Study Summaries, Brandeis University (July 2001) summarizing MDRC, Food Security and Hunger in Poor, Mother-Headed Families in Four U.S. Cities at 44-45.
- 40. California Budget Project, What Do We Know About Former Cal ORKs Recipients?, Welfare Reform Update (Sacramento, CA; July 2001) at 1-6.
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- 42. See Bread for the World Institute, What Governments Can Do: Seventh Annual Report on the State of World Hunger (Silver Spring, MD; October 1996) Table 6 at 115. The 11.8% incidence is applied to California's 1995 under twelve population of approximately 7.35 million; see Appendix A.
- 43. U.S. Department of Agriculture, Food Security Measurement Study (Washington, D.C.; September 15, 1997) at ES 1-6 (available at www.usda.gov/fcs/measure.htm).
- U.S. Department of Agriculture, Measuring Food Insecurity in the United States: Prevalence of Food Insecurity and Hunger by State, 1996–1998 (Washington, D.C.; 2000) News Release at 1 (www.usda.gov/events/q414.htm).
- 45. Approximately 80% to 85% of food stamp cases are TANF families, and children make up 70% of TANF family beneficiaries. In addition, an increasing number of children receive food stamps although not in the TANF group (see PRA changes to TANF discussed in Chapter 2). The two-thirds estimate understates the impact of child dependency because over 80% of beneficiaries are in families with children, and nutritional shortfall to a family generally affects its children as well as its adults. See the somewhat higher 70% over all child food stamp participation rate in *Hunger in California*, supra note 2, at 16–17.
- 46. See Table App.-C. State Poverty, listing 2.817 million in poverty at its estimated high point in 1997-98, a current year estimate of 2.606 million, and a projected increase to 2.661 million in 2002-03. These numbers are based on our estimates of poverty rate, which are approximately 2% to 3% higher than commonly published rates due to the failure of most surveys to include the often invisible immigrant child population and other factors which properly enhance its accuracy.
- 47. Only Washington and Texas had a higher percentage drop-off from November 1996 to November 1999 measured by FR AC. See Food Research and Action Center, State of the States (Washington D.C.; 2000) (www.frac.org). Since 1999 the number has declined another 200,000 (an additional 11%) to current 2001–02, see Table 3-C.
- 48. Foodstamp Household Survey 1998, supra note 28, at 4.
- 49. Center on Budget and Policy Priorities, Should Federal Food Assistance Programs Be Converted to Block Grants? (Washington, D.C.; Jan. 27, 1995) at 13 (hereinafter "CBPP Block Grants").
- 50. Hunger in the Heartland, supra note 17, at 28.
- 51. Barbara Howell and Lynette Engelhardt, Bread for the W orld, Elect to End Childhood Hunger, "Childhood Hunger Facts," (Silver Spring, MD; February 1996) at 4 (citing USDA).
- 52. California Food Policy Advocates, *California Food Stamp Facts* (San Francisco, CA; June 1994) estimates 60%; the Statewide Food Stamp Outreach Task Force estimated participation by about half of those eligible (see Hunger in California, supra note 2, at 17).
- 53. Hunger in the Heartland, supra note 17, at 27–28.
- 54. Isaac Shapiro and Robert Greenstein, Center on Budget and Policy Priorities, Holes in the Safety Net: Poverty Programs and Policies in the States (Washington, D.C.; 1988) at 3.
- 55. See *Hunger in California*, supra note 2, at 6; see also *CBPP Food Stamps-PRA*, supra note 11, at 1, which discusses ways that the Thrifty Food Plan underestimates real costs of nutritious foods.

- 56. *Id*.
- 57. USDA, Center for Nutrition Policy and Promotion, Official USDA Food Plans: Cost of Food at Home at Four Levels, U.S, Average, January 2000 (Washington, D.C.) (www.usda.gov/cnpp/foodplans/updates/foodjan00.pdf).
- 58. *Id.* Note that the low cost if a 6 to 8 year old is \$121.80 per month, and that the numbers for individuals assume purchasing for a four person family, requiring a 5% add-on for a three person family (see footnote 2 on table). Note also that these is a super "thrifty plan" below the low-cost plan, which would cost \$307.65. But note also that these costs are based on national averages, which California prices often exceed.
- 59. See Sharon Parrott and Stacy Dean, Food Stamps Can Help Low Income Working Families Put Food on the Table, Center on Budget and Policy Priorities (Washington, D.C.; March 31, 1999) at 1.
- 60. See Table 3-C. Note that 55% of the 2.6 million children below the poverty line are not receiving food stamps.
- 61. See AB 1576 (Bustamante) (Chapter 287, Statutes of 1997), which—effective August 18, 1997—added section 18930 et seg. to the California W elfare & Institutions Code.
- 62. Note that refugees and asylees have a converse limitation; they are not barred for their first five years after arrival, but are barred after the first five years.
- Marriage to a citizen can shorten the waiting period to three years. Also, veterans and those serving in the active duty military are exempt from the legal immigrant PRA bar to public assistance. Children who are born in the United States may be eligible for food stamp and TANF assistance because they are U.S. citizens at birth. However, Chapter 2 discusses the substantial withdrawal of the legal immigrant community from TANF (and food stamp) assistance because of fears that accepting such help, even where needed for their children, will cause them to be designated a likely "public charge" and preclude their citizenship in their new country. According to the federal Immigration and Naturalization Service, the definition of public charge focuses on cash assistance (e.g., TANF) and is supposed to measure future dependency on public funds, not prior use based on need not likely to recur.
- 64. The initial 13,000 estimate of legal immigrants cut-off from food stamps should the state terminate its CFAP program in September 2000. George Manalo-LeClair, California Food Policy Advocates, *Anti-Hunger Alert* (March 17, 2000) at 1. However, the \$92 million estimated for the state fill-in program (California Food Assistance Program) translates to 92,369 recipients at the average annual per person benefit level of \$996, see Table 3-C.
- 65. U.S. General Accounting Office, Welfare Reform: State and LocalResponses to Restricting Food Stamp Benefits (GAO/RCED-98-41) (Washington, D.C.; December 1997) at 10.
- 66. See Agriculture Research, Extension and Education Reform Act (PL No. 105-185). Note that the law also extends the number of years refugees and asylees can receive food stamps after arrival from five years to seven.
- 67. Chapter 147, Statutes of 1999.
- 68. The budget designated \$53 million of the expenditure as meeting the maintenance of effort (MOE) requirement for federal TANF block grants (see discussion in Chapter 2).
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- 70. For data, see Food Stamp Household Survey 1998, supra note 28, at Tables 3, 11, and accompanying 1993 comparison text. This reduction is not attributable directly to PRA changes. Although refugees are required to wait five years to qualify, most have been here well beyond the five year period, the vast majority of persons who apply for public assistance are not recent arrivals (see Chapter 2 TANF profile data above) and immigrants who are recently arrived (after 1996) are generally barred in any event. Note that numbers of children are derived from the household numbers of the two tables by multiplying households by the 2.7 persons per household, and taking 70% of such persons as the proportion of children receiving these benefits.
- 71. See Pub. L. No. 104-193 at Title VIII, §§ 806-874. The Congress imposed an immediate across the board cut in value from 103% of the USDA Thrifty Food Plan to 100%, froze deductions and allowances, and restricted the definition of a qualified "household." The reductions were not confined to child beneficiaries; childless unemployed adults aged 18–50 are limited to three months of stamps out of three years unless working twenty hours per week. Some are eligible for exemption or waiver, but much of the population unable to obtain jobs will be cut off within ninety days. The freezing of standard deductions will act to reduce benefit values year to year.

- 72. See estimate of Undersecretary Eric Bost quoted in J. Peterson and E. Larrubia, Food Stamp Errors May Cost State, S.F. CHRON., April 22, 2002, at A-4.
- 73. May Revise 2002-03, supra note 69, at 52.
- 74. For a full listing of the food stamp related provisions of the Act, see www.cfpa.net/foodstamps/Rauth/Reauthcharts.pdf.
- 75. Journal of the American Dietetic Association, Position of the American Dietetic Association; Dietary Guidance for Healthy Children Aged 2 to 11 Years (January 1999).
- 76. See Laurie True, Hunger in the Balance: The Impact of the Proposed AFDC Cuts on Childhood Hunger in California (San Francisco, CA; Mar. 1992) at 14 (hereinafter "Hunger in the Balance").
- 77. U.S. Department of Agriculture, Food and Nutrition Services, Summary of Major Food and Nutrition Service Programs (Washington, D.C.; April 25, 2002).
- 78. California Department of Education, FY 2000–01 County Profile for School Nutrition Programs (Sacramento, CA; December 2001).
- 79. *Id.*
- 80. Id.
- 81. See Hunger in the Balance, supra note 76, at 3.
- 82. See Food Research and Action Center, School Breakfast Scorecard: 2001 (Washington, D.C.; November 2001) at Table 4a (see www.cfpa.net).
- 83. Id.
- 84. Hunger in the Balance, supra note 76, at 15.
- 85. California Department of Education, Summer Food Service Program Unit, Summer Food Service Program Reimbursement Rates: January 1, 1999 through December 31, 1999 (Sacramento, CA; January 1999). Note that the 1999 reimbursement rate for breakfast is \$1.22 and for a supplement is 49 cents. In addition to operating costs, a much smaller 6 cent to 18 cent reimbursement for administrative costs to sponsors may be allowed. Note that a recent GAO Report concludes that the reimbursement reductions have not resulted in substantial reductions in sites or meals offered—with the states and non-profits apparently absorbing the decrease. However, the study cannot measure the incremental effect of the reduction in relation to greater possible increases in state outreach investment given federal fuller financing of involved costs. See General Accounting Office, Welfare Reform—Effects of Reduced Reimbursements on the Summer Food Service Program (November 1998).
- 86. For data relevant to the state's standing nationally, see Food Research and Action Center, *Hunger Doesn't Take a Vacation: Summer Nutrition Status Report* (July 2001) (www.frac.org).
- 87. In 1996, federal funding to California for Child and Adult Care Food Program (CACFP) totaled \$182 million. See http://www.frac.org/html/federal_food_programs/states/ca.html.
- 88. Current rates continue for family day care homes located in areas where at least 50% of the children are in households below 185% of the poverty level, or are operated by a provider who earns less than 185% of the poverty level. All others will receive lower reimbursements—which experts believe will be non-compensatory and lead to reductions in meals to hungry children. Note that this program serves only impoverished children; it is unclear why some should not receive subsidized food because a family day care provider has more than, e.g., \$18,000 per year in income, or based on the poverty rate of children in the immediate neighborhood.
- 89. Food Security Institute, Center on Hunger and Poverty, Household Food Security Study Summaries, Brandeis University (July 2001), summarizing MDRC, Food Security and Hunger in Poor, Mother-Headed Families in Four U.S. Cities, at 44-45.
- 90. Governor's Budget Summary 2002-03, supra note 69, at 199.

- 91. Chapter 818, Statutes of 1998.
- 92. Low income is defined as an area where the local school has 50% or more of its students certified to receive a free or subsidized lunch.
- 93. See Center on Budget and Policy Priorities and Center for the Study of the States, *The States and the Poor: How Budget Decisions Affected Low-Income People in 1992* (Washington, D.C.; 1993) at 67; see also *CBPP Block Grants*, supra note 49, at 17.
- 94. Id.
- See *Hunger in California*, *supra* note 2, at 18; *see also CBPP Block Grants*, *supra* note 49, at 16; for a discussion (and critique) of positive W IC research findings, see Douglas Besharov and Peter Germanis, *Is WIC as Good as They Say?* The Public Interest, January 1, 1999. The authors argue that more extensive and properly blind tested measurement of W IC is warranted. One such study was reported in March of 2001, see Lori Kowaleski-Jones and Greg Duncan, *The Effects of WIC on Children's Health and Development*, reported in Joint Center for Poverty Research, *Poverty Research News*, Vol. 5, No. 2 (March-April 2001) at 6-7 (www.jcpr.org). The Kowaleski-Jones/Duncan study used a national sample of children and siblings born to relatively older mothers, allowing control group comparison with siblings within the same families. The study did not find remarkable differences in motor or social skills (both difficult to measure, and here relying on maternal self-reporting), it found substantial differences in infant birth weight and negative temperament. The birth weight finding is important given its association with a number of health factors, including life-long disabilities (e.g., cerebral palsy, autism, retardation).
- 96. See Center on Budget and Policy Priorities, WIC Program Faces Caseload Reductions in Coming Months Unless Supplemental Funding is Provided (Washington, D.C.; May 3, 1997) at 5.
- 97. Robert A. Robinson, U.S. General Accounting Office, Food Assistance: Information on Selected Aspects of WIC (Washington, D.C.; March 17, 1998) at 6 (testimony before the House of Representatives' Subcommittee on Early Childhood, Youth and Families, Committee on Education and the Workforce).
- 98. This has been the contention of Consumers Union of the United States, which released a survey of milk prices indicating higher prices at major chains than in normally high cost local stores, notwithstanding economy of scale purchasing power which should yield lower prices. See Consumers Union of the United States, Milk Survey of Selected California Retailers (West Coast Office; 1998).
- 99. Note that Shamrock Dairies of Arizona has challenged the California disparate standards as violative of federal antitrust law and as an unconstitutional impediment to interstate commerce. Both challenges failed due to the purported "public health" enhancement from the California standards. However, note that neutral experts, including the respected national Center for Science in the Public Interest, contend that the additional solids required by California are insignificant as a nutritional advantage and provide somewhat more protein rather than enhanced calcium—protein of a type with little to no public health benefit. The Center contends that even marginally lower prices from enhanced competition would be a substantial benefit. The Center for Public Interest Law (CPIL) adds that the source of California's unique requirement is not public health concern, but that it emanates from the economic focus of the Department of Agriculture and the trade association. Moreover, CPIL argues that while California is free to require a certain formula to use a specified label (e.g., only milk meeting a specific formula be termed "protein fortified" and giving consumers choice between alternatives, the California law declares that sale of milk not conforming to its formula—even if meeting USDA standards and sold in the other 49 states, is a criminal offense. CPIL contends that the "contraband/criminal" approach indicates a cartel exclusion rather than a public health enhancement scheme, and that enhancing supply from clearly labeled USDA milk will enhance competition and reduce prices.
- California's Unfair Practices Act (Bus.& Profs. Code § 17000 et seq.) prohibits below cost pricing standards which are applicable to businesses generally. The statute has standards and exceptions deriving from 50 years of case law interpreting the state law, and federal counterpart provisions (the federal Clayton and Robinson Patman Acts). Hence, below cost pricing is prohibited where there is an intent to lessen competition. And there are exceptions (e.g., sale where a business is closing out, or where spoilage is the alternative). However, the milk industry has won enactment of a unique price floor which is set at a "fully distributed cost level" (must include full allocation for fixed costs), is imposed whether competitive harm is at issue or not, and avoids the exceptions and case law refinements applicable to the generic Unfair Practices Act body of law.
- 101. See discussion in California Food Policy Advocates, Action Alert (March 9, 2001) (www.cfpa.org).
- U.S. Department of Agriculture, Food and Nutrition Services, WIC Program: Total Participation (Washington, D.C.; April 2002).

- 103. California WIC Association, WIC Facts & Figures (Sacramento, CA) (available online at www.calwic.org/facts.htm).
- 104. Id
- 105. A.B. Wilson, Longitudinal Analysis of Diet, Physical Growth, Verbal Development and School Performance, in Balderston, et al. (eds.) MALNOURISHED CHILDREN OF THE RURAL POOR (Auburn House, Boston) at 40.
- 106. See, e.g., H.E. Freeman, R.E. Klein, J.W. Townsend, and A. Lechtig, *Nutritional and Cognitive Development Among Rural Guatemalan Children*, AM. J. Pub. HEALTH (1980) at 1277–85.
- 107. Information about the effects of nutrition deficits on children's development are summarized in Tufts University School of Nutrition Science and Policy, Center on Hunger, Poverty and Nutrition Policy, The Link Between Nutrition and Cognitive Development in Children (Medford, MA; 1995). See also J. Larry Brown and Ernesto Pollitt, Malnutrition, Poverty and Intellectual Development, SCIENTIFIC AMERICAN (February 1996) at 38-43.

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